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PUBLIC SERVICE  
COMMISSION

421 West Main Street  
Post Office Box 634  
Frankfort, KY 40602-0634  
[502] 223-3477  
[502] 223-4124 Fax  
www.stites.com

September 10, 2009

**HAND DELIVERED**

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

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

Re: Kentucky Power's Environmental Surcharge Mechanism  
For The Two Year Billing Period Ending June 30, 2009  
PSC Case No. 2009-00316

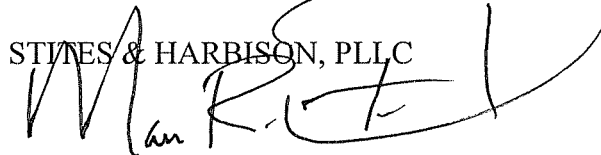
Dear Mr. Derouen:

Enclosed please find and accept for filing an original and ten copies of Kentucky Power Company's Direct Testimony of Errol K. Wagner and Responses to Commission Staff's First Set of Data Requests.

By a copy of this letter, I am serving a copy of the Direct Testimony and Responses on the parties listed below. Please do not hesitate to contact me if you have any questions.

Sincerely,

STITES & HARBISON, PLLC



Mark R. Overstreet

cc: Michael L. Kurtz  
Dennis G. Howard, II

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

**RECEIVED**

SEP 10 2009

PUBLIC SERVICE  
COMMISSION

**IN THE MATTER OF:**

**AN EXAMINATION BY THE PUBLIC SERVICE )**  
**COMMISSION OF THE ENVIRONMENTAL )**  
**SURCHARGE MECHANISM OF KENTUCKY ) CASE NO. 2009-00316**  
**POWER COMPANY FOR THE TWO YEAR )**  
**BILLING PERIOD ENDING JUNE 30, 2009 )**

**KENTUCKY POWER COMPANY**  
**DIRECT TESTIMONY OF ERROL K WAGNER AND**  
**RESPONSES TO COMMISSION STAFF'S FIRST SET OF DATA REQUESTS**

**September 10, 2009**

**DIRECT TESTIMONY OF  
ERROL K WAGNER, ON BEHALF OF  
KENTUCKY POWER COMPANY  
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY**

**CASE NO. 2009-00316**

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**DIRECT TESTIMONY OF  
ERROL K WAGNER, ON BEHALF OF  
KENTUCKY POWER COMPANY  
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY**

**I. Introduction**

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

2   A: My name is Errol K. Wagner. My position is Director of Regulatory Services,  
3       Kentucky Power Company (“Kentucky Power, KPCo or Company”). My business  
4       address is 101 A Enterprise Drive, Frankfort, Kentucky 40602.

**II. Background**

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

7   A: I received a Bachelor of Science degree with a major in accounting from  
8       Elizabethtown College, Elizabethtown, Pennsylvania in December 1973. I am a  
9       Certified Public Accountant. I worked for two certified public accounting firms  
10      prior to joining the Pennsylvania Public Utility Commission Staff in 1976. In 1982,  
11      I joined the American Electric Power Service Corporation (“AEPSC”) as a Rate  
12      Case Coordinator. In 1986, I transferred from AEPSC to Kentucky as the Assistant  
13      Rates, Tariffs and Special Contracts Director. In July 1987, I assumed my current  
14      position.

15   **Q: WHAT ARE YOUR RESPONSIBILITIES AS DIRECTOR OF**  
16   **REGULATORY SERVICES?**

17   A: I supervise and direct the Regulatory Services of the Company, which has the  
18      responsibility for rate and regulatory matters affecting Kentucky Power. This

1 includes the preparation of and coordination of the Company's exhibits and  
2 testimony in rate cases and any other formal filings before state and federal  
3 regulatory bodies. Another responsibility is assuring the proper application of the  
4 Company's rates in all classifications of business.

5 **Q: TO WHOM DO YOU REPORT?**

6 A: I report to the President of Kentucky Power, Mr. Timothy C. Mosher, who is also  
7 located in Frankfort, Kentucky.

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

9 A: Yes. I have testified before this Commission in numerous regulatory proceedings  
10 involving the adjustment in electric base rates, the fuel adjustment clause, the  
11 operation of the environmental cost recovery mechanism, approval of certificates of  
12 public convenience and necessity and other regulatory matters. I also testified in  
13 KPCo's last general adjustment in electric base rates in Case No. 2005-00341.

14 **III. Purpose of Testimony**

15 **Q: WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**  
16 **PROCEEDING?**

17 A: The purpose of my testimony is to support the Company's monthly environmental  
18 surcharge filings for the two-year billing periods ending June 30, 2009.  
19 Additionally, my testimony supports the Company's request to refund the total net  
20 over-collection of environmental costs in the amount of \$85,082 during the expense  
21 months of May 2007 through June 2009.

22 **Q: HAS THE COMPANY RESPONDED TO THE COMMISSION STAFF'S**  
23 **ELEVEN DATA REQUESTS, INCLUDING SUB-PARTS, PROPOUNDED**  
24 **IN APPENDIX B OF THE AUGUST 18, 2009 ORDER IN THIS CASE?**

25 A: Yes, the responses are being filed in addition to my prefiled testimony.

1 **Q: HOW DID THE COMPANY DISCOVER ITS OVER COLLECTION OF**  
 2 **TOTAL NET ENVIRONMENTAL COSTS OF \$85,082.**

3 A: During Kentucky Power's review of its monthly environmental filings for the two-  
 4 year period under review in this proceeding, the Company discovered that it had  
 5 over-stated the SCR operation and maintenance expenses at the Big Sandy Plant  
 6 and Scrubber operation and maintenance expenses at the Gavin Plant during the  
 7 months of January 2009 through June 2009.

8 **Q: WOULD YOU PLEASE DESCRIBE THE OVER-STATEMENT OF BIG**  
 9 **SANDY SCR OPERATION AND MAINTENANCE EXPENSE?**

10 A: Yes. Included by mistake in the Big Sandy SCR operation and maintenance expense  
 11 were environmental costs that were not included in the Company's approved  
 12 compliance plan. Thus these costs should not have been included in the monthly  
 13 filings. These costs were erroneously included during the months of February 2009  
 14 through May 2009. Please see the chart below for the different monthly amounts:

Month/Year	Revised Amt. on ES Form 3.13, Line 10	As Filed on ES Form 3.13, Line 10	Difference	Co's Response to Staff's Item No.1 Reference Page
February 2009	\$23,470	\$134,283	(\$110,813)	Page 15 of 50
March 2009	\$20,550	(\$8,450)	\$29,000	Page 23 of 50
April 2009	\$23,132	\$30,478	(\$7,346)	Page 31 of 50
May 2009	\$262,609	\$263,049	(\$441)	Page 39 of 50
Total	\$329,761	\$419,360	(\$89,600)	

1 **Q: WOULD YOU PLEASE DESCRIBE THE GAVIN PLANT SCRUBBER**  
 2 **OPERATION AND MAINTENANCE EXPENSE OVER-STATEMENT?**

3 A: Yes. The Gavin Plant Scrubber operation and maintenance expense was over-stated  
 4 by including expenses not associated with the Scrubber for the months of January  
 5 2009 through June 2009. Please see the chart below for the monthly amounts:

Month/Year	Revised Amount. on ES Form 3.14 Page 5 of 11, Line 13	As Filed on ES Form 3.14 page 5 of 11, Line 13	Difference	Co's Response to Staff's Item No. 1 Reference Page
January 2009	\$601,445	\$730,652	(\$129,207)	Page 11 of 50
February 2009	\$512,603	\$644,220	(\$131,617)	Page 19 of 50
March 2009	\$504,295	\$539,614	(\$35,319)	Page 27 of 50
April 2009	\$581,430	\$613,204	(\$31,774)	Page 35 of 50
May 2009	\$491,449	\$545,028	(\$53,580)	Page 43 of 50
June 2009	\$678,532	\$711,752	(\$33,230)	Page 50 of 50
Total			(\$414,727)	

6 **Q: HAS THE COMPANY RE-CALCULATED ITS ENVIRONMENTAL**  
 7 **SURCHARGE FILINGS TO EXCLUDE THE OVERSTATEMENTS?**

8 A: Yes, please see the Company's response to Item No. 1 of the Commission Staff's  
 9 data requests. Item No. 1, pages 5 through 50, are the revised environmental  
 10 surcharge calculations for the six expense months January 2009 through June 2009  
 11 reflecting the above discussed changes. For four of the six expense months ending  
 12 June 2009, ES Form 3.13, Line 10, was revised to show the monthly changes in the  
 13 SCR maintenance costs at the Big Sandy Plant. Also, for all of the six expense

1 months ending June 2009, ES Form 3.14, Page 5 of 11, Line 13 was revised to  
 2 reflect the reduction in the actual Scrubber maintenance costs for the Gavin Plant.

3 **Q: WHAT IS THE FINAL RESULT?**

4 A: When ES Form 3.13, Line 10 and ES Form 3.14, Page 5 of 11, Line 13 are revised  
 5 and the results are carried forward to the other affected forms, the monthly results  
 6 are as follows:

Month/Year	Revise. Amt on ES Form 1.00 Line 7	As Filed Amt. on ES Form 1.00 Line 7	Difference	Co's Response to Staff's Item No. 1 Reference Page
January 2009	\$1,025,027	\$1,028,390	(\$3,363)	Page 5 of 50
February 2009	\$720,677	\$815,993	(\$95,316)	Page 12 of 50
March 2009	\$814,983	\$792,948	(\$22,035)	Page 20 of 50
April 2009	\$1,374,318	\$1,382,423	(\$8,105)	Page 28 of 50
May 2009	\$1,980,413	\$1,980,743	(\$330)	Page 36 of 50
June 2009	\$1,267,367	\$1,267,370	(\$3)	Page 44 of 50
Total			(\$85,082)	

7 As demonstrated in the above table, there was a net over-recovery of \$85,082 for  
 8 the two-year review period ending June 2009. Also see the Company's response to  
 9 Commission Staff Data Request Item No. 1, Pages 3 and 4, which is a summary  
 10 showing all four, six-month periods. It also demonstrates that when the revisions  
 11 are made to expense months January 2009 through June 2009, the total net over-  
 12 collection was \$85,082.



