



**KENTUCKY
POWER**

A unit of American Electric Power

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FEB 18 2009

**PUBLIC SERVICE
COMMISSION**

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

Jeff R. Derouen, Executive Director
Public Service Commission
Attn: Daryl Newby
P. O. Box 615
Frankfort, KY 40602

J
19 February 2009
DN

Gentlemen:

RECEIVED
FEB 19 2009
FINANCIAL ANA

Attached are Kentucky Power Company's fuel adjustment clause schedules with supporting sales and fuel cost schedules. These calculations are based on an estimated January 2009 fuel costs with an adjustment reflecting actual December 2008 fuel costs.

The fuel adjustment clause factor of \$0.00414/kwh will be applied to our March 2009 billing. Pursuant to the Commission's Order dated October 3, 2002 in Case No. 2000-495B, page 5 reflects the peaking unit equivalent approach used to calculate the level of non-economy purchased power costs to flow through the fuel adjustment clause.

Pursuant to the Commission's January 8, 2009 Order in Case No. 2008-00283, the Company was granted the authority to recover the under-collection of the Net Transmission Marginal Line Losses incurred for the six month period November 2007 through April 2008. Pursuant to the January 8th Order, the Company will reflect an adjustment of \$981,697 evenly over the billing months of February through July 2009 to reflect the costs associated with Accounts 4470207 and 4470208 (please see attached Page 2 of 5, Section D).

Also attached are the system sales clause schedule with a supporting net revenue schedule calculated pursuant to the Commission's March 14, 2006 Order in Case No. 2005-00341. These calculations are based on an estimated January 2009 net revenue with an adjustment reflecting the true-up of December 2008 net revenue. Pursuant to the Settlement Agreement in Case No. 2005-00341 and the Company's System Sales Clause Tariff, net system sales revenue up to and including \$30M for the billing period April 1, 2008 through March 31, 2009 shall be based on 70/30 percent sharing basis. If and when the Company surpasses the off-system sales margin of \$30M, the customer sharing mechanism

Page 2
Messrs. Derouen and Newby
18 February 2009

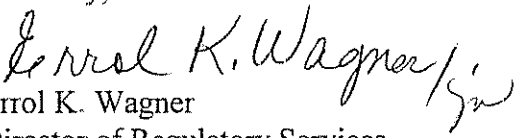
shall be on a 60/40 basis. The attached System Sales Clause Schedule, page 1 of 2, shows the net revenue level to be applied to our March 2009 billing is in the amount of \$1,559,042. As the table indicates, the YTD system sales profit total has exceeded the \$30M benchmark. Therefore, the sharing mechanism for March billing is calculated on a 60/40 basis.

The net system sales clause factor of \$0.0008602/kwh will be applied to our March 2009 billing.

All billings during March 2009 will show a combined factor of \$0.0050002/kwh.

If you have any questions, please contact me at 502/696-7010.

Sincerely,


Errol K. Wagner
Director of Regulatory Services

Attachments

KENTUCKY POWER COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Month Ended: January 2009

1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	\$0.00414
2 System Sales Clause Factor (Page 1 of 2)	(+)	<u>\$0.0008602</u>
3 Total Adjustment Clause Factors		<u><u>\$0.0050002</u></u>

Effective Date for Billing

March 2009

Submitted by:

Emel K. Wagner
(Signature)

Title:

Director of Regulatory Services

Date Submitted:

February 18, 2009

**KENTUCKY POWER COMPANY
FUEL COST SCHEDULE**

Month Ended: **January 2009**

A.	Company Generation		
	Coal Burned	(+)	\$18,623,840
	Oil Burned	(+)	92,774
	Gas Burned	(+)	0
	Fuel (jointly owned plant)	(+)	0
	Fuel (assigned cost during F O)	(+)	0
	Fuel (substitute for F O)	(-)	0
	Sub Total		18,716,614
B.	Purchases		
	Net Energy Cost - Economy Purchases	(+)	0
	Identifiable Fuel Cost - Other Purchases	(+)	11,982,996 *
	Identifiable Fuel Cost (substitute for F O)	(-)	0
	Sub Total		11,982,996
C.	Inter-System Sales Fuel Costs		7,021,231 *
	Sub Total		7,021,231
D.	Total Fuel Cost (A + B - C)		\$23,678,379
E.	Adjustment indicating the difference in actual fuel cost for the month of <u>December 2008</u> and the estimated cost originally reported	$\frac{\$19,145,545}{\text{(actual)}} - \frac{\$23,535,929}{\text{(est)}} =$	(4,390,384)
F.	Total Company Over or (Under) Recovery from Page 4, Line 12		1,437,905
G.	Grand Total Fuel Cost (D + E - F)		\$17,850,090
H.	Net Transmission Marginal Line Loss for month of January 2009 (Accounts 4470207 and 4470208)		\$685,936
I.	** Net Transmission Marginal Line Loss Adjustment		\$981,697 **
J.	ADJUSTED GRAND TOTAL FUEL COSTS (G+H)		\$19,517,723

* Estimated - based on actual Kentucky generation unit costs in
January 2009 $\frac{\$18,716,614}{628,407,000} = 0.02978$ /KWH

** Above charge is one sixth of the Net Transmission Marginal Line Loss
Adjustment associated with Accts 4470207 and 4470208 for the months November 2007
through April 2008, pursuant to PSC Order in Case Nos 2008-00283
dated January 8, 2009

KENTUCKY POWER COMPANY**SALES SCHEDULE**

Month Ended: January 2009

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	628,407,000
Purchases Including Interchange In	(+)	<u>402,384,000</u>
Sub Total		1,030,791,000
B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	235,770,000
System Losses	(+)	<u>25,881,000</u> *
Sub Total		<u>261,651,000</u>
Total Sales (A - B)		<u><u>769,140,000</u></u>

* Does not include 544,536 KWH of company usage

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: January 2009

Line No			
1	FAC Rate Billed	(+)	0 01192
2	Retail KWH Billed at Above Rate	(x)	<u>748,138,982</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>8,917,817</u>
4	KWH Used to Determine Last FAC Rate Billed	(+)	637,522,000
5	Non-Jurisdictional KWH Included in L4	(-)	<u>8,286,100</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>629,235,900</u>
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		7,500,492
8	Over or (Under) Recovery (L3 - L7)		1,417,325
9	Total Sales (Page 3)	(+)	769,140,000
10	Kentucky Jurisdictional Sales	(/)	<u>758,128,700</u>
11	Ratio of Total Sales to KY Jurisdictional Sales (L9 / L10)		1 01452
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>1,437,905</u></u>

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: December 2008

A. Company Generation			
Coal Burned	(+)	\$21,309,126	
Oil Burned	(+)	307,058	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)			
(0 KWH X \$0 000000)	(+)	0	
Fuel (substitute for F. O.)	(-)	<u>0</u>	
Sub-total		<u>21,616,184</u>	
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	5,128,184	(1)
Identifiable Fuel Cost (substitute for F. O.)			
(0 KWH X \$0 000000)	(-)	<u>0</u>	
Sub-total		<u>5,128,184</u>	
C. Inter-System Sales Fuel Costs		<u>7,598,823</u>	(1)
D. Sub-Total Fuel Cost (A+ B - C)		\$19,145,545	
E. Net Transmission Marginal Line Loss December 2008		<u>557,766</u>	
F. GRAND TOTAL FUEL COSTS (D + E)		<u><u>\$19,703,311</u></u>	

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

**KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE SCHEDULE
Case No. 9061 and**

* REVISED 3/19/2009 *
CHART ONLY

**Stipulation and Settlement Agreement in Case No. 2005-00341
January 2009**

Line No.	Month Ended:			YTD System Sales Profit
1	Current Month (Tm) Net Revenue Level @ 70%	(+)	n/a	Feb-08 4,273,413
2	Current Month (Tm) Net Revenue Level @ 60%	(+)	1,559,042	Mar-08 3,075,288
3	Current Month (Tm) Net Revenue Level (Ln 1 + Ln 2)		<u>1,559,042</u>	Apr-08 3,283,321
4	Base Month (Tb) Tariff 19-2 Net Revenue Level	(-)	<u>2,661,693</u>	May-08 3,636,818
5	Increase/(Decrease) of System Sales Net Revenue (Ln 3 - Ln 4)		(1,102,651)	Jun-08 5,385,019
6	Customer 70% Sharing ^{1/}	(x)	n/a	Jul-08 7,763,492
7	Customer 60% Sharing ^{1/}	(x)	<u>60%</u>	Aug-08 6,557,531
8	Customer Share of Increase/(Decrease) in System Sales Net Revenue		(661,591)	Sep-08 3,697,501
9	Current Month (Sm) Sales Level (Page 3 of 5)	(/)	<u>769,140,000</u>	Oct-08 1,602,812
				Nov-08 563,591
				Dec-08 369,904
				Jan-09 1,559,042
				Total 41,767,732 ^{1/}
10	System Sales Clause Factor - \$/Kwh (Ln 8 / Ln 9)		<u>0.0008602</u> *	

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

Effective Date for Billing:

March 2009

Submitted by:


(Signature)

Title:

Director of Regulatory Services

Date Submitted:

February 18, 2009

^{1/}Up to and including \$30M for any period beginning April 1 through March 31 of the following year sharing will be at 70%. After \$30M for any period beginning April 1 through March 31 of the following year sharing will be at 60%.

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE NET REVENUE

Line No.		Month Ended: January 2009		TOTAL
		CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	
1	Sales For Resale Revenues	\$6,947,141	\$18,852	\$6,965,993
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	6,947,141	18,852	6,965,993
4	Sales For Resale Expenses	\$5,169,650	\$100,302	\$5,269,952
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	136,999	0	136,999
7	Total System Sales Expenses	5,306,649	100,302	5,406,951
8	Total System Sales Net Revenues	<u>\$1,640,492</u>	<u>(\$81,450)</u>	<u>\$1,559,042</u>

*Source:

ES Form 1 0, Line 3

ES Form 3 3, Line 4

Non-Associated Environmental Costs



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Jeff R. Derouen, Executive Director
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Attn: Daryl Newby
P. O. Box 615
Frankfort, KY 40602

20 March 2009

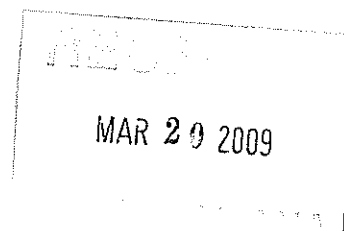
Gentlemen:

Attached are Kentucky Power Company's fuel adjustment clause schedules with supporting sales and fuel cost schedules. These calculations are based on an estimated February 2009 fuel costs with an adjustment reflecting actual January 2009 fuel costs.

The fuel adjustment clause factor of \$0.00945/kwh will be applied to our April 2009 billing. Pursuant to the Commission's Order dated October 3, 2002 in Case No. 2000-495B, page 5 reflects the peaking unit equivalent approach used to calculate the level of non-economy purchased power costs to flow through the fuel adjustment clause.

Pursuant to the Commission's January 8, 2009 Order in Case No. 2008-00283, the Company was granted the authority to recover the under-collection of the Net Transmission Marginal Line Losses incurred for the six month period November 2007 through April 2008. Pursuant to the January 8th Order, the Company will reflect an adjustment of \$981,697 evenly over the billing months of February through July 2009 to reflect the costs associated with Accounts 4470207 and 4470208 (please see attached Page 2 of 5, Section I).

Also attached are the system sales clause schedule with a supporting net revenue schedule calculated pursuant to the Commission's March 14, 2006 Order in Case No. 2005-00341. These calculations are based on an estimated February 2009 net revenue with an adjustment reflecting the true-up of January 2009 net revenue. Pursuant to the Settlement Agreement in Case No. 2005-00341 and the Company's System Sales Clause Tariff, net system sales revenue up to and including \$30M for the billing period April 1, 2009 through March 31, 2010 shall be based on 70/30 percent sharing basis. If and when the Company surpasses the off-system sales margin of \$30M, the customer sharing mechanism shall be on a 60/40 basis.



Page 2
Messrs. Derouen and Newby
20 March 2009


The attached System Sales Clause Schedule, page 1 of 2, shows the net revenue level to be applied to our April 2009 billing is in the amount of \$1,405,018. As the table indicates, the YTD system sales profit total has not exceeded the \$30M benchmark. Therefore, the sharing mechanism for April 2009 billing is calculated on a 70/30 basis.

The net system sales clause factor of \$0.0009171/kwh will be applied to our April 2009 billing.

All billings during April 2009 will show a combined factor of \$0.0103671/kwh.

If you have any questions, please contact me at 502/696-7010.

Sincerely,



Errol K. Wagner
Director of Regulatory Services

Attachments

KENTUCKY POWER COMPANY

SUMMARY OF ADJUSTMENT CLAUSES

Month Ended: FEBRUARY 2009

1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	\$0.00945
2 System Sales Clause Factor (Page 1 of 2)	(+)	<u>\$0.0009171</u>
3 Total Adjustment Clause Factors		<u><u>\$0.0103671</u></u>

Effective Date for Billing

APRIL 2009

Submitted by:


(Signature)

Title:

Director of Regulatory Services

Date Submitted:

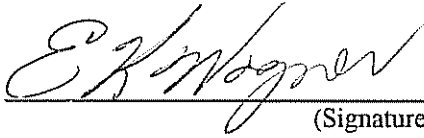
MARCH 20, 2009

KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: FEBRUARY 2009

Fuel Fm (Fuel Cost Schedule)	<u>\$19,475,274</u>		
Sales Sm (Sales Schedule)	634,479,000	(+)	\$0.03069
Fuel (Fb)	<u>\$13,933,754</u>		
Sales (Sb)	655,865,000	(-)	<u>\$0.02124</u>
			<u>\$0.00945</u>
			(\$/KWH)

Effective Date for Billing APRIL 2009

Submitted by: 
(Signature)

Title: Director of Regulatory Services

Date Submitted: MARCH 20, 2009

**KENTUCKY POWER COMPANY
FUEL COST SCHEDULE**

Month Ended: **FEBRUARY 2009**

A.	Company Generation		
	Coal Burned	(+)	\$15,470,105
	Oil Burned	(+)	290,658
	Gas Burned	(+)	0
	Fuel (jointly owned plant)	(+)	0
	Fuel (assigned cost during F. O.)	(+)	0
	Fuel (substitute for F. O.)	(-)	0
	Sub Total		15,760,763
B.	Purchases		
	Net Energy Cost - Economy Purchases	(+)	0
	Identifiable Fuel Cost - Other Purchases	(+)	10,891,287 *
	Identifiable Fuel Cost (substitute for F. O.)	(-)	0
	Sub Total		10,891,287
C.	Inter-System Sales Fuel Costs		7,365,798 *
	Sub Total		7,365,798
D.	Total Fuel Cost (A + B - C)		19,286,252
E.	Adjustment indicating the difference in actual fuel cost for the month of <u>JANUARY 2009</u> and the estimated cost originally reported.		
	<u>\$22,463,461</u> (actual)	-	<u>\$23,678,379</u> (est.)
		=	(1,214,918)
F.	Total Company Over or (Under) Recovery from Page 4, Line 12		138,351
G.	Grand Total Fuel Cost (D + E - F)		\$17,932,983
H.	Net Transmission Marginal Line Loss for month of <u>FEBRUARY 2009</u> (Accounts 4470207 and 4470208)		\$560,594
I.	Net Transmission Marginal Line Loss Adjustment **		\$981,697 **
J.	ADJUSTED GRAND TOTAL FUEL COSTS (G+H+I)		\$19,475,274

* Estimated - based on actual Kentucky generation unit costs in
FEBRUARY 2009 \$15,760,763

535,188,000 = 0.02945 /KWH

** Above charge is one sixth of the Net Transmission Marginal Line Loss Adjustment associated
with Accounts 4470207 and 4470208 for the months November 2007 through April 2008
pursuant to PSC Order in Case No. 2008-00283 dated January 8, 2009

KENTUCKY POWER COMPANY

SALES SCHEDULE

Month Ended: FEBRUARY 200

		<u>Kilowatt-Hours</u>
A	Generation (Net)	(+)
		535,188,000
	Purchases Including Interchange In	(+)
		<u>369,823,000</u>
	Sub Total	905,011,000
B	Pumped Storage Energy	(+)
		0
	Inter-System Sales Including Interchange Out	(+)
		250,112,000
	System Losses	(+)
		<u>20,420,000</u> *
	Sub Total	<u>270,532,000</u>
	Total Sales (A - B)	<u><u>634,479,000</u></u>

* Does not include 699,708 KWH of company usage.

