



**KENTUCKY  
POWER**

A unit of American Electric Power

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FEB 17 2006

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

FINANCIAL ANA

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

RECEIVED

FEB 17 2006

PUBLIC SERVICE  
COMMISSION

17 February 2006

Dear Ms. O'Donnell and Mr. Newby:

Attached are Kentucky Power Company's fuel adjustment clause schedules with supporting sales and fuel cost schedules. These calculations are based on an estimated January 2006 fuel costs with an adjustment reflecting actual December 2005 fuel costs.

The fuel adjustment clause factor of \$0.00281/kwh will be applied to our March 2006 billing. Pursuant to the Commission's Order dated October 3, 2002 in Case No. 2000-495B, page 5 reflects the peaking unit equivalent approach used to calculate the level of non-economy purchased power costs to flow through the fuel adjustment clause.

Also, we are attaching the system sales clause schedule with a supporting net revenue schedule calculated pursuant to the Commission's December 13, 2004 Order in Case No. 2004-00420. These calculations are based on an estimated January 2006 net revenue with an adjustment reflecting the true-up of December 2005 net revenue.

The net system sales clause factor of \$(0.0016439)/kwh (a credit) for All Other Customers and \$(.0020559)/kwh (a credit) for CIP-TOD Customers will be applied to our March 2006 billing.

All billings during March 2006 will show a combined factor of \$0.0011291/kwh for All Other Customers and \$0.0007541/kwh for CIP-TOD Customers.

If you have any questions, please advise.

Sincerely,

Errol K. Wagner  
Director of Regulatory Services

CHECKED  
Public Service Commission

FEB 17 2006

By \_\_\_\_\_  
FINANCIAL ANALYSIS DIVISION

Attachments

**KENTUCKY POWER COMPANY**  
**SUMMARY OF ADJUSTMENT CLAUSES**

**Month Ended:** January 2006

		<u>All Other Customers</u>	<u>CIP-TOD Customers</u>
1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	\$0.00281 ✓	\$0.00281 ✓
2 System Sales Clause Factor (Page 1 of 2)	(+)	-\$0.0024909	-\$0.0024909
3 State Issues Settlement Factor	(+)	0.0008470	0.0005000
4 State Issues Settlement Balancing Adjustment Factor (BAF)		<u>-0.000037</u>	<u>-0.000065</u>
5 Net System Sales Clause Factor - \$kWh (Ln 2+3+4)		-\$0.0016439	-0.0020559
6 Total Adjustment Clause Factors		<u><u>\$0.0011291</u></u>	<u><u>\$0.0007541</u></u>

Effective Date for Billing

March 2006

---

Submitted by:

  
 (Signature)

---

Title:

Director of Regulatory Services

---

Date Submitted:

February 17, 2006

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**KENTUCKY POWER COMPANY**  
**FUEL ADJUSTMENT CLAUSE SCHEDULE**

**Month Ended:      January 2006**

Fuel Fm (Fuel Cost Schedule)	<u>\$12,764,562</u>		
Sales Sm (Sales Schedule)	660,641,000	(+)	0.01932 ✓
Fuel (Fb)	<u>\$8,703,098</u>		
Sales (Sb)	527,226,000	(-)	<u>0.01651</u> ✓
			<u><u>0.00281</u></u> ✓
			(\$/KWH)

Effective Date for Billing      March 2006

Submitted by:

  
\_\_\_\_\_  
(Signature)

Title:

Director of Regulatory Services

Date Submitted:

February 17, 2006

## KENTUCKY POWER COMPANY

## FUEL COST SCHEDULE

Month Ended: January 2006

A. Company Generation			
Coal Burned	(+)	\$13,169,580	
Oil Burned	(+)	41,011	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O. )	(+)	0	
Fuel (substitute for F. O. )	(-)		
Sub Total		<u>13,210,591</u>	✓
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	9,709,543	*
Identifiable Fuel Cost (substitute for F. O. )	(-)	0	
Sub Total		<u>9,709,543</u>	✓
C. Inter-System Sales Fuel Costs		<u>8,417,950</u>	*
Sub Total		<u>8,417,950</u>	
D. Total Fuel Cost (A + B - C)		<u><u>\$14,502,184</u></u>	✓
E. Adjustment indicating the difference in actual fuel cost for the month of <u>Dec 2005</u> and the estimated cost originally reported. <u>\$16,122,678</u> - <u>\$17,250,063</u> = <u>(1,127,385)</u> (actual) (est.)			✓
F. Total Company Over or (Under) Recovery from Page 4, Line 12		<u>610,237</u>	✓
G. Grand Total Fuel Cost (D + E - F)		<u><u>\$12,764,562</u></u>	✓