**IV. Conclusion**

1 **Q: WHAT ACTION IS THE COMPANY REQUESTING THE COMMISSION**  
2 **TAKE IN THIS PROCEEDING?**

3 A: Kentucky Power Company respectfully requests the Commission issue an Order  
4 permitting the Company to refund the total net over collection of environmental  
5 costs in the amount of \$85,082.

6 **Q: HOW DOES THE COMPANY PROPOSE TO REFUND THE TOTAL NET**  
7 **OVER COLLECTION?**

8 A: Due to the relatively small amount of the total net over collection, the Company  
9 proposes a one time adjustment to the Company's first monthly environmental  
10 surcharge filing following the Commission's Order in this proceeding. The  
11 Company suggests inserting a line between lines 5 and 6 on ES Form 1.00 in which  
12 the \$85,082 over collection amount would be subtracted from line 5.

13 **Q: DOES THAT CONCLUDE YOUR PRE-FILED DIRECT TESTIMONY?**

14 A: Yes.

**VERIFICATION**

**COMMONWEALTH OF KENTUCKY     )**   
                                                                                                           )   **CASE NO. 2009-00316**  
**COUNTY OF FRANKLIN                     )**

The undersigned, **Errol Wagner**, being duly sworn, deposes and says he is the Director of Regulatory Services for Kentucky Power Company, that he has personal knowledge of the matters set forth in the foregoing testimony, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

*Errol K. Wagner*  
\_\_\_\_\_  
**ERROL K. WAGNER**

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 9<sup>th</sup> day of September 2009.

*Judy K. Rosquist* (SEAL)  
\_\_\_\_\_  
Notary Public

My Commission Expires:  
January 23, 2013

## **Kentucky Power Company**

### **REQUEST**

Prepare a summary schedule showing the calculation of E(m) and the surcharge factor for the expense months covered by the billing period. Use ES Form 1 .00 as a model for this summary. Include the two expense months subsequent to the billing period in order to show the over- and under-recovery adjustments for the months included in the billing period under review. Include a calculation of any additional over- or -under-recovery amount Kentucky Power believes needs to be recognized for the two-year review. Include all supporting calculations and documentation for any such additional over- or under-recovery.

### **RESPONSE**

A summary schedule showing the calculation of E(m) and the surcharge factor for the expense months covered by the applicable billing period is attached. (Please see Pages 3 and 4 of 50).

After reviewing the monthly environmental filings for the revenue months July 2007 through June 2009 (Expense months May 2007 through April 2009) the Company discovered that the Big Sandy Plant Environmental Equipment Operation and Maintenance Costs on ES Form 3.13 line 10 and the Gavin Plant Scrubber Costs on ES FORM 3.14 page 5 of 11 were incorrect for part of the period in review.

In reviewing the monthly filings, the Company found that it over-stated or under-stated maintenance costs on the Big Sandy Plant Environmental Equipment Operation and Maintenance Costs, which appears on ES FORM 3.13 line 10, for four of the six expense months from January 2009 to June 2009. The four expense months affected were February 2009, March 2009, April 2009 and May 2009. These costs were associated with an environmental project not included in the Company's approved compliance plan and thus which should not have been included in the monthly filings.

In reviewing the monthly filings, the Company also found that it over-stated the expense on ES FORM 3.14, page 5 of 11 on line 13, the monthly Gavin Plant Scrubber Maintenance for the six expense months from January 2009 to June 2009. Costs not associated with the Gavin Plant Scrubber were included in the monthly filings. Again these costs should not have been included in the monthly filings.

When the filings are modified to include the correct monthly Big Sandy Plant Environmental Equipment Operation and Maintenance Costs and Gavin Plant Scrubber Maintenance Costs for the expense months January 2009 through June 2009, the changed amounts on page ES FORM 1.00 line 7 are shown on the table below:

Month/Year	Revised Amount on ES FORM 1.00, Line 7	As Filed Amount on ES FORM 1.00, Line 7	Difference	Attachment Reference Page
January 2009	\$1,025,027	\$1,028,390	(\$3,363)	Page 5 of 50
February 2009	\$720,677	\$815,993	(\$95,316)	Page 12 of 50
March 2009	\$814,983	\$792,948	\$22,035	Page 20 of 50
April 2009	\$1,374,318	\$1,382,423	(\$8,105)	Page 28 of 50
May 2009	\$1,980,413	\$1,980,743	(\$330)	Page 36 of 50
June 2009	\$1,267,367	\$1,267,370	(\$3)	Page 44 of 50
Total			(\$85,082)	

The overall result is an over-recovery by the Company in the amount of \$85,082 during the review period (Please see page 4 of 50, Total Over/Under column, Line 21). Therefore, the Company is requesting authority to include the total over-recovery amount as a one time adjustment in its next monthly environmental filing following the date of the Commission's Order in this proceeding.

**WITNESS:** Errol K Wagner

## **Kentucky Power Company**

### **REQUEST**

The net gain or loss from sulfur dioxide and nitrogen oxide emission allowance sales is reported on ES Form 3.00, Calculation of Current Period Revenue Requirement, Third Component. For each expense month covered by the billing period under review, provide an explanation of how the gain or loss reported in the expense month was calculated and describe the transaction(s) that was the source of the gain or loss.

### **RESPONSE**

The Company calculates the gain or losses on all allowances sales using this standard formula:

Sales Proceeds - Weighted Average Costs of Allowances Sold - Broker Fees + or - Option Premiums = Net Gain or Loss.

Any reported gains or losses are a result of selling SO<sub>2</sub> or NO<sub>x</sub> allowances from our compliance inventory to external counter-parties.

**WITNESS:** Errol K Wagner

## **Kentucky Power Company**

### **REQUEST**

In Case No. 1996-00489, the Commission ordered that Kentucky Power's rate of return on common equity for the environmental surcharge would be reviewed for reasonableness during the two-year review case. Currently, the rate of return on common equity is 10.5 percent.

- a. Does Kentucky Power believe that the 10.5 percent rate of return on common equity for the environmental surcharge is reasonable? Explain the response, and include any analyses or evaluations supporting its conclusions.
- b. If no to part (a), what rate of return on common equity does Kentucky Power propose for its environmental surcharge? Provide a detailed analysis and testimony supporting Kentucky Power's position.

### **RESPONSE**

- a. Yes. KPCCo believes retaining the 10.5 percent rate of return on common equity in this proceeding would be appropriate.

This is based upon a review of the Moody's Utility Baa Bond Index from 2006 (KPCCo is a Baa-rated utility), when the Commission last approved a settlement agreement in the Company's most recent base rate case, through August 2009. The table below clearly demonstrates the required return on Baa-rated utility bonds markedly increased between 2006 through August 2009. Without performing a full analysis to identify the appropriate return on equity, but given the typical relationship between return on debt and return on common equity, this increase in the cost of debt implies that retaining the 10.5 percent return on equity in this proceeding would not be excessive.

Period	Average Daily Value
Year to Date August 2009	7.48%
2008	7.23%
2007	6.33%
2006	6.32%
2005	5.92%

**WITNESS:** Errol K Wagner

## **Kentucky Power Company**

### **REQUEST**

Provide the following information as of April 30, 2009:

- a. The outstanding balances for ' long-term debt, short-term debt, accounts receivable financing, and common equity.
- b. The blended interest rates for long-term debt, short-term debt, and accounts receivable financing. Include all supporting calculations showing how these blended interest rates were determined.
- c. Kentucky Power's calculation of its weigh ted average cost of capital for environmental surcharge purposes.
- d. Determine the weighted average cost of capital reflecting the application of the income tax gross-up factor. Include all calculations and assumptions used in the determination.

### **RESPONSE**

- a. Please refer to Page 2 of 22 of the attached exhibit for the balances for long-term debt, short-term debt, accounts receivable financing and common equity as of April 30, 2009. Pages 3 thru 20 of 22 demonstrate the supporting calculations.
- b. Please refer to Page 2 of 22 of the attached exhibit for the blended interest rates for long-term debt, short-term debt, and accounts receivable financing as of April 30, 2009.
- c. Kentucky Power's April 30, 2009 calculated weighted average cost of capital for environmental surcharge purposes is 7.17%. Please refer to Page 2 of 22 of the attached exhibit for support of the calculation.
- d. Please see Page 21 of 22 for the weighted cost of capital reflecting the application of the income tax gross-up factor.

**WITNESS:** Errol K Wagner

**Kentucky Power Company**  
**Cost of Capital**  
**As of April 30, 2009**

Ln No (1)	<u>Description</u> (2)	<u>Capital</u> (3)	Percent of <u>Total</u> (4)	Cost Percentage <u>Rate</u> (5)	Weighted Average Cost <u>Percent</u> (6)=(4)x(5)	
1	Long Term Debt	\$420,000,000	a	40.964%	6.05%	2.48%
2	Short Term Debt	\$156,177,865	a,b	15.233%	2.67%	0.41%
3	Accs Receivable Financing	\$44,758,222		4.365%	3.17%	0.14%
4	Common Equity	<u>\$404,345,136</u>	a	<u>39.437%</u>	10.50%	<u>4.14%</u>
5	Total	\$1,025,281,223		100.000%		7.17%

a Book balance as of 4/30/2009

b Average borrowing costs for the 12 Months Ended April 30, 2009



KENTUCKY POWER COMPANY  
 EFFECTIVE COST OF LONG-TERM DEBT  
 AS OF APRIL 30, 2009

SERIES	ISSUE DATE	DUE DATE	AVERAGE TERM IN YEARS	PRINCIPAL AMOUNT ISSUED	PREMIUM OR (DISCOUNT) AT ISSUANCE	COMPANY ISSUANCE EXPENSE	NET PROCEEDS	NET PROCEEDS RATIO	EFFECTIVE COST RATE	CURRENT AMOUNT OUTSTANDING	ANNUALIZED COST	WEIGHTED COST RATE
<b>Global Note</b>												
5.25%	2/5/2004	6/1/2015	11.3	20,000,000	-	-	20,000,000	100.00	5.249	20,000,000	1,049,816	
Subtotal				20,000,000			20,000,000			20,000,000	1,049,816	
<b>Senior Notes</b>												
5.625%	6/13/2003	12/1/2032	29.45	75,000,000	(656,250)	736,575	73,607,175	98.14	5.756	75,000,000	4,317,337	
6.000%	9/11/2007	9/15/2017	10.01	325,000,000	(1,667,250)	2,277,883	321,054,867	98.79	6.164	325,000,000	20,033,514	
Subtotal				400,000,000			400,000,000			400,000,000	24,350,851	
<b>Total</b>				<b>420,000,000</b>			<b>420,000,000</b>			<b>420,000,000</b>	<b>25,400,667</b>	<b>6.048</b>
FMV of mark to market 133 hedge												
TOTAL LONG-TERM DEBT												
											-	d

d Book balance as of 4/30/09

Kentucky Power Company  
Schedule of Short Term Debt  
Twelve Months Ended April 30, 2009