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: FEBRUARY 2009

Line No.			
1	FAC Rate Billed	(+)	0.00424
2	Retail KWH Billed at Above Rate	(x)	<u>725,532,757</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>\$3,076,259</u>
4	KWH Used to Determine Last FAC Rate Billed	(+)	703,013,000
5	Non-Jurisdictional KWH Included in L4	(-)	<u>9,669,900</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>693,343,100</u>
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		\$2,939,775
8	Over or (Under) Recovery (L3 - L7)		\$136,484
9	Total Sales (Page 3)	(+)	634,479,000
10	Kentucky Jurisdictional Sales	(/)	<u>625,908,000</u>
11	Ratio of Total Sales to KY Jurisdictional Sales (L9 / L10)		1.01368
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>\$138,351</u></u>

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: JANUARY 2009

A. Company Generation			
Coal Burned	(+)	\$24,236,156	
Oil Burned	(+)	147,332	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)			
(0 KWH X \$0 000000)	(+)	0	
Fuel (substitute for F. O.)	(-)	<u>0</u>	
Sub-total		<u>24,383,488</u>	
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	4,763,190	(1)
Identifiable Fuel Cost (substitute for F. O.)			
(0 KWH X \$0 000000)	(-)	<u>0</u>	
Sub-total		<u>4,763,190</u>	
C Inter-System Sales Fuel Costs		<u>6,683,217</u>	(1)
D Sub-Total Fuel Cost (A+ B - C)		22,463,461	
E Net Transmission Marginal Line Loss JAN 2009		<u>685,936</u>	
F GRAND TOTAL FUEL COSTS (D + E)		<u><u>\$23,149,397</u></u>	

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

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE SCHEDULE
Case No. 9061 and
Stipulation and Settlement Agreement in Case No. 2005-00341
FEBRUARY 2009

**Line
No.**

Month Ended:

1	Current Month (Tm) Net Revenue Level @ 70%	(+)	\$1,405,018	
2	Current Month (Tm) Net Revenue Level @ 60%	(+)		
3	Current Month (Tm) Net Revenue Level (Ln 1 + Ln 2)		<u>1,405,018</u>	
4	Base Month (Tb) Tariff 19-2 Net Revenue Level	(-)	<u>2,236,268</u>	
5	Increase/(Decrease) of System Sales Net Revenue (Ln 3 - Ln 4)		(831,250)	
6	Customer 70% Sharing ^{1/}	(x)	70%	
7	Customer 60% Sharing ^{1/}	(x)	<u>n/a</u>	
8	Customer Share of Increase/(Decrease) in System Sales Net Revenue		(\$581,875)	
9	Current Month (Sm) Sales Level (Page 3 of 5)	(/)	<u>634,479,000</u>	
10	System Sales Clause Factor - \$/Kwh (Ln 8 / Ln 9)		<u>\$0.0009171</u>	*


YTD System Sales Profit	
Feb-09	1,405,018
Mar-09	
Apr-09	
May-09	
Jun-09	
Jul-09	
Aug-09	
Sep-09	
Oct-09	
Nov-09	
Dec-09	
Jan-10	
Total	1,405,018 ^{1/}

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

Effective Date for Billing:

APRIL 2009

Submitted by:


(Signature)

Title:

Director of Regulatory Services

Date Submitted:

MARCH 20, 2009

^{1/}Up to and including \$30M for any period beginning April 1 through March 31 of the following year sharing will be at 70%. After \$30M for any period beginning April 1 through March 31 of the following year sharing will be at 60%.

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE NET REVENUE

Line No.		Month Ended: FEBRUARY 2009		TOTAL
		CURRENT MONTH	PRIOR MO TRUE-UP ADJUSTMENT	
1	Sales For Resale Revenues	\$5,558,117	\$14,081	\$5,572,198
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	5,558,117	14,081	5,572,198
4	Sales For Resale Expenses	\$4,052,124	\$54,956	\$4,107,080
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	60,100	0	60,100
7	Total System Sales Expenses	4,112,224	54,956	4,167,180
8	Total System Sales Net Revenues	<u>\$1,445,893</u>	<u>(\$40,875)</u>	<u>\$1,405,018</u>

*Source:

ES Form 1 0, Line 3

ES Form 3 3, Line 4

Non-Associated Environmental Costs



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Kentucky Power
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APR 17 2009

**PUBLIC SERVICE
COMMISSION**

Jeff R. Derouen, Executive Director
Public Service Commission
Attn: Daryl Newby
P. O. Box 615
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17 April 2009

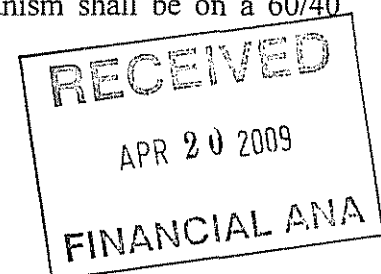
Gentlemen:

Attached is Kentucky Power Company's Fuel Adjustment Clause Schedule with supporting sales and fuel cost schedules. These calculations are based on an estimated March 2009 fuel costs with an adjustment reflecting actual February 2009 fuel costs.

The fuel adjustment clause factor of \$0.00725/kwh will be applied to our May 2009 billing. Pursuant to the Commission's Order dated October 3, 2002 in Case No. 2000-495B, page 5 reflects the peaking unit equivalent approach used to calculate the level of non-economy purchased power costs to flow through the fuel adjustment clause.

Pursuant to the Commission's January 8, 2009 Order in Case No. 2008-00283, the Company was granted the authority to recover the under-collection of the Net Transmission Marginal Line Losses incurred for the six month period November 2007 through April 2008. Pursuant to the January 8th Order, the Company will reflect an adjustment of \$981,697 evenly over the billing months of February through July 2009 to reflect the costs associated with Accounts 4470207 and 4470208 (please see attached Page 2 of 5, Section I).

Also attached is the System Sales Clause Schedule with a supporting net revenue schedule calculated pursuant to the Commission's March 14, 2006 Order in Case No. 2005-00341. These calculations are based on an estimated March 2009 net revenue with an adjustment reflecting the true-up of February 2009 net revenue. Pursuant to the Settlement Agreement in Case No. 2005-00341 and the Company's System Sales Clause Tariff, net system sales revenue up to and including \$30M for the billing period April 1, 2009 through March 31, 2010 shall be based on 70/30 percent sharing basis. If and when the Company surpasses the off-system sales margin of \$30M, the customer sharing mechanism shall be on a 60/40 basis.



Page 2
Messrs. Derouen and Newby
17 April 2009

The attached System Sales Clause Schedule, page 1 of 2, shows the net revenue level to be applied to our May 2009 billing is in the amount of \$1,328,862. As the table indicates, the YTD system sales profit total has not exceeded the \$30M benchmark. Therefore, the sharing mechanism for May 2009 billing is calculated on a 70/30 basis.

The net system sales clause factor of \$0.0004598/kwh will be applied to our May 2009 billing.

All billings during May 2009 will show a combined factor of \$0.0077098/kwh.

If you have any questions, please contact me at 502/696-7010.

Sincerely,



Errol K. Wagner
Director of Regulatory Services

Attachments

KENTUCKY POWER COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Month Ended: March 2009

1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	\$0 00725
2 System Sales Clause Factor (Page 1 of 2)	(+)	<u>\$0.0004598</u>
3 Total Adjustment Clause Factors		<u><u>\$0.0077098</u></u>

Effective Date for Billing

May 2009

Submitted by:


(Signature)

Title:

Director of Regulatory Services

Date Submitted:


April 17, 2009

KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: March 2009

Fuel Fm (Fuel Cost Schedule)	<u>\$17,515,169</u>		
Sales Sm (Sales Schedule)	614,688,000	(+)	\$0.02849
Fuel (Fb)	<u>\$13,933,754</u>		
Sales (Sb)	655,865,000	(-)	<u>\$0.02124</u>
			<u><u>\$0.00725</u></u>
			(\$/KWH)

Effective Date for Billing May 2009

Submitted by: 
(Signature)

Title: Director of Regulatory Services

Date Submitted: April 17, 2009

**KENTUCKY POWER COMPANY
FUEL COST SCHEDULE**

Month Ended: March 2009

A	Company Generation		
	Coal Burned	(+)	\$16,267,263
	Oil Burned	(+)	99,447
	Gas Burned	(+)	0
	Fuel (jointly owned plant)	(+)	0
	Fuel (assigned cost during F. O.)	(+)	0
	Fuel (substitute for F O)	(-)	0
	Sub Total		16,366,710
B	Purchases		
	Net Energy Cost - Economy Purchases	(+)	0
	Identifiable Fuel Cost - Other Purchases	(+)	11,021,527 *
	Identifiable Fuel Cost (substitute for F O)	(-)	0
	Sub Total		11,021,527
C	Inter-System Sales Fuel Costs		10,509,862 *
	Sub Total		10,509,862
D	Total Fuel Cost (A + B - C)		16,878,375
E.	Adjustment indicating the difference in actual fuel cost for the month of <u>February 2009</u> and the estimated cost originally reported		
	<u>\$17,851,616</u>	-	<u>\$19,286,252</u>
	(actual)		(est)
		=	(1,434,636)
F.	Total Company Over or (Under) Recovery from Page 4, Line 12		(454,378)
G	Grand Total Fuel Cost (D + E - F)		\$15,898,117
H	Net Transmission Marginal Line Loss for month of March 2009 (Accounts 4470207 and 4470208)		\$635,355
I.	Net Transmission Marginal Line Loss Adjustment **		\$981,697 **
J	ADJUSTED GRAND TOTAL FUEL COSTS (G+H+I)		\$17,515,169

* Estimated - based on actual Kentucky generation unit costs in
March 2009

$$\frac{\$16,366,710}{612,194,000} = 0.02673 \text{ /KWH}$$

** Above charge is one sixth of the Net Transmission Marginal Line Loss Adjustment associated with Accounts 4470207 and 4470208 for the months November 2007 through April 2008 pursuant to PSC Order in Case No. 2008-00283 dated January 8, 2009

KENTUCKY POWER COMPANY

SALES SCHEDULE

Month Ended: March 2009

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	612,194,000
Purchases Including Interchange In	(+)	<u>412,328,000</u>
Sub Total		1,024,522,000
 B. Pumped Storage Energy	 (+)	 0
Inter-System Sales Including Interchange Out	(+)	393,186,000
System Losses	(+)	<u>16,648,000</u> *
Sub Total		<u>409,834,000</u>
Total Sales (A - B)		<u><u>614,688,000</u></u>

* Does not include 436,156 KWH of company usage

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: March 2009

Line No			
1	FAC Rate Billed	(+)	0 00414
2	Retail KWH Billed at Above Rate	(x)	<u>649,755,278</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>\$2,689,987</u>
4	KWH Used to Determine Last FAC Rate Billed	(+)	769,140,000
5	Non-Jurisdictional KWH Included in L4	(-)	<u>11,011,300</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>758,128,700</u>
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		\$3,138,653
8	Over or (Under) Recovery (L3 - L7)		(\$448,666)
9	Total Sales (Page 3)	(+)	614,688,000
10	Kentucky Jurisdictional Sales	(/)	<u>606,958,900</u>
11	Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10)		1 01273
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>(\$454,378)</u></u>

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: February 2009

A	Company Generation				
	Coal Burned	(+)	\$20,970,944		
	Oil Burned	(+)	307,611		
	Gas Burned	(+)	0		
	Fuel (jointly owned plant)	(+)	0		
	Fuel (assigned cost during F. O.)				
	(0 KWH X \$0 000000)	(+)	0		
	Fuel (substitute for F. O.)	(-)	<u>0</u>		
	Sub-total		<u>21,278,555</u>		
B	Purchases				
	Net Energy Cost - Economy Purchases	(+)	0		
	Identifiable Fuel Cost - Other Purchases	(+)	2,109,308	(1)	
	Identifiable Fuel Cost (substitute for F. O.)				
	(0 KWH X \$0 000000)	(-)	<u>0</u>		
	Sub-total		<u>2,109,308</u>		
C	Inter-System Sales Fuel Costs		<u>5,536,247</u>	(1)	
D	Sub-Total Fuel Cost (A+ B - C)		17,851,616		
E	Net Transmission Marginal Line Loss February 2009		<u>560,594</u>		
F	GRAND TOTAL FUEL COSTS (D + E)		<u><u>\$18,412,210</u></u>		

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

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE SCHEDULE
Case No. 9061 and
Stipulation and Settlement Agreement in Case No. 2005-00341
March 2009

Line No.	Month Ended:			YTD System Sales Profit
1	Current Month (Tm) Net Revenue Level @ 70%	(+)		Feb-09
2	Current Month (Tm) Net Revenue Level @ 60%	(+)	<u>\$1,328,862</u>	Mar-09
3	Current Month (Tm) Net Revenue Level (Ln 1 + Ln 2)			Apr-09
4	Base Month (Tb) Tariff 19-2 Net Revenue Level	(-)	<u>1,732,591</u>	May-09
5	Increase/(Decrease) of System Sales Net Revenue (Ln 3 - Ln 4)		(403,729)	Jun-09
6	Customer 70% Sharing ^{1/}	(x)	70%	Jul-09
7	Customer 60% Sharing ^{1/}	(x)	<u>n/a</u>	Aug-09
8	Customer Share of Increase/(Decrease) in System Sales Net Revenue		(\$282,610)	Sep-09
9	Current Month (Sm) Sales Level (Page 3 of 5)	(/)	<u>614,688,000</u>	Oct-09
10	System Sales Clause Factor - \$/Kwh (Ln 8 / Ln 9)		<u>\$0.0004598</u>	Nov-09
				Dec-09
				Jan-10
				Total


1/

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

Effective Date for Billing:

May 2009

Submitted by:


(E. J. Wagner)
(Signature)

Title:

Director of Regulatory Services

Date Submitted:

April 17, 2009

^{1/}Up to and including \$30M for any period beginning April 1 through March 31 of the following year sharing will be at 70%. After \$30M for any period beginning April 1 through March 31 of the following year sharing will be at 60%

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE NET REVENUE

Line No	Month Ended: March 2009		TOTAL	
	CURRENT MONTH	PRIOR MO TRUE-UP ADJUSTMENT		
1	Sales For Resale Revenues	\$5,650,175	\$20,750	\$5,670,925
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	5,650,175	20,750	5,670,925
4	Sales For Resale Expenses	\$4,505,299	(\$241,127)	\$4,264,172
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	77,891	0	77,891
7	Total System Sales Expenses	4,583,190	(241,127)	4,342,063
8	Total System Sales Net Revenues	\$1,066,985	\$261,877	\$1,328,862

*Source:

ES Form 1.0, Line 3

ES Form 3.3, Line 4

Non-Associated Environmental Costs



**KENTUCKY
POWER**

A unit of American Electric Power

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MAY 19 2009

PUBLIC SERVICE
COMMISSION

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

Jeff R. Derouen, Executive Director
Public Service Commission
Attn: Daryl Newby
P. O. Box 615
Frankfort, KY 40602

19 May 2009

Gentlemen:

Attached is Kentucky Power Company's Fuel Adjustment Clause Schedule with supporting sales and fuel cost schedules. These calculations are based on an estimated April 2009 fuel costs with an adjustment reflecting actual March 2009 fuel costs.

