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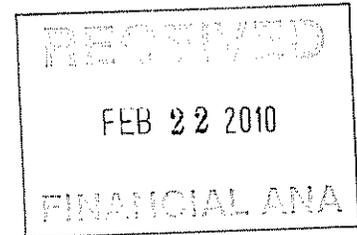
FEB 19 2010

PUBLIC SERVICE
COMMISSION

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

19 February 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 January 2010 fuel costs with an adjustment reflecting actual December 2009 fuel costs.

The fuel adjustment clause factor of $\$(.00181)/\text{kWh}$ will be applied to our March 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 January 2010 net revenue with an adjustment reflecting the true-up of December 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 March 2010 billing is in the amount of \$2,389,597. As the table indicates, the YTD system sales profit total has not exceeded the \$30M benchmark. Therefore, the sharing mechanism for March 2010 billing is calculated on a 70/30 basis.

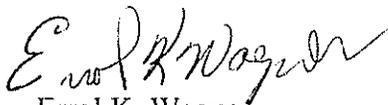
Messrs. Derouen and Newby
Page 2
19 February 2010

The net system sales factor of \$0.0002384/kWh will be applied to our March 2010 billing.

All billings during March 2010 will show a combined factor of \$(0.0015716)/kWh (a credit).

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

Sincerely,

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

Errol K. Wagner
Director of Regulatory Services

Attachments

KENTUCKY POWER COMPANY

FUEL COST SCHEDULE

Month Ended: JANUARY 2010

| | | | | |
|----|--|-----|----------------------------|---|
| A. | Company Generation | | | |
| | Coal Burned | (+) | \$18,452,051 | |
| | Oil Burned | (+) | 28,151 | |
| | Gas Burned | (+) | 0 | |
| | Fuel (jointly owned plant) | (+) | 0 | |
| | Fuel (assigned cost during F. O.) | (+) | 0 | |
| | Fuel (substitute for F. O.) | (-) | | |
| | Sub Total | | <u>18,480,202</u> | |
| B. | Purchases | | | |
| | Net Energy Cost - Economy Purchases | (+) | 0 | |
| | Identifiable Fuel Cost - Other Purchases | (+) | 11,842,878 | * |
| | Identifiable Fuel Cost (substitute for F. O.) | (-) | 0 | |
| | Sub Total | | <u>11,842,878</u> | |
| C. | Inter-System Sales Fuel Costs | | <u>9,749,862</u> | * |
| | Sub Total | | 9,749,862 | |
| D. | Total Fuel Cost (A + B - C) | | <u><u>\$20,573,218</u></u> | |
| E. | Adjustment indicating the difference in actual fuel cost for the month of <u>December 2009</u> and the estimated cost originally reported. <u>\$18,114,189</u> - <u>\$19,663,317</u> = <u>(1,549,128)</u> (actual) (est.) | | | |
| F. | Total Company Over or (Under) Recovery from Page 4, Line 12 | | <u>(877,922)</u> | |
| G. | Grand Total Fuel Cost (D + E - F) | | <u>\$19,902,012</u> | |
| H. | Net Transmission Marginal Line Loss for month of <u>JANUARY 2010</u> (Accounts 4470207 and 447208) | | 1,344,617 | |
| I. | ADJUSTED GRAND TOTAL FUEL COSTS (G + H) | | <u><u>\$21,246,629</u></u> | |

* Estimated - based on actual Kentucky generation unit costs in
JANUARY 2010

\$18,480,202
726,761,000

0.02543 /KWH

KENTUCKY POWER COMPANY

SALES SCHEDULE

Month Ended: JANUARY 2010

| | | <u>Kilowatt-Hours</u> |
|--|-----|---------------------------|
| A. Generation (Net) | (+) | 726,761,000 |
| Purchases Including Interchange In | (+) | <u>465,705,000</u> |
| Sub Total | | 1,192,466,000 |
| | | |
| B. Pumped Storage Energy | (+) | 0 |
| Inter-System Sales Including Interchange Out | (+) | 383,400,000 |
| System Losses | (+) | <u>10,013,000</u> * |
| Sub Total | | <u>393,413,000</u> |
| | | |
| Total Sales (A - B) | | <u><u>799,053,000</u></u> |

* Does not include 659,331 KWH of company usage

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: JANUARY 2010

| Line No. | | | |
|-------------|---|-------|-------------------------|
| 1 | FAC Rate Billed | (+) | (0.00440) |
| 2 | Retail KWH Billed at Above Rate | (x) | <u>772,886,947</u> |
| 3 | FAC Revenue/(Refund) (L1 * L2) | | <u>(3,400,703)</u> |
| 4 | KWH Used to Determine Last FAC Rate Billed | (+) | 583,384,000 |
| 5 | Non-Jurisdictional KWH Included in L4 | (-) | <u>7,326,100</u> |
| 6 | Kentucky Jurisdictional KWH Included in L4 (L4 - L5) | | <u>576,057,900</u> |
| 7 | Recoverable FAC Revenue/(Refund) (L1 * L6) | | (2,534,655) |
| 8 | Over or (Under) Recovery (L3 - L7) | | (866,048) |
| 9 | Total Sales (Page 3) | (+) | 799,053,000 |
| 10 | Kentucky Jurisdictional Sales | (/) | <u>788,249,600</u> |
| 11 | Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10) | | 1.01371 |
| 12 | Total Company Over or (Under) Recovery (L8 * L11) | | <u><u>(877,922)</u></u> |

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: December 2009

| | | | |
|--|---------------|----------------------------|-----|
| A. Company Generation | | | |
| Coal Burned | (+) | \$21,737,559 | |
| Oil Burned | (+) | 375,346 | |
| 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>22,112,905</u> | |
| B. Purchases | | | |
| Net Energy Cost - Economy Purchases | (+) | 0 | |
| Identifiable Fuel Cost - Other Purchases | (+) | 3,961,691 | (1) |
| Identifiable Fuel Cost (substitute for F. O.) | | | |
| (0 KWH X \$0.000000) | (-) | <u>0</u> | |
| Sub-total | | <u>3,961,691</u> | |
| C. Inter-System Sales Fuel Costs | | <u>7,960,407</u> | (1) |
| D. SUB-TOTAL FUEL COST (A + B - C) | | <u>\$18,114,189</u> | |
| E. Net Transmission Marginal Line Loss for month | December 2009 | 911,656 | |
| F. GRAND TOTAL FUEL COSTS (D + E) | | <u><u>\$19,025,845</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
JANUARY 2010

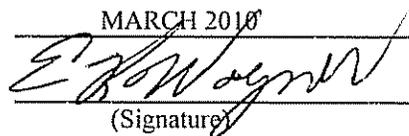
| Line No. | Month Ended: | | | YTD System Sales Profit | |
|----------|--|-------|-------------------|-------------------------|-----------------------------------|
| 1 | Current Month (Tm) Net Revenue Level @ 70% | (+) | 2,389,597 | Feb-09 | \$1,405,018 |
| 2 | Current Month (Tm) Net Revenue Level @ 60% | (+) | n/a | Mar-09 | 1,328,862 |
| 3 | Current Month (Tm) Net Revenue Level (Ln 1 + Ln 2) | | 2,389,597 | Apr-09 | 797,692 |
| 4 | Base Month (Tb) Tariff 19-2 Net Revenue Level | (-) | 2,661,693 | May-09 | 646,768 |
| 5 | Increase/(Decrease) of System Sales Net Revenue (Ln 3 - Ln 4) | | (272,096) | 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 | | (190,467) | Sep-09 | 1,566,609 |
| 9 | Current Month (Sm) Sales Level (Page 3 of 5) | (/) | 799,053,000 | Oct-09 | 1,471,103 |
| | | | | Nov-09 | 1,272,675 |
| | | | | Dec-09 | 1,301,625 |
| | | | | Jan-10 | 2,389,597 |
| | | | | Total | \$17,953,806 ^{1/} |
| 10 | System Sales Clause Factor - \$/Kwh (Ln 8 / Ln 9) | | <u>.0002384</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 2010

Submitted by:



(Signature)

Title:

Director of Regulatory Services

Date Submitted:

FEBRUARY 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: JANUARY 2010 | | TOTAL |
|-------------|--|---------------------------|------------------------------------|--------------------|
| | | CURRENT MONTH | PRIOR MO. TRUE-UP ADJUSTMENT | |
| 1 | Sales For Resale Revenues | \$9,185,426 | (\$15,643) | \$9,169,783 |
| 2 | Interchange-Delivered Revenues | -0- | -0- | -0- |
| 3 | Total System Sales Revenues | 9,185,426 | (15,643) | 9,169,783 |
| 4 | Sales For Resale Expenses | \$6,378,330 | \$113,117 | \$6,491,447 |
| 5 | Interchange-Delivered Expenses | -0- | -0- | -0- |
| 6 | Non-Associated Utilities Monthly Environmental Costs* | 288,739 | 0 | 288,739 |
| 7 | Total System Sales Expenses | 6,667,069 | 113,117 | 6,780,186 |
| 8 | Total System Sales Net Revenues | <u>\$2,518,357</u> | <u>(\$128,760)</u> | <u>\$2,389,597</u> |

*Source:

ES Form 1.0, Line 3

ES Form 3.3, Line 4

Non-Associated Environmental Costs



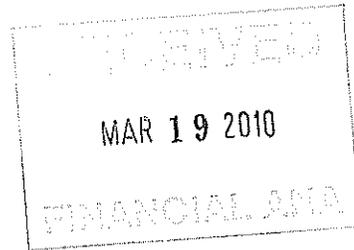
**KENTUCKY
POWER**

A unit of American Electric Power

Kentucky Power
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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

19 March 2010



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MAR 19 2010
PUBLIC SERVICE
COMMISSION

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 February 2010 fuel costs with an adjustment reflecting actual January 2010 fuel costs.

The fuel adjustment clause factor of $\$(-.00331)/\text{kWh}$ will be applied to our April 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 February 2010 net revenue with an adjustment reflecting the true-up of December 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, 2010 through March 31, 2011 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 April 2010 billing is in the amount of \$1,227,821. As the table indicates, the YTD system sales profit total has not exceeded the \$30M benchmark. Therefore, the sharing mechanism for April 2010 billing is calculated on a 70/30 basis.

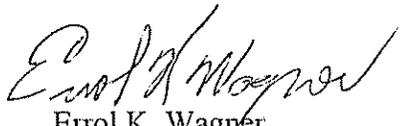
Messrs. Derouen and Newby
Page 2
19 March 2010

The net system sales factor of \$0.0009864/kWh will be applied to our April 2010 billing.

All billings during April 2010 will show a combined factor of \$(0.0023236)/kWh (a credit).

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

Sincerely,

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

Errol K. Wagner
Director of Regulatory Services

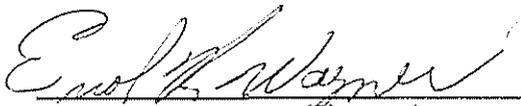
Attachments

KENTUCKY POWER COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Month Ended: FEBRUARY 2010

| | | |
|---|-----|----------------------------|
| 1 Fuel Adjustment Clause Factor (Page 1 of 5) | (+) | -\$0.00331 |
| 2 System Sales Clause Factor (Page 1 of 2) | (+) | <u>\$0.0009864</u> |
| 3 Total Adjustment Clause Factors | | <u><u>-\$0.0023236</u></u> |

Effective Date for Billing APRIL 2010

Submitted by: 
(Signature)

Title: Director of Regulatory Services

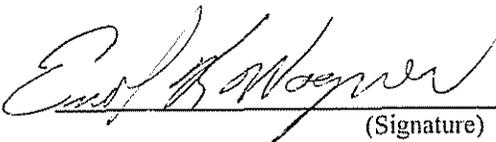
Date Submitted: MARCH 19, 2010

KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: FEBRUARY 2010

| | | | |
|------------------------------|---------------------|-------|------------------|
| Fuel Fm (Fuel Cost Schedule) | <u>\$17,954,291</u> | | |
| Sales Sm (Sales Schedule) | 715,664,000 | (+) | 0.02509 |
| Fuel (Fb) | <u>\$16,138,627</u> | | |
| Sales (Sb) | 568,162,000 | (-) | <u>0.02840</u> * |
| | | | <u>(0.00331)</u> |
| | | | (\$/KWH) |

Effective Date for Billing APRIL 2010

Submitted by: 
(Signature)

Title: Director of Regulatory Services

Date Submitted: MARCH 19, 2010

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

KENTUCKY POWER COMPANY

FUEL COST SCHEDULE

Month Ended: FEBRUARY 2010

| | | | | |
|--|-----|----------------------------|---|--|
| A. Company Generation | | | | |
| Coal Burned | (+) | \$16,757,922 | | |
| Oil Burned | (+) | 28,434 | | |
| Gas Burned | (+) | 0 | | |
| Fuel (jointly owned plant) | (+) | 0 | | |
| Fuel (assigned cost during F. O.) | (+) | 0 | | |
| Fuel (substitute for F. O.) | (-) | | | |
| Sub Total | | <u>16,786,356</u> | | |
| B. Purchases | | | | |
| Net Energy Cost - Economy Purchases | (+) | 0 | | |
| Identifiable Fuel Cost - Other Purchases | (+) | 9,538,958 | * | |
| Identifiable Fuel Cost (substitute for F. O.) | (-) | 0 | | |
| Sub Total | | <u>9,538,958</u> | | |
| C. Inter-System Sales Fuel Costs | | <u>7,956,689</u> | * | |
| Sub Total | | <u>7,956,689</u> | | |
| D. Total Fuel Cost (A + B - C) | | <u><u>\$18,368,625</u></u> | | |
| E. Adjustment indicating the difference in actual fuel cost for the month of <u>JANUARY 2010</u> and the estimated cost originally reported. <u>\$19,284,084</u> - <u>\$20,573,218</u> = <u>(1,289,134)</u> (actual) (est.) | | | | |
| F. Total Company Over or (Under) Recovery from Page 4, Line 12 | | <u>4,663</u> | | |
| G. Grand Total Fuel Cost (D + E - F) | | <u>\$17,074,828</u> | | |
| H. Net Transmission Marginal Line Loss for month of <u>FEBRUARY 2010</u> (Accounts 4470207 and 447208) | | 879,463 | | |
| I. ADJUSTED GRAND TOTAL FUEL COSTS (G + H) | | <u><u>\$17,954,291</u></u> | | |

* Estimated - based on actual Kentucky generation unit costs in
FEBRUARY 2010 \$16,786,356
663,867,000 0.02529 /KWH

KENTUCKY POWER COMPANY

SALES SCHEDULE

Month Ended: FEBRUARY 2010

| | | <u>Kilowatt-Hours</u> |
|--|-----|---------------------------|
| A. Generation (Net) | (+) | 663,867,000 |
| Purchases Including Interchange In | (+) | <u>377,183,000</u> |
| Sub Total | | 1,041,050,000 |
| | | |
| B. Pumped Storage Energy | (+) | 0 |
| Inter-System Sales Including Interchange Out | (+) | 314,618,000 |
| System Losses | (+) | <u>10,768,000</u> * |
| Sub Total | | <u>325,386,000</u> |
| | | |
| Total Sales (A - B) | | <u><u>715,664,000</u></u> |

* Does not include 368,171 KWH of company usage.