Line No. (1)	Month (2)	Year (3)	Notes Payable Outstanding at the End of the Month (4)
1	May	2008	41,666,308
2	June	2008	48,435,053
3	July	2008	47,609,710
4	August	2008	45,262,701
5	September	2008	65,092,480
6	October	2008	68,207,639
7	November	2008	115,827,728
8	December	2008	131,398,655
9	January	2009	151,601,832
10	February	2009	146,762,000
11	March	2009	157,289,699
12	April	2009	156,177,865

**Kentucky Power Company**  
**Short Term Debt Balance and Cost Calculation**  
**Twelve Months Ended April 30, 2009**

<b>Date</b>	<b>Short Term Daily Borrowed Balance</b>	<b>Daily Short Term Interest Rate</b>	<b>Weighted Average Borrowed Interest Rate</b>
5/1/2008	(37,719,817.39)	3.11%	0.004582%
5/2/2008	(37,501,613.37)	3.11%	0.004555%
5/3/2008	(37,504,857.72)	3.11%	0.004556%
5/4/2008	(37,508,102.34)	3.11%	0.004556%
5/5/2008	(42,777,228.99)	3.06%	0.005100%
5/6/2008	(42,754,181.13)	3.05%	0.005086%
5/7/2008	(42,318,103.37)	3.05%	0.005034%
5/8/2008	(45,899,900.39)	3.05%	0.005460%
5/9/2008	(46,771,044.63)	3.02%	0.005510%
5/10/2008	(46,774,969.06)	3.02%	0.005511%
5/11/2008	(46,778,893.82)	3.02%	0.005511%
5/12/2008	(47,306,161.30)	3.00%	0.005544%
5/13/2008	(42,101,387.42)	3.01%	0.004938%
5/14/2008	(41,172,841.50)	3.01%	0.004826%
5/15/2008	(43,572,657.53)	2.94%	0.005004%
5/16/2008	(43,073,628.76)	2.99%	0.005025%
5/17/2008	(43,077,207.39)	2.99%	0.005025%
5/18/2008	(43,080,786.32)	2.99%	0.005026%
5/19/2008	(41,964,200.50)	2.97%	0.004853%
5/20/2008	(41,891,222.59)	2.93%	0.004787%
5/21/2008	(35,564,983.96)	2.95%	0.004086%
5/22/2008	(37,409,428.55)	2.92%	0.004267%
5/23/2008	(39,208,723.43)	2.91%	0.004456%
5/24/2008	(39,211,896.98)	2.91%	0.004456%
5/25/2008	(39,215,070.79)	2.91%	0.004457%
5/26/2008	(39,218,244.86)	2.91%	0.004457%
5/27/2008	(38,640,391.70)	2.91%	0.004378%
5/28/2008	(37,974,014.67)	2.92%	0.004319%
5/29/2008	(41,233,291.58)	2.92%	0.004690%
5/30/2008	(41,666,308.18)	2.91%	0.004737%
5/31/2008	(41,669,681.77)	2.91%	0.004737%
6/1/2008	(41,673,055.63)	2.91%	0.004738%
6/2/2008	(44,664,363.63)	2.92%	0.005094%
6/3/2008	(42,763,889.99)	2.92%	0.004864%
6/4/2008	(48,949,194.19)	2.91%	0.005553%
6/5/2008	(42,190,402.98)	2.91%	0.004789%
6/6/2008	(43,605,066.42)	2.91%	0.004952%
6/7/2008	(43,608,593.15)	2.91%	0.004952%
6/8/2008	(43,612,120.17)	2.91%	0.004953%
6/9/2008	(51,301,355.92)	2.91%	0.005827%
6/10/2008	(49,893,742.93)	2.91%	0.005668%
6/11/2008	(49,415,527.34)	2.91%	0.005612%
6/12/2008	(48,072,025.47)	2.91%	0.005453%
6/13/2008	(47,210,143.09)	2.91%	0.005361%
6/14/2008	(47,213,961.15)	2.91%	0.005361%
6/15/2008	(47,217,779.52)	2.91%	0.005362%
6/16/2008	(46,102,082.80)	2.91%	0.005241%

**Kentucky Power Company**  
**Short Term Debt Balance and Cost Calculation**  
**Twelve Months Ended April 30, 2009**

<b>Date</b>	<b>Short Term Daily Borrowed Balance</b>	<b>Daily Short Term Interest Rate</b>	<b>Weighted Average Borrowed Interest Rate</b>
6/17/2008	(40,004,029.73)	2.92%	0.004548%
6/18/2008	(39,209,020.93)	2.92%	0.004460%
6/19/2008	(44,065,960.22)	2.91%	0.004997%
6/20/2008	(45,085,996.67)	2.92%	0.005133%
6/21/2008	(45,089,652.49)	2.92%	0.005134%
6/22/2008	(45,093,308.61)	2.92%	0.005134%
6/23/2008	(51,170,579.22)	2.92%	0.005832%
6/24/2008	(50,887,384.15)	2.92%	0.005800%
6/25/2008	(51,070,930.79)	2.94%	0.005850%
6/26/2008	(50,507,537.17)	2.95%	0.005819%
6/27/2008	(51,495,312.15)	2.96%	0.005939%
6/28/2008	(51,499,541.61)	2.96%	0.005939%
6/29/2008	(51,503,771.42)	2.96%	0.005940%
6/30/2008	(48,435,053.41)	2.96%	0.005586%
7/1/2008	(48,046,475.00)	2.96%	0.005541%
7/2/2008	(48,375,583.32)	2.95%	0.005571%
7/3/2008	(51,134,199.50)	2.94%	0.005856%
7/4/2008	(51,138,370.14)	2.94%	0.005857%
7/5/2008	(51,142,541.12)	2.94%	0.005857%
7/6/2008	(51,146,712.44)	2.94%	0.005858%
7/7/2008	(56,228,584.95)	2.93%	0.006433%
7/8/2008	(61,740,352.53)	2.93%	0.007067%
7/9/2008	(61,538,357.79)	2.93%	0.007022%
7/10/2008	(56,646,077.32)	2.91%	0.006435%
7/11/2008	(56,162,752.12)	2.93%	0.006415%
7/12/2008	(56,167,321.17)	2.93%	0.006416%
7/13/2008	(56,171,890.60)	2.93%	0.006417%
7/14/2008	(59,215,401.94)	2.92%	0.006753%
7/15/2008	(60,193,969.67)	2.91%	0.006828%
7/16/2008	(59,868,837.79)	2.92%	0.006823%
7/17/2008	(61,048,536.80)	2.93%	0.006976%
7/18/2008	(61,524,948.63)	2.91%	0.006986%
7/19/2008	(61,529,923.65)	2.91%	0.006986%
7/20/2008	(61,534,899.07)	2.91%	0.006987%
7/21/2008	(43,214,936.71)	2.93%	0.004937%
7/22/2008	(42,521,373.06)	2.93%	0.004858%
7/23/2008	(41,381,026.41)	2.93%	0.004728%
7/24/2008	(46,452,134.23)	2.93%	0.005302%
7/25/2008	(46,693,921.52)	2.92%	0.005310%
7/26/2008	(46,697,703.14)	2.92%	0.005310%
7/27/2008	(46,701,485.07)	2.92%	0.005311%
7/28/2008	(46,520,851.57)	2.92%	0.005298%
7/29/2008	(45,121,612.01)	2.93%	0.005156%
7/30/2008	(45,377,681.46)	2.93%	0.005193%
7/31/2008	(47,609,710.32)	2.95%	0.005486%
8/1/2008	(51,108,732.31)	2.96%	0.005899%
8/2/2008	(51,112,933.76)	2.96%	0.005900%