The fuel adjustment clause factor of \$0.00798/kwh will be applied to our June 2009 billing. Pursuant to the Commission's Order dated October 3, 2002 in Case No. 2000-495B, page 5 reflects the peaking unit equivalent approach used to calculate the level of non-economy purchased power costs to flow through the fuel adjustment clause.

Pursuant to the Commission's January 8, 2009 Order in Case No. 2008-00283, the Company was granted the authority to recover the under-collection of the Net Transmission Marginal Line Losses incurred for the six month period November 2007 through April 2008. Pursuant to the January 8th Order, the Company will reflect an adjustment of \$981,697 evenly over the billing months of February through July 2009 to reflect the costs associated with Accounts 4470207 and 4470208 (please see attached Page 2 of 5, Section I). Please note on Page 5 of 5, paragraph D(a), there is an adjustment to the March 2009 fuel costs which should have been reflected in the February 2009 fuel cost calculations.

Also attached is the System Sales Clause Schedule with a supporting net revenue schedule calculated pursuant to the Commission's March 14, 2006 Order in Case No. 2005-00341. These calculations are based on an estimated April 2009 net revenue with an adjustment reflecting the true-up of March 2009 net revenue. Pursuant to the Settlement Agreement in Case No. 2005-00341 and the Company's System Sales Clause Tariff, net system sales revenue up to and including \$30M for the billing period April 1, 2009 through March 31, 2010 shall be based on 70/30 percent sharing basis. If and when the Company surpasses the off-system sales margin of \$30M, the customer sharing mechanism shall be on a 60/40 basis.

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MAY 19 2009

FINANCIAL ANA

Page 2
Messrs. Derouen and Newby
19 May 2009

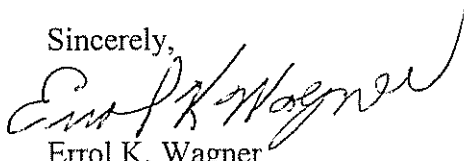
The attached System Sales Clause Schedule, page 1 of 2, shows the net revenue level to be applied to our June 2009 billing is in the amount of \$797,692. As the table indicates, the YTD system sales profit total has not exceeded the \$30M benchmark. Therefore, the sharing mechanism for June 2009 billing is calculated on a 70/30 basis.

The net system sales clause factor of \$0.0025431/kwh will be applied to our June 2009 billing.

All billings during June 2009 will show a combined factor of \$0.0105231/kwh.

If you have any questions, please contact me at 502/696-7010.

Sincerely,

A handwritten signature in black ink, appearing to read "Errol K. Wagner". The signature is written in a cursive style with a large, sweeping flourish at the end.

Errol K. Wagner
Director of Regulatory Services

Attachments

KENTUCKY POWER COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Month Ended: APRIL 2009

1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	\$0.00798
2 System Sales Clause Factor (Page 1 of 2)	(+)	<u>\$0.0025431</u>
3 Total Adjustment Clause Factors		<u><u>\$0.0105231</u></u>

Effective Date for Billing

JUNE 2009

Submitted by:


(Signature)

Title:

Director of Regulatory Services

Date Submitted:

MAY 19, 2009


KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: APRIL 2009

Fuel Fm (Fuel Cost Schedule)	<u>\$15,357,750</u>		
Sales Sm (Sales Schedule)	525,508,000	(+)	\$0.02922
Fuel (Fb)	<u>\$13,933,754</u>		
Sales (Sb)	655,865,000	(-)	<u>\$0.02124</u>
			<u><u>\$0.00798</u></u>
			(\$/KWH)

Effective Date for Billing JUNE 2009

Submitted by:



(Signature)

Title:

Director of Regulatory Services

Date Submitted:

MAY 19, 2009

KENTUCKY POWER COMPANY
FUEL COST SCHEDULE
Month Ended: **APRIL 2009**

A.	Company Generation			
	Coal Burned	(+)	\$15,681,930	
	Oil Burned	(+)	89,400	
	Gas Burned	(+)	0	
	Fuel (jointly owned plant)	(+)	0	
	Fuel (assigned cost during F O)	(+)	0	
	Fuel (substitute for F. O .)	(-)	0	
	Sub Total		<u>15,771,330</u>	
B.	Purchases			
	Net Energy Cost - Economy Purchases	(+)	0	
	Identifiable Fuel Cost - Other Purchases	(+)	10,778,735	*
	Identifiable Fuel Cost (substitute for F. O .)	(-)	0	
	Sub Total		<u>10,778,735</u>	
C.	Inter-System Sales Fuel Costs		<u>12,217,680</u>	*
	Sub Total		<u>12,217,680</u>	
D.	Total Fuel Cost (A + B - C)		<u><u>14,332,385</u></u>	
E.	Adjustment indicating the difference in actual fuel cost for the month of <u>MARCH 2009</u> and the estimated cost originally reported.			
			<u>\$15,819,156</u> - <u>\$16,878,375</u>	=
		(actual)	(est)	<u>(1,059,219)</u>
F.	Total Company Over or (Under) Recovery from Page 4, Line 12		<u>(532,578)</u>	
G.	Grand Total Fuel Cost (D + E - F)		\$13,805,744	
H.	Net Transmission Marginal Line Loss for month of APRIL 2009 (Accounts 4470207 and 4470208)		\$570,309	
I.	Net Transmission Marginal Line Loss Adjustment **		\$981,697	**
J.	ADJUSTED GRAND TOTAL FUEL COSTS (G+H+I)		<u><u>\$15,357,750</u></u>	

* Estimated - based on actual Kentucky generation unit costs in
APRIL 2009 \$15,771,330
593,205,000 = 0.02659 /KWH

** Above charge is one sixth of the Net Transmission Marginal Line Loss Adjustment associated with Accounts 4470207 and 4470208 for the months November 2007 through April 2008 pursuant to PSC Order in Case No. 2008-00283 dated January 8, 2009

KENTUCKY POWER COMPANY

SALES SCHEDULE

Month Ended: APRIL 2009

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	593,205,000
Purchases Including Interchange In	(+)	<u>405,368,000</u>
Sub Total		998,573,000
B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	459,484,000
System Losses	(+)	<u>13,581,000</u> *
Sub Total		<u>473,065,000</u>
Total Sales (A - B)		<u><u>525,508,000</u></u>

* Does not include 391,617 KWH of company usage.

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: APRIL 2009

<u>Line</u> <u>No.</u>			
1	FAC Rate Billed	(+)	0 00945
2	Retail KWH Billed at Above Rate	(x)	<u>570,265,297</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>\$5,389,007</u>
4	KWH Used to Determine Last FAC Rate Billed	(+)	634,479,000
5	Non-Jurisdictional KWH Included in L4	(-)	<u>8,562,000</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>625,917,000</u>
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		\$5,914,916
8	Over or (Under) Recovery (L3 - L7)		(\$525,909)
9	Total Sales (Page 3)	(+)	525,508,000
10	Kentucky Jurisdictional Sales	(/)	<u>518,926,700</u>
11	Ratio of Total Sales to KY Jurisdictional Sales (L9 / L10)		1 01268
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>(\$532,578)</u></u>

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: MARCH 2009

A. Company Generation			
Coal Burned	(+)	\$21,139,182	
Oil Burned	(+)	114,783	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)			
(0 KWH X \$0 000000)	(+)	0	
Fuel (substitute for F. O.)	(-)	<u>0</u>	
Sub-total		<u>21,253,965</u>	
B Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	3,532,526	(1)
Identifiable Fuel Cost (substitute for F. O.)			
(0 KWH X \$0 000000)	(-)	<u>0</u>	
Sub-total		<u>3,532,526</u>	
C Inter-System Sales Fuel Costs		<u>9,189,914</u>	(1)
D TOTAL FUEL COST (A + B - C)		15,596,577	
(a) Out of Period Adjustment for January 2009		<u>222,579</u>	
(b) REVISED TOTAL FUEL COST (A+ B - C + D)a))		15,819,156	
E. Net Transmission Marginal Line Loss MARCH 2009		<u>635,355</u>	
F. GRAND TOTAL FUEL COSTS (D(b) + E)		<u><u>\$16,454,511</u></u>	

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

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE SCHEDULE
Case No. 9061 and
Stipulation and Settlement Agreement in Case No. 2005-00341
APRIL 2009

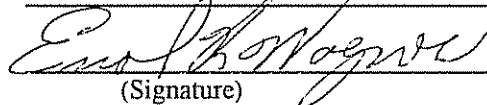
Line No.	Month Ended:			YTD System Sales Profit	
1	Current Month (Tm) Net Revenue Level @ 70%	(+)	\$797,692	Feb-09	\$1,405,018
2	Current Month (Tm) Net Revenue Level @ 60%	(+)	n/a	Mar-09	1,328,862
3	Current Month (Tm) Net Revenue Level (Ln 1 + Ln 2)			Apr-09	797,692
				May-09	
4	Base Month (Tb) Tariff 19-2 Net Revenue Level	(-)	2,706,860	Jun-09	
				Jul-09	
5	Increase/(Decrease) of System Sales Net Revenue (Ln 3 - Ln 4)		(1,909,168)	Aug-09	
				Sep-09	
6	Customer 70% Sharing ^{1/}	(x)	70%	Oct-09	
7	Customer 60% Sharing ^{1/}	(x)	n/a	Nov-09	
				Dec-09	
8	Customer Share of Increase/(Decrease) in System Sales Net Revenue		(\$1,336,418)	Jan-10	
9	Current Month (Sm) Sales Level (Page 3 of 5)	(/)	525,508,000	Total	\$3,531,572 ^{1/}
10	System Sales Clause Factor - \$/Kwh (Ln 8 / Ln 9)		<u>\$0.0025431</u>		

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

Effective Date for Billing:

JUNE 2009

Submitted by:


(Signature)

Title:

Director of Regulatory Services

Date Submitted:

MAY 19, 2009

^{1/}Up to and including \$30M for any period beginning April 1 through March 31 of the following year sharing will be at 70%. After \$30M for any period beginning April 1 through March 31 of the following year sharing will be at 60%.

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE NET REVENUE

Line No.		Month Ended: APRIL 2009		TOTAL
		CURRENT MONTH	PRIOR MO TRUE-UP ADJUSTMENT	
1	Sales For Resale Revenues	\$5,036,704	\$1,692	\$5,038,396
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	5,036,704	1,692	5,038,396
4	Sales For Resale Expenses	\$4,091,737	\$205	\$4,091,942
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	148,762	0	148,762
7	Total System Sales Expenses	4,240,499	205	4,240,704
8	Total System Sales Net Revenues	<u>\$796,205</u>	<u>\$1,487</u>	<u>\$797,692</u>

*Source:

ES Form 1.0, Line 3

ES Form 3.3, Line 4

Non-Associated Environmental Costs



**KENTUCKY
POWER**

A unit of American Electric Power

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

Jeff R. Derouen, Executive Director
Public Service Commission
Attn: Daryl Newby
P. O. Box 615
Frankfort, KY 40602

19 June 2009

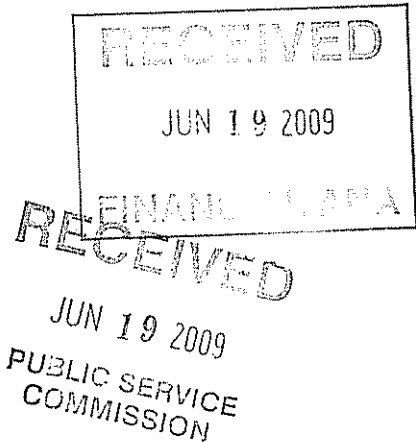
Gentlemen:

Attached is Kentucky Power Company's Fuel Adjustment Clause Schedule with supporting sales and fuel cost schedules. These calculations are based on an estimated May 2009 fuel costs with an adjustment reflecting actual April 2009 fuel costs.

The fuel adjustment clause factor of \$0.00827/kwh will be applied to our July 2009 billing. Pursuant to the Commission's Order dated October 3, 2002 in Case No. 2000-495B, page 5 reflects the peaking unit equivalent approach used to calculate the level of non-economy purchased power costs to flow through the fuel adjustment clause.

Pursuant to the Commission's January 8, 2009 Order in Case No. 2008-00283, the Company was granted the authority to recover the under-collection of the Net Transmission Marginal Line Losses incurred for the six month period November 2007 through April 2008. Pursuant to the January 8th Order, the Company will reflect an adjustment of \$981,697 evenly over the billing months of February through July 2009 to reflect the costs associated with Accounts 4470207 and 4470208 (please see attached Page 2 of 5, Section I).

Also attached is the System Sales Clause Schedule with a supporting net revenue schedule calculated pursuant to the Commission's March 14, 2006 Order in Case No. 2005-00341. These calculations are based on an estimated May 2009 net revenue with an adjustment reflecting the true-up of April 2009 net revenue. Pursuant to the Settlement Agreement in Case No. 2005-00341 and the Company's System Sales Clause Tariff, net system sales revenue up to and including \$30M for the billing period April 1, 2009 through March 31, 2010 shall be based on 70/30 percent sharing basis. If and when the Company surpasses the off-system sales margin of \$30M, the customer sharing mechanism shall be on a 60/40 basis.



Page 2
Messrs. Derouen and Newby
19 June 2009

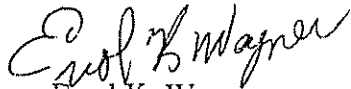
The attached System Sales Clause Schedule, page 1 of 2, shows the net revenue level to be applied to our July 2009 billing is in the amount of \$646,768. As the table indicates, the YTD system sales profit total has not exceeded the \$30M benchmark. Therefore, the sharing mechanism for July 2009 billing is calculated on a 70/30 basis.

The net system sales clause factor of \$0.0022978/kwh will be applied to our July 2009 billing.

All billings during July 2009 will show a combined factor of \$0.0105678/kwh.

If you have any questions, please contact me at 502/696-7010.