\* Estimated - based on actual Kentucky generation unit costs in  
January 2006

\$13,210,591  
653,419,000

0.02022 ✓ /KWH

**KENTUCKY POWER COMPANY****SALES SCHEDULE****Month Ended:** January 2006

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	653,419,000
Purchases Including Interchange In	(+)	<u>480,195,000</u>
Sub Total		<u>1,133,614,000</u> ✓
B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	416,318,000
System Losses	(+)	<u>56,655,000</u> *
Sub Total		<u>472,973,000</u> ✓
Total Sales (A - B)		<u><u>660,641,000</u></u> ✓

\* Does not include 677,886 KWH of company usage.

**KENTUCKY POWER COMPANY**  
**OVER OR (UNDER) RECOVERY SCHEDULE**

**Month Ended:**            January 2006

Line No.			
1	FAC Rate Billed	( + )	0.00403 ✓
2	Retail KWH Billed at Above Rate	( x )	<u>746,745,869</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>3,009,386</u> ✓
4	KWH Used to Determine Last FAC Rate Billed	( + )	605,508,000
5	Non-Jurisdictional KWH Included in L4	( - )	<u>8,136,300</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>597,371,700</u> ✓
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		2,407,408 ✓
8	Over or (Under) Recovery (L3 - L7)		601,978 ✓
9	Total Sales (Page 3)	( + )	660,641,000
10	Kentucky Jurisdictional Sales	( / )	<u>651,702,400</u>
11	Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10)		1.01372 ✓
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>610,237</u></u> ✓

## KENTUCKY POWER COMPANY

FINAL  
FUEL COST SCHEDULE

Month Ended: December 2005

A. Company Generation			
Coal Burned	(+)	\$18,480,307	
Oil Burned	(+)	70,416	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)			
( -0- KWH X -0- )	(+)	0	
Fuel (substitute for F. O.)	(-)	<u>0</u>	
Sub-total		<u>18,550,723</u>	✓
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	3,531,240	(1)
Identifiable Fuel Cost (substitute for F. O.)			
( -0- KWH X -0- )	(-)	<u>0</u>	
Sub-total		<u>3,531,240</u>	✓
C. Inter-System Sales Fuel Costs		<u>5,959,285</u>	(1)
Total Fuel Cost (A + B - C)		<u><u>\$16,122,678</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**

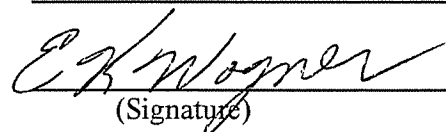
<u>Line No.</u>	<u>Month Ended:</u>	January 2006		
1	Current Month (Tm) Net Revenue Level	(+)	4,187,099	\$4,187,099
2	Base Month (Tb) Tariff 19-1 Net Revenue Level	(-)	<u>895,960</u>	<u>895,960</u>
3	Increase/(Decrease) of System Sales Net Revenue		3,291,139	3,291,139
4	Customer 50% Sharing	( x )	<u>50%</u>	<u>50%</u>
5	Customer Share of Increase/(Decrease) in System Sales Net Revenue		1,645,570	1,645,570
6	Current Month (Sm) Sales Level	( / )	660,641,000	660,641,000
7	System Sales Clause Factor - \$/Kwh		-0.0024909	-0.0024909
8	State Issues Settlement Factor	(+)	<u>\$0.000847</u>	<u>\$0.000500</u>
9	State Issues Settlement Balancing Adjustment Factor	(+)	-\$0.000037	-\$0.000065
10	Net System Sales Clause Factor - \$/kWh* (Ln 7+8+9)	(=)	<u><u>-\$0.0016809</u></u>	<u><u>-\$0.0020559</u></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 2006

Submitted by:

  
 (Signature)

Title:

Director of Regulatory Services

Date Submitted:

February 17, 2006



**KENTUCKY POWER COMPANY**  
**SYSTEM SALES CLAUSE NET REVENUE**

Line No.		Month Ended:	January 2006	
		CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	TOTAL
1	Sales For Resale Revenues	\$9,673,691	\$15,174	\$9,688,865
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	9,673,691	15,174	9,688,865
4	Sales For Resale Expenses	\$5,262,132	\$100,758	\$5,362,890
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	138,876	0	138,876
7	Total System Sales Expenses	5,401,008	100,758	5,501,766
8	Total System Sales Net Revenues	\$4,272,683	(\$85,584)	\$4,187,099