**Kentucky Power Company**  
**Short Term Debt Balance and Cost Calculation**  
**Twelve Months Ended April 30, 2009**

<b>Date</b>	<b>Short Term Daily Borrowed Balance</b>	<b>Daily Short Term Interest Rate</b>	<b>Weighted Average Borrowed Interest Rate</b>
8/3/2008	(51,117,135.55)	2.96%	0.005900%
8/4/2008	(54,000,164.06)	2.96%	0.006239%
8/5/2008	(52,300,180.88)	2.96%	0.006046%
8/6/2008	(52,190,813.44)	2.95%	0.006014%
8/7/2008	(47,623,115.28)	2.97%	0.005512%
8/8/2008	(54,367,864.04)	2.97%	0.006307%
8/9/2008	(54,372,355.99)	2.97%	0.006308%
8/10/2008	(54,376,848.31)	2.97%	0.006308%
8/11/2008	(51,867,319.22)	2.98%	0.006025%
8/12/2008	(49,819,431.54)	2.98%	0.005788%
8/13/2008	(49,964,501.88)	2.98%	0.005806%
8/14/2008	(50,755,162.34)	2.98%	0.005890%
8/15/2008	(52,359,746.62)	2.97%	0.006056%
8/16/2008	(52,364,059.95)	2.97%	0.006057%
8/17/2008	(52,368,373.63)	2.97%	0.006057%
8/18/2008	(50,458,684.74)	2.97%	0.005836%
8/19/2008	(42,757,547.80)	2.96%	0.004932%
8/20/2008	(45,175,513.54)	2.97%	0.005228%
8/21/2008	(38,607,548.61)	2.97%	0.004468%
8/22/2008	(38,260,759.12)	2.97%	0.004436%
8/23/2008	(38,263,918.47)	2.97%	0.004436%
8/24/2008	(38,267,078.07)	2.97%	0.004437%
8/25/2008	(38,386,429.48)	2.98%	0.004456%
8/26/2008	(37,304,231.26)	2.98%	0.004330%
8/27/2008	(39,994,595.76)	2.97%	0.004638%
8/28/2008	(39,746,717.44)	2.98%	0.004619%
8/29/2008	(45,262,700.90)	2.97%	0.005252%
8/30/2008	(45,266,441.07)	2.97%	0.005252%
8/31/2008	(45,270,181.54)	2.97%	0.005253%
9/1/2008	(45,273,922.32)	2.97%	0.005253%
9/2/2008	(48,159,397.58)	2.97%	0.005588%
9/3/2008	(50,666,959.33)	2.97%	0.005871%
9/4/2008	(53,982,261.99)	2.96%	0.006235%
9/5/2008	(54,871,402.19)	2.96%	0.006332%
9/6/2008	(54,875,911.77)	2.96%	0.006333%
9/7/2008	(54,880,421.72)	2.96%	0.006333%
9/8/2008	(54,200,771.09)	2.95%	0.006235%
9/9/2008	(60,637,522.94)	2.96%	0.007009%
9/10/2008	(59,938,919.30)	2.96%	0.006915%
9/11/2008	(56,228,446.04)	2.96%	0.006486%
9/12/2008	(60,713,030.03)	2.95%	0.006980%
9/13/2008	(60,718,001.23)	2.95%	0.006981%
9/14/2008	(60,722,972.83)	2.95%	0.006981%
9/15/2008	(69,225,635.42)	2.96%	0.007987%
9/16/2008	(70,213,252.77)	3.25%	0.008907%
9/17/2008	(69,736,789.91)	3.30%	0.008981%
9/18/2008	(69,260,680.14)	3.34%	0.009010%

**Kentucky Power Company**  
**Short Term Debt Balance and Cost Calculation**  
**Twelve Months Ended April 30, 2009**

<b>Date</b>	<b>Short Term Daily Borrowed Balance</b>	<b>Daily Short Term Interest Rate</b>	<b>Weighted Average Borrowed Interest Rate</b>
9/19/2008	(65,817,418.05)	3.37%	0.008660%
9/20/2008	(65,823,585.89)	3.37%	0.008661%
9/21/2008	(65,829,754.32)	3.37%	0.008662%
9/22/2008	(56,588,985.98)	3.36%	0.007415%
9/23/2008	(54,140,492.85)	3.37%	0.007107%
9/24/2008	(55,340,667.11)	3.36%	0.007260%
9/25/2008	(65,171,618.07)	3.65%	0.009287%
9/26/2008	(67,415,608.14)	3.74%	0.009830%
9/27/2008	(67,422,608.92)	3.74%	0.009831%
9/28/2008	(67,429,610.43)	3.74%	0.009832%
9/29/2008	(67,779,312.14)	3.92%	0.010356%
9/30/2008	(65,092,479.91)	4.00%	0.010166%
10/1/2008	(65,209,854.04)	4.22%	0.010732%
10/2/2008	(69,152,914.58)	4.40%	0.011877%
10/3/2008	(68,560,488.19)	4.45%	0.011901%
10/4/2008	(68,568,963.93)	4.45%	0.011902%
10/5/2008	(68,577,440.72)	4.45%	0.011904%
10/6/2008	(72,237,212.79)	4.44%	0.012501%
10/7/2008	(79,996,494.92)	4.40%	0.013728%
10/8/2008	(78,922,781.11)	4.39%	0.013522%
10/9/2008	(73,478,401.35)	4.35%	0.012463%
10/10/2008	(73,921,858.01)	4.41%	0.012707%
10/11/2008	(73,930,907.57)	4.41%	0.012708%
10/12/2008	(73,939,958.25)	4.41%	0.012710%
10/13/2008	(71,898,931.96)	4.41%	0.012359%
10/14/2008	(74,495,742.11)	4.35%	0.012641%
10/15/2008	(72,978,762.80)	4.28%	0.012173%
10/16/2008	(69,882,102.54)	4.20%	0.011449%
10/17/2008	(68,783,656.76)	4.20%	0.011269%
10/18/2008	(68,791,682.78)	4.20%	0.011271%
10/19/2008	(68,799,709.74)	4.20%	0.011272%
10/20/2008	(73,314,085.86)	4.85%	0.013860%
10/21/2008	(63,495,641.16)	4.62%	0.011441%
10/22/2008	(63,734,199.31)	5.19%	0.012898%
10/23/2008	(61,211,323.44)	5.19%	0.012388%
10/24/2008	(62,013,730.09)	4.97%	0.012027%
10/25/2008	(62,022,295.81)	4.97%	0.012029%
10/26/2008	(62,030,862.70)	4.97%	0.012031%
10/27/2008	(61,518,133.71)	4.97%	0.011931%
10/28/2008	(64,473,773.85)	4.57%	0.011497%
10/29/2008	(69,942,304.71)	5.47%	0.014923%
10/30/2008	(73,268,155.98)	4.53%	0.012945%
10/31/2008	(68,207,638.77)	4.06%	0.010798%
11/1/2008	(68,215,328.74)	4.06%	0.010799%
11/2/2008	(68,223,019.59)	4.06%	0.010800%
11/3/2008	(68,086,277.55)	4.02%	0.010664%
11/4/2008	(71,868,397.15)	4.78%	0.013410%

**Kentucky Power Company**  
**Short Term Debt Balance and Cost Calculation**  
**Twelve Months Ended April 30, 2009**

<b>Date</b>	<b>Short Term Daily Borrowed Balance</b>	<b>Daily Short Term Interest Rate</b>	<b>Weighted Average Borrowed Interest Rate</b>
11/5/2008	(75,249,874.95)	4.78%	0.014041%
11/6/2008	(73,272,182.29)	3.99%	0.011413%
11/7/2008	(73,747,443.40)	3.99%	0.011478%
11/8/2008	(73,755,617.58)	3.99%	0.011479%
11/9/2008	(73,763,792.66)	3.99%	0.011480%
11/10/2008	(113,828,556.76)	3.99%	0.017715%
11/11/2008	(113,841,173.54)	3.99%	0.017717%
11/12/2008	(110,239,725.51)	3.99%	0.017174%
11/13/2008	(114,226,590.62)	3.99%	0.017795%
11/14/2008	(114,822,626.76)	3.99%	0.017889%
11/15/2008	(114,835,367.36)	3.99%	0.017891%
11/16/2008	(114,848,109.37)	3.99%	0.017893%
11/17/2008	(113,563,076.28)	4.05%	0.017939%
11/18/2008	(110,479,572.14)	4.05%	0.017452%
11/19/2008	(103,715,909.94)	3.99%	0.016159%
11/20/2008	(124,696,932.45)	3.99%	0.019428%
11/21/2008	(121,316,882.68)	3.99%	0.018901%
11/22/2008	(121,330,343.87)	3.99%	0.018903%
11/23/2008	(121,343,806.56)	3.99%	0.018905%
11/24/2008	(120,187,957.60)	3.99%	0.018725%
11/25/2008	(120,323,070.31)	3.99%	0.018746%
11/26/2008	(115,747,032.69)	3.99%	0.018033%
11/27/2008	(115,759,875.86)	3.99%	0.018035%
11/28/2008	(115,827,727.83)	3.99%	0.018046%
11/29/2008	(115,840,579.95)	3.99%	0.018048%
11/30/2008	(115,853,433.49)	3.99%	0.018050%
12/1/2008	(117,410,761.40)	3.99%	0.018293%
12/2/2008	(119,580,645.19)	3.99%	0.018631%
12/3/2008	(126,692,906.99)	3.99%	0.019739%
12/4/2008	(125,067,126.79)	3.99%	0.019485%
12/5/2008	(129,960,651.08)	3.99%	0.020248%
12/6/2008	(129,975,071.37)	3.99%	0.020250%
12/7/2008	(129,989,493.27)	3.99%	0.020252%
12/8/2008	(142,416,210.64)	3.83%	0.021289%
12/9/2008	(140,166,680.68)	3.83%	0.020952%
12/10/2008	(136,064,364.07)	3.83%	0.020339%
12/11/2008	(131,720,953.14)	3.83%	0.019690%
12/12/2008	(131,450,937.05)	2.28%	0.011666%
12/13/2008	(131,459,245.45)	2.28%	0.011667%
12/14/2008	(131,467,554.38)	2.28%	0.011667%
12/15/2008	(132,496,338.12)	2.28%	0.011759%
12/16/2008	(134,031,827.69)	2.28%	0.011895%
12/17/2008	(133,530,208.78)	2.28%	0.011851%
12/18/2008	(128,626,454.08)	2.28%	0.011415%
12/19/2008	(122,841,777.08)	2.28%	0.010902%
12/20/2008	(122,849,541.34)	2.28%	0.010903%
12/21/2008	(122,857,306.09)	2.28%	0.010903%