Sincerely,



Errol K. Wagner
Director of Regulatory Services

Attachments

KENTUCKY POWER COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Month Ended: MAY 2009

1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	\$0 00827
2 System Sales Clause Factor (Page 1 of 2)	(+)	<u>\$0.0022978</u>
3 Total Adjustment Clause Factors		<u><u>\$0.0105678</u></u>

Effective Date for Billing

JULY 2009

Submitted by:


(Signature)

Title:

Director of Regulatory Services

Date Submitted:

June 19, 2009

KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: MAY 2009

Fuel Fm (Fuel Cost Schedule)	<u>\$15,449,602</u>		
Sales Sm (Sales Schedule)	523,604,000	(+)	\$0.02951
Fuel (Fb)	<u>\$13,933,754</u>		
Sales (Sb)	655,865,000	(-)	<u>\$0.02124</u>
			<u><u>\$0.00827</u></u>
			(\$/KWH)

Effective Date for Billing JULY 2009

Submitted by:


(Signature)

Title:

Director of Regulatory Services

Date Submitted:

June 19, 2009

**KENTUCKY POWER COMPANY
FUEL COST SCHEDULE**

Month Ended: **MAY 2009**

A.	Company Generation		
	Coal Burned	(+)	\$10,542,395
	Oil Burned	(+)	542,662
	Gas Burned	(+)	0
	Fuel (jointly owned plant)	(+)	0
	Fuel (assigned cost during F. O.)	(+)	0
	Fuel (substitute for F. O.)	(-)	0
	Sub Total		<u>11,085,057</u>
B.	Purchases		
	Net Energy Cost - Economy Purchases	(+)	0
	Identifiable Fuel Cost - Other Purchases	(+)	12,129,369 *
	Identifiable Fuel Cost (substitute for F. O.)	(-)	0
	Sub Total		<u>12,129,369</u>
C.	Inter-System Sales Fuel Costs		<u>9,062,879</u> •
	Sub Total		<u>9,062,879</u>
D.	Total Fuel Cost (A + B - C)		<u><u>14,151,547</u></u>
E.	Adjustment indicating the difference in actual fuel cost for the month of <u>APRIL 2009</u> and the estimated cost originally reported		
	<u>\$13,694,405</u>	-	<u>\$14,332,385</u>
	(actual)		(est)
		=	<u>(637,980)</u>
F.	Total Company Over or (Under) Recovery from Page 4, Line 12		<u>(710,717)</u>
G.	Grand Total Fuel Cost (D + E - F)		\$14,224,284
H.	Net Transmission Marginal Line Loss for month of MAY 2009 (Accounts 4470207 and 4470208)		\$243,621
I.	Net Transmission Marginal Line Loss Adjustment **		\$981,697 **
J.	ADJUSTED GRAND TOTAL FUEL COSTS (G+H+I)		<u><u>\$15,449,602</u></u>

* Estimated - based on actual Kentucky generation unit costs in
MAY 2009

$$\frac{\$11,085,057}{419,647,000} = 0.02642 \text{ /KWH}$$

** Above charge is one sixth of the Net Transmission Marginal Line Loss Adjustment associated with Accounts 4470207 and 4470208 for the months November 2007 through April 2008 pursuant to PSC Order in Case No. 2008-00283 dated January 8, 2009

KENTUCKY POWER COMPANY**SALES SCHEDULE****Month Ended: MAY 2009**

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	419,647,000
Purchases Including Interchange In	(+)	<u>459,098,000</u>
Sub Total		878,745,000
 B. Pumped Storage Energy	 (+)	 0
Inter-System Sales Including Interchange Out	(+)	343,031,000
System Losses	(+)	<u>12,110,000</u> *
Sub Total		<u>355,141,000</u>
Total Sales (A - B)		<u><u>523,604,000</u></u>

* Does not include 387,625 KWH of company usage

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: MAY 2009

Line <u>No</u>			
1	FAC Rate Billed	(+)	0 00725
2	Retail KWH Billed at Above Rate	(x)	<u>510,125,836</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>\$3,698,412</u>
4	KWH Used to Determine Last FAC Rate Billed	(+)	614,688,000
5	Non-Jurisdictional KWH Included in L4	(-)	<u>7,729,100</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>606,958,900</u>
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		\$4,400,452
8	Over or (Under) Recovery (L3 - L7)		(\$702,040)
9	Total Sales (Page 3)	(+)	523,604,000
10	Kentucky Jurisdictional Sales	(/)	<u>517,210,500</u>
11	Ratio of Total Sales to KY Jurisdictional Sales (L9 / L10)		1 01236
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>(\$710,717)</u></u>

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: APRIL 2009

A. Company Generation			
Coal Burned	(+)	\$21,318,931	
Oil Burned	(+)	114,975	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)			
(0 KWH X \$0.000000)	(+)	0	
Fuel (substitute for F. O.)	(-)	<u>0</u>	
Sub-total		<u>21,433,906</u>	
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	2,591,105	(1)
Identifiable Fuel Cost (substitute for F. O.)			
(0 KWH X \$0.000000)	(-)	<u>0</u>	
Sub-total		<u>2,591,105</u>	
C. Inter-System Sales Fuel Costs		<u>10,330,606</u>	(1)
D. Sub-Total Fuel Cost (A+ B - C)		13,694,405	
E. Net Transmission Marginal Line Loss APRIL 2009		<u>570,309</u>	
F. GRAND TOTAL FUEL COSTS (D + E)		<u><u>\$14,264,714</u></u>	

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

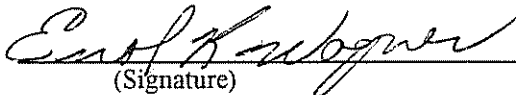
KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE SCHEDULE
 Case No. 9061 and
 Stipulation and Settlement Agreement in Case No. 2005-00341
 MAY 2009

Line No.	Month Ended:			
1	Current Month (Tm) Net Revenue Level @ 70%	(+)	\$646,768	
2	Current Month (Tm) Net Revenue Level @ 60%	(+)	n/a	
3	Current Month (Tm) Net Revenue Level (Ln 1 + Ln 2)			
4	Base Month (Tb) Tariff 19-2 Net Revenue Level	(-)	2,365,563	
5	Increase/(Decrease) of System Sales Net Revenue (Ln 3 - Ln 4)		(1,718,795)	
6	Customer 70% Sharing ^{1/}	(x)	70%	
7	Customer 60% Sharing ^{1/}	(x)	_____	
8	Customer Share of Increase/(Decrease) in System Sales Net Revenue		(\$1,203,157)	
9	Current Month (Sm) Sales Level (Page 3 of 5)	(/)	523,604,000	
10	System Sales Clause Factor - \$/Kwh (Ln 8 / Ln 9)		<u>\$0.0022978</u>	*

YTD System Sales Profit	
Feb-09	1,405,018
Mar-09	1,328,862
Apr-09	797,692
May-09	646,768
Jun-09	
Jul-09	
Aug-09	
Sep-09	
Oct-09	
Nov-09	
Dec-09	
Jan-10	
Total	4,178,340 ^{1/}

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

Effective Date for Billing: JULY 2009

Submitted by: 
 (Signature)

Title: Director of Regulatory Services

Date Submitted: June 19, 2009

^{1/}Up to and including \$30M for any period beginning April 1 through March 31 of the following year sharing will be at 70% After \$30M for any period beginning April 1 through March 31 of the following year sharing will be at 60%

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE NET REVENUE

Line No.		Month Ended: MAY 2009		TOTAL
		CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	
1	Sales For Resale Revenues	\$4,214,734	\$1,589	\$4,216,323
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	4,214,734	1,589	4,216,323
4	Sales For Resale Expenses	\$3,371,453	(\$14,914)	\$3,356,539
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	213,016	0	213,016
7	Total System Sales Expenses	3,584,469	(14,914)	3,569,555
8	Total System Sales Net Revenues	<u>\$630,265</u>	<u>\$16,503</u>	<u>\$646,768</u>

*Source:

ES Form 1.0, Line 3

ES Form 3.3, Line 4

Non-Associated Environmental Costs



**KENTUCKY
POWER**

A unit of American Electric Power

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

Jeff R. Derouen, Executive Director
Public Service Commission
Attn: Daryl Newby
P. O. Box 615
Frankfort, KY 40602

20 July 2009

Gentlemen:

Attached is Kentucky Power Company's Fuel Adjustment Clause Schedule with supporting sales and fuel cost schedules. These calculations are based on an estimated June 2009 fuel costs with an adjustment reflecting actual May 2009 fuel costs.

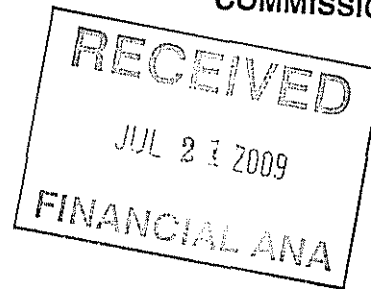
The fuel adjustment clause factor of \$0.00480/kwh will be applied to our August 2009 billing. Pursuant to the Commission's Order dated October 3, 2002 in Case No. 2000-495B, page 5 reflects the peaking unit equivalent approach used to calculate the level of non-economy purchased power costs to flow through the fuel adjustment clause.

Also attached is the System Sales Clause Schedule with a supporting net revenue schedule calculated pursuant to the Commission's March 14, 2006 Order in Case No. 2005-00341. These calculations are based on an estimated June 2009 net revenue with an adjustment reflecting the true-up of May 2009 net revenue. Pursuant to the Settlement Agreement in Case No. 2005-00341 and the Company's System Sales Clause Tariff, net system sales revenue up to and including \$30M for the billing period April 1, 2009 through March 31, 2010 shall be based on 70/30 percent sharing basis. If and when the Company surpasses the off-system sales margin of \$30M, the customer sharing mechanism shall be on a 60/40 basis.

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JUL 20 2009

**PUBLIC SERVICE
COMMISSION**



Page 2
Messrs. Derouen and Newby
20 July 2009

The attached System Sales Clause Schedule, page 1 of 2, shows the net revenue level to be applied to our August 2009 billing is in the amount of \$2,162,000. As the table indicates, the YTD system sales profit total has not exceeded the \$30M benchmark. Therefore, the sharing mechanism for August 2009 billing is calculated on a 70/30 basis.

The net system sales clause factor of \$0.0011946/kwh will be applied to our August 2009 billing.

All billings during August 2009 will show a combined factor of \$0.0059946/kwh.

If you have any questions, please contact me at 502/696-7010.

Sincerely,



Errol K. Wagner
Director of Regulatory Services

Attachments

KENTUCKY POWER COMPANY

SUMMARY OF ADJUSTMENT CLAUSES

Month Ended: JUNE 2009

- | | | |
|---|-----|---------------------------|
| 1 Fuel Adjustment Clause Factor (Page 1 of 5) | (+) | \$0.00480 |
| 2 System Sales Clause Factor (Page 1 of 2) | (+) | <u>\$0.0011946</u> |
| 3 Total Adjustment Clause Factors | | <u><u>\$0.0059946</u></u> |

Effective Date for Billing

AUGUST 2009

Submitted by:

Errol K. Wagner, Jr.
(Signature)

Title:

Director of Regulatory Services

Date Submitted:


JULY 20, 2009

KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: JUNE 2009

Fuel Fm (Fuel Cost Schedule)	<u>\$14,336,479</u>		
Sales Sm (Sales Schedule)	550,533,000	(+)	\$0 02604
Fuel (Fb)	<u>\$13,933,754</u>		
Sales (Sb)	655,865,000	(-)	<u>\$0.02124</u>
			<u><u>\$0.00480</u></u>
			(\$/KWH)

Effective Date for Billing AUGUST 2009

Submitted by: 
(Signature)

Title: Director of Regulatory Services

Date Submitted: JULY 20, 2009

**KENTUCKY POWER COMPANY
FUEL COST SCHEDULE**

Month Ended: **JUNE 2009**

A. Company Generation			
Coal Burned	(+)	\$13,303,166	
Oil Burned	(+)	193,549	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F O)	(+)	0	
Fuel (substitute for F O)	(-)	0	
Sub Total		<u>13,496,715</u>	
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	10,833,067	*
Identifiable Fuel Cost (substitute for F O)	(-)	0	
Sub Total		<u>10,833,067</u>	
C. Inter-System Sales Fuel Costs		9,249,300	*
Sub Total		<u>9,249,300</u>	
D. Total Fuel Cost (A + B - C)		<u>15,080,482</u>	
E. Adjustment indicating the difference in actual fuel cost for the month of <u>MAY 2009</u> and the estimated cost originally reported.		\$12,928,509 - \$14,151,547	= (1,223,038)
		(actual) (est)	
F. Total Company Over or (Under) Recovery from Page 4, Line 12		<u>23,662</u>	
G. Grand Total Fuel Cost (D + E - F)		\$13,833,782	
H. Net Transmission Marginal Line Loss for month of <u>JUNE 2009</u> (Accounts 4470207 and 4470208)		<u>\$502,697</u>	
I. GRAND TOTAL FUEL COSTS (G+H)		<u>\$14,336,479</u>	

* Estimated - based on actual Kentucky generation unit costs in
JUNE 2009 \$13,496,715
501,927,000 = 0.02689 /KWH

KENTUCKY POWER COMPANY**SALES SCHEDULE**

Month Ended: JUNE 2009

		<u>Kilowatt-Hours</u>
A	Generation (Net)	(+)
		501,927,000
	Purchases Including Interchange In	(+)
		<u>402,866,000</u>
	Sub Total	904,793,000
B	Pumped Storage Energy	(+)
		0
	Inter-System Sales Including Interchange Out	(+)
		343,968,000
	System Losses	(+)
		<u>10,292,000</u> *
	Sub Total	<u>354,260,000</u>
	Total Sales (A - B)	<u><u>550,533,000</u></u>

* Does not include 319,287 KWH of company usage.

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: JUNE 2009

Line No			
1	FAC Rate Billed	(+)	0 00798
2	Retail KWH Billed at Above Rate	(x)	<u>521,852,135</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>\$4,164,380</u>
4	KWH Used to Determine Last FAC Rate Billed	(+)	525,508,000
5	Non-Jurisdictional KWH Included in L4	(-)	<u>6,581,300</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>518,926,700</u>
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		\$4,141,035
8	Over or (Under) Recovery (L3 - L7)		\$23,345
9	Total Sales (Page 3)	(+)	550,533,000
10	Kentucky Jurisdictional Sales	(/)	<u>543,162,500</u>
11	Ratio of Total Sales to KY Jurisdictional Sales (L9 / L10)		1 01357
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>\$23,662</u></u>

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: MAY 2009

A	Company Generation				
	Coal Burned	(+)	\$15,343,475		
	Oil Burned	(+)	596,183		
	Gas Burned	(+)	0		
	Fuel (jointly owned plant)	(+)	0		
	Fuel (assigned cost during F O)				
	(0 KWH X \$0 000000)	(+)	0		
	Fuel (substitute for F O)	(-)	<u>0</u>		
	Sub-total		<u>15,939,658</u>		
B	Purchases				
	Net Energy Cost - Economy Purchases	(+)	0		
	Identifiable Fuel Cost - Other Purchases	(+)	4,299,026	(1)	
	Identifiable Fuel Cost (substitute for F O)				
	(0 KWH X \$0 000000)	(-)	<u>0</u>		
	Sub-total		<u>4,299,026</u>		
C	Inter-System Sales Fuel Costs		<u>7,310,175</u>	(1)	
D	Sub-Total Fuel Cost (A+ B - C)		12,928,509		
E	Net Transmission Marginal Line Loss MAY 2009		<u>243,621</u>		
F	GRAND TOTAL FUEL COSTS (D + E)		<u><u>\$13,172,130</u></u>		

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

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE SCHEDULE
 Case No. 9061 and
 Stipulation and Settlement Agreement in Case No. 2005-00341
 JUNE 2009

Line No.	Month Ended:			
1	Current Month (Tm) Net Revenue Level @ 70%	(+)	\$2,162,000	
2	Current Month (Tm) Net Revenue Level @ 60%	(+)	n/a	
3	Current Month (Tm) Net Revenue Level (Ln 1 + Ln 2)		<u>2,162,000</u>	
4	Base Month (Tb) Tariff 19-2 Net Revenue Level	(-)	<u>3,101,556</u>	
5	Increase/(Decrease) of System Sales Net Revenue (Ln 3 - Ln 4)		(939,556)	
6	Customer 70% Sharing ^{1/}	(x)	70%	
7	Customer 60% Sharing ^{1/}	(x)	<u>n/a</u>	
8	Customer Share of Increase/(Decrease) in System Sales Net Revenue		(\$657,689)	
9	Current Month (Sm) Sales Level (Page 3 of 5)	(/)	<u>550,533,000</u>	
10	System Sales Clause Factor - \$/Kwh (Ln 8 / Ln 9)		<u>\$0.0011946</u>	*

YTD System Sales Profit	
Feb-09	1,405,018
Mar-09	1,328,862
Apr-09	797,692
May-09	646,768
Jun-09	2,162,000
Jul-09	
Aug-09	
Sep-09	
Oct-09	
Nov-09	
Dec-09	
Jan-10	
Total	6,340,340 ^{1/}

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

Effective Date for Billing: AUGUST 2009

Submitted by: *General K. Wagner/jin*
 (Signature)

Title: Director of Regulatory Services

Date Submitted: JULY 20, 2009

^{1/}Up to and including \$30M for any period beginning April 1 through March 31 of the following year sharing will be at 70% After \$30M for any period beginning April 1 through March 31 of the following year sharing will be at 60%

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE NET REVENUE

Line No		Month Ended: JUNE 2009		TOTAL
		CURRENT MONTH	PRIOR MO TRUE-UP ADJUSTMENT	
1	Sales For Resale Revenues	\$7,285,311	(\$15,426)	\$7,269,885
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	7,285,311	(15,426)	7,269,885
4	Sales For Resale Expenses	\$4,900,975	(\$27,597)	\$4,873,378
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	234,507	0	234,507
7	Total System Sales Expenses	5,135,482	(27,597)	5,107,885
8	Total System Sales Net Revenues	<u>\$2,149,829</u>	<u>\$12,171</u>	<u>\$2,162,000</u>

*Source:

ES Form 1 0, Line 3

ES Form 3 3, Line 4

Non-Associated Environmental Costs



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

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AUG 18 2009

**PUBLIC SERVICE
COMMISSION**

Jeff R. Derouen, Executive Director
Public Service Commission

Attn: **Daryl Newby**

P. O. Box 615

Frankfort, KY 40602

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AUG 19 2009

FINANCIAL ANA

18 August 2009

Gentlemen:

Attached is Kentucky Power Company's Fuel Adjustment Clause Schedule with supporting sales and fuel cost schedules. These calculations are based on an estimated July 2009 fuel costs with an adjustment reflecting actual June 2009 fuel costs.