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: FEBRUARY 2010

| Line No. | | | |
|-------------|---|-------|---------------------|
| 1 | FAC Rate Billed | (+) | 0.00085 |
| 2 | Retail KWH Billed at Above Rate | (x) | <u>708,308,335</u> |
| 3 | FAC Revenue/(Refund) (L1 * L2) | | <u>602,062</u> |
| 4 | KWH Used to Determine Last FAC Rate Billed | (+) | 712,568,000 |
| 5 | Non-Jurisdictional KWH Included in L4 | (-) | <u>9,671,600</u> |
| 6 | Kentucky Jurisdictional KWH Included in L4 (L4 - L5) | | <u>702,896,400</u> |
| 7 | Recoverable FAC Revenue/(Refund) (L1 * L6) | | 597,462 |
| 8 | Over or (Under) Recovery (L3 - L7) | | 4,600 |
| 9 | Total Sales (Page 3) | (+) | 715,664,000 |
| 10 | Kentucky Jurisdictional Sales | (/) | <u>706,060,900</u> |
| 11 | Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10) | | 1.01360 |
| 12 | Total Company Over or (Under) Recovery (L8 * L11) | | <u><u>4,663</u></u> |

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: JANUARY 2010

| | | | |
|--|--------------|----------------------------|-----|
| A. Company Generation | | | |
| Coal Burned | (+) | \$24,050,957 | |
| Oil Burned | (+) | 42,091 | |
| 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.) | (-) | 0 | |
| | | | |
| Sub-total | | <u>24,093,048</u> | |
| B. Purchases | | | |
| Net Energy Cost - Economy Purchases | (+) | 0 | |
| Identifiable Fuel Cost - Other Purchases | (+) | 2,437,011 | (1) |
| Identifiable Fuel Cost (substitute for F. O.) | | | |
| (0 KWH X \$0.000000) | (-) | 0 | |
| | | | |
| Sub-total | | <u>2,437,011</u> | |
| C. Inter-System Sales Fuel Costs | | | |
| | | <u>7,245,975</u> | (1) |
| D. SUB-TOTAL FUEL COST (A + B - C) | | | |
| | | <u>\$19,284,084</u> | |
| E. Net Transmission Marginal Line Loss for month | JANUARY 2010 | 1,344,617 | |
| F. GRAND TOTAL FUEL COSTS (D + E) | | | |
| | | <u><u>\$20,628,701</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 2010

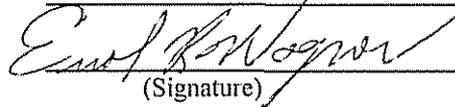
| Line No. | Month Ended: | | | YTD System Sales Profit | |
|----------|--|-------|---------------------------|--------------------------------|----------------------------------|
| 1 | Current Month (Tm) Net Revenue Level @ 70% | (+) | 1,227,821 | Feb-10 | \$1,227,821 |
| 2 | Current Month (Tm) Net Revenue Level @ 60% | (+) | n/a | Mar-10 | |
| 3 | Current Month (Tm) Net Revenue Level (Ln 1 + Ln 2) | | <u>1,227,821</u> | Apr-10 | |
| 4 | Base Month (Tb) Tariff 19-2 Net Revenue Level | (-) | <u>2,236,268</u> | May-10 | |
| 5 | Increase/(Decrease) of System Sales Net Revenue (Ln 3 - Ln 4) | | (1,008,447) | Jun-10 | |
| 6 | Customer 70% Sharing ^{1/} | (x) | 70% | Jul-10 | |
| 7 | Customer 60% Sharing ^{1/} | (x) | <u>n/a</u> | Aug-10 | |
| 8 | Customer Share of Increase/(Decrease) in System Sales Net Revenue | | (705,913) | Sep-10 | |
| 9 | Current Month (Sm) Sales Level (Page 3 of 5) | (/) | <u>715,664,000</u> | Oct-10 | |
| | | | | Nov-10 | |
| | | | | Dec-10 | |
| | | | | Jan-11 | |
| | | | | Total | \$1,227,821 ^{1/} |
| 10 | System Sales Clause Factor - \$/Kwh (Ln 8 / Ln 9) | | <u><u>0.0009864</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:

APRIL 2010

Submitted by:



(Signature)

Title:

Director of Regulatory Services

Date Submitted:

MARCH 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: FEBRUARY 2010 | | TOTAL |
|-------------|--|----------------------------|------------------------------------|--------------------|
| | | CURRENT MONTH | PRIOR MO. TRUE-UP ADJUSTMENT | |
| 1 | Sales For Resale Revenues | \$7,145,964 | (\$79,776) | \$7,066,188 |
| 2 | Interchange-Delivered Revenues | -0- | -0- | -0- |
| 3 | Total System Sales Revenues | 7,145,964 | (79,776) | 7,066,188 |
| 4 | Sales For Resale Expenses | \$5,747,309 | (\$48,833) | \$5,698,476 |
| 5 | Interchange-Delivered Expenses | -0- | -0- | -0- |
| 6 | Non-Associated Utilities Monthly Environmental Costs* | 139,891 | 0 | 139,891 |
| 7 | Total System Sales Expenses | 5,887,200 | (48,833) | 5,838,367 |
| 8 | Total System Sales Net Revenues | <u>\$1,258,764</u> | <u>(\$30,943)</u> | <u>\$1,227,821</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
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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COMMISSION

19 April 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 March 2010 fuel costs with an adjustment reflecting actual February 2010 fuel costs.

RECEIVED
APR 20 2010

The fuel adjustment clause factor of $\$(-.00354)/\text{kWh}$ will be applied to our May 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 March 2010 net revenue with an adjustment reflecting the true-up of February 2010 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, 2010 through March 31, 2011 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 May 2010 billing is in the amount of \$903,549. As the table indicates, the YTD system sales profit total has not exceeded the \$30M benchmark. Therefore, the sharing mechanism for May 2010 billing is calculated on a 70/30 basis.

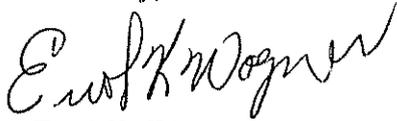
Messrs. Derouen and Newby
Page 2
19 April 2010

The net system sales factor of \$0.0009460/kWh will be applied to our May 2010 billing.

All billings during May 2010 will show a combined factor of \$(0.0025940)/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, flowing style.

Errol K. Wagner
Director of Regulatory Services

Attachments

KENTUCKY POWER COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Month Ended: MARCH 2010

- | | | |
|---|-----|---------------------------|
| 1 Fuel Adjustment Clause Factor (Page 1 of 5) | (+) | (0.00354) |
| 2 System Sales Clause Factor (Page 1 of 2) | (+) | <u>0.0009460</u> |
| 3 Total Adjustment Clause Factors | | <u><u>(0.0025940)</u></u> |

Effective Date for Billing

MAY 2010

Submitted by:


(Signature)

Title:

Director of Regulatory Services

Date Submitted:

APRIL 19, 2010

KENTUCKY POWER COMPANY

FUEL COST SCHEDULE

Month Ended: MARCH 2010

| | | | |
|---|----------|---------------------|----------------------------|
| A. Company Generation | | | |
| Coal Burned | (+) | \$12,925,981 | |
| Oil Burned | (+) | 32,653 | |
| Gas Burned | (+) | 0 | |
| Fuel (jointly owned plant) | (+) | 0 | |
| Fuel (assigned cost during F. O.) | (+) | 0 | |
| Fuel (substitute for F. O.) | (-) | | |
| Sub Total | | | <u>12,958,634</u> |
| B. Purchases | | | |
| Net Energy Cost - Economy Purchases | (+) | 0 | |
| Identifiable Fuel Cost - Other Purchases | (+) | 7,782,447 | * |
| Identifiable Fuel Cost (substitute for F. O.) | (-) | 0 | |
| Sub Total | | | <u>7,782,447</u> |
| C. Inter-System Sales Fuel Costs | | | <u>4,765,738</u> * |
| Sub Total | | | 4,765,738 |
| D. Total Fuel Cost (A + B - C) | | | <u><u>\$15,975,343</u></u> |
| E. Adjustment indicating the difference in actual fuel cost for the month of <u>FEBRUARY 2010</u> and the estimated cost originally reported. | | | |
| | | <u>\$17,269,074</u> | - |
| | (actual) | | <u>\$18,368,625</u> |
| | | | (est.) |
| | | | = |
| | | | <u>(1,099,551)</u> |
| F. Total Company Over or (Under) Recovery from Page 4, Line 12 | | | <u>216,464</u> |
| G. Grand Total Fuel Cost (D + E - F) | | | <u>\$14,659,328</u> |
| H. Net Transmission Marginal Line Loss for month of <u>MARCH 2010</u> (Accounts 4470207 and 447208) | | | 593,753 |
| I. ADJUSTED GRAND TOTAL FUEL COSTS (G + H) | | | <u><u>\$15,253,081</u></u> |

* Estimated - based on actual Kentucky generation unit costs in
MARCH 2010

\$12,958,634

507,454,000

0.02554 /KWH

KENTUCKY POWER COMPANY

SALES SCHEDULE

Month Ended: MARCH 2010

| | | <u>Kilowatt-Hours</u> |
|--|-----|---------------------------|
| A. Generation (Net) | (+) | 507,454,000 |
| Purchases Including Interchange In | (+) | <u>304,716,000</u> |
| Sub Total | | 812,170,000 |
| | | |
| B. Pumped Storage Energy | (+) | 0 |
| Inter-System Sales Including Interchange Out | (+) | 186,599,000 |
| System Losses | (+) | <u>12,113,000</u> * |
| Sub Total | | <u>198,712,000</u> |
| | | |
| Total Sales (A - B) | | <u><u>613,458,000</u></u> |

* Does not include 723,773 KWH of company usage.

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: MARCH 2010

| | | | |
|-------------|---|-------|-----------------------|
| Line No. | | | |
| 1 | FAC Rate Billed | (+) | (0.00181) |
| 2 | Retail KWH Billed at Above Rate | (x) | <u>670,239,768</u> |
| 3 | FAC Revenue/(Refund) (L1 * L2) | | <u>(1,213,134)</u> |
| 4 | KWH Used to Determine Last FAC Rate Billed | (+) | 799,053,000 |
| 5 | Non-Jurisdictional KWH Included in L4 | (-) | <u>10,803,400</u> |
| 6 | Kentucky Jurisdictional KWH Included in L4 (L4 - L5) | | <u>788,249,600</u> |
| 7 | Recoverable FAC Revenue/(Refund) (L1 * L6) | | (1,426,732) |
| 8 | Over or (Under) Recovery (L3 - L7) | | 213,598 |
| 9 | Total Sales (Page 3) | (+) | 613,458,000 |
| 10 | Kentucky Jurisdictional Sales | (/) | <u>605,332,000</u> |
| 11 | Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10) | | 1.01342 |
| 12 | Total Company Over or (Under) Recovery (L8 * L11) | | <u><u>216,464</u></u> |

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: FEBRUARY 2010

| | | | |
|--|---------------|----------------------------|-----|
| A. Company Generation | | | |
| Coal Burned | (+) | \$21,006,573 | |
| Oil Burned | (+) | 36,562 | |
| 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>21,043,135</u> | |
| B. Purchases | | | |
| Net Energy Cost - Economy Purchases | (+) | 0 | |
| Identifiable Fuel Cost - Other Purchases | (+) | 3,139,628 | (1) |
| Identifiable Fuel Cost (substitute for F. O.) | | | |
| (0 KWH X \$0.000000) | (-) | <u>0</u> | |
| Sub-total | | <u>3,139,628</u> | |
| C. Inter-System Sales Fuel Costs | | <u>6,913,689</u> | (1) |
| D. SUB-TOTAL FUEL COST (A + B - C) | | <u>\$17,269,074</u> | |
| E. Net Transmission Marginal Line Loss for month | FEBRUARY 2010 | 879,463 | |
| F. GRAND TOTAL FUEL COSTS (D + E) | | <u><u>\$18,148,537</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 2010

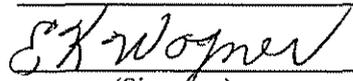
| Line No. | Month Ended: | | | YTD System Sales Profit | |
|----------|--|-------|--------------------|-------------------------|---------------------------|
| 1 | Current Month (Tm) Net Revenue Level @ 70% | (+) | 903,549 | Feb-10 | \$1,227,821 |
| 2 | Current Month (Tm) Net Revenue Level @ 60% | (+) | <u>903,549</u> | Mar-10 | \$903,549 |
| 3 | Current Month (Tm) Net Revenue Level (Ln 1 + Ln 2) | | | Apr-10 | |
| 4 | Base Month (Tb) Tariff 19-2 Net Revenue Level | (-) | <u>1,732,591</u> | May-10 | |
| 5 | Increase/(Decrease) of System Sales Net Revenue (Ln 3 - Ln 4) | | (829,042) | Jun-10 | |
| 6 | Customer 70% Sharing ^{1/} | (x) | 70% | Jul-10 | |
| 7 | Customer 60% Sharing ^{1/} | (x) | <u>n/a</u> | Aug-10 | |
| 8 | Customer Share of Increase/(Decrease) in System Sales Net Revenue | | (580,329) | Sep-10 | |
| 9 | Current Month (Sm) Sales Level (Page 3 of 5) | (/) | <u>613,458,000</u> | Oct-10 | |
| | | | | Nov-10 | |
| | | | | Dec-10 | |
| | | | | Jan-11 | |
| | | | | Total | \$2,131,370 ^{1/} |
| 10 | System Sales Clause Factor - \$/Kwh (Ln 8 / Ln 9) | | <u>0.0009460</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:

MAY 2010

Submitted by:


(Signature)

Title:

Director of Regulatory Services

Date Submitted:

APRIL 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: MARCH 2010 | | TOTAL |
|-------------|--|-------------------------|------------------------------------|------------------|
| | | CURRENT MONTH | PRIOR MO. TRUE-UP ADJUSTMENT | |
| 1 | Sales For Resale Revenues | \$6,076,214 | (\$36,445) | \$6,039,769 |
| 2 | Interchange-Delivered Revenues | -0- | -0- | -0- |
| 3 | Total System Sales Revenues | 6,076,214 | (36,445) | 6,039,769 |
| 4 | Sales For Resale Expenses | \$4,959,747 | \$30,290 | \$4,990,037 |
| 5 | Interchange-Delivered Expenses | -0- | -0- | -0- |
| 6 | Non-Associated Utilities Monthly Environmental Costs* | 146,183 | 0 | 146,183 |
| 7 | Total System Sales Expenses | 5,105,930 | 30,290 | 5,136,220 |
| 8 | Total System Sales Net Revenues | <u>\$970,284</u> | <u>(\$66,735)</u> | <u>\$903,549</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
101A Enterprise Drive
P O Box 5190
Frankfort, KY 40602-5190
KentuckyPower.com

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MAY 19 2010

**PUBLIC SERVICE
COMMISSION**

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

19 May 2010

MAY 19 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 April 2010 fuel costs with an adjustment reflecting actual March 2010 fuel costs.

The fuel adjustment clause factor of $\$(-.00427)/kWh$ will be applied to our June 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 April 2010 net revenue with an adjustment reflecting the true-up of March 2010 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, 2010 through March 31, 2011 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 June 2010 billing is in the amount of \$351,626. As the table indicates, the YTD system sales profit total has not exceeded the \$30M benchmark. Therefore, the sharing mechanism for June 2010 billing is calculated on a 70/30 basis.

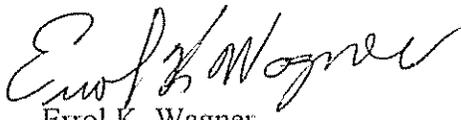
Messrs. Derouen and Newby
Page 2
19 May 2010

The net system sales factor of \$0.0032679/kWh will be applied to our June 2010 billing.

All billings during June 2010 will show a combined factor of \$(0.0010021)/kWh (a credit).

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

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: APRIL 2010

- | | | |
|---|-----|-----------------------------|
| 1 Fuel Adjustment Clause Factor (Page 1 of 5) | (+) | (\$0.00427) |
| 2 System Sales Clause Factor (Page 1 of 2) | (+) | <u>\$0.0032679</u> |
| 3 Total Adjustment Clause Factors | | <u><u>(\$0.0010021)</u></u> |

Effective Date for Billing

JUNE 2010

Submitted by:


(Signature)

Title:

Director of Regulatory Services

Date Submitted:

MAY 19, 2010

KENTUCKY POWER COMPANY

SALES SCHEDULE

Month Ended: APRIL 2010

| | | <u>Kilowatt-Hours</u> |
|--|-----|---------------------------|
| A. Generation (Net) | (+) | 460,268,000 |
| Purchases Including Interchange In | (+) | <u>282,456,000</u> |
| Sub Total | | 742,724,000 |
| B. Pumped Storage Energy | (+) | 0 |
| Inter-System Sales Including Interchange Out | (+) | 227,570,000 |
| System Losses | (+) | <u>10,654,000</u> * |
| Sub Total | | <u>238,224,000</u> |
| Total Sales (A - B) | | <u><u>504,500,000</u></u> |

* Does not include 345,398 KWH of company usage.