**Kentucky Power Company**  
**Short Term Debt Balance and Cost Calculation**  
**Twelve Months Ended April 30, 2009**

<b>Date</b>	<b>Short Term Daily Borrowed Balance</b>	<b>Daily Short Term Interest Rate</b>	<b>Weighted Average Borrowed Interest Rate</b>
12/22/2008	(129,402,596.99)	2.28%	0.011484%
12/23/2008	(129,822,424.90)	2.28%	0.011521%
12/24/2008	(134,134,349.98)	2.28%	0.011904%
12/25/2008	(134,142,827.99)	2.28%	0.011905%
12/26/2008	(137,472,488.73)	2.28%	0.012200%
12/27/2008	(137,481,177.72)	2.28%	0.012201%
12/28/2008	(137,489,867.27)	2.28%	0.012202%
12/29/2008	(135,783,009.34)	2.28%	0.012050%
12/30/2008	(135,006,331.63)	2.28%	0.011982%
12/31/2008	(131,398,654.83)	2.28%	0.011661%
1/1/2009	(26,197,786.10)	2.28%	0.002325%
1/2/2009	(101,534,153.45)	2.28%	0.009011%
1/3/2009	(101,540,570.95)	2.28%	0.009011%
1/4/2009	(101,546,988.86)	2.28%	0.009012%
1/5/2009	(23,650,583.06)	2.28%	0.002099%
1/6/2009	(3,964,963.72)	2.25%	0.000348%
1/7/2009	(13,960,105.83)	2.26%	0.001231%
1/8/2009	(19,113,389.18)	2.26%	0.001686%
1/9/2009	(8,633,746.05)	2.26%	0.000761%
1/10/2009	(8,634,288.29)	2.26%	0.000761%
1/11/2009	(8,634,830.57)	2.26%	0.000761%
1/12/2009	4,673,622.71	1.73%	-0.000316%
1/13/2009	38,721,943.89	1.75%	-0.002643%
1/14/2009	10,708,216.84	1.74%	-0.000729%
1/15/2009	8,492,456.26	1.76%	-0.000583%
1/16/2009	(9,776,559.49)	1.76%	0.000671%
1/17/2009	(9,777,037.36)	1.76%	0.000671%
1/18/2009	(9,777,515.25)	1.76%	0.000671%
1/19/2009	(9,777,993.16)	1.76%	0.000671%
1/20/2009	(30,828,786.13)	1.76%	0.002116%
1/21/2009	(5,492,600.17)	1.76%	0.000377%
1/22/2009	(17,984,622.87)	1.76%	0.001234%
1/23/2009	(12,987,937.27)	1.76%	0.000891%
1/24/2009	(12,988,572.11)	1.76%	0.000891%
1/25/2009	(12,989,206.98)	1.76%	0.000891%
1/26/2009	(28,930,091.89)	1.76%	0.001986%
1/27/2009	6,610,128.53	1.76%	-0.000454%
1/28/2009	8,496,020.63	1.76%	-0.000583%
1/29/2009	(19,045,442.98)	1.76%	0.001307%
1/30/2009	(29,724,211.13)	1.76%	0.002040%
1/31/2009	(29,725,664.02)	1.76%	0.002040%
2/1/2009	(29,727,116.98)	1.76%	0.002040%
2/2/2009	(81,616,638.36)	1.76%	0.005601%
2/3/2009	(64,078,236.89)	1.76%	0.004398%
2/4/2009	66,011,577.38	1.76%	-0.004530%
2/5/2009	35,813,660.74	1.76%	-0.002458%
2/6/2009	19,694,046.87	1.76%	-0.001352%



**Kentucky Power Company**  
**Short Term Debt Balance and Cost Calculation**  
**Twelve Months Ended April 30, 2009**

<b>Date</b>	<b>Short Term Daily Borrowed Balance</b>	<b>Daily Short Term Interest Rate</b>	<b>Weighted Average Borrowed Interest Rate</b>
2/7/2009	19,695,009.49	1.76%	-0.001352%
2/8/2009	19,695,972.16	1.76%	-0.001352%
2/9/2009	(1,693,943.44)	1.76%	0.000116%
2/10/2009	29,632,841.32	1.76%	-0.002034%
2/11/2009	25,480,370.88	1.76%	-0.001749%
2/12/2009	18,733,793.56	1.82%	-0.001329%
2/13/2009	(3,656,173.05)	1.81%	0.000258%
2/14/2009	(3,656,357.00)	1.81%	0.000258%
2/15/2009	(3,656,540.96)	1.81%	0.000258%
2/16/2009	(3,656,724.93)	1.81%	0.000258%
2/17/2009	(42,712,035.64)	1.80%	0.002995%
2/18/2009	(26,787,409.12)	1.79%	0.001874%
2/19/2009	(34,013,480.45)	1.79%	0.002379%
2/20/2009	(28,802,530.99)	1.79%	0.002015%
2/21/2009	(28,803,966.02)	1.79%	0.002015%
2/22/2009	(28,805,401.12)	1.79%	0.002015%
2/23/2009	(44,966,379.43)	1.79%	0.003144%
2/24/2009	(28,838,715.81)	1.79%	0.002017%
2/25/2009	(28,694,575.23)	1.79%	0.002006%
2/26/2009	(33,321,014.27)	1.74%	0.002264%
2/27/2009	(55,715,550.43)	1.74%	0.003785%
2/28/2009	(55,718,246.42)	1.74%	0.003786%
3/1/2009	(55,720,942.54)	1.74%	0.003786%
3/2/2009	(92,599,026.03)	1.74%	0.006291%
3/3/2009	(77,624,114.21)	1.74%	0.005274%
3/4/2009	1,683,611.43	1.74%	-0.000114%
3/5/2009	(1,312,852.58)	1.74%	0.000089%
3/6/2009	(63,957,422.06)	1.74%	0.004345%
3/7/2009	(63,960,516.86)	1.74%	0.004346%
3/8/2009	(63,963,611.81)	1.74%	0.004346%
3/9/2009	(118,338,065.44)	1.56%	0.007201%
3/10/2009	(94,337,476.16)	1.56%	0.005740%
3/11/2009	(102,501,862.49)	1.57%	0.006284%
3/12/2009	(97,298,071.45)	1.22%	0.004647%
3/13/2009	(120,982,763.24)	1.22%	0.005778%
3/14/2009	(120,986,878.30)	1.22%	0.005778%
3/15/2009	(120,990,993.50)	1.22%	0.005778%
3/16/2009	(141,076,145.84)	1.22%	0.006719%
3/17/2009	(123,849,918.82)	1.22%	0.005893%
3/18/2009	(130,281,160.05)	1.22%	0.006199%
3/19/2009	(148,168,523.91)	1.22%	0.007042%
3/20/2009	(131,757,454.20)	1.22%	0.006263%
3/21/2009	(131,761,914.73)	1.22%	0.006263%
3/22/2009	(131,766,375.41)	1.22%	0.006264%
3/23/2009	(141,805,313.44)	1.22%	0.006741%
3/24/2009	(110,643,352.49)	1.22%	0.005251%
3/25/2009	(139,107,014.30)	1.22%	0.006601%

**Kentucky Power Company  
Short Term Debt Balance and Cost Calculation  
Twelve Months Ended April 30, 2009**

Date	Short Term Daily Borrowed Balance	Daily Short Term Interest Rate	Weighted Average Borrowed Interest Rate
3/26/2009	(121,196,028.30)	1.22%	0.005782%
3/27/2009	(150,432,446.51)	1.22%	0.007177%
3/28/2009	(150,437,558.04)	1.22%	0.007177%
3/29/2009	(150,442,669.75)	1.22%	0.007178%
3/30/2009	(169,486,285.79)	1.22%	0.008086%
3/31/2009	(166,320,088.71)	1.22%	0.007935%
4/1/2009	(169,359,264.63)	1.22%	0.008080%
4/2/2009	(181,370,536.70)	1.22%	0.008597%
4/3/2009	(123,981,524.27)	1.22%	0.005877%
4/4/2009	(123,985,709.70)	1.22%	0.005877%
4/5/2009	(123,989,895.27)	1.22%	0.005877%
4/6/2009	(131,466,596.96)	1.22%	0.006232%
4/7/2009	(119,045,613.97)	1.22%	0.005643%
4/8/2009	(120,744,456.01)	1.22%	0.005723%
4/9/2009	(143,818,393.10)	1.22%	0.006817%
4/10/2009	(116,789,168.05)	1.22%	0.005536%
4/11/2009	(116,793,110.68)	1.22%	0.005536%
4/12/2009	(116,797,053.44)	1.22%	0.005536%
4/13/2009	(143,376,334.95)	1.22%	0.006796%
4/14/2009	(121,859,896.98)	1.16%	0.005524%
4/15/2009	(128,961,226.62)	1.16%	0.005846%
4/16/2009	(134,464,366.17)	1.16%	0.006095%
4/17/2009	(145,185,318.83)	1.16%	0.006581%
4/18/2009	(145,190,006.04)	1.16%	0.006582%
4/19/2009	(145,194,693.40)	1.16%	0.006582%
4/20/2009	(156,950,163.23)	1.16%	0.007115%
4/21/2009	(142,129,191.18)	1.16%	0.006443%
4/22/2009	(137,175,869.63)	1.16%	0.006218%
4/23/2009	(148,431,562.00)	1.16%	0.006729%
4/24/2009	(164,717,277.32)	1.16%	0.007467%
4/25/2009	(164,722,595.11)	1.16%	0.007467%
4/26/2009	(164,727,913.07)	1.16%	0.007467%
4/27/2009	(191,262,215.76)	1.21%	0.009010%
4/28/2009	(167,144,362.67)	1.21%	0.007874%
4/29/2009	(166,981,861.66)	1.21%	0.007866%
4/30/2009	(190,928,382.52)	1.21%	0.008994%
<b>Total</b>			
<b>Dollar</b>			
<b>Days</b>	<b><u>(\$25,638,876,819.68)</u></b>		
<b>Average</b>	<b><u>(\$70,243,498.14)</u></b>		<b>2.6680%</b>

**Kentucky Power Company**  
**Accounts Receivable Financing Balance and Cost Calculation**  
**Thirteen Months Ended April 30, 2009**