\*Source:

ES Form 1.0, Line 3

ES Form 3.3, Line 4

Non-Associated Environmental Costs

**American Electric Power**

101A Enterprise Drive  
PO Box 5190  
Frankfort, KY 40602-5190  
www.aep.com



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

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MAR 20 2006

PUBLIC SERVICE  
COMMISSION

20 March 2006

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MAR 21 2006

Dear Ms. O'Donnell and Mr. Newby: **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 February 2006 fuel costs with an adjustment reflecting actual January 2006 fuel costs.

The fuel adjustment clause factor of \$0.00505/kwh will be applied to our April 2006 billing. Pursuant to the Commission's Order dated October 3, 2002 in Case No. 2000-495B, page 5 reflects the peaking unit equivalent approach used to calculate the level of non-economy purchased power costs to flow through the fuel adjustment clause.

Also, we are attaching the system sales clause schedule with a supporting net revenue schedule calculated pursuant to the Commission's December 13, 2004 Order in Case No. 2004-00420. These calculations are based on an estimated February 2006 net revenue with an adjustment reflecting the true-up of January 2006 net revenue.

The net system sales clause factor of \$(0.0014066)/kwh (a credit) for All Other Customers and \$(.0017816)/kwh (a credit) for CIP-TOD Customers will be applied to our April 2006 billing for service rendered prior to March 30, 2006.

All billings for service rendered prior to March 30, 2006 will show a combined factor of \$0.0036434/kwh for All Other Customers and \$0.0032684/kwh for CIP-TOD Customers.

CHECKED  
Public Service Commission

MAR 20 2006

By

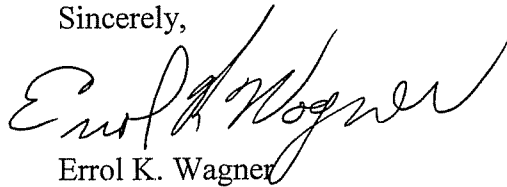
  
FINANCIAL ANALYSIS DIVISION

Pursuant to the Commission's March 14, 2006 Order in Case No. 2005-00341, the Company is also enclosing the system sales clause schedule with supporting net revenue schedule calculated pursuant to the Order for service rendered on and after March 30, 2006. The system sales clause factor of  $\$.0021972$  will be applied for service rendered March 30, 2006 and after.

All billings for service rendered March 30, 2006 and after will show a combined factor of  $\$.0028528/\text{kwh}$ .

If you have any questions, please advise.

Sincerely,

A handwritten signature in cursive script, appearing to read "Errol K. Wagner".

Errol K. Wagner  
Director of Regulatory Services

Attachments

**KENTUCKY POWER COMPANY**  
**SUMMARY OF ADJUSTMENT CLAUSES**

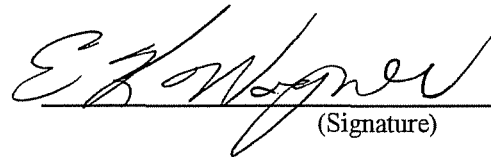
**Month Ended:** February 2006

		<u>All Other Customers</u>	<u>CIP-TOD Customers</u>
1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	\$0.00505 ✓	\$0.00505 ✓
2 System Sales Clause Factor (Page 1 of 2)	(+)	-.0022166	-\$0.0022166
3 State Issues Settlement Factor	(+)	0.0008470	0.0005000
4 State Issues Settlement Balancing Adjustment Factor (BAF)	(+)	<u>-0.000037</u>	<u>-0.000065</u>
5 Net System Sales Clause Factor - \$kWh (Ln 2+3+4)		-\$0.0014066	-\$0.0017816
6 Total Adjustment Clause Factors		<u><u>\$0.0036434</u></u>	<u><u>\$0.0032684</u></u>

Effective Date for Billing

April 2006

Submitted by:

  
 \_\_\_\_\_  
 (Signature)

Title:

Director of Regulatory Services  
 \_\_\_\_\_

Date Submitted:

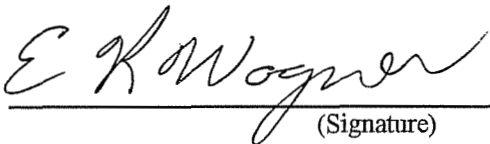
March 20, 2006  
 \_\_\_\_\_

**KENTUCKY POWER COMPANY**  
**FUEL ADJUSTMENT CLAUSE SCHEDULE**

**Month Ended: February 2006**

Fuel Fm (Fuel Cost Schedule)	\$14,504,773		
Sales Sm (Sales Schedule)	<u>672,786,000</u>	(+)	0.02156 ✓
Fuel (Fb)	\$8,703,098		
Sales (Sb)	<u>527,226,000</u>	(-)	<u>0.01651</u> ✓
			<u>0.00505</u> ✓
			( \$/KWH )

Effective Date for Billing April 2006

Submitted by:   
(Signature)

Title: Director of Regulatory Services

Date Submitted: March 20, 2006

## KENTUCKY POWER COMPANY

## FUEL COST SCHEDULE

Month Ended: February 2006

A.	Company Generation				
	Coal Burned	(+)	\$12,313,637		
	Oil Burned	(+)	48,702		
	Gas Burned	(+)	0		
	Fuel (jointly owned plant)	(+)	0		
	Fuel (assigned cost during F. O. )	(+)	0		
	Fuel (substitute for F. O. )	(-)			
	Sub Total		<u>12,362,339</u>		✓
B.	Purchases				
	Net Energy Cost - Economy Purchases	(+)	0		
	Identifiable Fuel Cost - Other Purchases	(+)	11,367,648	*	
	Identifiable Fuel Cost (substitute for F. O. )	(-)	0		
	Sub Total		<u>11,367,648</u>		✓
C.	Inter-System Sales Fuel Costs		<u>9,046,339</u>	*	
	Sub Total		<u>9,046,339</u>		✓
D.	Total Fuel Cost (A + B - C)		<u>\$14,683,648</u>		✓
E.	Adjustment indicating the difference in actual fuel cost for the month of <u>January 2006</u> and the estimated cost originally reported. <u>\$13,995,193</u> - <u>\$14,502,184</u> = <u>(506,991)</u> (actual) (est.)				✓
F.	Total Company Over or (Under) Recovery from Page 4, Line 12		<u>(328,116)</u>		✓
G.	Grand Total Fuel Cost (D + E - F)		<u>\$14,504,773</u>		✓
	* Estimated - based on actual Kentucky generation unit costs in February 2006 <u>\$12,362,339</u> 616,427,000 0.02005 /KWH				

**KENTUCKY POWER COMPANY****SALES SCHEDULE****Month Ended:** February 2006

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	616,427,000
Purchases Including Interchange In	(+)	<u>566,965,000</u>
Sub Total		<u>1,183,392,000</u> ✓
B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	451,189,000
System Losses	(+)	<u>59,417,000</u> *
Sub Total		<u>510,606,000</u> ✓
Total Sales (A - B)		<u><u>672,786,000</u></u> ✓

\* Does not include 375,166 KWH of company usage.

**KENTUCKY POWER COMPANY**  
**OVER OR (UNDER) RECOVERY SCHEDULE**

**Month Ended:** February 2006

Line  
No.

1	FAC Rate Billed	( + )	0.00326
2	Retail KWH Billed at Above Rate	( x )	<u>671,335,031</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>2,188,552</u>
4	KWH Used to Determine Last FAC Rate Billed	( + )	781,137,000
5	Non-Jurisdictional KWH Included in L4	( - )	<u>10,477,900</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>770,659,100</u>
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		2,512,349
8	Over or (Under) Recovery (L3 - L7)		(323,797)
9	Total Sales (Page 3)	( + )	672,786,000
10	Kentucky Jurisdictional Sales	( / )	<u>663,932,103</u>
11	Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10)		1.01334
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>(328,116)</u></u>



## KENTUCKY POWER COMPANY

**FINAL  
FUEL COST SCHEDULE**

**Month Ended:            January 2006**

<b>A. Company Generation</b>			
Coal Burned	(+)	\$17,392,257	
Oil Burned	(+)	48,858	
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>17,441,115</u>	✓
<b>B. Purchases</b>			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	2,379,368	(1)
Identifiable Fuel Cost (substitute for F. O.)			
(            0            KWH X    \$0.000000 )	(-)	<u>0</u>	
Sub-total		<u>2,379,368</u>	✓
<b>C. Inter-System Sales Fuel Costs</b>		<u>5,825,290</u>	(1)
Total Fuel Cost (A + B - C)		<u><u>\$13,995,193</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**

A unit of American Electric Power

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

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

**RECEIVED**

APR 18 2006

PUBLIC SERVICE  
COMMISSION

18 April 2006

Dear Ms. O'Donnell and Mr. Newby:

Attached are Kentucky Power Company's fuel adjustment clause schedules with supporting sales and fuel cost schedules. These calculations are based on an estimated March 2006 fuel costs with an adjustment reflecting actual February 2006 fuel costs.