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: APRIL 2010

| Line No. | | | |
|-------------|---|-------|-----------------------|
| 1 | FAC Rate Billed | (+) | (0.00331) |
| 2 | Retail KWH Billed at Above Rate | (x) | <u>550,144,311</u> |
| 3 | FAC Revenue/(Refund) (L1 * L2) | | <u>(1,820,978)</u> |
| 4 | KWH Used to Determine Last FAC Rate Billed | (+) | 715,664,000 |
| 5 | Non-Jurisdictional KWH Included in L4 | (-) | <u>9,603,100</u> |
| 6 | Kentucky Jurisdictional KWH Included in L4 (L4 - L5) | | <u>706,060,900</u> |
| 7 | Recoverable FAC Revenue/(Refund) (L1 * L6) | | (2,337,062) |
| 8 | Over or (Under) Recovery (L3 - L7) | | 516,084 |
| 9 | Total Sales (Page 3) | (+) | 504,500,000 |
| 10 | Kentucky Jurisdictional Sales | (/) | <u>497,889,700</u> |
| 11 | Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10) | | 1.01328 |
| 12 | Total Company Over or (Under) Recovery (L8 * L11) | | <u><u>522,938</u></u> |

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: MARCH 2010

| | | | |
|--|------------|----------------------------|-----|
| A. Company Generation | | | |
| Coal Burned | (+) | \$16,149,818 | |
| Oil Burned | (+) | 129,960 | |
| 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>16,279,778</u> | |
| B. Purchases | | | |
| Net Energy Cost - Economy Purchases | (+) | 0 | |
| Identifiable Fuel Cost - Other Purchases | (+) | 3,631,432 | (1) |
| Identifiable Fuel Cost (substitute for F. O.) | | | |
| (0 KWH X \$0.000000) | (-) | <u>0</u> | |
| Sub-total | | <u>3,631,432</u> | |
| C. Inter-System Sales Fuel Costs | | <u>4,563,340</u> | (1) |
| D. SUB-TOTAL FUEL COST (A + B - C) | | <u>\$15,347,870</u> | |
| E. Net Transmission Marginal Line Loss for month | MARCH 2010 | 593,753 | |
| F. GRAND TOTAL FUEL COSTS (D + E) | | <u><u>\$15,941,623</u></u> | |

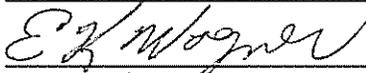
(1) Includes total Energy Costs of non-economy purchase per KPSC Order dated October 3, 2002 in Case No. 2000-495-B.

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE SCHEDULE
 Case No. 9061 and
 Stipulation and Settlement Agreement in Case No. 2005-00341
 APRIL 2010

| Line No. | Month Ended: | | | YTD System Sales Profit | |
|----------|---|-------|-------------|-------------------------|---------------------------|
| 1 | Current Month (Tm) Net Revenue Level @ 70% | (+) | 351,626 | Feb-10 | \$1,227,821 |
| 2 | Current Month (Tm) Net Revenue Level @ 60% | (+) | n/a | Mar-10 | 903,549 |
| 3 | Current Month (Tm) Net Revenue Level (Ln 1 + Ln 2) | | 351,626 | Apr-10 | 351,626 |
| | | | | May-10 | |
| 4 | Base Month (Tb) Tariff 19-2 Net Revenue Level | (-) | 2,706,860 | Jun-10 | |
| | | | | Jul-10 | |
| 5 | Increase/(Decrease) of System Sales Net Revenue (Ln 3 - Ln 4) | | (2,355,234) | Aug-10 | |
| | | | | Sep-10 | |
| 6 | Customer 70% Sharing ^{1/} | (x) | 70% | Oct-10 | |
| 7 | Customer 60% Sharing ^{1/} | (x) | n/a | Nov-10 | |
| | | | | Dec-10 | |
| 8 | Customer Share of Increase/(Decrease) in System Sales Net Revenue | | (1,648,664) | Jan-11 | |
| | | | | Total | \$2,482,996 ^{1/} |
| 9 | Current Month (Sm) Sales Level (Page 3 of 5) | (/) | 504,500,000 | | |
| 10 | System Sales Clause Factor - \$/Kwh (Ln 8 / Ln 9) | | 0.0032679 | | |

* 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 2010

Submitted by: 
 (Signature)

Title: Director of Regulatory Services

Date Submitted: MAY 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: APRIL 2010 | | TOTAL |
|-------------|--|-------------------------|------------------------------------|------------------|
| | | CURRENT MONTH | PRIOR MO. TRUE-UP ADJUSTMENT | |
| 1 | Sales For Resale Revenues | \$4,744,545 | (\$36,024) | \$4,708,521 |
| 2 | Interchange-Delivered Revenues | -0- | -0- | -0- |
| 3 | Total System Sales Revenues | 4,744,545 | (36,024) | 4,708,521 |
| 4 | Sales For Resale Expenses | \$4,152,820 | (\$7,658) | \$4,145,162 |
| 5 | Interchange-Delivered Expenses | -0- | -0- | -0- |
| 6 | Non-Associated Utilities Monthly Environmental Costs* | 211,733 | 0 | 211,733 |
| 7 | Total System Sales Expenses | 4,364,553 | (7,658) | 4,356,895 |
| 8 | Total System Sales Net Revenues | <u>\$379,992</u> | <u>(\$28,366)</u> | <u>\$351,626</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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JUN 18 2010

PUBLIC SERVICE
COMMISSION

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

18 June 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 May 2010 fuel costs with an adjustment reflecting actual April 2010 fuel costs.

The fuel adjustment clause factor of \$.00085/kWh will be applied to our July 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 May 2010 net revenue with an adjustment reflecting the true-up of April 2010 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, 2010 through March 31, 2011 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 July 2010 billing is in the amount of \$322,014. As the table indicates, the YTD system sales profit total has not exceeded the \$30M benchmark. Therefore, the sharing mechanism for July 2010 billing is calculated on a 70/30 basis.

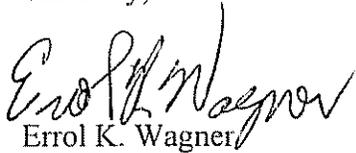
Messrs. Derouen and Newby
Page 2
18 June 2010

The net system sales factor of \$0.0026054/kWh will be applied to our July 2010 billing.

All billings during July 2010 will show a combined factor of \$0.0034554/kWh.

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

Sincerely,



Errol K. Wagner
Director of Regulatory Services

Attachments

bcc: (all via email)

| | | | |
|-------------------|------------------|---------------------------|------------------|
| Robin Wiseman | - Canton (w/a) | Matthew Horeled | - Columbus (w/a) |
| Ellen McAninch | - Columbus (w/a) | Andrea M. Wallace | - Columbus (w/a) |
| O. J. Sever, Jr. | - Columbus (w/a) | Jeff Brubaker | - Columbus (w/a) |
| Steve M. Trammell | - Tulsa (w/a) | KPCo Regulatory File Book | |
| Shelli Sloan | - Columbus (w/a) | | |

KENTUCKY POWER COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Month Ended: MAY 2010

| | | |
|---|-----|---------------------------|
| 1 Fuel Adjustment Clause Factor (Page 1 of 5) | (+) | \$0.00085 |
| 2 System Sales Clause Factor (Page 1 of 2) | (+) | <u>\$0.0026054</u> |
| 3 Total Adjustment Clause Factors | | <u><u>\$0.0034554</u></u> |

Effective Date for Billing JULY 2010

Submitted by: 
(Signature)

Title: Director of Regulatory Services

Date Submitted: JUNE 18, 2010

KENTUCKY POWER COMPANY

FUEL COST SCHEDULE

Month Ended: MAY 2010

| | | | | |
|--|-----|-------------|----------------------------|---|
| A. Company Generation | | | | |
| Coal Burned | (+) | \$5,814,084 | | |
| Oil Burned | (+) | 436,753 | | |
| Gas Burned | (+) | 0 | | |
| Fuel (jointly owned plant) | (+) | 0 | | |
| Fuel (assigned cost during F. O.) | (+) | 0 | | |
| Fuel (substitute for F. O.) | (-) | | | |
| Sub Total | | | <u>6,250,837</u> | |
| B. Purchases | | | | |
| Net Energy Cost - Economy Purchases | (+) | 0 | | |
| Identifiable Fuel Cost - Other Purchases | (+) | 14,296,927 | | * |
| Identifiable Fuel Cost (substitute for F. O.) | (-) | 0 | | |
| Sub Total | | | <u>14,296,927</u> | |
| C. Inter-System Sales Fuel Costs | | | <u>3,936,349</u> | * |
| Sub Total | | | 3,936,349 | |
| D. Total Fuel Cost (A + B - C) | | | <u><u>\$16,611,415</u></u> | |
| E. Adjustment indicating the difference in actual fuel cost for the month of <u>APRIL 2010</u> and the estimated cost originally reported. <u>\$12,236,132</u> - <u>\$12,892,179</u> = <u>(656,047)</u> (actual) (est.) | | | | |
| F. Total Company Over or (Under) Recovery from Page 4, Line 12 | | | <u>355,643</u> | |
| G. Grand Total Fuel Cost (D + E - F) | | | <u>\$15,599,725</u> | |
| H. Net Transmission Marginal Line Loss for month of <u>MAY 2010</u> (Accounts 4470207 and 447208) | | | 461,377 | |
| I. ADJUSTED GRAND TOTAL FUEL COSTS (G + H) | | | <u><u>\$16,061,102</u></u> | |

* Estimated - based on actual Kentucky generation unit costs in
MAY 2010 \$6,250,837

210,443,000 0.02970 /KWH

KENTUCKY POWER COMPANY

SALES SCHEDULE

Month Ended: MAY 2010

| | | <u>Kilowatt-Hours</u> |
|--|-----|---------------------------|
| A. Generation (Net) | (+) | 210,443,000 |
| Purchases Including Interchange In | (+) | <u>481,378,000</u> |
| Sub Total | | 691,821,000 |
| B. Pumped Storage Energy | (+) | 0 |
| Inter-System Sales Including Interchange Out | (+) | 132,537,000 |
| System Losses | (+) | <u>10,244,000</u> * |
| Sub Total | | <u>142,781,000</u> |
| Total Sales (A - B) | | <u><u>549,040,000</u></u> |

* Does not include 303,839 K.WH of company usage.

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: MAY 2010

Line
No

| | | | |
|----|--|-----|-----------------------|
| 1 | FAC Rate Billed | (+) | (0.00354) |
| 2 | Retail KWH Billed at Above Rate | (x) | <u>506,157,897</u> |
| 3 | FAC Revenue/(Refund) (L1 * L2) | | <u>(1,791,799)</u> |
| 4 | KWH Used to Determine Last FAC Rate Billed | (+) | 613,458,000 |
| 5 | Non-Jurisdictional KWH Included in L4 | (-) | <u>8,126,000</u> |
| 6 | Kentucky Jurisdictional KWH Included in L4 (L4 - L5) | | <u>605,332,000</u> |
| 7 | Recoverable FAC Revenue/(Refund) (L1 * L6) | | (2,142,875) |
| 8 | Over or (Under) Recovery (L3 - L7) | | 351,076 |
| 9 | Total Sales (Page 3) | (+) | 549,040,000 |
| 10 | Kentucky Jurisdictional Sales | (/) | <u>541,990,100</u> |
| 11 | Ratio of Total Sales to KY Jurisdictional Sales (L9 / L10) | | 1.01301 |
| 12 | Total Company Over or (Under) Recovery (L8 * L11) | | <u><u>355,643</u></u> |

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: APRIL 2010

| | | | |
|--|------------|----------------------------|-----|
| A. Company Generation | | | |
| Coal Burned | (+) | \$14,076,693 | |
| Oil Burned | (+) | 115,874 | |
| 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>14,192,567</u> | |
| | | | |
| B. Purchases | | | |
| Net Energy Cost - Economy Purchases | (+) | 0 | |
| Identifiable Fuel Cost - Other Purchases | (+) | 3,041,686 | (1) |
| Identifiable Fuel Cost (substitute for F. O.) | | | |
| (0 KWH X \$0.000000) | (-) | <u>0</u> | |
| | | | |
| Sub-total | | <u>3,041,686</u> | |
| | | | |
| C. Inter-System Sales Fuel Costs | | <u>4,998,121</u> | (1) |
| | | | |
| D. SUB-TOTAL FUEL COST (A + B - C) | | <u>\$12,236,132</u> | |
| | | | |
| E. Net Transmission Marginal Line Loss for month | APRIL 2010 | 432,367 | |
| | | | |
| F. GRAND TOTAL FUEL COSTS (D + E) | | <u><u>\$12,668,499</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 2010

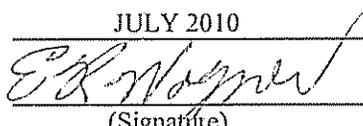
| Line No. | Month Ended: | | | YTD System Sales Profit | |
|----------|---|-----|------------------|-------------------------|---------------------------|
| | | | | | |
| 1 | Current Month (Tm) Net Revenue Level @ 70% | (+) | 322,014 | Feb-10 | \$1,227,821 |
| 2 | Current Month (Tm) Net Revenue Level @ 60% | (+) | n/a | Mar-10 | 903,549 |
| 3 | Current Month (Tm) Net Revenue Level (Ln 1 + Ln 2) | | 322,014 | Apr-10 | 351,626 |
| 4 | Base Month (Tb) Tariff 19-2 Net Revenue Level | (-) | 2,365,563 | May-10 | 322,014 |
| 5 | Increase/(Decrease) of System Sales Net Revenue (Ln 3 - Ln 4) | | (2,043,549) | Jun-10 | |
| 6 | Customer 70% Sharing ^{1/} | (x) | 70% | Jul-10 | |
| 7 | Customer 60% Sharing ^{1/} | (x) | n/a | Aug-10 | |
| 8 | Customer Share of Increase/(Decrease) in System Sales Net Revenue | | (1,430,484) | Sep-10 | |
| 9 | Current Month (Sm) Sales Level (Page 3 of 5) | (/) | 549,040,000 | Oct-10 | |
| 10 | System Sales Clause Factor - \$/Kwh (Ln 8 / Ln 9) | | <u>0.0026054</u> | Nov-10 | |
| | | | | Dec-10 | |
| | | | | Jan-11 | |
| | | | | Total | \$2,805,010 ^{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 2010

Submitted by:



(Signature)

Title:

Director of Regulatory Services

Date Submitted:

JUNE 18, 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: MAY 2010 | | TOTAL |
|-------------|--|-----------------------|------------------------------------|------------------|
| | | CURRENT MONTH | PRIOR MO. TRUE-UP ADJUSTMENT | |
| 1 | Sales For Resale Revenues | \$4,794,953 | (\$51,943) | \$4,743,010 |
| 2 | Interchange-Delivered Revenues | -0- | -0- | -0- |
| 3 | Total System Sales Revenues | 4,794,953 | (51,943) | 4,743,010 |
| 4 | Sales For Resale Expenses | \$4,069,799 | \$38,814 | \$4,108,613 |
| 5 | Interchange-Delivered Expenses | -0- | -0- | -0- |
| 6 | Non-Associated Utilities Monthly Environmental Costs* | 312,383 | 0 | 312,383 |
| 7 | Total System Sales Expenses | 4,382,182 | 38,814 | 4,420,996 |
| 8 | Total System Sales Net Revenues | <u>\$412,771</u> | <u>(\$90,757)</u> | <u>\$322,014</u> |

*Source:

ES Form 1.0, Line 3

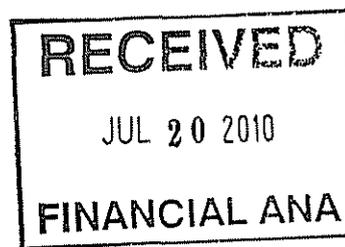
ES Form 3.3, Line 4

Non-Associated Environmental Costs



**KENTUCKY
POWER**

A unit of American Electric Power



Kentucky Power
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

RECEIVED
JUL 19 2010
PUBLIC SERVICE
COMMISSION

19 July 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 June 2010 fuel costs with an adjustment reflecting actual May 2010 fuel costs.