Date	A/R Balance	Daily Carrying Cost Charge	Carrying Cost Charge
04/01/2008	39,725,661.13	0.000270	10,726.98
04/02/2008	45,602,085.27	0.000584	26,619.40
04/03/2008	45,972,545.97	0.000124	5,692.31
04/04/2008	46,393,940.03	0.000145	6,742.05
04/05/2008	46,393,940.03	0.000000	0.00
04/06/2008	46,393,940.03	0.000000	0.00
04/07/2008	45,833,983.32	0.000082	3,755.77
04/08/2008	45,085,383.44	0.000110	4,949.04
04/09/2008	44,485,351.23	0.000129	5,721.64
04/10/2008	44,923,076.87	0.000172	7,730.05
04/11/2008	44,184,714.13	0.000088	3,896.11
04/12/2008	44,184,714.13	0.000000	0.00
04/13/2008	44,184,714.13	0.000000	0.00
04/14/2008	42,881,697.15	0.000137	5,866.67
04/15/2008	38,873,710.43	0.000196	7,633.12
04/16/2008	38,465,751.19	0.000158	6,083.42
04/17/2008	37,944,154.97	0.000086	3,260.38
04/18/2008	37,726,020.75	0.000162	6,100.98
04/19/2008	37,726,020.75	0.000000	0.00
04/20/2008	37,726,020.75	0.000000	0.00
04/21/2008	36,613,658.34	0.000101	3,706.30
04/22/2008	34,897,271.93	0.000150	5,225.31
04/23/2008	34,437,265.87	0.000109	3,744.64
04/24/2008	33,991,756.30	0.000127	4,332.20
04/25/2008	33,781,855.08	0.000082	2,765.56
04/26/2008	33,781,855.08	0.000000	0.00
04/27/2008	33,781,855.08	0.000000	0.00
04/28/2008	34,530,892.16	0.000250	8,629.87
04/29/2008	35,696,979.27	0.000260	9,272.59
04/30/2008	37,190,048.60	0.000287	10,686.64
05/01/2008	36,825,216.96	0.000103	3,794.36
05/02/2008	41,192,223.29	0.000549	22,630.71
05/03/2008	41,192,223.29	0.000000	0.00
05/04/2008	41,192,223.29	0.000000	0.00
05/05/2008	41,396,996.63	0.000180	7,449.93
05/06/2008	40,090,202.28	0.000081	3,266.45
05/07/2008	39,781,474.98	0.000088	3,516.61
05/08/2008	39,032,222.52	0.000105	4,080.02
05/09/2008	39,739,465.97	0.000156	6,181.65
05/10/2008	39,739,465.97	0.000000	0.00
05/11/2008	39,739,465.97	0.000000	0.00
05/12/2008	38,973,906.62	0.000060	2,346.22
05/13/2008	34,991,269.52	0.000119	4,166.70
05/14/2008	35,164,543.02	0.000140	4,909.63
05/15/2008	34,736,163.64	0.000122	4,231.65
05/16/2008	34,615,483.21	0.000104	3,610.13
05/17/2008	34,615,483.21	0.000000	0.00
05/18/2008	34,615,483.21	0.000000	0.00
05/19/2008	34,313,622.41	0.000104	3,570.47
05/20/2008	33,252,325.04	0.000093	3,085.05

**Kentucky Power Company**  
**Accounts Receivable Financing Balance and Cost Calculation**  
**Thirteen Months Ended April 30, 2009**

Date	A/R Balance	Daily Carrying Cost Charge	Carrying Cost Charge
05/21/2008	32,406,485.39	0.000107	3,463.10
05/22/2008	31,888,543.56	0.000091	2,894.76
05/23/2008	31,810,946.91	0.000108	3,447.70
05/24/2008	31,810,946.91	0.000000	0.00
05/25/2008	31,810,946.91	0.000000	0.00
05/26/2008	31,810,946.91	0.000000	0.00
05/27/2008	31,630,000.90	0.000116	3,678.40
05/28/2008	32,425,360.01	0.000184	5,954.33
05/29/2008	32,311,647.01	0.000150	4,847.98
05/30/2008	34,043,193.07	0.000252	8,594.01
05/31/2008	34,043,193.07	0.000000	0.00
06/01/2008	34,043,193.07	0.000000	0.00
06/02/2008	35,314,324.69	0.000182	6,431.99
06/03/2008	38,969,958.44	0.000403	15,724.02
06/04/2008	39,995,013.08	0.000147	5,886.33
06/05/2008	39,772,870.86	0.000106	4,205.87
06/06/2008	40,351,397.40	0.000116	4,690.80
06/07/2008	40,351,397.40	0.000000	0.00
06/08/2008	40,351,397.40	0.000000	0.00
06/09/2008	39,858,785.10	0.000094	3,757.98
06/10/2008	40,816,452.00	0.000175	7,154.69
06/11/2008	40,851,337.45	0.000075	3,068.27
06/12/2008	40,885,384.29	0.000123	5,026.45
06/13/2008	40,804,358.72	0.000126	5,151.42
06/14/2008	40,804,358.72	0.000000	0.00
06/15/2008	40,804,358.72	0.000000	0.00
06/16/2008	40,673,040.78	0.000146	5,940.62
06/17/2008	36,424,644.83	0.000125	4,545.32
06/18/2008	36,177,829.89	0.000122	4,430.38
06/19/2008	36,238,005.60	0.000105	3,808.09
06/20/2008	34,984,044.32	0.000121	4,244.86
06/21/2008	34,984,044.32	0.000000	0.00
06/22/2008	34,984,044.32	0.000000	0.00
06/23/2008	34,560,961.91	0.000095	3,284.06
06/24/2008	34,797,268.97	0.000115	3,988.00
06/25/2008	35,283,367.67	0.000125	4,426.96
06/26/2008	36,243,173.31	0.000242	8,765.06
06/27/2008	37,875,373.87	0.000237	8,973.15
06/28/2008	37,875,373.87	0.000000	0.00
06/29/2008	37,875,373.87	0.000000	0.00
06/30/2008	40,160,721.97	0.000273	10,963.66
07/01/2008	40,479,726.22	0.000124	5,010.68
07/02/2008	41,694,757.49	0.000204	8,485.63
07/03/2008	46,104,104.80	0.000447	20,630.70
07/04/2008	46,104,104.80	0.000000	0.00
07/05/2008	46,104,104.80	0.000000	0.00
07/06/2008	46,104,104.80	0.000000	0.00
07/07/2008	46,278,402.35	0.000104	4,793.88
07/08/2008	45,217,185.26	0.000112	5,070.55
07/09/2008	45,576,159.22	0.000106	4,825.87

**Kentucky Power Company**  
**Accounts Receivable Financing Balance and Cost Calculation**  
**Thirteen Months Ended April 30, 2009**

Date	A/R Balance	Daily Carrying Cost Charge	Carrying Cost Charge
07/10/2008	45,902,321.57	0.000125	5,727.56
07/11/2008	46,185,762.00	0.000080	3,693.15
07/12/2008	46,185,762.00	0.000000	0.00
07/13/2008	46,185,762.00	0.000000	0.00
07/14/2008	44,550,289.97	0.000098	4,360.57
07/15/2008	44,364,508.72	0.000144	6,383.17
07/16/2008	44,011,977.67	0.000082	3,608.48
07/17/2008	43,481,013.70	0.000096	4,179.36
07/18/2008	39,124,469.36	0.000091	3,564.14
07/19/2008	39,124,469.36	0.000000	0.00
07/20/2008	39,124,469.36	0.000000	0.00
07/21/2008	37,919,217.77	0.000089	3,380.35
07/22/2008	38,185,879.80	0.000095	3,622.36
07/23/2008	37,953,302.67	0.000088	3,341.41
07/24/2008	37,325,694.17	0.000092	3,431.26
07/25/2008	38,107,431.85	0.000151	5,739.21
07/26/2008	38,107,431.85	0.000000	0.00
07/27/2008	38,107,431.85	0.000000	0.00
07/28/2008	38,618,993.73	0.000145	5,591.70
07/29/2008	39,704,544.95	0.000162	6,441.91
07/30/2008	43,118,575.62	0.000295	12,737.96
07/31/2008	42,547,504.57	0.000085	3,598.64
08/01/2008	42,749,139.12	0.000084	3,588.60
08/02/2008	42,749,139.12	0.000000	0.00
08/03/2008	42,749,139.12	0.000000	0.00
08/04/2008	49,783,980.84	0.000463	23,042.70
08/05/2008	49,309,793.66	0.000080	3,925.81
08/06/2008	49,132,574.57	0.000092	4,532.75
08/07/2008	49,598,591.79	0.000102	5,046.91
08/08/2008	49,795,530.76	0.000103	5,151.86
08/09/2008	49,795,530.76	0.000000	0.00
08/10/2008	49,795,530.76	0.000000	0.00
08/11/2008	48,108,670.05	0.000052	2,525.65
08/12/2008	46,683,066.79	0.000090	4,216.38
08/13/2008	46,766,196.11	0.000113	5,289.67
08/14/2008	46,024,858.26	0.000085	3,891.55
08/15/2008	45,701,956.43	0.000071	3,263.50
08/16/2008	45,701,956.43	0.000000	0.00
08/17/2008	45,701,956.43	0.000000	0.00
08/18/2008	44,726,178.22	0.000073	3,272.85
08/19/2008	38,231,482.51	0.000116	4,442.56
08/20/2008	37,371,834.11	0.000077	2,871.51
08/21/2008	36,392,688.83	0.000068	2,490.26
08/22/2008	36,323,324.32	0.000071	2,562.77
08/23/2008	36,323,324.32	0.000000	0.00
08/24/2008	36,323,324.32	0.000000	0.00
08/25/2008	35,957,692.09	0.000074	2,660.37
08/26/2008	36,766,839.21	0.000174	6,409.37
08/27/2008	37,236,227.36	0.000175	6,523.35
08/28/2008	39,051,228.29	0.000245	9,560.20

**Kentucky Power Company**  
**Accounts Receivable Financing Balance and Cost Calculation**  
**Thirteen Months Ended April 30, 2009**