The fuel adjustment clause factor of \$(0.00200)/kwh will be applied to our September 2009 billing. Pursuant to the Commission's Order dated October 3, 2002 in Case No. 2000-495B, page 5 reflects the peaking unit equivalent approach used to calculate the level of non-economy purchased power costs to flow through the fuel adjustment clause.

Also attached is the System Sales Clause Schedule with a supporting net revenue schedule calculated pursuant to the Commission's March 14, 2006 Order in Case No. 2005-00341. These calculations are based on an estimated July 2009 net revenue with an adjustment reflecting the true-up of June 2009 net revenue. Pursuant to the Settlement Agreement in Case No. 2005-00341 and the Company's System Sales Clause Tariff, net system sales revenue up to and including \$30M for the billing period April 1, 2009 through March 31, 2010 shall be based on 70/30 percent sharing basis. If and when the Company surpasses the off-system sales margin of \$30M, the customer sharing mechanism shall be on a 60/40 basis.

The attached System Sales Clause Schedule, page 1 of 2, shows the net revenue level to be applied to our September 2009 billing is in the amount of \$1,858,472. As the table indicates, the YTD system sales profit total has not exceeded the \$30M benchmark. Therefore, the sharing mechanism for September 2009 billing is calculated on a 70/30 basis.

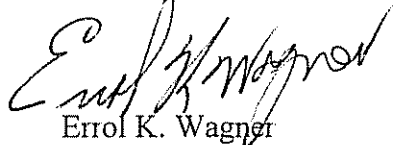
Messrs. Derouen and Newby
Page 2
18 August 2009

The net system sales clause factor of \$0.0010055/kwh will be applied to our September 2009 billing.

All billings during September 2009 will show a combined factor of \$(0.0009945)/kWh (a credit).

If you have any questions, please contact me at 502/696-7010.

Sincerely,

A handwritten signature in black ink, appearing to read "Errol K. Wagner". The signature is written in a cursive style with a large initial "E".

Errol K. Wagner
Director of Regulatory Services

Attachments

KENTUCKY POWER COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Month Ended: JULY 2009

1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	(\$0.00200)
2 System Sales Clause Factor (Page 1 of 2)	(+)	<u>.0010055</u>
3 Total Adjustment Clause Factors		<u><u>(\$0.0009945)</u></u>

Effective Date for Billing

SEPTEMBER 2009

Submitted by:


(Signature)

Title:

Director of Regulatory Services

Date Submitted:

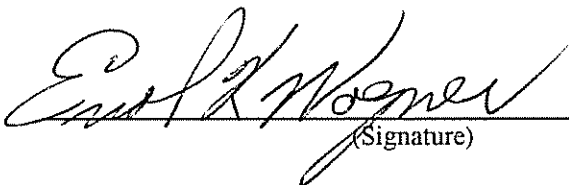
August 18, 2009

KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: JULY 2009

Fuel Fm (Fuel Cost Schedule)	<u>\$14,700,143</u>		
Sales Sm (Sales Schedule)	556,874,000	(+)	0.02640
Fuel (Fb)	<u>\$16,138,627</u>		
Sales (Sb)	568,162,000	(-)	<u>0.02840 *</u>
			<u>(0.00200)</u>
			(\$/KWH)

Effective Date for Billing SEPTEMBER 2009

Submitted by: 
(Signature)

Title: Director of Regulatory Services

Date Submitted: August 18, 2009

*Pursuant to PSC Order dated May 27, 2009 in Case No. 2008-00518

KENTUCKY POWER COMPANY

FUEL COST SCHEDULE

Month Ended: JULY 2009

A.	Company Generation			
	Coal Burned	(+)	\$8,609,139	
	Oil Burned	(+)	348,354	
	Gas Burned	(+)	0	
	Fuel (jointly owned plant)	(+)	0	
	Fuel (assigned cost during F. O.)	(+)	0	
	Fuel (substitute for F. O.)	(-)	0	
	Sub Total		<u>8,957,493</u>	
B.	Purchases			
	Net Energy Cost - Economy Purchases	(+)	0	
	Identifiable Fuel Cost - Other Purchases	(+)	12,859,140	*
	Identifiable Fuel Cost (substitute for F. O.)	(-)	0	
	Sub Total		<u>12,859,140</u>	
C.	Inter-System Sales Fuel Costs		<u>6,132,285</u>	*
	Sub Total		6,132,285	
D.	Total Fuel Cost (A + B - C)		<u><u>\$15,684,348</u></u>	
E.	Adjustment indicating the difference in actual fuel cost for the month of <u>JUNE 2009</u> and the estimated cost originally reported <u>\$13,992,344</u> - <u>\$15,080,482</u> = <u>(1,088,138)</u> (actual) (est)			
F.	Total Company Over or (Under) Recovery from Page 4, Line 12		<u>242,486</u>	
G.	Grand Total Fuel Cost (D + E - F)		<u>\$14,353,724</u>	
H.	Net Transmission Marginal Line Loss for month of <u>JULY 2009</u> (Accounts 4470207 and 447208)		346,419	
I.	ADJUSTED GRAND TOTAL FUEL COSTS (G + H + I)		<u><u>\$14,700,143</u></u>	

* Estimated - based on actual Kentucky generation unit costs in
JULY 2009

<u>\$8,957,493</u>	
324,249,000	0.02763 /KWH

KENTUCKY POWER COMPANY**SALES SCHEDULE****Month Ended:** JULY 2009

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	324,249,000
Purchases Including Interchange In	(+)	<u>465,405,000</u>
Sub Total		789,654,000
B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	221,943,000
System Losses	(+)	<u>10,837,000</u> *
Sub Total		<u>232,780,000</u>
Total Sales (A - B)		<u><u>556,874,000</u></u>

* Does not include 319,457 KWH of company usage.

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: JULY 2009

<u>Line</u> <u>No</u>			
1	FAC Rate Billed	(+)	0.00827
2	Retail KWH Billed at Above Rate	(x)	<u>546,139,702</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>4,516,575</u>
4	KWH Used to Determine Last FAC Rate Billed	(+)	523,604,000
5	Non-Jurisdictional KWH Included in L4	(-)	<u>6,393,500</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>517,210,500</u>
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		4,277,331
8	Over or (Under) Recovery (L3 - L7)		239,244
9	Total Sales (Page 3)	(+)	556,874,000
10	Kentucky Jurisdictional Sales	(/)	<u>549,429,900</u>
11	Ratio of Total Sales to KY Jurisdictional Sales (L9 / L10)		1.01355
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>242,486</u></u>

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: JUNE 2009

A Company Generation			
Coal Burned	(+)	\$18,385,472	
Oil Burned	(+)	209,961	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F O)			
(5,567,000 KWH X \$0.023251)	(+)	129,438	
Fuel (substitute for F. O.)	(-)	<u>0</u>	
Sub-total		<u>18,724,871</u>	
B Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	2,201,808	(1)
Identifiable Fuel Cost (substitute for F O)			
(5,567,000 KWH X \$0.023251)	(-)	<u>129,438</u>	
Sub-total		<u>2,072,370</u>	
C. Inter-System Sales Fuel Costs		<u>6,804,897</u>	(1)
D. SUB-TOTAL FUEL COST (A + B - C)		\$13,992,344	
E. Net Transmission Marginal Line Loss for month	JUNE 2009	502,697	
F. GRAND TOTAL FUEL COSTS (D + E)		<u><u>\$14,495,041</u></u>	

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

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE SCHEDULE
Case No. 9061 and
Stipulation and Settlement Agreement in Case No. 2005-00341
JULY 2009

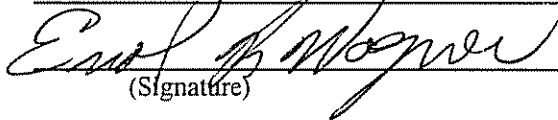
Line No.	Month Ended:			YTD System Sales Profit	
1	Current Month (Tm) Net Revenue Level @ 70%	(+)	1,858,472	Feb-09	\$1,405,018
2	Current Month (Tm) Net Revenue Level @ 60%	(+)	n/a	Mar-09	1,328,862
3	Current Month (Tm) Net Revenue Level (Ln 1 + Ln 2)		<u>1,858,472</u>	Apr-09	797,692
4	Base Month (Tb) Tariff 19-2 Net Revenue Level	(-)	<u>2,658,364</u>	May-09	646,768
5	Increase/(Decrease) of System Sales Net Revenue (Ln 3 - Ln 4)		(799,892)	Jun-09	2,162,000
6	Customer 70% Sharing ^{1/}	(x)	70%	Jul-09	1,858,472
7	Customer 60% Sharing ^{1/}	(x)	<u>n/a</u>	Aug-09	
8	Customer Share of Increase/(Decrease) in System Sales Net Revenue		(559,924)	Sep-09	
9	Current Month (Sm) Sales Level (Page 3 of 5)	(/)	<u>556,874,000</u>	Oct-09	
10	System Sales Clause Factor - \$/Kwh (Ln 8 / Ln 9)		<u>.0010055</u>	Nov-09	
				Dec-09	
				Jan-10	
				Total	\$8,198,812 ^{1/}

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

Effective Date for Billing:

SEPTEMBER 2009

Submitted by:


(Signature)

Title:

Director of Regulatory Services

Date Submitted:

August 18, 2009

^{1/}Up to and including \$30M for any period beginning April 1 through March 31 of the following year sharing will be at 70%. After \$30M for any period beginning April 1 through March 31 of the following year sharing will be at 60%.

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE NET REVENUE

Line No.		Month Ended: JULY 2009		TOTAL
		CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	
1	Sales For Resale Revenues	\$5,962,736	\$19,455	\$5,982,191
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	5,962,736	19,455	5,982,191
4	Sales For Resale Expenses	\$4,086,477	(\$66,036)	\$4,020,441
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	103,278	0	103,278
7	Total System Sales Expenses	4,189,755	(66,036)	4,123,719
8	Total System Sales Net Revenues	<u>\$1,772,981</u>	<u>\$85,491</u>	<u>\$1,858,472</u>

*Source:

ES Form 1.0, Line 3

ES Form 3.3, Line 4

Non-Associated Environmental Costs



**KENTUCKY
POWER**

A unit of American Electric Power

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

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SEP 18 2009

**PUBLIC SERVICE
COMMISSION**

Jeff R. Derouen, Executive Director
Public Service Commission

✓
Attn: Daryl Newby
P. O. Box 615
Frankfort, KY 40602

18 September 2009

Gentlemen:

Attached is Kentucky Power Company's Fuel Adjustment Clause Schedule with supporting sales and fuel cost schedules. These calculations are based on an estimated August 2009 fuel costs with an adjustment reflecting actual July 2009 fuel costs.

The fuel adjustment clause factor of $\$(0.00382)/\text{kwh}$ (a credit) will be applied to our October 2009 billing. Pursuant to the Commission's Order dated October 3, 2002 in Case No. 2000-495B, page 5 reflects the peaking unit equivalent approach used to calculate the level of non-economy purchased power costs to flow through the fuel adjustment clause.

Also attached is the System Sales Clause Schedule with a supporting net revenue schedule calculated pursuant to the Commission's March 14, 2006 Order in Case No. 2005-00341. These calculations are based on an estimated August 2009 net revenue with an adjustment reflecting the true-up of July 2009 net revenue. Pursuant to the Settlement Agreement in Case No. 2005-00341 and the Company's System Sales Clause Tariff, net system sales revenue up to and including \$30M for the billing period April 1, 2009 through March 31, 2010 shall be based on 70/30 percent sharing basis. If and when the Company surpasses the off-system sales margin of \$30M, the customer sharing mechanism shall be on a 60/40 basis.

The attached System Sales Clause Schedule, page 1 of 2, shows the net revenue level to be applied to our October 2009 billing is in the amount of \$1,753,385. As the table indicates, the YTD system sales profit total has not exceeded the \$30M benchmark. Therefore, the sharing mechanism for October 2009 billing is calculated on a 70/30 basis.

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FINANCIAL ANA

Messrs. Derouen and Newby
Page 2
18 September 2009

The net system sales clause factor of $\$(0.0001114)/\text{kwh}$ (a credit) will be applied to our October 2009 billing.

All billings during October 2009 will show a combined factor of $\$(0.0039314)/\text{kWh}$ (a credit).

If you have any questions, please contact me at 502/696-7010.

Sincerely,

A handwritten signature in black ink, appearing to read "Errol K. Wagner". The signature is written in a cursive, somewhat stylized font.

Errol K. Wagner
Director of Regulatory Services

Attachments

KENTUCKY POWER COMPANY

SUMMARY OF ADJUSTMENT CLAUSES

Month Ended: AUGUST 2009

- | | | |
|---|-----|---------------------------|
| 1 Fuel Adjustment Clause Factor (Page 1 of 5) | (+) | (0.00382) |
| 2 System Sales Clause Factor (Page 1 of 2) | (+) | <u>(0.0001114)</u> |
| 3 Total Adjustment Clause Factors | | <u><u>(0.0039314)</u></u> |

Effective Date for Billing

OCTOBER 2009

Submitted by:


(Signature)

Title:

Director of Regulatory Services

Date Submitted:

SEPTEMBER 18, 2009

KENTUCKY POWER COMPANY

FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: AUGUST 2009

Fuel Fm (Fuel Cost Schedule)	<u>\$14,351,281</u>		
Sales Sm (Sales Schedule)	583,830,000	(+)	0.02458
Fuel (Fb)	<u>\$16,138,627</u>		
Sales (Sb)	568,162,000	(-)	<u>0.02840 *</u>
			<u>(0.00382)</u>
			(\$/KWH)

Effective Date for Billing OCTOBER 2009

Submitted by: 
(Signature)

Title: Director of Regulatory Services

Date Submitted: SEPTEMBER 18, 2009

*Pursuant to PSC Order dated May 27, 2009 in Case No. 2008-00518

KENTUCKY POWER COMPANY

FUEL COST SCHEDULE

Month Ended: AUGUST 2009

A.	Company Generation			
	Coal Burned	(+)	\$14,028,400	
	Oil Burned	(+)	56,489	
	Gas Burned	(+)	0	
	Fuel (jointly owned plant)	(+)	0	
	Fuel (assigned cost during F. O.)	(+)	0	
	Fuel (substitute for F. O.)	(-)		
	Sub Total		<u>14,084,889</u>	
B.	Purchases			
	Net Energy Cost - Economy Purchases	(+)	0	
	Identifiable Fuel Cost - Other Purchases	(+)	11,165,902	*
	Identifiable Fuel Cost (substitute for F. O.)	(-)	0	
	Sub Total		<u>11,165,902</u>	
C.	Inter-System Sales Fuel Costs		9,852,861	*
	Sub Total		9,852,861	
D.	Total Fuel Cost (A + B - C)		<u>\$15,397,930</u>	
E.	Adjustment indicating the difference in actual fuel cost for the month of <u>July 2009</u> and the estimated cost originally reported. <u>\$14,005,207</u> - <u>\$15,684,348</u> = <u>(1,679,141)</u> (actual) (est.)			
F.	Total Company Over or (Under) Recovery from Page 4, Line 12		<u>(32,583)</u>	
G.	Grand Total Fuel Cost (D + E - F)		<u>\$13,751,372</u>	
H.	Net Transmission Marginal Line Loss for month of <u>AUGUST 2009</u> (Accounts 4470207 and 447208)		599,909	
I.	ADJUSTED GRAND TOTAL FUEL COSTS (G + H)		<u>\$14,351,281</u>	

* Estimated - based on actual Kentucky generation unit costs in
AUGUST 2009

<u>\$14,084,889</u>		
542,007,000	0.02599	/KWH

KENTUCKY POWER COMPANY

SALES SCHEDULE

Month Ended: AUGUST 2009

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	542,007,000
Purchases Including Interchange In	(+)	<u>429,623,000</u>
Sub Total		971,630,000
 B. Pumped Storage Energy	 (+)	 0
Inter-System Sales Including Interchange Out	(+)	379,102,000
System Losses	(+)	<u>8,698,000</u> *
Sub Total		<u>387,800,000</u>
Total Sales (A - B)		<u><u>583,830,000</u></u>

* Does not include 313,884 KWH of company usage.