The fuel adjustment clause factor of \$(0.00418)/kWh (a credit) will be applied to our August 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 June 2010 net revenue with an adjustment reflecting the true-up of May 2010 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, 2010 through March 31, 2011 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 August 2010 billing is in the amount of \$2,145,396. As the table indicates, the YTD system sales profit total has not exceeded the \$30M benchmark. Therefore, the sharing mechanism for August 2010 billing is calculated on a 70/30 basis.

Messrs. Derouen and Newby
Page 2
19 July 2010

The net system sales factor of \$0.0011270/kWh will be applied to our August 2010 billing.

All billings during August 2010 will show a combined factor of \$0.0030530)/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 a long horizontal flourish extending to the right.

Errol K. Wagner
Director of Regulatory Services

Attachments

KENTUCKY POWER COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

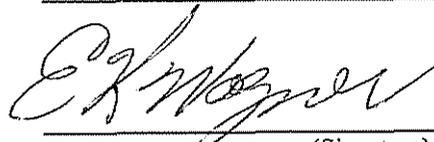
Month Ended: JUNE 2010

- | | |
|---|--|
| 1 Fuel Adjustment Clause Factor (Page 1 of 5) | (+) (\$0.00418) |
| 2 System Sales Clause Factor (Page 1 of 2) | (+) <u> \$0.0011270 </u> |
| 3 Total Adjustment Clause Factors | <u> (\$0.0030530)</u> |

Effective Date for Billing

 AUGUST 2010

Submitted by:

 
(Signature)

Title:

 Director of Regulatory Services

Date Submitted:

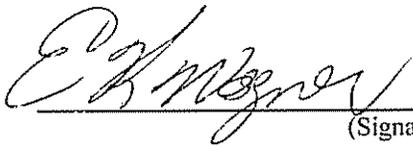
 JULY 29, 2010

KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: JUNE 2010

| | | | |
|------------------------------|---------------------|-------|------------------|
| Fuel Fm (Fuel Cost Schedule) | <u>\$14,381,757</u> | | |
| Sales Sm (Sales Schedule) | 593,866,000 | (+) | 0.02422 |
| | | | |
| Fuel (Fb) | <u>\$16,138,627</u> | | |
| Sales (Sb) | 568,162,000 | (-) | <u>0.02840</u> * |
| | | | <u>(0.00418)</u> |
| | | | (\$/KWH) |

Effective Date for Billing AUGUST 2010

Submitted by: 
(Signature)

Title: Director of Regulatory Services

Date Submitted: JULY 29, 2010

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

KENTUCKY POWER COMPANY

SALES SCHEDULE

Month Ended: JUNE 2010

| | | <u>Kilowatt-Hours</u> |
|--|-----|---------------------------|
| A. Generation (Net) | (+) | 592,945,000 |
| Purchases Including Interchange In | (+) | <u>364,448,000</u> |
| Sub Total | | 957,393,000 |
| B. Pumped Storage Energy | (+) | 0 |
| Inter-System Sales Including Interchange Out | (+) | 349,329,000 |
| System Losses | (+) | <u>14,198,000</u> * |
| Sub Total | | <u>363,527,000</u> |
| Total Sales (A - B) | | <u><u>593,866,000</u></u> |

* Does not include 315,990 KWH of company usage.

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: JUNE 2010

| <u>Line</u> <u>No.</u> | | | |
|---------------------------|---|-------|-------------------------|
| 1 | FAC Rate Billed | (+) | (0.00427) |
| 2 | Retail KWH Billed at Above Rate | (x) | <u>568,146,883</u> |
| 3 | FAC Revenue/(Refund) (L1 * L2) | | <u>(2,425,987)</u> |
| 4 | KWH Used to Determine Last FAC Rate Billed | (+) | 504,500,000 |
| 5 | Non-Jurisdictional KWH Included in L4 | (-) | <u>6,610,300</u> |
| 6 | Kentucky Jurisdictional KWH Included in L4 (L4 - L5) | | <u>497,889,700</u> |
| 7 | Recoverable FAC Revenue/(Refund) (L1 * L6) | | (2,125,989) |
| 8 | Over or (Under) Recovery (L3 - L7) | | (299,998) |
| 9 | Total Sales (Page 3) | (+) | 593,866,000 |
| 10 | Kentucky Jurisdictional Sales | (/) | <u>585,653,800</u> |
| 11 | Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10) | | 1.01402 |
| 12 | Total Company Over or (Under) Recovery (L8 * L11) | | <u><u>(304,204)</u></u> |

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: MAY 2010

| | | | |
|--|----------|----------------------------|-----|
| A. Company Generation | | | |
| Coal Burned | (+) | \$8,617,951 | |
| Oil Burned | (+) | 440,884 | |
| Gas Burned | (+) | 0 | |
| Fuel (jointly owned plant) | (+) | 0 | |
| Fuel (assigned cost during F. O.) | | | |
| (228,804,000 KWH X \$0.020863) | (+) | 4,773,470 | |
| Fuel (substitute for F. O.) | (-) | <u>0</u> | |
| Sub-total | | <u>13,832,305</u> | |
| B. Purchases | | | |
| Net Energy Cost - Economy Purchases | (+) | 0 | |
| Identifiable Fuel Cost - Other Purchases | (+) | 7,505,215 | (1) |
| Identifiable Fuel Cost (substitute for F. O.) | | | |
| (228,804,000 KWH X \$0.020863) | (-) | 4,773,470 | |
| Sub-total | | <u>2,731,745</u> | |
| C. Inter-System Sales Fuel Costs | | <u>3,262,888</u> | (1) |
| D. SUB-TOTAL FUEL COST (A + B - C) | | <u>\$13,301,162</u> | |
| E. Net Transmission Marginal Line Loss for month | MAY 2010 | 461,377 | |
| F. GRAND TOTAL FUEL COSTS (D + E) | | <u><u>\$13,762,539</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 2010

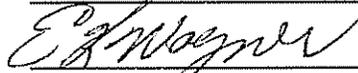
| Line No. | Month Ended: | | | YTD System Sales Profit | |
|----------|--|-------|-----------------------------|-------------------------|---------------------------|
| 1 | Current Month (Tm) Net Revenue Level @ 70% | (+) | 2,145,396 | Feb-10 | \$1,227,821 |
| 2 | Current Month (Tm) Net Revenue Level @ 60% | (+) | <u> </u> | Mar-10 | 903,549 |
| 3 | Current Month (Tm) Net Revenue Level (Ln 1 + Ln 2) | | 2,145,396 | Apr-10 | 351,626 |
| 4 | Base Month (Tb) Tariff 19-2 Net Revenue Level | (-) | <u>3,101,556</u> | May-10 | 322,014 |
| 5 | Increase/(Decrease) of System Sales Net Revenue (Ln 3 - Ln 4) | | (956,160) | Jun-10 | 2,145,396 |
| 6 | Customer 70% Sharing ^{1/} | (x) | 70% | Jul-10 | |
| 7 | Customer 60% Sharing ^{1/} | (x) | <u>n/a</u> | Aug-10 | |
| 8 | Customer Share of Increase/(Decrease) in System Sales Net Revenue | | (669,312) | Sep-10 | |
| 9 | Current Month (Sm) Sales Level (Page 3 of 5) | (/) | <u>593,866,000</u> | Oct-10 | |
| | | | | Nov-10 | |
| | | | | Dec-10 | |
| | | | | Jan-11 | |
| | | | | Total | \$4,950,406 ^{1/} |
| 10 | System Sales Clause Factor - \$/Kwh (Ln 8 / Ln 9) | | <u>0.0011270</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:

AUGUST 2010

Submitted by:



(Signature)

Title:

Director of Regulatory Services

Date Submitted:

JULY 29, 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: JUNE 2010 | | TOTAL |
|-------------|--|------------------------|------------------------------------|--------------------|
| | | CURRENT MONTH | PRIOR MO. TRUE-UP ADJUSTMENT | |
| 1 | Sales For Resale Revenues | \$9,375,860 | (\$35,700) | \$9,340,160 |
| 2 | Interchange-Delivered Revenues | -0- | -0- | -0- |
| 3 | Total System Sales Revenues | 9,375,860 | (35,700) | 9,340,160 |
| 4 | Sales For Resale Expenses | \$6,795,330 | (\$26,022) | \$6,769,308 |
| 5 | Interchange-Delivered Expenses | -0- | -0- | -0- |
| 6 | Non-Associated Utilities Monthly Environmental Costs* | 425,456 | 0 | 425,456 |
| 7 | Total System Sales Expenses | 7,220,786 | (26,022) | 7,194,764 |
| 8 | Total System Sales Net Revenues | <u>\$2,155,074</u> | <u>(\$9,678)</u> | <u>\$2,145,396</u> |

*Source:

ES Form 1.0, Line 3

ES Form 3.3, Line 4

Non-Associated Environmental Costs

Jeff R. Derouen, Executive Director
Public Service Commission of Kentucky
Attn: Daryl Newby
P. O. Box 615
211 Sower Boulevard
Frankfort, KY 40602-0615

AUG 19 2010

RECEIVED

AUG 18 2010

PUBLIC SERVICE
COMMISSION

August 18, 2010

Gentlemen:

Attached is Kentucky Power Company's Fuel Adjustment Clause Schedules with supporting sales and fuel cost schedules. These calculations are based on an estimated July 2010 fuel costs with an adjustment reflecting actual June 2010 fuel cost.

The fuel adjustment clause factor of \$(0.00506)/kWh (credit) will be applied to our September 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.

As the attached pages demonstrate, two different System Sales Clause factors will be used to calculate the customers' bill on a pro-rata basis, as described below:

- The Commission's June 28, 2010 Order in Case No. 2009-00459 established new base rates for Kentucky Power to become effective for service rendered on and after June 29, 2010
- The Commission's June 28, 2010 Order approved System Sales base in the amount of \$15,290,363 effective for service rendered on and after June 29, 2010 (System Sales Clause Tariff, Sheet Nos. 19-1 and 19-2)
- The base rates billed to the customers in July 2010 reflect a portion of both the old and the new monthly System Sales Clause base amounts (due to pro-ration)

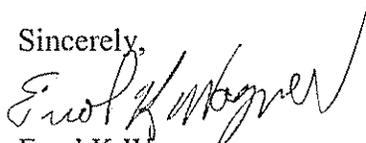
- For July 2010 expense month, KPCo was required to calculate the System Sales Clause twice due to the fact that base rates billed in July 2010 reflected two different System Sales Clause amounts (old \$2,658,364 and the new \$616,234)
- The calculation using the old monthly System Sales Clause base amount resulted in a factor of $\$(0.0014401)/\text{kWh}$ (credit) using a 70/30 basis and the calculation using the new monthly System Sales Clause base amount resulted in a factor of $\$(0.0033680)/\text{kWh}$ (credit) using a 60/40 basis
- The two different System Sales Clause factors will be used to calculate the customers' bill on a pro-rata basis. For example, Billing Cycle 1 has a 29 day billing period. Therefore, Cycle 1 bills will reflect 28 days of usage at the System Sales Clause factor calculated using the old System Sales Clause monthly base and 1 day of usage at the System Sales Clause factor calculated using the new System Sales Clause monthly base
- Effective with Company's next monthly System Sales Clause surcharge filing (expense month August) and every month thereafter, the System Sales Clause surcharge will be calculated using the new monthly System Sales Clause base reflected on the System Sales Clause Tariff as approved by the Commission in its June 28, 2010 Order in Case No. 2009-00459

Please note that the Fuel Adjustment Clause factor did not require two calculations because the base cost of fuel per kilowatt-hour of \$0.02840 did not change.

The September 2010 billings will use the combined factor of $\$(0.0065001)/\text{kWh}$ (credit) for all usage billed at the old System Sales Clause base amount and a combined factor of $\$(0.008428)/\text{kWh}$ (credit) for all usage at the new System Sales Clause amount.

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: JULY 2010

| | | |
|---|-----|-----------------------------|
| 1 Fuel Adjustment Clause Factor (Page 1 of 5) | (+) | (\$0.00506) |
| 2 System Sales Clause Factor (Page 1 of 2) | (+) | <u>(\$0.0014401)</u> * |
| 3 Total Adjustment Clause Factors | | <u><u>(\$0.0065001)</u></u> |

Effective Date for Billing

SEPTEMBER 2010

Submitted by:


(Signature)

Title:

Director of Regulatory Services

Date Submitted:

AUGUST 18, 2010

* Pursuant to Stipulation and Settlement Agreement in Case No. 2005-00341

KENTUCKY POWER COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Month Ended: JULY 2010

- | | | |
|---|-----|-----------------------------|
| 1 Fuel Adjustment Clause Factor (Page 1 of 5) | (+) | (\$0.00506) |
| 2 System Sales Clause Factor (Page 1 of 2) | (+) | <u>(\$0.0014401)</u> |
| 3 Total Adjustment Clause Factors | | <u><u>(\$0.0065001)</u></u> |

Effective Date for Billing

SEPTEMBER 2010

Submitted by:


(Signature)

Title:

Director of Regulatory Services

Date Submitted:

AUGUST 18, 2010

KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: JULY 2010

| | | | |
|------------------------------|---------------------|-------|------------------|
| Fuel Fm (Fuel Cost Schedule) | <u>\$14,614,653</u> | | |
| Sales Sm (Sales Schedule) | 626,170,000 | (+) | 0.02334 |
| Fuel (Fb) | <u>\$16,138,627</u> | | |
| Sales (Sb) | 568,162,000 | (-) | <u>0.02840</u> * |
| | | | <u>(0.00506)</u> |
| | | | (\$/KWH) |

Effective Date for Billing SEPTEMBER 2010

Submitted by: _____
(Signature)

Title: Director of Regulatory Services

Date Submitted: AUGUST 18, 2010

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

KENTUCKY POWER COMPANY

FUEL COST SCHEDULE

Month Ended: JULY 2010

| | | | | |
|---|-----|--------------|----------------------------|---|
| A. Company Generation | | | | |
| Coal Burned | (+) | \$15,987,869 | | |
| Oil Burned | (+) | 63,925 | | |
| Gas Burned | (+) | 0 | | |
| Fuel (jointly owned plant) | (+) | 0 | | |
| Fuel (assigned cost during F. O.) | (+) | 0 | | |
| Fuel (substitute for F. O.) | (-) | | | |
| Sub Total | | | <u>16,051,794</u> | |
| B. Purchases | | | | |
| Net Energy Cost - Economy Purchases | (+) | 0 | | |
| Identifiable Fuel Cost - Other Purchases | (+) | 12,441,588 | | * |
| Identifiable Fuel Cost (substitute for F. O.) | (-) | 0 | | |
| Sub Total | | | <u>12,441,588</u> | |
| C. Inter-System Sales Fuel Costs | | | <u>13,595,002</u> | * |
| Sub Total | | | 13,595,002 | |
| D. Total Fuel Cost (A + B - C) | | | <u><u>\$14,898,380</u></u> | |
| E. Adjustment indicating the difference in actual fuel cost for the month of <u>JUNE 2010</u> and the estimated cost originally reported. <u>\$14,484,426</u> - <u>\$16,400,789</u> = <u>(1,916,363)</u> (actual) (est.) | | | | |
| F. Total Company Over or (Under) Recovery from Page 4, Line 12 | | | <u>39,134</u> | |
| G. Grand Total Fuel Cost (D + E - F) | | | <u>\$12,942,883</u> | |
| H. Net Transmission Marginal Line Loss for month of <u>JULY 2010</u> (Accounts 4470207 and 447208) | | | 1,671,770 | |
| I. ADJUSTED GRAND TOTAL FUEL COSTS (G + H) | | | <u><u>\$14,614,653</u></u> | |