The fuel adjustment clause factor of \$0.00394/kwh will be applied to our May 2006 billing. Pursuant to the Commission's Order dated October 3, 2002 in Case No. 2000-495B, page 5 reflects the peaking unit equivalent approach used to calculate the level of non-economy purchased power costs to flow through the fuel adjustment clause.

Also, we are attaching the system sales clause schedule with a supporting net revenue schedule calculated pursuant to the Commission's March 14, 2006 Order in Case No. 2005-00341. These calculations are based on an estimated March 2006 net revenue with an adjustment reflecting the true-up of February 2006 net revenue.

The net system sales clause factor of \$(0.0028872)/kwh (a credit) will be applied to our May 2006 billing.

All billings rendered April 28, 2006 and after will show a combined factor of \$0.0010528.

If you have any questions, please advise.

Sincerely,

Errol K. Wagner  
Director of Regulatory Services

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APR 19 2006

FINANCIAL ANA

**CHECKED**

Public Service Commission

APR 19 2006

By

FINANCIAL ANALYSIS DIVISION

Attachments

**KENTUCKY POWER COMPANY**

**SUMMARY OF ADJUSTMENT CLAUSES**


**Month Ended:** March 2006

1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	\$0.00394 ✓
2 System Sales Clause Factor (Page 1 of 2)	(+)	<u>-\$0.0028872 ✓</u>
3 Total Adjustment Clause Factors		<u><u>\$0.0010528 ✓</u></u>

Effective Date for Billing

May 2006

Submitted by:

  
(Signature)

Title:

Director of Regulatory Services

Date Submitted:


April 17, 2006

**KENTUCKY POWER COMPANY**  
**FUEL ADJUSTMENT CLAUSE SCHEDULE**

**Month Ended: March 2006**

Fuel Fm (Fuel Cost Schedule)	<u>\$13,409,342</u>		
Sales Sm (Sales Schedule)	655,865,000	( + )	0.02045 ✓
Fuel (Fb)	<u>\$8,703,098</u>		
Sales (Sb)	527,226,000	( - )	0.01651 ✓
			<u>0.00394 ✓</u>
			<u>0.00394 ✓</u>
			(\$/KWH)

Effective Date for Billing May 2006

Submitted by:   
(Signature)

Title: Director of Regulatory Services

Date Submitted: April 17, 2006

## KENTUCKY POWER COMPANY

## FUEL COST SCHEDULE

Month Ended: March 2006

A. Company Generation			
Coal Burned	(+)	\$13,971,401	
Oil Burned	(+)	38,449	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O. )	(+)	0	
Fuel (substitute for F. O. )	(-)		
Sub Total		<u>14,009,850</u>	✓
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	10,807,950	*
Identifiable Fuel Cost (substitute for F. O. )	(-)	0	
Sub Total		<u>10,807,950</u>	✓
C. Inter-System Sales Fuel Costs		<u>10,071,416</u>	*
Sub Total		<u>10,071,416</u>	
D. Total Fuel Cost (A + B - C)		<u>\$14,746,384</u>	✓
E. Adjustment indicating the difference in actual fuel cost for the month of <u>February 2006</u> and the estimated cost originally reported.			
		<u>\$13,293,449</u>	
	(actual)		
		<u>\$14,683,648</u>	
	(est.)		
	=	<u>(1,390,199)</u>	✓
F. Total Company Over or (Under) Recovery from Page 4, Line 12		<u>(53,157)</u>	✓
G. Grand Total Fuel Cost (D + E - F)		<u>\$13,409,342</u>	✓

\* Estimated - based on actual Kentucky generation unit costs in  
March 2006

\$14,009,850  
677,631,000

0.02067 ✓ /KWH

**KENTUCKY POWER COMPANY****SALES SCHEDULE****Month Ended:** March 2006

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	677,631,000
Purchases Including Interchange In	(+)	<u>522,881,000</u>
Sub Total		<u>1,200,512,000</u> ✓
 B. Pumped Storage Energy	 (+)	 0
Inter-System Sales Including Interchange Out	(+)	487,248,000
System Losses	(+)	<u>57,399,000</u> *
Sub Total		<u>544,647,000</u> ✓
Total Sales (A - B)		<u><u>655,865,000</u></u> ✓

\* Does not include 767,540 KWH of company usage.