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: AUGUST 2009

Line No.			
1	FAC Rate Billed	(+)	0.00480
2	Retail KWH Billed at Above Rate	(x)	<u>536,468,123</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>2,575,047</u>
4	KWH Used to Determine Last FAC Rate Billed	(+)	550,533,000
5	Non-Jurisdictional KWH Included in L4	(-)	<u>7,370,500</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>543,162,500</u>
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		2,607,180
8	Over or (Under) Recovery (L3 - L7)		(32,133)
9	Total Sales (Page 3)	(+)	583,830,000
10	Kentucky Jurisdictional Sales	(/)	<u>575,769,000</u>
11	Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10)		1.01400
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>(32,583)</u></u>

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: July 2009

A. Company Generation			
Coal Burned	(+)	\$13,311,162	
Oil Burned	(+)	384,709	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)			
(92,228,000 KWH X \$0.023878)	(+)	2,202,220	
Fuel (substitute for F. O.)	(-)	<u>0</u>	
Sub-total		<u>15,898,091</u>	
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	4,048,732	(1)
Identifiable Fuel Cost (substitute for F. O.)			
(92,228,000 KWH X \$0.023878)	(-)	<u>2,202,220</u>	
Sub-total		<u>1,846,512</u>	
C. Inter-System Sales Fuel Costs		<u>3,739,396</u>	(1)
D. SUB-TOTAL FUEL COST (A + B - C)		<u>\$14,005,207</u>	
E. Net Transmission Marginal Line Loss for month	July 2009	346,419	
F. GRAND TOTAL FUEL COSTS (D + E)		<u><u>\$14,351,626</u></u>	

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

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE SCHEDULE
Case No. 9061 and
Stipulation and Settlement Agreement in Case No. 2005-00341
AUGUST 2009

Line No.	Month Ended:			YTD System Sales Profit	
1	Current Month (Tm) Net Revenue Level @ 70%	(+)	1,753,385	Feb-09	\$1,405,018
2	Current Month (Tm) Net Revenue Level @ 60%	(+)	n/a	Mar-09	1,328,862
3	Current Month (Tm) Net Revenue Level (Ln 1 + Ln 2)			Apr-09	797,692
4	Base Month (Tb) Tariff 19-2 Net Revenue Level	(-)	1,660,434	May-09	646,768
5	Increase/(Decrease) of System Sales Net Revenue (Ln 3 - Ln 4)		92,951	Jun-09	2,162,000
6	Customer 70% Sharing ^{1/}	(x)	70%	Jul-09	1,858,472
7	Customer 60% Sharing ^{1/}	(x)	n/a	Aug-09	1,753,385
8	Customer Share of Increase/(Decrease) in System Sales Net Revenue		65,066	Sep-09	
9	Current Month (Sm) Sales Level (Page 3 of 5)	(/)	583,830,000	Oct-09	
10	System Sales Clause Factor - \$/Kwh (Ln 8 / Ln 9)		<u>(0.0001114)</u> *	Nov-09	
				Dec-09	
				Jan-10	
				Total	\$9,952,197 ^{1/}

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

Effective Date for Billing:

OCTOBER 2009

Submitted by:


(Signature)

Title:

Director of Regulatory Services

Date Submitted:

SEPTEMBER 18, 2009

^{1/}Up to and including \$30M for any period beginning April 1 through March 31 of the following year will be at 70%. After \$30M for any period beginning April 1 through March 31 of the following year will be at 60%.

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE NET REVENUE

Line No.		Month Ended: AUGUST 2009		TOTAL
		CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	
1	Sales For Resale Revenues	\$7,106,889	(\$9,493)	\$7,097,396
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	7,106,889	(9,493)	7,097,396
4	Sales For Resale Expenses	\$5,104,041	\$20,370	\$5,124,411
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	219,600	0	219,600
7	Total System Sales Expenses	5,323,641	20,370	5,344,011
8	Total System Sales Net Revenues	<u>\$1,783,248</u>	<u>(\$29,863)</u>	<u>\$1,753,385</u>

*Source:

ES Form 1.0, Line 3

ES Form 3.3, Line 4

Non-Associated Environmental Costs



**KENTUCKY
POWER**

A unit of American Electric Power

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

Jeff R. Derouen, Executive Director
Public Service Commission

Attn: **Daryl Newby**
P. O. Box 615
Frankfort, KY 40602

RECEIVED

OCT 16 2009

**PUBLIC SERVICE
COMMISSION**

16 October 2009

Gentlemen:

Attached is Kentucky Power Company's Fuel Adjustment Clause Schedule with supporting sales and fuel cost schedules. These calculations are based on an estimated September 2009 fuel costs with an adjustment reflecting actual August 2009 fuel costs.

The fuel adjustment clause factor of $\$(0.00350)/\text{kwh}$ (a credit) will be applied to our November 2009 billing. Pursuant to the Commission's Order dated October 3, 2002 in Case No. 2000-495B, page 5 reflects the peaking unit equivalent approach used to calculate the level of non-economy purchased power costs to flow through the fuel adjustment clause.

Also attached is the System Sales Clause Schedule with a supporting net revenue schedule calculated pursuant to the Commission's March 14, 2006 Order in Case No. 2005-00341. These calculations are based on an estimated September 2009 net revenue with an adjustment reflecting the true-up of August 2009 net revenue. Pursuant to the Settlement Agreement in Case No. 2005-00341 and the Company's System Sales Clause Tariff, net system sales revenue up to and including \$30M for the billing period April 1, 2009 through March 31, 2010 shall be based on 70/30 percent sharing basis. If and when the Company surpasses the off-system sales margin of \$30M, the customer sharing mechanism shall be on a 60/40 basis.

The attached System Sales Clause Schedule, page 1 of 2, shows the net revenue level to be applied to our November 2009 billing is in the amount of \$1,566,609. As the table indicates, the YTD system sales profit total has not exceeded the \$30M benchmark. Therefore, the sharing mechanism for November 2009 billing is calculated on a 70/30 basis.

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OCT 19 2009

FINANCIAL ANA

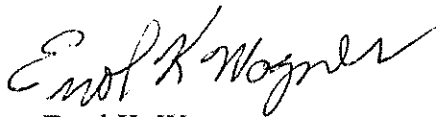
Messrs. Derouen and Newby
Page 2
16 October 2009

The net system sales clause factor of \$(0.0000929)/kwh (a credit) will be applied to our November 2009 billing.

All billings during November 2009 will show a combined factor of \$(0.0035929)/kWh (a credit).

If you have any questions, please contact me at 502/696-7010.

Sincerely,

A handwritten signature in black ink that reads "Errol K. Wagner". The signature is written in a cursive style with a large, sweeping initial "E".

Errol K. Wagner
Director of Regulatory Services

Attachments

KENTUCKY POWER COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

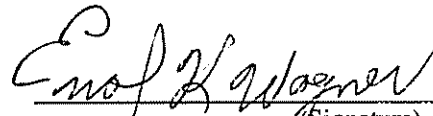
Month Ended: SEPTEMBER 2009

1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	(0 00350)
2 System Sales Clause Factor (Page 1 of 2)	(+)	<u>(0.0000929)</u>
3 Total Adjustment Clause Factors		<u><u>(0.0035929)</u></u>

Effective Date for Billing

NOVEMBER 2009

Submitted by:


(Signature)

Title:

Director of Regulatory Services

Date Submitted:

OCTOBER 16, 2009

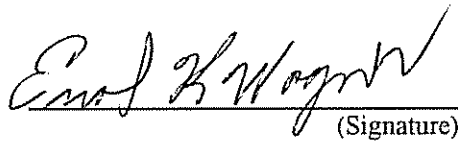
KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: SEPTEMBER 2009

Fuel Fm (Fuel Cost Schedule)	<u>\$12,920,429</u>		
Sales Sm (Sales Schedule)	518,820,000	(+)	0.02490
Fuel (Fb)	<u>\$16,138,627</u>		
Sales (Sb)	568,162,000	(-)	<u>0.02840 *</u>
			<u>(0.00350)</u>
			(\$/KWH)

Effective Date for Billing NOVEMBER 2009

Submitted by:


(Signature)

Title:

Director of Regulatory Services

Date Submitted:

OCTOBER 16, 2009

*Pursuant to PSC Order dated May 27, 2009 in Case No. 2008-00518

KENTUCKY POWER COMPANY

FUEL COST SCHEDULE

Month Ended: SEPTEMBER 2009

A	Company Generation			
	Coal Burned	(+)	\$8,475,399	
	Oil Burned	(+)	265,662	
	Gas Burned	(+)	0	
	Fuel (jointly owned plant)	(+)	0	
	Fuel (assigned cost during F O)	(+)	0	
	Fuel (substitute for F. O.)	(-)		
	Sub Total		<u>8,741,061</u>	
B	Purchases			
	Net Energy Cost - Economy Purchases	(+)	0	
	Identifiable Fuel Cost - Other Purchases	(+)	12,030,858	*
	Identifiable Fuel Cost (substitute for F. O.)	(-)	0	
	Sub Total		<u>12,030,858</u>	
C	Inter-System Sales Fuel Costs		<u>7,044,889</u>	*
	Sub Total		<u>7,044,889</u>	
D	Total Fuel Cost (A + B - C)		<u>\$13,727,030</u>	
E	Adjustment indicating the difference in actual fuel cost for the month of <u>AUGUST 2009</u> and the estimated cost originally reported. <u>\$14,242,333</u> - <u>\$15,397,930</u> = <u>(1,155,597)</u> (actual) (est)			
F	Total Company Over or (Under) Recovery from Page 4, Line 12		<u>2,723</u>	
G	Grand Total Fuel Cost (D + E - F)		<u>\$12,568,710</u>	
H	Net Transmission Marginal Line Loss for month of <u>SEPTEMBER 2009</u> (Accounts 4470207 and 447208)		351,719	
I	ADJUSTED GRAND TOTAL FUEL COSTS (G + H)		<u>\$12,920,429</u>	

* Estimated - based on actual Kentucky generation unit costs in
SEPTEMBER 2009 \$8,741,061
335,825,000 0.02603 /KWH

KENTUCKY POWER COMPANY

SALES SCHEDULE

Month Ended: SEPTEMBER 20

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	335,825,000
Purchases Including Interchange In	(+)	<u>462,192,000</u>
Sub Total		798,017,000
B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	270,645,000
System Losses	(+)	<u>8,552,000</u> *
Sub Total		<u>279,197,000</u>
Total Sales (A - B)		<u><u>518,820,000</u></u>

* Does not include 328,890 KWH of company usage

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: SEPTEMBER 2009

Line No.			
1	FAC Rate Billed	(+)	(0 00200)
2	Retail KWH Billed at Above Rate	(x)	<u>548,085,921</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>(1,096,172)</u>
4	KWH Used to Determine Last FAC Rate Billed	(+)	556,874,000
5	Non-Jurisdictional KWH Included in L4	(-)	<u>7,444,100</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>549,429,900</u>
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		(1,098,860)
8	Over or (Under) Recovery (L3 - L7)		2,688
9	Total Sales (Page 3)	(+)	518,820,000
10	Kentucky Jurisdictional Sales	(/)	<u>512,117,700</u>
11	Ratio of Total Sales to KY Jurisdictional Sales (L9 / L10)		1.01309
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>2,723</u></u>

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: AUGUST 2009

A. Company Generation			
Coal Burned	(+)	\$19,431,277	
Oil Burned	(+)	66,999	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)			
(28,000 KWH X \$0.023979)	(+)	671	
Fuel (substitute for F. O.)	(-)	<u>0</u>	
Sub-total		<u>19,498,947</u>	
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	2,002,790	(1)
Identifiable Fuel Cost (substitute for F. O.)			
(28,000 KWH X \$0.023979)	(-)	<u>671</u>	
Sub-total		<u>2,002,119</u>	
C. Inter-System Sales Fuel Costs		<u>7,258,733</u>	(1)
D. SUB-TOTAL FUEL COST (A + B - C)		<u>\$14,242,333</u>	
E. Net Transmission Marginal Line Loss for month	AUGUST 2009	599,909	
F. GRAND TOTAL FUEL COSTS (D + E)		<u><u>\$14,842,242</u></u>	

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

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE SCHEDULE
Case No. 9061 and
Stipulation and Settlement Agreement in Case No. 2005-00341
SEPTEMBER 2009


Line No.	Month Ended:			YTD System Sales Profit	
1	Current Month (Tm) Net Revenue Level @ 70%	(+)	1,566,609	Feb-09	\$1,405,018
2	Current Month (Tm) Net Revenue Level @ 60%	(+)	n/a	Mar-09	1,328,862
3	Current Month (Tm) Net Revenue Level (Ln 1 + Ln 2)		1,566,609	Apr-09	797,692
4	Base Month (Tb) Tariff 19-2 Net Revenue Level	(-)	1,497,772	May-09	646,768
5	Increase/(Decrease) of System Sales Net Revenue (Ln 3 - Ln 4)		68,837	Jun-09	2,162,000
6	Customer 70% Sharing ^{1/}	(x)	70%	Jul-09	1,858,472
7	Customer 60% Sharing ^{1/}	(x)	n/a	Aug-09	1,753,385
8	Customer Share of Increase/(Decrease) in System Sales Net Revenue		48,186	Sep-09	1,566,609
9	Current Month (Sm) Sales Level (Page 3 of 5)	(/)	518,820,000	Oct-09	
				Nov-09	
				Dec-09	
				Jan-10	
				Total	\$11,518,806 ^{1/}
10	System Sales Clause Factor - \$/Kwh (Ln 8 / Ln 9)		<u>(0.0000929)</u> *		

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

Effective Date for Billing:

NOVEMBER 2009

Submitted by:


(Signature)

Title:

Director of Regulatory Services

Date Submitted:

OCTOBER 16, 2009

^{1/}Up to and including \$30M for any period beginning April 1 through March 31 of the following year will be at 70% After \$30M for any period beginning April 1 through March 31 of the following year will be at 60%

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE NET REVENUE

Line No.		Month Ended: SEPTEMBER 2009		TOTAL
		CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	
1	Sales For Resale Revenues	\$5,629,981	\$42,215	\$5,672,196
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	5,629,981	42,215	5,672,196
4	Sales For Resale Expenses	\$3,955,826	\$45,567	\$4,001,393
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	104,194	0	104,194
7	Total System Sales Expenses	4,060,020	45,567	4,105,587
8	Total System Sales Net Revenues	<u>\$1,569,961</u>	<u>(\$3,352)</u>	<u>\$1,566,609</u>

*Source:

ES Form 1 0, Line 3

ES Form 3 3, Line 4

Non-Associated Environmental Costs



**KENTUCKY
POWER**

A unit of American Electric Power

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

Jeff R. Derouen, Executive Director
Public Service Commission
Attn: Daryl Newby
P. O. Box 615
Frankfort, KY 40602

RECEIVED

NOV 16 2009

**PUBLIC SERVICE
COMMISSION**

16 November 2009

RECEIVED

NOV 17 2009

FINANCIAL ANA

Gentlemen:

Attached is Kentucky Power Company's Fuel Adjustment Clause Schedule with supporting sales and fuel cost schedules. These calculations are based on an estimated October 2009 fuel costs with an adjustment reflecting actual September 2009 fuel costs.