* Estimated - based on actual Kentucky generation unit costs in
JULY 2010 \$16,051,794
689,124,000 0.02329 /KWH

KENTUCKY POWER COMPANY

SALES SCHEDULE

Month Ended: JULY 2010

| | | <u>Kilowatt-Hours</u> |
|--|-----|---------------------------|
| A. Generation (Net) | (+) | 689,124,000 |
| Purchases Including Interchange In | (+) | <u>534,203,000</u> |
| Sub Total | | 1,223,327,000 |
| | | |
| B. Pumped Storage Energy | (+) | 0 |
| Inter-System Sales Including Interchange Out | (+) | 583,727,000 |
| System Losses | (+) | <u>13,430,000</u> * |
| Sub Total | | <u>597,157,000</u> |
| | | |
| Total Sales (A - B) | | <u><u>626,170,000</u></u> |

* Does not include 327,666 KWH of company usage

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: JULY 2010

| Line No. | | | |
|-------------|---|-------|----------------------|
| 1 | FAC Rate Billed | (+) | 0 00085 |
| 2 | Retail KWH Billed at Above Rate | (x) | <u>587,362,384</u> |
| 3 | FAC Revenue/(Refund) (L1 * L2) | | <u>499,258</u> |
| 4 | KWH Used to Determine Last FAC Rate Billed | (+) | 549,040,000 |
| 5 | Non-Jurisdictional KWH Included in L4 | (-) | <u>7,049,900</u> |
| 6 | Kentucky Jurisdictional KWH Included in L4 (L4 - L5) | | <u>541,990,100</u> |
| 7 | Recoverable FAC Revenue/(Refund) (L1 * L6) | | 460,692 |
| 8 | Over or (Under) Recovery (L3 - L7) | | 38,566 |
| 9 | Total Sales (Page 3) | (+) | 626,170,000 |
| 10 | Kentucky Jurisdictional Sales | (/) | <u>617,074,100</u> |
| 11 | Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10) | | 1.01474 |
| 12 | Total Company Over or (Under) Recovery (L8 * L11) | | <u><u>39,134</u></u> |

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: JUNE 2010

| | | | |
|--|-----------|----------------------------|-----|
| A. Company Generation | | | |
| Coal Burned | (+) | \$19,815,403 | |
| Oil Burned | (+) | 167,965 | |
| 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.) | (-) | 0 | |
| | | | |
| Sub-total | | <u>19,983,368</u> | |
| B. Purchases | | | |
| Net Energy Cost - Economy Purchases | (+) | 0 | |
| Identifiable Fuel Cost - Other Purchases | (+) | 3,455,456 | (1) |
| Identifiable Fuel Cost (substitute for F. O.) | | | |
| (0 KWH X \$0.000000) | (-) | 0 | |
| | | | |
| Sub-total | | <u>3,455,456</u> | |
| C. Inter-System Sales Fuel Costs | | | |
| | | <u>8,954,398</u> | (1) |
| D. SUB-TOTAL FUEL COST (A + B - C) | | | |
| | | <u>\$14,484,426</u> | |
| E. Net Transmission Marginal Line Loss for month | JUNE 2010 | 987,017 | |
| F. GRAND TOTAL FUEL COSTS (D + E) | | | |
| | | <u><u>\$15,471,443</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 2010

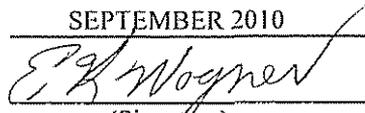
| Line No. | Month Ended: | | | YTD System Sales Profit |
|----------|--|-------|-------------|---------------------------------|
| 1 | Current Month (Tm) Net Revenue Level @ 70% | (+) | \$3,946,576 | Feb-10 \$1,227,821 |
| 2 | Current Month (Tm) Net Revenue Level @ 60% | (+) | n/a | Mar-10 903,549 |
| 3 | Current Month (Tm) Net Revenue Level (Ln 1 + Ln 2) | | 3,946,576 | Apr-10 351,626 |
| 4 | Base Month (Tb) Tariff 19-2 Net Revenue Level | (-) | 2,658,364 | May-10 322,014 |
| 5 | Increase/(Decrease) of System Sales Net Revenue (Ln 3 - Ln 4) | | 1,288,212 | Jun-10 2,145,396 |
| 6 | Customer 70% Sharing ^{1/} | (x) | 70% | Jul-10 |
| 7 | Customer 60% Sharing ^{1/} | (x) | n/a | Aug-10 |
| 8 | Customer Share of Increase/(Decrease) in System Sales Net Revenue | | 901,748 | Sep-10 |
| 9 | Current Month (Sm) Sales Level (Page 3 of 5) | (/) | 626,170,000 | Oct-10 |
| 10 | System Sales Clause Factor - \$/Kwh (Ln 8 / Ln 9) | | (0.0014401) | Nov-10 |
| | | | | Dec-10 |
| | | | | Jan-11 |
| | | | | Total \$4,950,406 ^{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 2010

Submitted by:



(Signature)

Title:

Director of Regulatory Services

Date Submitted:

AUGUST 18, 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: JULY 2010 | | TOTAL |
|-------------|--|------------------------|------------------------------------|--------------------|
| | | CURRENT MONTH | PRIOR MO. TRUE-UP ADJUSTMENT | |
| 1 | Sales For Resale Revenues | \$14,250,553 | (\$24,398) | \$14,226,155 |
| 2 | Interchange-Delivered Revenues | -0- | -0- | -0- |
| 3 | Total System Sales Revenues | 14,250,553 | (24,398) | 14,226,155 |
| 4 | Sales For Resale Expenses | \$9,925,250 | \$2,282 | \$9,927,532 |
| 5 | Interchange-Delivered Expenses | -0- | -0- | -0- |
| 6 | Non-Associated Utilities Monthly Environmental Costs* | 352,047 | 0 | 352,047 |
| 7 | Total System Sales Expenses | 10,277,297 | 2,282 | 10,279,579 |
| 8 | Total System Sales Net Revenues | <u>\$3,973,256</u> | <u>(\$26,680)</u> | <u>\$3,946,576</u> |

*Source:

ES Form 1.0, Line 3

ES Form 3.3, Line 4

Non-Associated Environmental Costs

KENTUCKY POWER COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Month Ended: JULY 2010

| | | |
|---|-----|-----------------------------|
| 1 Fuel Adjustment Clause Factor (Page 1 of 5) | (+) | (\$0.00506) |
| 2 System Sales Clause Factor (Page 1 of 2) | (+) | <u>(\$0.0033680)</u> * |
| 3 Total Adjustment Clause Factors | | <u><u>(\$0.0084280)</u></u> |

Effective Date for Billing

SEPTEMBER 2010

Submitted by:


(Signature)

Title:

Director of Regulatory Services

Date Submitted:

AUGUST 18, 2010

* Pursuant to the Settlement Agreement in Case No. 2009-00459

KENTUCKY POWER COMPANY

FUEL COST SCHEDULE

Month Ended: JULY 2010

| | | | |
|---|-----|----------------------------|----------------------------|
| A. Company Generation | | | |
| Coal Burned | (+) | \$15,987,869 | |
| Oil Burned | (+) | 63,925 | |
| Gas Burned | (+) | 0 | |
| Fuel (jointly owned plant) | (+) | 0 | |
| Fuel (assigned cost during F. O.) | (+) | 0 | |
| Fuel (substitute for F. O.) | (-) | | |
| Sub Total | | <u>16,051,794</u> | |
| B. Purchases | | | |
| Net Energy Cost - Economy Purchases | (+) | 0 | |
| Identifiable Fuel Cost - Other Purchases | (+) | 12,441,588 | * |
| Identifiable Fuel Cost (substitute for F. O.) | (-) | <u>0</u> | |
| Sub Total | | <u>12,441,588</u> | |
| C. Inter-System Sales Fuel Costs | | <u>13,595,002</u> | * |
| Sub Total | | <u>13,595,002</u> | |
| D. Total Fuel Cost (A + B - C) | | <u><u>\$14,898,380</u></u> | |
| E. Adjustment indicating the difference in actual fuel cost for the month of <u>JUNE 2010</u> and the estimated cost originally reported. | | | |
| | | <u>\$14,484,426</u> | - |
| | | (actual) | |
| | | <u>\$16,400,789</u> | = |
| | | (est.) | |
| | | | <u>(1,916,363)</u> |
| F. Total Company Over or (Under) Recovery from Page 4, Line 12 | | | <u>39,134</u> |
| G. Grand Total Fuel Cost (D + E - F) | | | <u>\$12,942,883</u> |
| H. Net Transmission Marginal Line Loss for month of <u>JULY 2010</u> (Accounts 4470207 and 447208) | | | <u>1,671,770</u> |
| I. ADJUSTED GRAND TOTAL FUEL COSTS (G + H) | | | <u><u>\$14,614,653</u></u> |

* Estimated - based on actual Kentucky generation unit costs in JULY 2010

| | | |
|---------------------|---------|------|
| <u>\$16,051,794</u> | | |
| 689,124,000 | 0.02329 | /KWH |

KENTUCKY POWER COMPANY

SALES SCHEDULE

Month Ended: JULY 2010

| | | <u>Kilowatt-Hours</u> |
|--|-------|---------------------------|
| A. Generation (Net) | (+) | 689,124,000 |
| Purchases Including Interchange In | (+) | <u>534,203,000</u> |
| Sub Total | | 1,223,327,000 |
| | | |
| B Pumped Storage Energy | (+) | 0 |
| Inter-System Sales Including Interchange Out | (+) | 583,727,000 |
| System Losses | (+) | <u>13,430,000</u> * |
| Sub Total | | <u>597,157,000</u> |
| | | |
| Total Sales (A - B) | | <u><u>626,170,000</u></u> |

* Does not include 327,666 KWH of company usage

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: **JULY 2010**

| Line No. | | | |
|-------------|--|-------|----------------------|
| 1 | FAC Rate Billed | (+) | 0.00085 |
| 2 | Retail KWH Billed at Above Rate | (x) | <u>587,362,384</u> |
| 3 | FAC Revenue/(Refund) (L1 * L2) | | <u>499,258</u> |
| 4 | KWH Used to Determine Last FAC Rate Billed | (+) | 549,040,000 |
| 5 | Non-Jurisdictional KWH Included in L4 | (-) | <u>7,049,900</u> |
| 6 | Kentucky Jurisdictional KWH Included in L4 (L4 - L5) | | <u>541,990,100</u> |
| 7 | Recoverable FAC Revenue/(Refund) (L1 * L6) | | 460,692 |
| 8 | Over or (Under) Recovery (L3 - L7) | | 38,566 |
| 9 | Total Sales (Page 3) | (+) | 626,170,000 |
| 10 | Kentucky Jurisdictional Sales | (/) | <u>617,074,100</u> |
| 11 | Ratio of Total Sales to KY Jurisdictional Sales (L9 / L10) | | 1.01474 |
| 12 | Total Company Over or (Under) Recovery (L8 * L11) | | <u><u>39,134</u></u> |

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: JUNE 2010

| | | | |
|--|-----------|--------------|----------------------------|
| A. Company Generation | | | |
| Coal Burned | (+) | \$19,815,403 | |
| Oil Burned | (+) | 167,965 | |
| Gas Burned | (+) | 0 | |
| Fuel (jointly owned plant) | (+) | 0 | |
| Fuel (assigned cost during F. O.) | | | |
| (0 KWH X \$0.000000) | (+) | | |
| Fuel (substitute for F. O.) | (-) | | 0 |
| | | | <u>19,983,368</u> |
| Sub-total | | | |
| B. Purchases | | | |
| Net Energy Cost - Economy Purchases | (+) | 0 | |
| Identifiable Fuel Cost - Other Purchases | (+) | 3,455,456 | (1) |
| Identifiable Fuel Cost (substitute for F. O.) | | | |
| (0 KWH X \$0.000000) | (-) | | 0 |
| | | | <u>3,455,456</u> |
| Sub-total | | | |
| C. Inter-System Sales Fuel Costs | | | <u>8,954,398</u> (1) |
| D. SUB-TOTAL FUEL COST (A + B - C) | | | <u>\$14,484,426</u> |
| E. Net Transmission Marginal Line Loss for month | JUNE 2010 | | 987,017 |
| F. GRAND TOTAL FUEL COSTS (D + E) | | | <u><u>\$15,471,443</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
Settlement Agreement in Case No. 2009-00459**

Month Ended: JULY 2010

**Line
No.**

| | | | |
|---|---|-------|-----------------------------|
| 1 | Current Month (Tm) Net Revenue Level | (+) | 4,131,166 |
| 2 | Base Month (Tb) Net Revenue Level (Tariff Sheet No. 19-2, Case No. 2009-00459) | (-) | <u>616,234</u> |
| 3 | Increase/(Decrease) of System Sales Net Revenue | | 3,514,932 |
| 4 | Customer 60% Sharing | (x) | <u>60%</u> |
| 5 | Customer Share of Increase/(Decrease) in System Sales Net Revenue | | 2,108,959 |
| 6 | Current Month (Sm) Sales Level (Page 3 of 5) | (/) | <u>626,170,000</u> |
| 7 | System Sales Clause Factor - \$/Kwh (Ln 5 / Ln 6) | | <u><u>(0.0033680)</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:

SEPTEMBER 2010

Submitted by:

E. J. Wagner
(Signature)

Title:

Director of Regulatory Services

Date Submitted:

AUGUST 18, 2010

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE NET REVENUE

Month Ended: JULY 2010

| Line No. | | CURRENT MONTH | PRIOR MO. TRUE-UP ADJUSTMENT | TOTAL |
|-------------|--|--------------------|------------------------------------|--------------------|
| 1 | Sales For Resale Revenues | \$14,250,553 | (\$24,398) | 14,226,155 |
| 2 | Interchange-Delivered Revenues | -0- | -0- | -0- |
| 3 | Total System Sales Revenues | 14,250,553 | (24,398) | 14,226,155 |
| 4 | Sales For Resale Expenses | \$9,925,250 | \$2,282 | 9,927,532 |
| 5 | Interchange-Delivered Expenses | -0- | -0- | -0- |
| 6 | Non-Associated Utilities Monthly Environmental Costs* | 167,457 | 0 | 167,457 |
| 7 | Total System Sales Expenses | 10,092,707 | 2,282 | 10,094,989 |
| 8 | Total System Sales Net Revenues | <u>\$4,157,846</u> | <u>(\$26,680)</u> | <u>\$4,131,166</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
12333 Kevin Ave
Ashland, KY 41102
KentuckyPower.com

Jeff R. Derouen, Executive Director
Public Service Commission of Kentucky

Attn: Daryl Newby
P. O. Box 615
211 Sower Boulevard
Frankfort, KY 40602-0615

September 17, 2010

RECEIVED

SEP 17 2010

**PUBLIC SERVICE
COMMISSION**

Gentlemen:

Attached is Kentucky Power Company's Fuel Adjustment Clause Schedules with supporting sales and fuel cost schedules. These calculations are based on an estimated August 2010 fuel costs with an adjustment reflecting actual July 2010 fuel costs.

The fuel adjustment clause factor of $\$(0.00261)/\text{kWh}$ (credit) will be applied to our October 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 order dated June 28, 2010 in Case No. 2009-00459. The net system sales factor of $\$(.0003647)/\text{kWh}$ will be applied to our October 2010 billing.

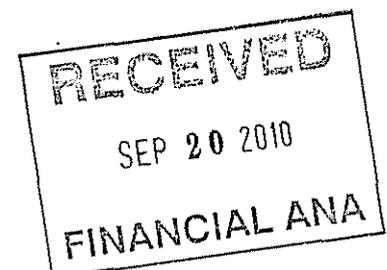
The October 2010 billings will use the combined factor of $\$(.0029747)/\text{kWh}$ (credit) for all usage billed.