Date	A/R Balance	Daily Carrying Cost Charge	Carrying Cost Charge
08/29/2008	39,094,279.64	0.000088	3,451.56
08/30/2008	39,094,279.64	0.000000	0.00
08/31/2008	39,094,279.64	0.000000	0.00
09/01/2008	39,094,279.64	0.000000	0.00
09/02/2008	38,462,442.61	0.000093	3,573.70
09/03/2008	39,510,301.89	0.000178	7,046.04
09/04/2008	44,091,912.34	0.000368	16,235.60
09/05/2008	43,671,149.02	0.000065	2,859.72
09/06/2008	43,671,149.02	0.000000	0.00
09/07/2008	43,671,149.02	0.000000	0.00
09/08/2008	44,046,776.18	0.000130	5,739.04
09/09/2008	43,207,925.30	0.000143	6,175.52
09/10/2008	42,184,870.97	0.000068	2,868.37
09/11/2008	41,997,884.85	0.000108	4,536.68
09/12/2008	41,506,687.66	0.000117	4,860.52
09/13/2008	41,506,687.66	0.000000	0.00
09/14/2008	41,506,687.66	0.000000	0.00
09/15/2008	41,045,087.09	0.000108	4,427.92
09/16/2008	40,838,932.26	0.000108	4,392.77
09/17/2008	39,941,532.97	0.000079	3,147.15
09/18/2008	39,806,912.94	0.000097	3,856.96
09/19/2008	33,867,365.49	0.000100	3,372.19
09/20/2008	33,867,365.49	0.000000	0.00
09/21/2008	33,867,365.49	0.000000	0.00
09/22/2008	33,113,172.90	0.000093	3,067.56
09/23/2008	31,237,539.56	0.000088	2,752.75
09/24/2008	31,235,913.97	0.000090	2,807.82
09/25/2008	32,114,217.64	0.000206	6,609.39
09/26/2008	33,033,024.15	0.000221	7,304.22
09/27/2008	33,033,024.15	0.000000	0.00
09/28/2008	33,033,024.15	0.000000	0.00
09/29/2008	35,520,919.12	0.000318	11,300.74
09/30/2008	35,708,379.72	0.000162	5,770.84
10/01/2008	35,428,485.98	0.000153	5,420.45
10/02/2008	40,718,053.24	0.000546	22,223.40
10/03/2008	40,686,008.12	0.000117	4,741.16
10/04/2008	40,686,008.12	0.000000	0.00
10/05/2008	40,686,008.12	0.000000	0.00
10/06/2008	40,712,381.05	0.000135	5,493.76
10/07/2008	41,022,551.69	0.000143	5,876.02
10/08/2008	41,063,903.35	0.000154	6,307.30
10/09/2008	40,645,767.41	0.000099	4,013.28
10/10/2008	40,786,765.35	0.000141	5,753.16
10/11/2008	40,786,765.35	0.000000	0.00
10/12/2008	40,786,765.35	0.000000	0.00
10/13/2008	40,250,876.90	0.000164	6,591.06
10/14/2008	40,661,595.73	0.000143	5,824.78
10/15/2008	39,359,653.68	0.000086	3,402.32
10/16/2008	35,524,858.98	0.000153	5,436.79
10/17/2008	35,619,429.08	0.000152	5,427.12

**Kentucky Power Company**  
**Accounts Receivable Financing Balance and Cost Calculation**  
**Thirteen Months Ended April 30, 2009**

Date	A/R Balance	Daily Carrying Cost Charge	Carrying Cost Charge
10/18/2008	35,619,429.08	0.000000	0.00
10/19/2008	35,619,429.08	0.000000	0.00
10/20/2008	34,674,928.15	0.000172	5,948.17
10/21/2008	34,564,524.03	0.000191	6,613.11
10/22/2008	33,325,698.85	0.000127	4,238.74
10/23/2008	33,681,833.82	0.000168	5,668.44
10/24/2008	34,856,497.08	0.000250	8,723.50
10/25/2008	34,856,497.08	0.000000	0.00
10/26/2008	34,856,497.08	0.000000	0.00
10/27/2008	35,177,497.08	0.000213	7,508.59
10/28/2008	37,786,644.88	0.000401	15,148.04
10/29/2008	39,384,543.95	0.000308	12,112.16
10/30/2008	40,199,889.23	0.000173	6,949.64
10/31/2008	42,003,352.54	0.000232	9,740.23
11/01/2008	42,003,352.54	0.000000	0.00
11/02/2008	42,003,352.54	0.000000	0.00
11/03/2008	41,886,924.48	0.000122	5,106.45
11/04/2008	48,404,218.03	0.000684	33,093.60
11/05/2008	47,869,203.13	0.000096	4,598.00
11/06/2008	47,241,627.02	0.000107	5,057.47
11/07/2008	48,027,785.94	0.000116	5,553.95
11/08/2008	48,027,785.94	0.000000	0.00
11/09/2008	48,027,785.94	0.000000	0.00
11/10/2008	48,423,370.78	0.000103	4,974.87
11/11/2008	48,050,133.98	0.000143	6,887.57
11/12/2008	46,790,784.44	0.000098	4,574.71
11/13/2008	45,934,733.32	0.000085	3,888.10
11/14/2008	45,971,437.38	0.000100	4,613.07
11/15/2008	45,971,437.38	0.000000	0.00
11/16/2008	45,971,437.38	0.000000	0.00
11/17/2008	46,211,720.31	0.000131	6,033.70
11/18/2008	44,234,265.30	0.000083	3,679.26
11/19/2008	37,908,484.89	0.000105	3,995.04
11/20/2008	38,090,585.49	0.000093	3,541.82
11/21/2008	38,679,066.51	0.000161	6,211.17
11/22/2008	38,679,066.51	0.000000	0.00
11/23/2008	38,679,066.51	0.000000	0.00
11/24/2008	38,776,995.17	0.000134	5,178.38
11/25/2008	41,023,772.66	0.000248	10,182.67
11/26/2008	42,250,933.08	0.000222	9,399.76
11/27/2008	42,250,933.08	0.000000	0.00
11/28/2008	42,250,933.08	0.000000	0.00
11/29/2008	42,250,933.08	0.000000	0.00
11/30/2008	42,250,933.08	0.000000	0.00
12/01/2008	42,583,524.55	0.000116	4,920.02
12/02/2008	43,433,695.95	0.000163	7,068.41
12/03/2008	43,812,239.95	0.000142	6,200.71
12/04/2008	49,592,607.96	0.000340	16,881.63
12/05/2008	50,772,823.44	0.000160	8,140.18
12/06/2008	50,772,823.44	0.000000	0.00

**Kentucky Power Company**  
**Accounts Receivable Financing Balance and Cost Calculation**  
**Thirteen Months Ended April 30, 2009**

Date	A/R Balance	Daily Carrying Cost Charge	Carrying Cost Charge
12/07/2008	50,772,823.44	0.000000	0.00
12/08/2008	50,244,779.02	0.000136	6,852.46
12/09/2008	50,308,781.20	0.000150	7,556.25
12/10/2008	49,479,239.05	0.000137	6,790.17
12/11/2008	50,176,585.99	0.000149	7,499.31
12/12/2008	51,097,005.33	0.000157	8,034.99
12/13/2008	51,097,005.33	0.000000	0.00
12/14/2008	51,097,005.33	0.000000	0.00
12/15/2008	51,735,381.37	0.000138	7,120.10
12/16/2008	52,213,780.45	0.000146	7,602.43
12/17/2008	53,176,506.10	0.000111	5,910.91
12/18/2008	53,593,689.73	0.000119	6,371.58
12/19/2008	48,438,736.37	0.000139	6,717.65
12/20/2008	48,438,736.37	0.000000	0.00
12/21/2008	48,438,736.37	0.000000	0.00
12/22/2008	49,531,300.35	0.000118	5,845.63
12/23/2008	49,335,454.37	0.000122	6,023.44
12/24/2008	48,707,806.92	0.000160	7,791.86
12/25/2008	48,707,806.92	0.000000	0.00
12/26/2008	48,707,806.92	0.000000	0.00
12/27/2008	48,707,806.92	0.000000	0.00
12/28/2008	48,707,806.92	0.000000	0.00
12/29/2008	51,178,858.63	0.000185	9,467.84
12/30/2008	52,592,615.12	0.000184	9,677.99
12/31/2008	55,004,739.97	0.000157	8,640.49
01/01/2009	55,004,739.97	0.000000	0.00
01/02/2009	55,696,119.63	0.000112	6,221.71
01/03/2009	55,696,119.63	0.000000	0.00
01/04/2009	55,696,119.63	0.000000	0.00
01/05/2009	55,380,529.53	0.000117	6,456.95
01/06/2009	58,739,856.22	0.000303	17,810.18
01/07/2009	58,945,424.77	0.000073	4,287.11
01/09/2009	60,851,464.88	0.000062	3,754.99
01/10/2009	60,851,464.88	0.000000	0.00
01/11/2009	60,851,464.88	0.000000	0.00
01/08/2009	60,217,934.64	0.000093	5,607.86
01/12/2009	61,171,524.50	0.000066	4,058.82
01/13/2009	59,634,396.38	0.000053	3,151.03
01/14/2009	59,346,249.39	0.000062	3,680.66
01/15/2009	58,917,712.05	0.000071	4,165.71
01/16/2009	59,458,118.02	0.000069	4,090.36
01/17/2009	59,458,118.02	0.000000	0.00
01/18/2009	59,458,118.02	0.000000	0.00
01/19/2009	54,349,754.88	0.000063	3,406.95
01/20/2009	54,449,902.25	0.000062	3,352.21
01/21/2009	54,999,327.41	0.000081	4,441.63
01/24/2009	53,903,275.11	0.000000	0.00
01/25/2009	53,903,275.11	0.000000	0.00
01/22/2009	53,896,338.74	0.000053	2,839.39
01/23/2009	53,903,275.11	0.000056	3,013.87



**Kentucky Power Company**  
**Accounts Receivable Financing Balance and Cost Calculation**  
**Thirteen Months Ended April 30, 2009**