The fuel adjustment clause factor of $\$(0.00473)/\text{kwh}$ (a credit) will be applied to our December 2009 billing. Pursuant to the Commission's Order dated October 3, 2002 in Case No. 2000-495B, page 5 reflects the peaking unit equivalent approach used to calculate the level of non-economy purchased power costs to flow through the fuel adjustment clause.

Also attached is the System Sales Clause Schedule with a supporting net revenue schedule calculated pursuant to the Commission's March 14, 2006 Order in Case No. 2005-00341. These calculations are based on an estimated October 2009 net revenue with an adjustment reflecting the true-up of September 2009 net revenue. Pursuant to the Settlement Agreement in Case No. 2005-00341 and the Company's System Sales Clause Tariff, net system sales revenue up to and including \$30M for the billing period April 1, 2009 through March 31, 2010 shall be based on 70/30 percent sharing basis. If and when the Company surpasses the off-system sales margin of \$30M, the customer sharing mechanism shall be on a 60/40 basis.

The attached System Sales Clause Schedule, page 1 of 2, shows the net revenue level to be applied to our December 2009 billing is in the amount of \$1,471,103. As the table indicates, the YTD system sales profit total has not exceeded the \$30M benchmark. Therefore, the sharing mechanism for December 2009 billing is calculated on a 70/30 basis.

Messrs. Derouen and Newby

Page 2

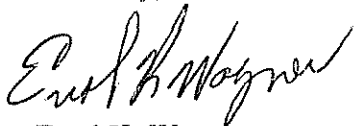
16 November 2009

The net system sales clause factor of $\$(0.0006845)/\text{kwh}$ (a credit) will be applied to our December 2009 billing.

All billings during December 2009 will show a combined factor of $\$(0.0054145)/\text{kWh}$ (a credit).

If you have any questions, please contact me at 502/696-7010.

Sincerely,

A handwritten signature in black ink, appearing to read "Errol K. Wagner". The signature is written in a cursive style with a large initial "E".

Errol K. Wagner
Director of Regulatory Services

Attachments

KENTUCKY POWER COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Month Ended: October 2009

- | | | |
|---|-----|---------------------------|
| 1 Fuel Adjustment Clause Factor (Page 1 of 5) | (+) | (0.00473) |
| 2 System Sales Clause Factor (Page 1 of 2) | (+) | <u>(0.0006845)</u> |
| 3 Total Adjustment Clause Factors | | <u><u>(0.0054145)</u></u> |

Effective Date for Billing

December 2009

Submitted by:


(Signature)

Title:

Director of Regulatory Services

Date Submitted:

November 16, 2009

KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: October 2009

Fuel Fm (Fuel Cost Schedule)	<u>\$12,607,324</u>		
Sales Sm (Sales Schedule)	532,719,000	(+)	0.02367
Fuel (Fb)	<u>\$16,138,627</u>		
Sales (Sb)	568,162,000	(-)	<u>0.02840</u> *
			<u>(0.00473)</u>
			(\$/KWH)

Effective Date for Billing December 2009

Submitted by: 
(Signature)

Title: Director of Regulatory Services

Date Submitted: November 16, 2009

*Pursuant to PSC Order dated May 27, 2009 in Case No. 2008-00518

KENTUCKY POWER COMPANY

FUEL COST SCHEDULE

Month Ended: October 2009

A.	Company Generation			
	Coal Burned	(+)	\$14,424,861	
	Oil Burned	(+)	56,411	
	Gas Burned	(+)	0	
	Fuel (jointly owned plant)	(+)	0	
	Fuel (assigned cost during F. O.)	(+)	0	
	Fuel (substitute for F. O.)	(-)		
	Sub Total		<u>14,481,272</u>	
B.	Purchases			
	Net Energy Cost - Economy Purchases	(+)	0	
	Identifiable Fuel Cost - Other Purchases	(+)	7,008,478	*
	Identifiable Fuel Cost (substitute for F. O.)	(-)	0	
	Sub Total		<u>7,008,478</u>	
C.	Inter-System Sales Fuel Costs		7,618,666	*
	Sub Total		<u>7,618,666</u>	
D.	Total Fuel Cost (A + B - C)		<u>\$13,871,084</u>	
E.	Adjustment indicating the difference in actual fuel cost for the month of <u>September 2009</u> and the estimated cost originally reported.			
			<u>\$12,105,209</u>	-
			(actual)	
			<u>\$13,727,030</u>	=
			(est.)	
				<u>(1,621,821)</u>
F.	Total Company Over or (Under) Recovery from Page 4, Line 12		<u>143,145</u>	
G.	Grand Total Fuel Cost (D + E - F)		<u>\$12,106,118</u>	
H.	Net Transmission Marginal Line Loss for month of <u>October 2009</u> (Accounts 4470207 and 447208)		501,206	
I.	ADJUSTED GRAND TOTAL FUEL COSTS (G + H)		<u>\$12,607,324</u>	

* Estimated - based on actual Kentucky generation unit costs in October 2009

	<u>\$14,481,272</u>		
	564,662,000	0.02565	/KWH

KENTUCKY POWER COMPANY

SALES SCHEDULE

Month Ended: October 2009

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	564,662,000
Purchases Including Interchange In	(+)	<u>273,235,000</u>
Sub Total		837,897,000
 B. Pumped Storage Energy	 (+)	 0
Inter-System Sales Including Interchange Out	(+)	297,024,000
System Losses	(+)	<u>8,154,000</u> *
Sub Total		<u>305,178,000</u>
Total Sales (A - B)		<u><u>532,719,000</u></u>

* Does not include 299,809 KWH of company usage.

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: October 2009

Line No.			
1	FAC Rate Billed	(+)	(0.00382)
2	Retail KWH Billed at Above Rate	(x)	<u>538,783,007</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>(2,058,151)</u>
4	KWH Used to Determine Last FAC Rate Billed	(+)	583,830,000
5	Non-Jurisdictional KWH Included in L4	(-)	<u>8,061,000</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>575,769,000</u>
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		(2,199,438)
8	Over or (Under) Recovery (L3 - L7)		141,287
9	Total Sales (Page 3)	(+)	532,719,000
10	Kentucky Jurisdictional Sales	(/)	<u>525,805,800</u>
11	Ratio of Total Sales to KY Jurisdictional Sales (L9 / L10)		1.01315
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>143,145</u></u>

KENTUCKY POWER COMPANY

**FINAL
FUEL COST SCHEDULE**

Month Ended: September 2009

A. Company Generation			
Coal Burned	(+)	\$12,858,400	
Oil Burned	(+)	282,393	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)			
(66,708,000 KWH X \$0.022216)	(+)	1,481,985	
Fuel (substitute for F. O.)	(-)	<u>0</u>	
Sub-total		<u>14,622,778</u>	
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	3,865,872	(1)
Identifiable Fuel Cost (substitute for F. O.)			
(66,708,000 KWH X \$0.022216)	(-)	<u>1,481,985</u>	
Sub-total		<u>2,383,887</u>	
C. Inter-System Sales Fuel Costs		<u>4,901,456</u>	(1)
D. SUB-TOTAL FUEL COST (A + B - C)		<u>\$12,105,209</u>	
E. Net Transmission Marginal Line Loss for month	September 2009	351,719	
F. GRAND TOTAL FUEL COSTS (D + E)		<u><u>\$12,456,928</u></u>	

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

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE SCHEDULE
Case No. 9061 and
Stipulation and Settlement Agreement in Case No. 2005-00341
October 2009

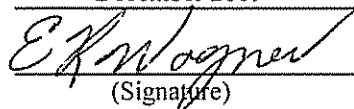
Line No.	Month Ended:			YTD System Sales Profit	
1	Current Month (Tm) Net Revenue Level @ 70%	(+)	1,471,103	Feb-09	\$1,405,018
2	Current Month (Tm) Net Revenue Level @ 60%	(+)	n/a	Mar-09	1,328,862
3	Current Month (Tm) Net Revenue Level (Ln 1 + Ln 2)		<u>1,471,103</u>	Apr-09	797,692
4	Base Month (Tb) Tariff 19-2 Net Revenue Level	(-)	<u>950,190</u>	May-09	646,768
5	Increase/(Decrease) of System Sales Net Revenue (Ln 3 - Ln 4)		520,913	Jun-09	2,162,000
6	Customer 70% Sharing ^{1/}	(x)	70%	Jul-09	1,858,472
7	Customer 60% Sharing ^{1/}	(x)	<u>n/a</u>	Aug-09	1,753,385
8	Customer Share of Increase/(Decrease) in System Sales Net Revenue		364,639	Sep-09	1,566,609
9	Current Month (Sm) Sales Level (Page 3 of 5)	(/)	<u>532,719,000</u>	Oct-09	1,471,103
				Nov-09	
				Dec-09	
				Jan-10	
				Total	\$12,989,909 ^{1/}
10	System Sales Clause Factor - \$/Kwh (Ln 8 / Ln 9)		<u>(0.0006845)</u> *		

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

Effective Date for Billing:

December 2009

Submitted by:


(Signature)

Title:

Director of Regulatory Services

Date Submitted:

November 16, 2009

^{1/} Up to and including \$30M for any period beginning April 1 through March 31 of the following year will be at 70%. After \$30M for any period beginning April 1 through March 31 of the following year sharing will be at 60%.

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE NET REVENUE

Line No.		Month Ended: October 2009		TOTAL
		CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	
1	Sales For Resale Revenues	\$5,403,423	\$43,040	\$5,446,463
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	5,403,423	43,040	5,446,463
4	Sales For Resale Expenses	\$3,909,279	\$21,569	\$3,930,848
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	44,512	0	44,512
7	Total System Sales Expenses	3,953,791	21,569	3,975,360
8	Total System Sales Net Revenues	<u>\$1,449,632</u>	<u>\$21,471</u>	<u>\$1,471,103</u>

*Source:

ES Form 1.0, Line 3

ES Form 3.3, Line 4

Non-Associated Environmental Costs



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A unit of American Electric Power

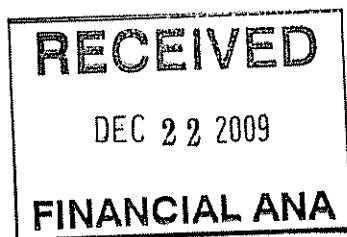
Kentucky Power
101A Enterprise Drive
P O Box 5190
Frankfort, KY 40602-5190
KentuckyPower.com

Jeff R. Derouen, Executive Director
Public Service Commission
Attn: Daryl Newby
P. O. Box 615
Frankfort, KY 40602

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DEC 21 2009

PUBLIC SERVICE
COMMISSION



21 December 2009

Gentlemen:

Attached is Kentucky Power Company's Fuel Adjustment Clause Schedule with supporting sales and fuel cost schedules. These calculations are based on an estimated November 2009 fuel costs with an adjustment reflecting actual October 2009 fuel costs.

The fuel adjustment clause factor of $\$(0.00440)/\text{kwh}$ (a credit) will be applied to our January 2010 billing. Pursuant to the Commission's Order dated October 3, 2002 in Case No. 2000-495B, page 5 reflects the peaking unit equivalent approach used to calculate the level of non-economy purchased power costs to flow through the fuel adjustment clause.

Also attached is the System Sales Clause Schedule with a supporting net revenue schedule calculated pursuant to the Commission's March 14, 2006 Order in Case No. 2005-00341. These calculations are based on an estimated November 2009 net revenue with an adjustment reflecting the true-up of October 2009 net revenue. Pursuant to the Settlement Agreement in Case No. 2005-00341 and the Company's System Sales Clause Tariff, net system sales revenue up to and including \$30M for the billing period April 1, 2009 through March 31, 2010 shall be based on 70/30 percent sharing basis. If and when the Company surpasses the off-system sales margin of \$30M, the customer sharing mechanism shall be on a 60/40 percent basis.

The attached System Sales Clause Schedule, page 1 of 2, shows the net revenue level to be applied to our January 2010 billing is in the amount of \$1,272,675. As the table indicates, the YTD system sales profit total has not exceeded the \$30M benchmark. Therefore, the sharing mechanism for January 2010 billing is calculated on a 70/30 basis.

Messrs. Derouen and Newby

Page 2

21 December 2009

The net system sales clause factor of $\$(0.0000167)/\text{kwh}$ (a credit) will be applied to our January 2010 billing.

All billings during January 2010 will show a combined factor of $\$(0.0044167)/\text{kWh}$ (a credit).

If you have any questions, please contact me at 502/696-7010.

Sincerely,

A handwritten signature in cursive script that reads "Errol K. Wagner".

Errol K. Wagner
Director of Regulatory Services

Attachments

KENTUCKY POWER COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Month Ended: November 2009

- | | | |
|---|-----|---------------------------|
| 1 Fuel Adjustment Clause Factor (Page 1 of 5) | (+) | (0 00440) |
| 2 System Sales Clause Factor (Page 1 of 2) | (+) | <u>(0.0000167)</u> |
| 3 Total Adjustment Clause Factors | | <u><u>(0.0044167)</u></u> |

Effective Date for Billing

January 2010

Submitted by:


(Signature)

Title:

Director of Regulatory Services

Date Submitted:

December 21, 2009

KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: November 2009

Fuel Fm (Fuel Cost Schedule)	<u>\$14,000,288</u>		
Sales Sm (Sales Schedule)	583,384,000	(+)	0.02400
Fuel (Fb)	<u>\$16,138,627</u>		
Sales (Sb)	568,162,000	(-)	<u>0.02840 *</u>
			<u>(0.00440)</u>
			(\$/KWH)

Effective Date for Billing January 2010

Submitted by:


(Signature)

Title:

Director of Regulatory Services

Date Submitted:

December 21, 2009

*Pursuant to PSC Order dated May 27, 2009 in Case No. 2008-00518

KENTUCKY POWER COMPANY

FUEL COST SCHEDULE

Month Ended: November 2009

A.	Company Generation			
	Coal Burned	(+)	\$13,773,720	
	Oil Burned	(+)	90,027	
	Gas Burned	(+)	0	
	Fuel (jointly owned plant)	(+)	0	
	Fuel (assigned cost during F. O.)	(+)	0	
	Fuel (substitute for F. O.)	(-)		
	Sub Total		<u>13,863,747</u>	
B.	Purchases			
	Net Energy Cost - Economy Purchases	(+)	0	
	Identifiable Fuel Cost - Other Purchases	(+)	6,661,444	*
	Identifiable Fuel Cost (substitute for F. O.)	(-)	<u>0</u>	
	Sub Total		<u>6,661,444</u>	
C.	Inter-System Sales Fuel Costs		<u>6,697,535</u>	*
	Sub Total		<u>6,697,535</u>	
D.	Total Fuel Cost (A + B - C)		<u><u>\$13,827,656</u></u>	
E.	Adjustment indicating the difference in actual fuel cost for the month of <u>October 2009</u> and the estimated cost originally reported.			
			<u>\$13,449,082</u>	-
			(actual)	
			<u>\$13,871,084</u>	-
			(est.)	
		=	<u>(422,002)</u>	
F.	Total Company Over or (Under) Recovery from Page 4, Line 12		<u>(36,207)</u>	
G.	Grand Total Fuel Cost (D + E - F)		<u>\$13,441,861</u>	
H.	Net Transmission Marginal Line Loss for month of <u>November 2009</u> (Accounts 4470207 and 447208)		558,427	
I.	ADJUSTED GRAND TOTAL FUEL COSTS (G + H)		<u><u>\$14,000,288</u></u>	

* Estimated - based on actual Kentucky generation unit costs in November 2009

<u>\$13,863,747</u>		
591,975,000	0.02342	/KWH

KENTUCKY POWER COMPANY

SALES SCHEDULE

Month Ended: November 2009

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	591,975,000
Purchases Including Interchange In	(+)	<u>284,434,000</u>
Sub Total		876,409,000
 B. Pumped Storage Energy	 (+)	 0
Inter-System Sales Including Interchange Out	(+)	285,975,000
System Losses	(+)	<u>7,050,000</u> *
Sub Total		<u>293,025,000</u>
Total Sales (A - B)		<u><u>583,384,000</u></u>

* Does not include 325,014 KWH of company usage.