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

Sincerely,

Lila P. Munsey
Manager, Regulatory Services

Attachments



KENTUCKY POWER COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Month Ended: AUGUST 2010

- | | | |
|---|-----|---------------------------|
| 1 Fuel Adjustment Clause Factor (Page 1 of 5) | (+) | (0.00261) |
| 2 System Sales Clause Factor (Page 1 of 2) | (+) | <u>(0.003647)</u> |
| 3 Total Adjustment Clause Factors | | <u><u>(0.0029747)</u></u> |

Effective Date for Billing OCTOBER 2010

Submitted by: *Lela P. Mursey*
(Signature)

Title: Manager, Regulatory Services

Date Submitted: SEPTEMBER 17, 2010

KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: **AUGUST 2010**

| | | | |
|------------------------------|--------------|-------|-----------|
| Fuel Fm (Fuel Cost Schedule) | \$16,542,234 | | |
| Sales Sm (Sales Schedule) | 641,346,673 | (+) | 0.02579 |
| | | | |
| Fuel (Fb) | \$16,138,627 | | |
| Sales (Sb) | 568,162,000 | (-) | 0.02840 * |
| | | | (0.00261) |
| | | | (\$/KWH) |

Effective Date for Billing OCTOBER 2010

Submitted by: *Lila P. Mursey*
(Signature)

Title: Manager, Regulatory Services

Date Submitted: SEPTEMBER 17, 2010

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

KENTUCKY POWER COMPANY

SALES SCHEDULE

Month Ended: AUGUST 2010

| | | <u>Kilowatt-Hours</u> |
|--|-----|---------------------------|
| A. Generation (Net) | (+) | 714,052,000 |
| Purchases Including Interchange In | (+) | <u>451,576,000</u> |
| Sub Total | | 1,165,628,000 |
| | | |
| B Pumped Storage Energy | (+) | 0 |
| Inter-System Sales Including Interchange Out | (+) | 508,604,000 |
| System Losses | (+) | <u>15,677,327</u> * |
| Sub Total | | <u>524,281,327</u> |
| | | |
| Total Sales (A - B) | | <u><u>641,346,673</u></u> |

* Does not include 334,348 KWH of company usage.

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: **AUGUST 2010**

| Line No. | | | |
|-------------|--|-------|-------------------------|
| 1 | FAC Rate Billed | (+) | (0.00418) |
| 2 | Retail KWH Billed at Above Rate | (x) | <u>623,800,992</u> |
| 3 | FAC Revenue/(Refund) (L1 * L2) | | <u>(2,607,488)</u> |
| 4 | KWH Used to Determine Last FAC Rate Billed | (+) | 593,866,000 |
| 5 | Non-Jurisdictional KWH Included in L4 | (-) | <u>8,212,180</u> |
| 6 | Kentucky Jurisdictional KWH Included in L4 (L4 - L5) | | <u>585,653,820</u> |
| 7 | Recoverable FAC Revenue/(Refund) (L1 * L6) | | (2,448,033) |
| 8 | Over or (Under) Recovery (L3 - L7) | | (159,455) |
| 9 | Total Sales (Page 3) | (+) | 641,346,673 |
| 10 | Kentucky Jurisdictional Sales | (/) | <u>632,411,757</u> |
| 11 | Ratio of Total Sales to KY Jurisdictional Sales (L9 / L10) | | 1.01413 |
| 12 | Total Company Over or (Under) Recovery (L8 * L11) | | <u><u>(161,708)</u></u> |

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: JULY 2010

| | | | |
|--|-----------|----------------------------|-----|
| A. Company Generation | | | |
| Coal Burned | (+) | \$21,361,172 | |
| Oil Burned | (+) | 106,067 | |
| Gas Burned | (+) | 0 | |
| Fuel (jointly owned plant) | (+) | 0 | |
| Fuel (assigned cost during F. O.) | | | |
| (0 KWH X \$0.000000) | (+) | | |
| Fuel (substitute for F. O.) | (-) | <u>0</u> | |
| Sub-total | | <u>21,467,238</u> | |
| B. Purchases | | | |
| Net Energy Cost - Economy Purchases | (+) | 0 | |
| Identifiable Fuel Cost - Other Purchases | (+) | 3,439,961 | (1) |
| Identifiable Fuel Cost (substitute for F. O.) | | | |
| (0 KWH X \$0.000000) | (-) | <u>0</u> | |
| Sub-total | | <u>3,439,961</u> | |
| C. Inter-System Sales Fuel Costs | | <u>10,356,578</u> | (1) |
| D. SUB-TOTAL FUEL COST (A + B - C) | | <u>\$14,550,621</u> | |
| E. Net Transmission Marginal Line Loss for month | JULY 2010 | 1,671,770 | |
| F. GRAND TOTAL FUEL COSTS (D + E) | | <u><u>\$16,222,391</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
Settlement Agreement in Case No. 2009-00459**

Month Ended: **AUGUST 2010**

**Line
No.**

| | | | |
|---|---|-----|-----------------------------|
| 1 | Current Month (Tm) Net Revenue Level | (+) | 2,526,483 |
| 2 | Base Month (Tb) Net Revenue Level (Tariff Sheet No. 19-2, Case No. 2009-00459) | (-) | <u>2,136,652</u> |
| 3 | Increase/(Decrease) of System Sales Net Revenue | | 389,831 |
| 4 | Customer 60% Sharing | (x) | <u>60%</u> |
| 5 | Customer Share of Increase/(Decrease) in System Sales Net Revenue | | 233,899 |
| 6 | Current Month (Sm) Sales Level (Page 3 of 5) | (/) | <u>641,346,673</u> |
| 7 | System Sales Clause Factor - \$/Kwh (Ln 5 / Ln 6) | | <u><u>(0.0003647)</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:

OCTOBER 2010

Submitted by:

Lila P. Mursey
(Signature)

Title:

Manager, Regulatory Services

Date Submitted:

SEPTEMBER 17, 2010

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE NET REVENUE

Month Ended: AUGUST 2010

| Line No. | | CURRENT MONTH | PRIOR MO. TRUE-UP ADJUSTMENT | TOTAL |
|-------------|--|--------------------|------------------------------------|--------------------|
| 1 | Sales For Resale Revenues | \$10,952,659 | (\$41,479) | \$10,911,180 |
| 2 | Interchange-Delivered Revenues | -0- | -0- | -0- |
| 3 | Total System Sales Revenues | 10,952,659 | (41,479) | 10,911,180 |
| 4 | Sales For Resale Expenses | \$7,963,901 | (\$162,370) | \$7,801,531 |
| 5 | Interchange-Delivered Expenses | -0- | -0- | -0- |
| 6 | Non-Associated Utilities Monthly Environmental Costs* | 583,166 | 0 | 583,166 |
| 7 | Total System Sales Expenses | 8,547,067 | (162,370) | 8,384,697 |
| 8 | Total System Sales Net Revenues | <u>\$2,405,592</u> | <u>\$120,891</u> | <u>\$2,526,483</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
101A Enterprise Drive
P O Box 5190
Frankfort, KY 40602-5190
KentuckyPower.com

Jeff R. Derouen, Executive Director
Public Service Commission of Kentucky
Attn: Daryl Newby
P. O. Box 615
211 Sower Boulevard
Frankfort, KY 40602-0615

October 15, 2010

RECEIVED

OCT 15 2010

PUBLIC SERVICE
COMMISSION

Gentlemen:

Attached is Kentucky Power Company's Fuel Adjustment Clause Schedules with supporting sales and fuel cost schedules. These calculations are based on an estimated September 2010 fuel costs with an adjustment reflecting actual August 2010 fuel cost.

The fuel adjustment clause factor of \$(0.00014)/kWh (credit) will be applied to our November 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 order dated June 28, 2010 in Case No. 2009-00459. The net system sales factor of \$(.0001291) will be applied to our November 2010 billing.

The November 2010 billings will use the combined factor of \$(0.0002691)/kWh (credit) for all usage billed.

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

Sincerely,

Lila P. Munsey
Manager, Regulatory Services

Attachments

OCT 18 2010

KENTUCKY POWER COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Month Ended: **September 2010**

| | | |
|---|-----|-----------------------------|
| 1 Fuel Adjustment Clause Factor (Page 1 of 5) | (+) | (\$0.00014) |
| 2 System Sales Clause Factor (Page 1 of 2) | (+) | <u>(\$0.0001291)</u> |
| 3 Total Adjustment Clause Factors | | <u><u>(\$0.0002691)</u></u> |

Effective Date for Billing

November 2010

Submitted by:

Lila P. Mursey
(Signature)

Title:

Manager, Regulatory Services

Date Submitted:

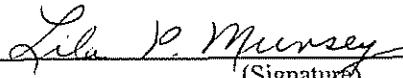
October 15, 2010

KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: September 2010

| | | | |
|------------------------------|---------------------|-------|-------------------------|
| Fuel Fm (Fuel Cost Schedule) | <u>\$14,986,865</u> | | |
| Sales Sm (Sales Schedule) | 530,234,000 | (+) | 0.02826 |
| | | | |
| Fuel (Fb) | <u>\$16,138,627</u> | | |
| Sales (Sb) | 568,162,000 | (-) | <u>0.02840 *</u> |
| | | | <u><u>(0.00014)</u></u> |
| | | | (\$/KWH) |

Effective Date for Billing November 2010

Submitted by: 
(Signature)

Title: Manager, Regulatory Services

Date Submitted: October 15, 2010

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

KENTUCKY POWER COMPANY

FUEL COST SCHEDULE

Month Ended: September 2010

| | | | |
|---|-------|----------------------------|----------------------------|
| A. Company Generation | | | |
| Coal Burned | (+) | \$14,520,065 | |
| Oil Burned | (+) | 80,761 | |
| Gas Burned | (+) | 0 | |
| Fuel (jointly owned plant) | (+) | 0 | |
| Fuel (assigned cost during F. O.) | (+) | 0 | |
| Fuel (substitute for F. O.) | (-) | | |
| Sub Total | | <u>14,600,826</u> | |
| B. Purchases | | | |
| Net Energy Cost - Economy Purchases | (+) | 0 | |
| Identifiable Fuel Cost - Other Purchases | (+) | 9,834,037 | * |
| Identifiable Fuel Cost (substitute for F. O.) | (-) | <u>0</u> | |
| Sub Total | | <u>9,834,037</u> | |
| C. Inter-System Sales Fuel Costs | | <u>9,313,365</u> | * |
| Sub Total | | <u>9,313,365</u> | |
| D. Total Fuel Cost (A + B - C) | | <u><u>\$15,121,498</u></u> | |
| E. Adjustment indicating the difference in actual fuel cost for the month of <u>August 2010</u> and the estimated cost originally reported. | | | |
| | | <u>\$15,111,901</u> | - |
| | | (actual) | |
| | | <u>\$15,608,695</u> | - |
| | | (est.) | |
| | = | | <u>(496,794)</u> |
| F. Total Company Over or (Under) Recovery from Page 4, Line 12 | | <u>212,187</u> | |
| G. Grand Total Fuel Cost (D + E - F) | | <u><u>\$14,412,517</u></u> | |
| H. Net Transmission Marginal Line Loss for month of <u>September 2010</u> (Accounts 4470207 and 447208) | | | <u>574,349</u> |
| I. ADJUSTED GRAND TOTAL FUEL COSTS (G + H) | | | <u><u>\$14,986,865</u></u> |

* Estimated - based on actual Kentucky generation unit costs in September 2010

\$14,600,826

524,702,000

0.02783 /KWH

KENTUCKY POWER COMPANY

SALES SCHEDULE

Month Ended: September 2010

| | | <u>Kilowatt-Hours</u> |
|--|---------|---------------------------|
| A. Generation (Net) | (+) | 524,702,000 |
| Purchases Including Interchange In | (+) | <u>353,361,000</u> |
| Sub Total | | 878,063,000 |
| B. Pumped Storage Energy | (+) | 0 |
| Inter-System Sales Including Interchange Out | (+) | 334,652,000 |
| System Losses | (+) | <u>13,177,000</u> * |
| Sub Total | | <u>347,829,000</u> |
| Total Sales (A - B) | | <u><u>530,234,000</u></u> |

* Does not include 316,000 KWH of company usage.

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: **September 2010**

Line
No.

| | | | |
|---|---|-------|-----------------------|
| 1 | FAC Rate Billed | (+) | (0.00506) |
| 2 | Retail KWH Billed at Above Rate | (x) | <u>575,701,844</u> |
| 3 | FAC Revenue/(Refund) (L1 * L2) | | <u>(2,913,051)</u> |
| 4 | KWH Used to Determine Last FAC Rate Billed | (+) | 626,170,000 |
| 5 | Non-Jurisdictional KWH Included in L4 | (-) | <u>9,095,908</u> |
| 6 | Kentucky Jurisdictional KWH Included in L4 (L4 - L5) | | <u>617,074,092</u> |
| 7 | Recoverable FAC Revenue/(Refund) (L1 * L6) | | (3,122,395) |
| 8 | Over or (Under) Recovery (L3 - L7) | | 209,344 |
| 9 | Total Sales (Page 3) | (+) | 530,234,000 |
| 10 | Kentucky Jurisdictional Sales | (/) | <u>523,128,754</u> |
| 11 | Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10) | | 1.01358 |
| <hr style="border-top: 1px dotted black;"/> | | | |
| 12 | Total Company Over or (Under) Recovery (L8 * L11) | | <u><u>212,187</u></u> |

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: August 2010

| | | | |
|--|-------------|--------------|----------------------------|
| A. Company Generation | | | |
| Coal Burned | (+) | \$21,959,646 | |
| Oil Burned | (+) | 98,165 | |
| Gas Burned | (+) | 0 | |
| Fuel (jointly owned plant) | (+) | 0 | |
| Fuel (assigned cost during F. O.) | (+) | | |
| (0 KWH X \$0.000000) | (+) | | |
| Fuel (substitute for F. O.) | (-) | | 0 |
| | | | <u>0</u> |
| Sub-total | | | <u>22,057,811</u> |
| B. Purchases | | | |
| Net Energy Cost - Economy Purchases | (+) | 0 | |
| Identifiable Fuel Cost - Other Purchases | (+) | 3,084,796 | (1) |
| Identifiable Fuel Cost (substitute for F. O.) | (+) | | |
| (0 KWH X \$0.000000) | (-) | | 0 |
| | | | <u>0</u> |
| Sub-total | | | <u>3,084,796</u> |
| C. Inter-System Sales Fuel Costs | | | <u>10,030,706</u> (1) |
| <hr/> | | | |
| D. SUB-TOTAL FUEL COST (A + B - C) | | | <u>\$15,111,901</u> |
| E. Net Transmission Marginal Line Loss for month | August 2010 | | 1,119,590 |
| F. GRAND TOTAL FUEL COSTS (D + E) | | | <u><u>\$16,231,491</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
Settlement Agreement in Case No. 2009-00459**

Month Ended: September 2010

Line
No.

| | | | |
|---|---|-------|-----------------------------|
| 1 | Current Month (Tm) Net Revenue Level | (+) | 1,964,651 |
| 2 | Base Month (Tb) Net Revenue Level (Tariff Sheet No. 19-2, Case No. 2009-00459) | (-) | <u>1,850,577</u> |
| 3 | Increase/(Decrease) of System Sales Net Revenue | | 114,074 |
| 4 | Customer 60% Sharing | (x) | <u>60%</u> |
| 5 | Customer Share of Increase/(Decrease) in System Sales Net Revenue | | 68,444 |
| 6 | Current Month (Sm) Sales Level (Page 3 of 5) | (/) | <u>530,234,000</u> |
| 7 | System Sales Clause Factor - \$/Kwh (Ln 5 / Ln 6) | | <u><u>(0.0001291)</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:

November 2010

Submitted by:

Lila P. Mursey
(Signature)

Title:

Manager, Regulatory Services

Date Submitted:

October 15, 2010

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE NET REVENUE

Month Ended: September 2010

| Line No. | CURRENT MONTH | PRIOR MO. TRUE-UP ADJUSTMENT | TOTAL |
|-------------|------------------|------------------------------------|--------------------|
| 1 | \$4,384,691 | \$1,407,462 | \$5,792,153 |
| 2 | -0- | -0- | -0- |
| 3 | 4,384,691 | 1,407,462 | 5,792,153 |
| 4 | \$4,113,536 | (\$110,684) | \$4,002,852 |
| 5 | -0- | -0- | -0- |
| 6 | 79,558 | (254,908) ** | (175,350) |
| 7 | 4,193,094 | (365,592) | 3,827,502 |
| 8 | <u>\$191,597</u> | <u>\$1,773,054</u> | <u>\$1,964,651</u> |

*Source:

ES Form 1.0, Line 3

ES Form 3.3, Line 4

Non-Associated Environmental Costs

**Kentucky Power filed \$583,166 for the Non-Associated Utilities Monthly Environmental Costs for the August expense month, based on the initial Environmental Surcharge filing dated September 17, 2010. The revised Environmental Surcharge filed on September 22, 2010 amended the amount to \$328,258. Therefore, the true-up adjustment of (254,908) is necessary to reduce the Non-Associated Utilities Monthly Environmental Costs.