**KENTUCKY POWER COMPANY**  
**OVER OR (UNDER) RECOVERY SCHEDULE**

**Month Ended:**                      March 2006

Line No.			
1	FAC Rate Billed	( + )	0.00281
2	Retail KWH Billed at Above Rate	( x )	<u>633,032,015</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>1,778,820</u> ✓
4	KWH Used to Determine Last FAC Rate Billed	( + )	660,641,000
5	Non-Jurisdictional KWH Included in L4	( - )	<u>8,938,600</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>651,702,400</u> ✓
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		1,831,284
8	Over or (Under) Recovery (L3 - L7)		(52,464) ✓
9	Total Sales (Page 3)	( + )	655,865,000
10	Kentucky Jurisdictional Sales	( / )	<u>647,317,400</u>
11	Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10)		1.01320 ✓
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>(53,157)</u></u> ✓

## KENTUCKY POWER COMPANY

FINAL  
FUEL COST SCHEDULE

Month Ended: February 2006

A. Company Generation			
Coal Burned	( + )	\$16,040,395	
Oil Burned	( + )	85,849	
Gas Burned	( + )	0	
Fuel (jointly owned plant)	( + )	0	
Fuel (assigned cost during F. O. )			
( 79,513,000 KWH X \$0.012426 )	( + )	988,029	
Fuel (substitute for F. O. )	( - )	<u>0</u>	
Sub-total		<u>17,114,273</u>	
B. Purchases			
Net Energy Cost - Economy Purchases	( + )	0	
Identifiable Fuel Cost - Other Purchases	( + )	2,811,832	(1)
Identifiable Fuel Cost (substitute for F. O. )			
( 79,513,000 KWH X \$0.012426 )	( - )	<u>988,029</u>	
Sub-total		<u>1,823,803</u>	
C. Inter-System Sales Fuel Costs		<u>5,644,627</u>	(1)
Total Fuel Cost (A + B - C)		<u><u>\$13,293,449</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**

A unit of American Electric Power

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MAY 19 2006

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

FINANCIAL ANA

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

RECEIVED

MAY 19 2006

PUBLIC SERVICE  
COMMISSION

19 May 2006

Dear Ms. O'Donnell and Mr. Newby:

Attached are Kentucky Power Company's fuel adjustment clause schedules with supporting sales and fuel cost schedules. These calculations are based on an estimated April 2006 fuel costs with an adjustment reflecting actual March 2006 fuel costs.

The fuel adjustment clause factor of \$0.00667/kwh will be applied to our June 2006 billing. Pursuant to the Commission's Order dated October 3, 2002 in Case No. 2000-495B, page 5 reflects the peaking unit equivalent approach used to calculate the level of non-economy purchased power costs to flow through the fuel adjustment clause.

Also, we are attaching the system sales clause schedule with a supporting net revenue schedule calculated pursuant to the Commission's March 14, 2006 Order in Case No. 2005-00341. These calculations are based on an estimated April 2006 net revenue with an adjustment reflecting the true-up of March 2006 net revenue.

The net system sales clause factor of \$(0.0008702)/kwh (a credit) will be applied to our June 2006 billing.

All billings during June 2006 will show a combined factor of \$0.00579981/kwh.

If you have any questions, please advise.


Sincerely,

Errol K. Wagner  
Director of Regulatory Services

Attachments

CHECKED  
Public Service Commission

MAY 22 2006

By   
FINANCIAL ANALYSIS DIVISION

**KENTUCKY POWER COMPANY**  
**SUMMARY OF ADJUSTMENT CLAUSES**

**Month Ended:** April 2006

- |   |     |                           |
|---|-----|---------------------------|
| 1 Fuel Adjustment Clause Factor (Page 1 of 5) | (+) | \$0.00667 ✓               |
| 2 System Sales Clause Factor (Page 1 of 2)    | (+) | -\$0.0008702              |
| 3 Total Adjustment Clause Factors             |     | <u><u>\$0.0057998</u></u> |