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: November 2009

Line No			
1	FAC Rate Billed	(+)	(0.00350)
2	Retail KWH Billed at Above Rate	(x)	<u>522,332,509</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>(1,828,164)</u>
4	KWH Used to Determine Last FAC Rate Billed	(+)	518,820,000
5	Non-Jurisdictional KWH Included in L4	(-)	<u>6,702,300</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>512,117,700</u>
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		(1,792,412)
8	Over or (Under) Recovery (L3 - L7)		(35,752)
9	Total Sales (Page 3)	(+)	583,384,000
10	Kentucky Jurisdictional Sales	(/)	<u>576,057,900</u>
11	Ratio of Total Sales to KY Jurisdictional Sales (L9 / L10)		1.01272
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>(36,207)</u></u>

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: October 2009

A. Company Generation			
Coal Burned	(+)	\$17,275,500	
Oil Burned	(+)	60,683	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)			
(521,000 KWH X \$0.021134)	(+)	11,011	
Fuel (substitute for F. O.)	(-)	<u>0</u>	
Sub-total			<u>17,347,194</u>
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	2,677,920	(1)
Identifiable Fuel Cost (substitute for F. O.)			
(521,000 KWH X \$0.021134)	(-)	<u>11,011</u>	
Sub-total			<u>2,666,909</u>
C. Inter-System Sales Fuel Costs			<u>6,565,021</u> (1)
D. SUB-TOTAL FUEL COST (A + B - C)			<u>\$13,449,082</u>
E. Net Transmission Marginal Line Loss for month	October 2009	501,206	
F. GRAND TOTAL FUEL COSTS (D + E)			<u><u>\$13,950,288</u></u>

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

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE SCHEDULE
Case No. 9061 and
Stipulation and Settlement Agreement in Case No. 2005-00341
November 2009

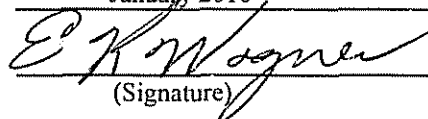
Line No.	Month Ended:			YTD System Sales Profit	
1	Current Month (Tm) Net Revenue Level @ 70%	(+)	1,272,675	Feb-09	\$1,405,018
2	Current Month (Tm) Net Revenue Level @ 60%	(+)	n/a	Mar-09	1,328,862
3	Current Month (Tm) Net Revenue Level (Ln 1 + Ln 2)		1,272,675	Apr-09	797,692
4	Base Month (Tb) Tariff 19-2 Net Revenue Level	(-)	1,258,779	May-09	646,768
5	Increase/(Decrease) of System Sales Net Revenue (Ln 3 - Ln 4)		13,896	Jun-09	2,162,000
6	Customer 70% Sharing ^{1/}	(x)	70%	Jul-09	1,858,472
7	Customer 60% Sharing ^{1/}	(x)	n/a	Aug-09	1,753,385
8	Customer Share of Increase/(Decrease) in System Sales Net Revenue		9,727	Sep-09	1,566,609
9	Current Month (Sm) Sales Level (Page 3 of 5)	(/)	583,384,000	Oct-09	1,471,103
				Nov-09	1,272,675
				Dec-09	
				Jan-10	
				Total	\$14,262,584 ^{1/}
10	System Sales Clause Factor - \$/Kwh (Ln 8 / Ln 9)		<u>(0.0000167)</u> *		

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

Effective Date for Billing:

January 2010

Submitted by:


 (Signature)

Title:

Director of Regulatory Services

Date Submitted:

December 21, 2009

^{1/} Up to and including \$30M for any period beginning April 1 through March 31 of the following year will be at 70%. After \$30M for any period beginning April 1 through March 31 of the following year will be at 60%.

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE NET REVENUE

Line No.		Month Ended: November 2009		TOTAL
		CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	
1	Sales For Resale Revenues	\$5,309,552	(\$15,465)	\$5,294,087
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	5,309,552	(15,465)	5,294,087
4	Sales For Resale Expenses	\$3,822,322	\$58,794	\$3,881,116
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	140,296	0	140,296
7	Total System Sales Expenses	3,962,618	58,794	4,021,412
8	Total System Sales Net Revenues	<u>\$1,346,934</u>	<u>(\$74,259)</u>	<u>\$1,272,675</u>

*Source:

ES Form 1.0, Line 3

ES Form 3.3, Line 4

Non-Associated Environmental Costs



**KENTUCKY
POWER**

A unit of American Electric Power

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JAN 19 2010

PUBLIC SERVICE
COMMISSION

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

Jeff R. Derouen, Executive Director
Public Service Commission
Attn: Daryl Newby
P. O. Box 615
Frankfort, KY 40602

19 January 2010

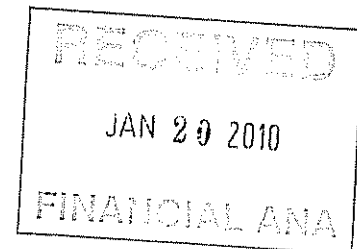
Gentlemen:

Attached is Kentucky Power Company's Fuel Adjustment Clause Schedule with supporting sales and fuel cost schedules. These calculations are based on an estimated December 2009 fuel costs with an adjustment reflecting actual November 2009 fuel costs.

The fuel adjustment clause factor of \$0.00085/kwh will be applied to our February 2010 billing. Pursuant to the Commission's Order dated October 3, 2002 in Case No. 2000-495B, page 5 reflects the peaking unit equivalent approach used to calculate the level of non-economy purchased power costs to flow through the fuel adjustment clause.

Also attached is the System Sales Clause Schedule with a supporting net revenue schedule calculated pursuant to the Commission's March 14, 2006 Order in Case No. 2005-00341. These calculations are based on an estimated December 2009 net revenue with an adjustment reflecting the true-up of November 2009 net revenue. Pursuant to the Settlement Agreement in Case No. 2005-00341 and the Company's System Sales Clause Tariff, net system sales revenue up to and including \$30M for the billing period April 1, 2009 through March 31, 2010 shall be based on 70/30 percent sharing basis. If and when the Company surpasses the off-system sales margin of \$30M, the customer sharing mechanism shall be on a 60/40 percent basis.

The attached System Sales Clause Schedule, page 1 of 2, shows the net revenue level to be applied to our February 2010 billing is in the amount of \$1,301,625. As the table indicates, the YTD system sales profit total has not exceeded the \$30M benchmark. Therefore, the sharing mechanism for February 2010 billing is calculated on a 70/30 basis.



Messrs. Derouen and Newby

Page 2

19 January 2010

The net system sales clause factor of \$0.0007109/kwh will be applied to our February 2010 billing.

All billings during February 2010 will show a combined factor of \$0.0015609/kWh.

If you have any questions, please contact me at 502/696-7010.

Sincerely,

A handwritten signature in black ink, appearing to read "Errol K. Wagner". The signature is fluid and cursive, with the first name being the most prominent.

Errol K. Wagner
Director of Regulatory Services

Attachments

KENTUCKY POWER COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Month Ended: December 2009

1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	\$0.00085
2 System Sales Clause Factor (Page 1 of 2)	(+)	<u>.0007109</u>
3 Total Adjustment Clause Factors		<u><u>\$0.0015609</u></u>

Effective Date for Billing February 2010

Submitted by:


(Signature)

Title:

Director of Regulatory Services

Date Submitted:

January 19, 2010

KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: December 2009

Fuel Fm (Fuel Cost Schedule)	<u>\$20,842,031</u>		
Sales Sm (Sales Schedule)	712,568,000	(+)	0.02925
Fuel (Fb)	<u>\$16,138,627</u>		
Sales (Sb)	568,162,000	(-)	<u>0.02840</u> •
			<u>0.00085</u>
			(\$/KWH)

Effective Date for Billing February 2010

Submitted by:  (Signature)

Title: Director of Regulatory Services

Date Submitted: January 19, 2010

*Pursuant to PSC Order dated May 27, 2009 in Case No. 2008-00518

KENTUCKY POWER COMPANY

FUEL COST SCHEDULE

Month Ended: December 2009

A.	Company Generation			
	Coal Burned	(+)	\$16,406,089	
	Oil Burned	(+)	305,932	
	Gas Burned	(+)	0	
	Fuel (jointly owned plant)	(+)	0	
	Fuel (assigned cost during F. O.)	(+)	0	
	Fuel (substitute for F. O.)	(-)		
	Sub Total		<u>16,712,021</u>	
B.	Purchases			
	Net Energy Cost - Economy Purchases	(+)	0	
	Identifiable Fuel Cost - Other Purchases	(+)	13,363,227	*
	Identifiable Fuel Cost (substitute for F. O.)	(-)	0	
	Sub Total		<u>13,363,227</u>	
C.	Inter-System Sales Fuel Costs		10,411,931	*
	Sub Total		<u>10,411,931</u>	
D.	Total Fuel Cost (A + B - C)		<u><u>\$19,663,317</u></u>	
E.	Adjustment indicating the difference in actual fuel cost for the month of <u>November 2009</u> and the estimated cost originally reported. <u>\$13,552,882</u> - <u>\$13,827,656</u> = <u>(274,774)</u> (actual) (est.)			
F.	Total Company Over or (Under) Recovery from Page 4, Line 12		<u>(541,832)</u>	
G.	Grand Total Fuel Cost (D + E - F)		<u>\$19,930,375</u>	
H.	Net Transmission Marginal Line Loss for month of <u>December 2009</u> (Accounts 4470207 and 447208)		911656	
I.	ADJUSTED GRAND TOTAL FUEL COSTS (G + H)		<u><u>\$20,842,031</u></u>	

* Estimated - based on actual Kentucky generation unit costs in
December 2009

<u>\$16,712,021</u>		
612,879,000	0.02727	/KWH

KENTUCKY POWER COMPANY

SALES SCHEDULE

Month Ended: December 2009

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	612,879,000
Purchases Including Interchange In	(+)	<u>490,034,000</u>
Sub Total		1,102,913,000
 B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	381,809,000
System Losses	(+)	<u>8,536,000</u> *
Sub Total		<u>390,345,000</u>
Total Sales (A - B)		<u><u>712,568,000</u></u>

* Does not include 478,223 KWH of company usage.

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: December 2009

Line No.			
1	FAC Rate Billed	(+)	(0.00473)
2	Retail KWH Billed at Above Rate	(x)	<u>638,803,244</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>(3,021,539)</u>
4	KWH Used to Determine Last FAC Rate Billed	(+)	532,719,000
5	Non-Jurisdictional KWH Included in L4	(-)	<u>6,913,200</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>525,805,800</u>
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		(2,487,061)
8	Over or (Under) Recovery (L3 - L7)		(534,478)
9	Total Sales (Page 3)	(+)	712,568,000
10	Kentucky Jurisdictional Sales	(/)	<u>702,896,400</u>
11	Ratio of Total Sales to KY Jurisdictional Sales (L9 / L10)		1.01376
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>(541,832)</u></u>

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: November 2009

A. Company Generation			
Coal Burned	(+)	\$16,691,643	
Oil Burned	(+)	189,529	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)			
(3,500,000 KWH X \$0.024372)	(+)	85,302	
Fuel (substitute for F. O.)	(-)	<u>0</u>	
Sub-total		<u>16,966,474</u>	
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	2,309,959	(1)
Identifiable Fuel Cost (substitute for F. O.)			
(3,500,000 KWH X \$0.024372)	(-)	<u>85,302</u>	
Sub-total		<u>2,224,657</u>	
C. Inter-System Sales Fuel Costs		<u>5,638,249</u>	(1)
D. SUB-TOTAL FUEL COST (A + B - C)		<u>\$13,552,882</u>	
E. Net Transmission Marginal Line Loss for month	November 2009	558427	
F. GRAND TOTAL FUEL COSTS (D + E)		<u><u>\$14,111,309</u></u>	

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

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE SCHEDULE
Case No. 9061 and
Stipulation and Settlement Agreement in Case No. 2005-00341
December 2009

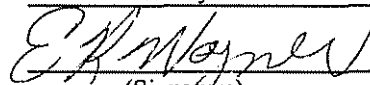
Line No.	Month Ended:		YTD System Sales Profit
1	Current Month (Tm) Net Revenue Level @ 70%	(+) 1,301,625	Feb-09 \$1,405,018
2	Current Month (Tm) Net Revenue Level @ 60%	(+) n/a	Mar-09 1,328,862
3	Current Month (Tm) Net Revenue Level (Ln 1 + Ln 2)	1,301,625	Apr-09 797,692
4	Base Month (Tb) Tariff 19-2 Net Revenue Level	(-) 2,025,256	May-09 646,768
5	Increase/(Decrease) of System Sales Net Revenue (Ln 3 - Ln 4)	(723,631)	Jun-09 2,162,000
6	Customer 70% Sharing ^{1/}	(x) 70%	Jul-09 1,858,472
7	Customer 60% Sharing ^{1/}	(x) n/a	Aug-09 1,753,385
8	Customer Share of Increase/(Decrease) in System Sales Net Revenue	(506,542)	Sep-09 1,566,609
9	Current Month (Sm) Sales Level (Page 3 of 5)	(/) 712,568,000	Oct-09 1,471,103
			Nov-09 1,272,675
			Dec-09 1,301,625
			Jan-10
			Total \$15,564,209 ^{1/}
10	System Sales Clause Factor - \$/Kwh (Ln 8 / Ln 9)	<u>.0007109</u> *	

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

Effective Date for Billing:

February 2010

Submitted by:


(E.A. Meyner)
(Signature)

Title:

Director of Regulatory Services

Date Submitted:

January 19, 2010

^{1/} Up to and including \$30M for any period beginning April 1 through March 31 of the following year will be at 70%. After \$30M for any period beginning April 1 through March 31 of the following year will be at 60%.

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE NET REVENUE

Line No.		Month Ended: December 2009		TOTAL
		CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	
1	Sales For Resale Revenues	\$7,884,617	(\$24,991)	\$7,859,626
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	7,884,617	(24,991)	7,859,626
4	Sales For Resale Expenses	\$6,015,638	\$61,161	\$6,076,799
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	481,202	0	481,202
7	Total System Sales Expenses	6,496,840	61,161	6,558,001
8	Total System Sales Net Revenues	<u>\$1,387,777</u>	<u>(\$86,152)</u>	<u>\$1,301,625</u>

*Source:

ES Form 1.0, Line 3

ES Form 3.3, Line 4

Non-Associated Environmental Costs