**KENTUCKY
POWER**

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 of Kentucky
Attn: Daryl Newby
P. O. Box 615
211 Sower Boulevard
Frankfort, KY 40602-0615

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NOV 19 2010

**PUBLIC SERVICE
COMMISSION**

November 19, 2010

Gentlemen:

Kentucky Power Company's Fuel Adjustment Clause Schedules are attached and include supporting sales and fuel cost schedules. These calculations are based on estimated October 2010 fuel costs with an adjustment reflecting actual September 2010 fuel costs.

The fuel adjustment clause factor of \$(0.00110)/kWh (credit) will be applied to our December 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 order dated June 28, 2010 in Case No. 2009-00459. The net system sales factor of \$.0007740/kWh will be applied to our December 2010 billing.

The December 2010 billings will use the combined factor of \$(0.0003260)/kWh (credit) for all usage billed.

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

Sincerely,

Lila P. Munsey

Lila P. Munsey
Manager, Regulatory Services

Attachments

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FINANCIAL ANA

KENTUCKY POWER COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Month Ended: October 2010

- | | | |
|---|-----|-----------------------------|
| 1 Fuel Adjustment Clause Factor (Page 1 of 5) | (+) | (\$0.00110) |
| 2 System Sales Clause Factor (Page 1 of 2) | (+) | <u>\$0.0007740</u> |
| 3 Total Adjustment Clause Factors | | <u><u>(\$0.0003260)</u></u> |

Effective Date for Billing

December 2010

Submitted by:

Lila P. Mursey
(Signature)

Title:

Manager, Regulatory Services

Date Submitted:

November 19, 2010

KENTUCKY POWER COMPANY

FUEL COST SCHEDULE

Month Ended: October 2010

| | | | |
|--|----------|----------------------------|------------------|
| A. Company Generation | | | |
| Coal Burned | (+) | \$13,567,878 | |
| Oil Burned | (+) | 25,722 | |
| Gas Burned | (+) | 0 | |
| Fuel (jointly owned plant) | (+) | 0 | |
| Fuel (assigned cost during F. O.) | (+) | 0 | |
| Fuel (substitute for F. O.) | (-) | | |
| Sub Total | | <u>13,593,600</u> | |
| B. Purchases | | | |
| Net Energy Cost - Economy Purchases | (+) | 0 | |
| Identifiable Fuel Cost - Other Purchases | (+) | 10,476,838 | * |
| Identifiable Fuel Cost (substitute for F. O.) | (-) | 0 | |
| Sub Total | | <u>10,476,838</u> | |
| C. Inter-System Sales Fuel Costs | | <u>9,292,589</u> | * |
| Sub Total | | <u>9,292,589</u> | |
| D. Total Fuel Cost (A + B - C) | | <u><u>\$14,777,849</u></u> | |
| E. Adjustment indicating the difference in actual fuel cost for the month of <u>September 2010</u> and the estimated cost originally reported. | | | |
| | | <u>\$14,682,959</u> | - |
| | (actual) | | |
| | | <u>\$15,121,498</u> | - |
| | (est.) | | |
| | | | = |
| | | | <u>(438,539)</u> |
| F. Total Company Over or (Under) Recovery from Page 4, Line 12 | | <u>330,521</u> | |
| G. Grand Total Fuel Cost (D + E - F) | | <u>\$14,008,789</u> | |
| H. Net Transmission Marginal Line Loss for month of <u>October 2010</u> (Accounts 4470207 and 447208) | | | 282,682 |
| I. ADJUSTED GRAND TOTAL FUEL COSTS (G + H) | | <u><u>\$14,291,471</u></u> | |

* Estimated - based on actual Kentucky generation unit costs in October 2010

| | | | |
|--|---------------------|---------|------|
| | <u>\$13,593,600</u> | | |
| | 493,594,000 | 0.02754 | /KWH |

KENTUCKY POWER COMPANY

SALES SCHEDULE

Month Ended: October 2010

| | | <u>Kilowatt-Hours</u> |
|--|---------|---------------------------|
| A. Generation (Net) | (+) | 493,594,000 |
| Purchases Including Interchange In | (+) | <u>380,422,000</u> |
| Sub Total | | 874,016,000 |
| B. Pumped Storage Energy | (+) | 0 |
| Inter-System Sales Including Interchange Out | (+) | 337,421,000 |
| System Losses | (+) | <u>13,041,000</u> * |
| Sub Total | | <u>350,462,000</u> |
| Total Sales (A - B) | | <u><u>523,554,000</u></u> |

* Does not include 299,000 KWH of company usage.

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: October 2010

| Line No. | | | |
|-------------|---|-------|-----------------------|
| 1 | FAC Rate Billed | (+) | (0.00261) |
| 2 | Retail KWH Billed at Above Rate | (x) | <u>507,425,386</u> |
| 3 | FAC Revenue/(Refund) (L1 * L2) | | <u>(1,324,380)</u> |
| 4 | KWH Used to Determine Last FAC Rate Billed | (+) | 641,346,673 |
| 5 | Non-Jurisdictional KWH Included in L4 | (-) | <u>8,934,916</u> |
| 6 | Kentucky Jurisdictional KWH Included in L4 (L4 - L5) | | <u>632,411,757</u> |
| 7 | Recoverable FAC Revenue/(Refund) (L1 * L6) | | (1,650,595) |
| 8 | Over or (Under) Recovery (L3 - L7) | | 326,215 |
| 9 | Total Sales (Page 3) | (+) | 523,554,000 |
| 10 | Kentucky Jurisdictional Sales | (/) | <u>516,731,748</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>330,521</u></u> |

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: September 2010

| | | | |
|--|----------------|----------------------------|-----|
| A. Company Generation | | | |
| Coal Burned | (+) | \$20,049,232 | |
| Oil Burned | (+) | 169,646 | |
| Gas Burned | (+) | 0 | |
| Fuel (jointly owned plant) | (+) | 0 | |
| Fuel (assigned cost during F. O.) | | | |
| (0 KWH X \$0.000000) | (+) | | |
| Fuel (substitute for F. O.) | (-) | <u>0</u> | |
| Sub-total | | <u>20,218,878</u> | |
| B. Purchases | | | |
| Net Energy Cost - Economy Purchases | (+) | 0 | |
| Identifiable Fuel Cost - Other Purchases | (+) | 2,133,991 | (1) |
| Identifiable Fuel Cost (substitute for F. O.) | | | |
| (0 KWH X \$0.000000) | (-) | <u>0</u> | |
| Sub-total | | <u>2,133,991</u> | |
| C. Inter-System Sales Fuel Costs | | <u>7,669,909</u> | (1) |
| D. SUB-TOTAL FUEL COST (A + B - C) | | <u>\$14,682,959</u> | |
| E. Net Transmission Marginal Line Loss for month | September 2010 | 574,349 | |
| F. GRAND TOTAL FUEL COSTS (D + E) | | <u><u>\$15,257,308</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
Settlement Agreement in Case No. 2009-00459**

Month Ended: **October 2010**

**Line
No.**

| | | | | |
|---|---|-----|-------------------------|---|
| 1 | Current Month (Tm) Net Revenue Level | (+) | 1,064,314 | |
| 2 | Base Month (Tb) Net Revenue Level (Tariff Sheet No. 19-2, Case No. 2009-00459) | (-) | <u>1,739,665</u> | |
| 3 | Increase/(Decrease) of System Sales Net Revenue | | (675,351) | |
| 4 | Customer 60% Sharing | (x) | <u>60%</u> | |
| 5 | Customer Share of Increase/(Decrease) in System Sales Net Revenue | | (405,211) | |
| 6 | Current Month (Sm) Sales Level (Page 3 of 5) | (/) | <u>523,554,000</u> | |
| 7 | System Sales Clause Factor - \$/Kwh (Ln 5 / Ln 6) | | <u><u>0.0007740</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:

December 2010

Submitted by:

Lila P. Munsey
(Signature)

Title:

Manager, Regulatory Services

Date Submitted:

November 19, 2010

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE NET REVENUE

Month Ended: October 2010

| Line No. | CURRENT MONTH | PRIOR MO. TRUE-UP ADJUSTMENT | TOTAL |
|-------------|------------------|------------------------------------|--------------------|
| 1 | \$4,039,984 | \$548,621 | \$4,588,605 |
| 2 | -0- | -0- | -0- |
| 3 | 4,039,984 | 548,621 | 4,588,605 |
| 4 | \$3,369,112 | \$37,037 | \$3,406,149 |
| 5 | -0- | -0- | -0- |
| 6 | 118,142 | 0 | 118,142 |
| 7 | 3,487,254 | 37,037 | 3,524,291 |
| 8 | <u>\$552,730</u> | <u>\$511,584</u> | <u>\$1,064,314</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
101A Enterprise Drive
P O Box 5190
Frankfort KY 40602-5190
KentuckyPower.com

Jeff R. Derouen, Executive Director
Public Service Commission of Kentucky
Attn: Daryl Newby
P. O. Box 615
211 Sower Boulevard
Frankfort, KY 40602-0615

December 17, 2010

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DEC 17 2010

**PUBLIC SERVICE
COMMISSION**

Gentlemen:

Kentucky Power Company's Fuel Adjustment Clause Schedules with supporting sales and fuel cost schedules are attached. These calculations are based on estimated November 2010 fuel costs with an adjustment reflecting actual October 2010 fuel costs.

The fuel adjustment clause factor of \$(0.00073)/kWh (credit) will be applied to our January 2011 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 order dated June 28, 2010 in Case No. 2009-00459. The net system sales factor of \$.0004359/kWh will also be applied to our January 2011 billing.

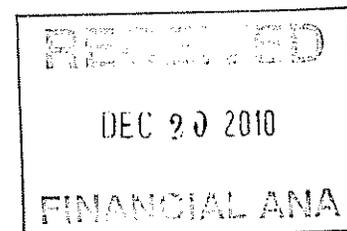
The January 2011 billings will use the combined factor of \$(.0002941)/kWh (credit) for all usage billed.

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

Sincerely,

Lila P. Munsey
Lila P. Munsey
Manager, Regulatory Services

Attachments

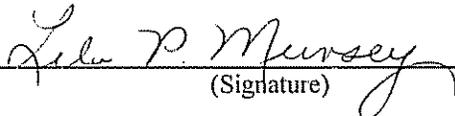


KENTUCKY POWER COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Month Ended: November 2010

| | | |
|---|-----|-----------------------------|
| 1 Fuel Adjustment Clause Factor (Page 1 of 5) | (+) | (\$0 00073) |
| 2 System Sales Clause Factor (Page 1 of 2) | (+) | <u>\$0.0004359</u> |
| 3 Total Adjustment Clause Factors | | <u><u>(\$0.0002941)</u></u> |

Effective Date for Billing January 2011

Submitted by: 
(Signature)

Title: Manager, Regulatory Services

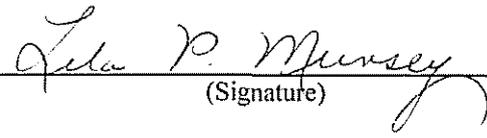
Date Submitted: December 17, 2010

KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: **November 2010**

| | | | |
|------------------------------|---------------------|-------|---------------------------|
| Fuel Fm (Fuel Cost Schedule) | <u>\$16,347,773</u> | | |
| Sales Sm (Sales Schedule) | 590,867,000 | (+) | 0.02767 |
| Fuel (Fb) | <u>\$16,138,627</u> | | |
| Sales (Sb) | 568,162,000 | (-) | <u>0.02840</u> * |
| | | | <u>(0.00073)</u> (\$/KWH) |

Effective Date for Billing January 2011

Submitted by: 
(Signature)

Title: Manager, Regulatory Services

Date Submitted: December 17, 2010

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

KENTUCKY POWER COMPANY

FUEL COST SCHEDULE

Month Ended: November 2010

| | | | |
|--|-----|----------------------------|---|
| A. Company Generation | | | |
| Coal Burned | (+) | \$13,576,911 | |
| Oil Burned | (+) | 30,480 | |
| Gas Burned | (+) | 0 | |
| Fuel (jointly owned plant) | (+) | 0 | |
| Fuel (assigned cost during F. O.) | (+) | 0 | |
| Fuel (substitute for F. O.) | (-) | | |
| Sub Total | | <u>13,607,391</u> | |
| B. Purchases | | | |
| Net Energy Cost - Economy Purchases | (+) | 0 | |
| Identifiable Fuel Cost - Other Purchases | (+) | 10,148,685 | * |
| Identifiable Fuel Cost (substitute for F. O.) | (-) | 0 | |
| Sub Total | | <u>10,148,685</u> | |
| C. Inter-System Sales Fuel Costs | | <u>6,880,906</u> | * |
| Sub Total | | 6,880,906 | |
| D. Total Fuel Cost (A + B - C) | | <u><u>\$16,875,170</u></u> | |
| E. Adjustment indicating the difference in actual fuel cost for the month of <u>October 2010</u> and the estimated cost originally reported. <u>\$13,840,292</u> - <u>\$14,777,848</u> = <u>(937,556)</u> (actual) (est.) | | | |
| F. Total Company Over or (Under) Recovery from Page 4, Line 12 | | <u>(2,660)</u> | |
| G. Grand Total Fuel Cost (D + E - F) | | <u>\$15,940,274</u> | |
| H. Net Transmission Marginal Line Loss for month of <u>November 2010</u> (Accounts 4470207 and 447208) | | 407,499 | |
| I. ADJUSTED GRAND TOTAL FUEL COSTS (G + H) | | <u><u>\$16,347,773</u></u> | |

* Estimated - based on actual Kentucky generation unit costs in
November 2010

| | | |
|---------------------|---------|------|
| <u>\$13,607,391</u> | | |
| 489,964,000 | 0.02777 | /KWH |

KENTUCKY POWER COMPANY

SALES SCHEDULE

Month Ended: November 2010

| | | <u>Kilowatt-Hours</u> |
|--|---------|---------------------------|
| A. Generation (Net) | (+) | 489,964,000 |
| Purchases Including Interchange In | (+) | <u>365,455,000</u> |
| Sub Total | | 855,419,000 |
| B. Pumped Storage Energy | (+) | 0 |
| Inter-System Sales Including Interchange Out | (+) | 247,782,000 |
| System Losses | (+) | <u>16,770,000</u> * |
| Sub Total | | <u>264,552,000</u> |
| Total Sales (A - B) | | <u><u>590,867,000</u></u> |

* Does not include 317,000 KWH of company usage.