Effective Date for Billing

June 2006

Submitted by:

  
(Signature)

Title:

Director of Regulatory Services

Date Submitted:

May 19, 2006

**KENTUCKY POWER COMPANY**  
**FUEL ADJUSTMENT CLAUSE SCHEDULE**

**Month Ended: April 2006**

Fuel Fm (Fuel Cost Schedule)	<u>\$12,128,193</u>		
Sales Sm (Sales Schedule)	523,217,000	( + )	0.02318 ✓
Fuel (Fb)	<u>\$8,703,098</u>		
Sales (Sb)	527,226,000	( - )	0.01651 ✓
			<u>0.00667 ✓</u>
			(\$/KWH)

Effective Date for Billing June 2006

Submitted by:   
(Signature)

Title: Director of Regulatory Services

Date Submitted: May 19, 2006

## KENTUCKY POWER COMPANY

## FUEL COST SCHEDULE

Month Ended: April 2006

A. Company Generation			
Coal Burned	(+)	\$10,663,397	
Oil Burned	(+)	584,511	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O. )	(+)	0	
Fuel (substitute for F. O. )	(-)		
Sub Total		<u>11,247,908</u>	✓
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	12,128,289	*
Identifiable Fuel Cost (substitute for F. O. )	(-)	0	
Sub Total		<u>12,128,289</u>	✓
C. Inter-System Sales Fuel Costs		<u>10,943,169</u>	*
Sub Total		<u>10,943,169</u>	
D. Total Fuel Cost (A + B - C)		<u><u>\$12,433,028</u></u>	✓
E. Adjustment indicating the difference in actual fuel cost for the month of <u>March 06</u> and the estimated cost originally reported. <u>\$13,933,754</u> - <u>\$14,746,384</u> = <u>(812,630)</u>			✓
		<u>(actual)</u>	<u>(est.)</u>
F. Total Company Over or (Under) Recovery from Page 4, Line 12		<u>(507,795)</u>	
G. Grand Total Fuel Cost (D + E - F)		<u><u>\$12,128,193</u></u>	✓

\* Estimated - based on actual Kentucky generation unit costs in  
April 2006

\$11,247,908  
518,546,000

0.02169 ✓ /KWH

**KENTUCKY POWER COMPANY****SALES SCHEDULE****Month Ended:** April 2006

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	518,546,000
Purchases Including Interchange In	(+)	<u>559,165,000</u>
Sub Total		<u>1,077,711,000</u> ✓
B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	504,526,000
System Losses	(+)	<u>49,968,000</u> *
Sub Total		<u>554,494,000</u> ✓
Total Sales (A - B)		<u><u>523,217,000</u></u> ✓

\* Does not include 421,467 KWH of company usage.

**KENTUCKY POWER COMPANY**  
**OVER OR (UNDER) RECOVERY SCHEDULE**

**Month Ended:**            April 2006

**Line  
No.**

1	FAC Rate Billed	(+)	0.00505
2	Retail KWH Billed at Above Rate	(x)	<u>564,620,005</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>2,851,331</u> ✓
4	KWH Used to Determine Last FAC Rate Billed	(+)	672,786,000
5	Non-Jurisdictional KWH Included in L4	(-)	<u>8,853,897</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>663,932,103</u> ✓
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		3,352,857 ✓
8	Over or (Under) Recovery (L3 - L7)		(501,526) ✓
9	Total Sales (Page 3)	(+)	523,217,000 ✓
10	Kentucky Jurisdictional Sales	(/)	<u>516,758,211</u>
11	Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10)		1.01250 ✓
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>(507,795)</u></u> ✓

## KENTUCKY POWER COMPANY

FINAL  
FUEL COST SCHEDULE

Month Ended: March 2006

A. Company Generation			
Coal Burned	(+)	\$18,694,283	
Oil Burned	(+)	47,362	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)			
( -0- KWH X -0- )	(+)	0	
Fuel (substitute for F. O.)	(-)	0	
		<u>18,741,645</u>	✓
Sub-total			
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	2,065,125	(1)
Identifiable Fuel Cost (substitute for F. O.)			
( -0- KWH X -0- )	(-)	0	
		<u>2,065,125</u>	✓
Sub-total			
C. Inter-System Sales Fuel Costs		<u>6,873,016</u>	(1)
Total Fuel Cost (A + B - C)		<u><u>\$13,933,754</u></u>	✓

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



