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: November 2010

| Line No. | | | |
|-------------|---|-------|-----------------------|
| 1 | FAC Rate Billed | (+) | (0.00014) |
| 2 | Retail KWH Billed at Above Rate | (x) | <u>541,873,782</u> |
| 3 | FAC Revenue/(Refund) (L1 * L2) | | <u>(75,862)</u> |
| 4 | KWH Used to Determine Last FAC Rate Billed | (+) | 530,234,000 |
| 5 | Non-Jurisdictional KWH Included in L4 | (-) | <u>7,105,200</u> |
| 6 | Kentucky Jurisdictional KWH Included in L4 (L4 - L5) | | <u>523,128,800</u> |
| 7 | Recoverable FAC Revenue/(Refund) (L1 * L6) | | (73,238) |
| 8 | Over or (Under) Recovery (L3 - L7) | | (2,624) |
| 9 | Total Sales (Page 3) | (+) | 590,867,000 |
| 10 | Kentucky Jurisdictional Sales | (/) | <u>582,879,400</u> |
| 11 | Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10) | | 1.01370 |
| 12 | Total Company Over or (Under) Recovery (L8 * L11) | | <u><u>(2,660)</u></u> |

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: October 2010

| | | | |
|--|--------------|----------------------------|-----|
| A. Company Generation | | | |
| Coal Burned | (+) | \$19,398,459 | |
| Oil Burned | (+) | 38,148 | |
| Gas Burned | (+) | 0 | |
| Fuel (jointly owned plant) | (+) | 0 | |
| Fuel (assigned cost during F. O.) | | | |
| (0 KWH X \$0.000000) | (+) | | |
| Fuel (substitute for F. O.) | (-) | <u>0</u> | |
| | Sub-total | <u>19,436,607</u> | |
| B. Purchases | | | |
| Net Energy Cost - Economy Purchases | (+) | 0 | |
| Identifiable Fuel Cost - Other Purchases | (+) | 2,595,043 | (1) |
| Identifiable Fuel Cost (substitute for F. O.) | | | |
| (0 KWH X \$0.000000) | (-) | <u>0</u> | |
| | Sub-total | <u>2,595,043</u> | |
| C. Inter-System Sales Fuel Costs | | <u>8,191,358</u> | (1) |
| D. SUB-TOTAL FUEL COST (A + B - C) | | <u>\$13,840,292</u> | |
| E. Net Transmission Marginal Line Loss for month | October 2010 | 282,682 | |
| F. GRAND TOTAL FUEL COSTS (D + E) | | <u><u>\$14,122,974</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
Settlement Agreement in Case No. 2009-00459**

Month Ended: November 2010

**Line
No.**

| | | | |
|---|---|-----|---------------------------|
| 1 | Current Month (Tm) Net Revenue Level | (+) | 1,109,178 |
| 2 | Base Month (Tb) Net Revenue Level (Tariff Sheet No. 19-2, Case No. 2009-00459) | (-) | <u>1,538,455</u> |
| 3 | Increase/(Decrease) of System Sales Net Revenue | | (429,277) |
| 4 | Customer 60% Sharing | (x) | <u>60%</u> |
| 5 | Customer Share of Increase/(Decrease) in System Sales Net Revenue | | (257,566) |
| 6 | Current Month (Sm) Sales Level (Page 3 of 5) | (/) | <u>590,867,000</u> |
| 7 | System Sales Clause Factor - \$/Kwh (Ln 5 / Ln 6) | | <u><u>0.0004359</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:

January 2011

Submitted by:

Lela P. Munsey
(Signature)

Title:

Manager, Regulatory Services

Date Submitted:

December 17, 2010

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE NET REVENUE

Month Ended: November 2010

| Line No. | | CURRENT MONTH | PRIOR MO. TRUE-UP ADJUSTMENT | TOTAL |
|-------------|--|--------------------|------------------------------------|--------------------|
| 1 | Sales For Resale Revenues | \$4,351,181 | \$87,919 | \$4,439,100 |
| 2 | Interchange-Delivered Revenues | -0- | -0- | -0- |
| 3 | Total System Sales Revenues | 4,351,181 | 87,919 | 4,439,100 |
| 4 | Sales For Resale Expenses | \$3,167,497 | \$12,115 | \$3,179,612 |
| 5 | Interchange-Delivered Expenses | -0- | -0- | -0- |
| 6 | Non-Associated Utilities Monthly Environmental Costs* | 150,310 | 0 | 150,310 |
| 7 | Total System Sales Expenses | 3,317,807 | 12,115 | 3,329,922 |
| 8 | Total System Sales Net Revenues | <u>\$1,033,374</u> | <u>\$75,804</u> | <u>\$1,109,178</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
101A Enterprise Drive
P O Box 5190
Frankfort KY 40602-5190
KentuckyPower.com

RECEIVED

JAN 26 2011

PUBLIC SERVICE
COMMISSION

Jeff R. Derouen, Executive Director
Public Service Commission of Kentucky
~~Attn: Daryl Newby~~
P. O. Box 615
211 Sower Boulevard
Frankfort, KY 40602-0615

January 26, 2011

RE: February 2011 Fuel Adjustment Clause/System Sales Filing

Gentlemen:

Kentucky Power Company's Fuel Adjustment Clause Schedules with supporting sales and fuel cost schedules were filed on January 21, 2011. These calculations were based on estimated December 2010 fuel costs with an adjustment reflecting actual November 2010 fuel costs. The letter accompanying the fuel cost schedules stated that the factors were for January 2011 billing.

The fuel adjustment clause factor of \$.00224/kWh and the net system sales factor of \$.0006374/kWh are actually to be applied to our February 2011 billing. Therefore, the February 2011 billings will use the combined factor of \$.0028774/kWh for all usage billed.

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

Sincerely,

Lila P. Munsey
Manager, Regulatory Services

JAN 26 2011



**KENTUCKY
POWER**

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 of Kentucky
Attn: Daryl Newby
P. O. Box 615
211 Sower Boulevard
Frankfort, KY 40602-0615

RECEIVED

JAN 21 2011

**PUBLIC SERVICE
COMMISSION**

January 21, 2011

Gentlemen:

Kentucky Power Company's Fuel Adjustment Clause Schedules with supporting sales and fuel cost schedules are attached. These calculations are based on estimated December 2010 fuel costs with an adjustment reflecting actual November 2010 fuel costs.

The fuel adjustment clause factor of \$.00224/kWh will be applied to our January 2011 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 order dated June 28, 2010 in Case No. 2009-00459. The net system sales factor of \$.0006374/kWh will also be applied to our January 2011 billing.

The January 2011 billings will use the combined factor of \$.0028774/kWh for all usage billed.

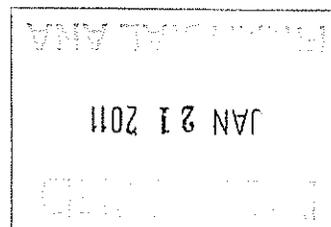
If you have any questions, please contact me at 502-696-7010.

Sincerely,

Lila P. Munsey

Lila P. Munsey
Manager, Regulatory Services

Attachments

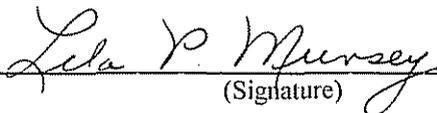


KENTUCKY POWER COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Month Ended: December 2010

| | | | |
|---|---|-----|---------------------------|
| 1 | Fuel Adjustment Clause Factor (Page 1 of 5) | (+) | \$0.00224 |
| 2 | System Sales Clause Factor (Page 1 of 2) | (+) | <u>\$0.0006374</u> |
| 3 | Total Adjustment Clause Factors | | <u><u>\$0.0028774</u></u> |

Effective Date for Billing February 2011

Submitted by: 
(Signature)

Title: Manager, Regulatory Services

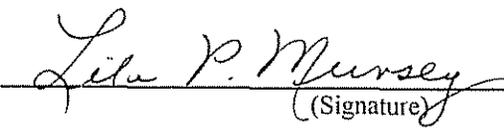
Date Submitted: January 21, 2011

KENTUCKY POWER COMPANY

FUEL ADJUSTMENT CLAUSE SCHEDULE

| | Month Ended: | December 2010 | |
|------------------------------|---------------------|---------------|-------------------------|
| Fuel Fm (Fuel Cost Schedule) | <u>\$24,636,628</u> | | |
| Sales Sm (Sales Schedule) | 803,981,000 | (+) | 0.03064 |
| Fuel (Fb) | <u>\$16,138,627</u> | | |
| Sales (Sb) | 568,162,000 | (-) | <u>0.02840</u> * |
| | | | <u>0.00224</u> (\$/KWH) |

Effective Date for Billing February 2011

Submitted by: 
(Signature)

Title: Manager, Regulatory Services

Date Submitted: January 21, 2011

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

KENTUCKY POWER COMPANY

FUEL COST SCHEDULE

Month Ended: December 2010

| | | | |
|---|----------|----------------------------|--------------------|
| A. Company Generation | | | |
| Coal Burned | (+) | \$13,411,845 | |
| Oil Burned | (+) | 718,399 | |
| Gas Burned | (+) | 0 | |
| Fuel (jointly owned plant) | (+) | 0 | |
| Fuel (assigned cost during F. O.) | (+) | 0 | |
| Fuel (substitute for F. O.) | (-) | | |
| Sub Total | | <u>14,130,244</u> | |
| B. Purchases | | | |
| Net Energy Cost - Economy Purchases | (+) | 0 | |
| Identifiable Fuel Cost - Other Purchases | (+) | 15,919,977 | * |
| Identifiable Fuel Cost (substitute for F. O.) | (-) | <u>0</u> | |
| Sub Total | | <u>15,919,977</u> | |
| C. Inter-System Sales Fuel Costs | | <u>5,646,668</u> | * |
| Sub Total | | <u>5,646,668</u> | |
| D. Total Fuel Cost (A + B - C) | | <u><u>\$24,403,553</u></u> | |
| E. Adjustment indicating the difference in actual fuel cost for the month of <u>November 2010</u> and the estimated cost originally reported. | | | |
| | | <u>\$15,801,100</u> | - |
| | (actual) | | |
| | | <u>\$16,875,170</u> | - |
| | (est.) | | |
| | | | = |
| | | | <u>(1,074,070)</u> |
| F. Total Company Over or (Under) Recovery from Page 4, Line 12 | | <u>(194,386)</u> | |
| G. Grand Total Fuel Cost (D + E - F) | | <u>\$23,523,869</u> | |
| H. Net Transmission Marginal Line Loss for month of <u>December 2010</u> (Accounts 4470207 and 447208) | | | 1,112,759 |
| I. ADJUSTED GRAND TOTAL FUEL COSTS (G + H) | | <u><u>\$24,636,628</u></u> | |

* Estimated - based on actual Kentucky generation unit costs in December 2010

| | | |
|---------------------|---------|------|
| <u>\$14,130,244</u> | | |
| 478,475,000 | 0.02953 | /KWH |

KENTUCKY POWER COMPANY

SALES SCHEDULE

Month Ended: December 2010

| | | <u>Kilowatt-Hours</u> |
|--|---------|---------------------------|
| A. Generation (Net) | (+) | 478,475,000 |
| Purchases Including Interchange In | (+) | <u>539,112,000</u> |
| Sub Total | | 1,017,587,000 |
| B. Pumped Storage Energy | (+) | 0 |
| Inter-System Sales Including Interchange Out | (+) | 191,218,000 |
| System Losses | (+) | <u>22,388,000</u> * |
| Sub Total | | <u>213,606,000</u> |
| Total Sales (A - B) | | <u><u>803,981,000</u></u> |

* Does not include 569,000 KWH of company usage.

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: December 2010

| Line No. | | | |
|-------------|---|-------|-------------------------|
| 1 | FAC Rate Billed | (+) | (0.00110) |
| 2 | Retail KWH Billed at Above Rate | (x) | <u>690,998,593</u> |
| 3 | FAC Revenue/(Refund) (L1 * L2) | | <u>(760,098)</u> |
| 4 | KWH Used to Determine Last FAC Rate Billed | (+) | 523,554,000 |
| 5 | Non-Jurisdictional KWH Included in L4 | (-) | <u>6,822,300</u> |
| 6 | Kentucky Jurisdictional KWH Included in L4 (L4 - L5) | | <u>516,731,700</u> |
| 7 | Recoverable FAC Revenue/(Refund) (L1 * L6) | | (568,405) |
| 8 | Over or (Under) Recovery (L3 - L7) | | (191,693) |
| 9 | Total Sales (Page 3) | (+) | 803,981,000 |
| 10 | Kentucky Jurisdictional Sales | (/) | <u>792,839,600</u> |
| 11 | Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10) | | 1.01405 |
| 12 | Total Company Over or (Under) Recovery (L8 * L11) | | <u><u>(194,386)</u></u> |

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: November 2010

| | | | |
|--|---------------|----------------------------|-----|
| A. Company Generation | | | |
| Coal Burned | (+) | \$18,338,125 | |
| Oil Burned | (+) | 62,997 | |
| Gas Burned | (+) | 0 | |
| Fuel (jointly owned plant) | (+) | 0 | |
| Fuel (assigned cost during F. O.) | | | |
| (0 KWH X \$0.000000) | (+) | | |
| Fuel (substitute for F. O.) | (-) | <u>0</u> | |
| Sub-total | | <u>18,401,122</u> | |
| B. Purchases | | | |
| Net Energy Cost - Economy Purchases | (+) | 0 | |
| Identifiable Fuel Cost - Other Purchases | (+) | 2,973,285 | (1) |
| Identifiable Fuel Cost (substitute for F. O.) | | | |
| (0 KWH X \$0.000000) | (-) | <u>0</u> | |
| Sub-total | | <u>2,973,285</u> | |
| C. Inter-System Sales Fuel Costs | | <u>5,573,307</u> | (1) |
| D. SUB-TOTAL FUEL COST (A + B - C) | | <u>\$15,801,100</u> | |
| E. Net Transmission Marginal Line Loss for month | November 2010 | 407,499 | |
| F. GRAND TOTAL FUEL COSTS (D + E) | | <u><u>\$16,208,599</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
Settlement Agreement in Case No. 2009-00459**

Month Ended: December 2010

**Line
No.**

| | | | |
|---|---|-----|---------------------------|
| 1 | Current Month (Tm) Net Revenue Level | (+) | 714,032 |
| 2 | Base Month (Tb) Net Revenue Level (Tariff Sheet No. 19-2, Case No. 2009-00459) | (-) | <u>1,568,121</u> |
| 3 | Increase/(Decrease) of System Sales Net Revenue | | (854,089) |
| 4 | Customer 60% Sharing | (x) | <u>60%</u> |
| 5 | Customer Share of Increase/(Decrease) in System Sales Net Revenue | | (512,453) |
| 6 | Current Month (Sm) Sales Level (Page 3 of 5) | (/) | <u>803,981,000</u> |
| 7 | System Sales Clause Factor - \$/Kwh (Ln 5 / Ln 6) | | <u><u>0.0006374</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:

February 2011

Submitted by:

Lela P. Mursey
(Signature)

Title:

Manager, Regulatory Services

Date Submitted:

January 21, 2011

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE NET REVENUE

Month Ended: December 2010

| Line No. | | CURRENT MONTH | PRIOR MO. TRUE-UP ADJUSTMENT | TOTAL |
|-------------|--|------------------|------------------------------------|------------------|
| 1 | Sales For Resale Revenues | \$5,829,467 | (\$27,483) | \$5,801,984 |
| 2 | Interchange-Delivered Revenues | -0- | -0- | -0- |
| 3 | Total System Sales Revenues | 5,829,467 | (27,483) | 5,801,984 |
| 4 | Sales For Resale Expenses | \$4,933,246 | (\$8,674) | \$4,924,572 |
| 5 | Interchange-Delivered Expenses | -0- | -0- | -0- |
| 6 | Non-Associated Utilities Monthly Environmental Costs* | 163,380 | 0 | 163,380 |
| 7 | Total System Sales Expenses | 5,096,626 | (8,674) | 5,087,952 |
| 8 | Total System Sales Net Revenues | <u>\$732,841</u> | <u>(\$18,809)</u> | <u>\$714,032</u> |

*Source:

ES Form 1.0, Line 3

ES Form 3.3, Line 4

Non-Associated Environmental Costs