Date	A/R Balance	Daily Carrying Cost Charge	Carrying Cost Charge
01/26/2009	52,671,622.47	0.000052	2,762.18
01/27/2009	53,007,522.02	0.000079	4,208.36
01/28/2009	54,454,744.79	0.000088	4,784.09
01/29/2009	54,478,330.56	0.000033	1,810.74
01/30/2009	56,346,620.54	0.000076	4,266.98
02/01/2009	56,346,620.54	0.000000	0.00
02/02/2009	57,516,043.14	0.000074	4,275.39
01/31/2009	56,346,620.54	0.000000	0.00
02/03/2009	58,554,625.17	0.000080	4,670.13
02/04/2009	62,991,758.20	0.000178	11,188.51
02/05/2009	63,744,289.77	0.000055	3,496.40
02/07/2009	64,321,551.42	0.000000	0.00
02/08/2009	64,321,551.42	0.000000	0.00
02/06/2009	64,321,551.42	0.000081	5,185.20
02/09/2009	63,342,570.84	0.000049	3,078.87
02/10/2009	63,645,124.51	0.000079	5,053.39
02/11/2009	62,784,594.70	0.000065	4,082.27
02/12/2009	62,783,093.00	0.000060	3,776.20
02/13/2009	62,245,835.78	0.000064	3,965.60
02/14/2009	62,245,835.78	0.000000	0.00
02/15/2009	62,245,835.78	0.000000	0.00
02/16/2009	60,021,216.54	0.000043	2,606.89
02/17/2009	55,679,841.43	0.000072	4,014.76
02/18/2009	54,901,395.53	0.000044	2,406.83
02/19/2009	55,963,132.30	0.000084	4,714.76
02/21/2009	54,639,098.52	0.000000	0.00
02/22/2009	54,639,098.52	0.000000	0.00
02/20/2009	54,639,098.52	0.000043	2,374.74
02/23/2009	53,758,822.23	0.000051	2,733.36
02/24/2009	51,753,610.60	0.000041	2,121.21
02/26/2009	52,112,890.70	0.000077	4,022.44
02/25/2009	51,345,883.47	0.000051	2,604.53
02/27/2009	52,333,000.38	0.000086	4,508.09
03/01/2009	52,333,000.38	0.000000	0.00
03/02/2009	53,369,724.07	0.000090	4,815.34
02/28/2009	52,333,000.38	0.000000	0.00
03/03/2009	56,864,745.51	0.000170	9,667.01
03/04/2009	57,411,908.47	0.000059	3,400.48
03/05/2009	56,675,818.28	0.000052	2,960.91
03/07/2009	56,170,633.49	0.000000	0.00
03/08/2009	56,170,633.49	0.000000	0.00
03/06/2009	56,170,633.49	0.000039	2,210.40
03/09/2009	56,528,194.03	0.000062	3,508.85
03/10/2009	56,108,011.98	0.000051	2,876.84
03/11/2009	54,643,593.30	0.000050	2,735.18
03/12/2009	53,493,290.58	0.000046	2,475.36
03/13/2009	49,822,757.83	0.000071	3,546.56
03/14/2009	49,822,757.83	0.000000	0.00
03/15/2009	49,822,757.83	0.000000	0.00
03/16/2009	49,257,573.28	0.000058	2,875.22

**Kentucky Power Company**  
**Accounts Receivable Financing Balance and Cost Calculation**  
**Thirteen Months Ended April 30, 2009**

Date	A/R Balance	Daily Carrying Cost Charge	Carrying Cost Charge
03/17/2009	48,676,618.76	0.000073	3,566.02
03/18/2009	48,269,747.51	0.000033	1,605.72
03/19/2009	48,490,809.56	0.000048	2,332.32
03/21/2009	47,748,889.56	0.000000	0.00
03/22/2009	47,748,889.56	0.000000	0.00
03/20/2009	47,748,889.56	0.000050	2,406.41
03/23/2009	46,855,793.69	0.000051	2,392.11
03/24/2009	46,331,154.19	0.000049	2,280.16
03/26/2009	46,071,712.31	0.000053	2,448.24
03/25/2009	46,091,758.82	0.000036	1,681.20
03/27/2009	46,994,742.75	0.000078	3,669.35
03/28/2009	46,994,742.75	0.000000	0.00
03/29/2009	46,994,742.75	0.000000	0.00
03/30/2009	47,856,226.45	0.000069	3,298.98
03/31/2009	47,674,327.53	0.000068	3,258.90
04/01/2009	48,060,330.62	0.000065	3,133.38
04/02/2009	52,879,616.02	0.000185	9,781.41
04/04/2009	54,037,219.82	0.000000	0.00
04/05/2009	54,037,219.82	0.000000	0.00
04/03/2009	54,037,219.82	0.000058	3,110.24
04/06/2009	53,618,181.01	0.000037	2,009.01
04/07/2009	52,920,257.82	0.000056	2,965.01
04/08/2009	52,401,652.87	0.000043	2,237.97
04/09/2009	52,577,330.77	0.000054	2,864.72
04/10/2009	52,577,330.77	0.000000	0.00
04/11/2009	52,577,330.77	0.000000	0.00
04/12/2009	52,577,330.77	0.000000	0.00
04/13/2009	52,230,003.80	0.000038	1,986.75
04/14/2009	45,638,889.35	0.000057	2,607.94
04/15/2009	45,355,740.61	0.000061	2,768.92
04/16/2009	44,645,073.35	0.000050	2,227.03
04/18/2009	43,992,251.39	0.000000	0.00
04/19/2009	43,992,251.39	0.000000	0.00
04/17/2009	43,992,251.39	0.000042	1,865.59
04/20/2009	43,436,892.03	0.000046	1,998.90
04/21/2009	42,733,666.16	0.000062	2,645.29
04/22/2009	41,958,331.07	0.000041	1,724.87
04/23/2009	41,064,203.37	0.000039	1,589.09
04/24/2009	41,189,960.92	0.000041	1,682.84
04/25/2009	41,189,960.92	0.000000	0.00
04/26/2009	41,189,960.92	0.000000	0.00
04/27/2009	40,940,743.16	0.000042	1,713.17
04/28/2009	42,639,102.57	0.000103	4,407.08
04/29/2009	43,751,333.96	0.000087	3,826.05
04/30/2009	44,947,096.80	0.000067	3,030.60
<b>Average</b>	<b><u>\$44,758,222.04</u></b>	<b>0.000088</b>	

**Average Annual  
3.1664% Carrying Cost Rate**

ES FORM 3.15

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT  
CURRENT PERIOD REVENUE REQUIREMENT  
BIG SANDY PLANT COST OF CAPITAL

For the Expense Month of XXXXXXXX XX, XXXX

LINE NO.	Component	Balances	Cap. Structure	Cost Rates		WACC (Net of Tax)	GRCF		WACC (PRE-TAX)	
		As of 04/30/2009								
1	L/T DEBT	\$420,000,000	40.964%	6.05%		2.48%			2.48%	
2	S/T DEBT	\$156,177,865	15.233%	2.67%		0.41%			0.41%	
3	ACCTS REC									
3	FINANCING	\$44,758,222	4.365%	3.17%		0.14%			0.14%	
4	C EQUITY	\$404,345,136	39.437%	10.50%	1/	4.14%	1.5776	2/	6.53%	
5	TOTAL	\$1,025,281,223	100.000%			7.17%			9.56%	
1/	WACC = Weighted Average Cost of Capital Rate of Return on Common Equity per Case No. 2009 - 00038									
2/	<b>Gross Revenue Conversion Factor (GRCF) Calculation:</b>									
1	OPERATING REVENUE						100.0000			
2	UNCOLLECTIBLE ACCOUNTS EXPENSE (0.26%)						0.2600			
3	STATE TAXABLE PRODUCTION INCOME BEFORE 199 DEDUCTION						99.7400			
4	STATE INCOME TAX EXPENSE, NET OF 199 DEDUCTION (SEE BELOW)						5.6469			
5	FEDERAL TAXABLE PRODUCTION INCOME BEFORE 199 DEDUCTION						94.0931			
6	199 DEDUCTION PHASE-IN						5.6253			
7	FEDERAL TAXABLE PRODUCTION INCOME						88.4678			
8	FEDERAL INCOME TAX EXPENSE AFTER 199 DEDUCTION (35%)						30.9637			
9	AFTER-TAX PRODUCTION INCOME						57.5041			
10	GROSS-UP FACTOR FOR PRODUCTION INCOME:									
11	AFTER-TAX PRODUCTION INCOME						57.5041			
12	199 DEDUCTION PHASE-IN						5.6253			
13	UNCOLLECTIBLE ACCOUNTS EXPENSE						0.2600			
14	TOTAL GROSS-UP FACTOR FOR PRODUCTION INCOME (ROUNDED)						63.3894			
15	BLENDED FEDERAL AND STATE TAX RATE:									
16	FEDERAL (LINE 8)						30.9637			
17	STATE (LINE 4)						5.6469			
18	BLENDED TAX RATE						36.6106			
19	GROSS REVENUE CONVERSION FACTOR (100.0000 / Line 14)						1.5776			
	STATE INCOME TAX CALCULATION:									
1	PRE-TAX PRODUCTION INCOME						100.0000			
2	COLLECTIBLE ACCOUNTS EXPENSE (0.26%)						0.2600			
3	STATE TAXABLE PRODUCTION INCOME BEFORE 199 DEDUCTION						99.7400			
4	LESS: STATE 199 DEDUCTION						5.6253			
5	STATE TAXABLE PRODUCTION INCOME BEFORE 199 DEDUCTION						94.1147			
6	STATE INCOME TAX RATE						6.0000			
7	STATE INCOME TAX EXPENSE (LINE 5 X LINE 6)						5.6469			

Kentucky Power Company  
 Uncollected Accounts

Line No. (1)	Description (2)	Electric Revenues (3)	Accounts - Net Charged Off (4)	Percent of Electric Revenues (5)
1	12 Months ended 04/30/2007	\$412,884,602	\$1,193,975	0.29%
2	12 Months ended 04/30/2008	\$408,354,846	\$1,101,516	0.27%
3	12 Months ended 04/30/2009	\$501,432,589	\$1,140,761	0.23%
4	Total	<u>\$1,322,672,037</u>	<u>\$3,436,252</u>	<u>0.79%</u>
5	Three Year Average	<u><u>\$440,890,679</u></u>	<u><u>\$1,145,417</u></u>	<u><u>0.26%</u></u>

## **Kentucky Power Company**

### **REQUEST**

KRS 278.1 83(3) provides that, during the two-year review, the Commission shall, to the extent appropriate, incorporate surcharge amounts found just and reasonable into the existing base rates of the utility.

- a. Does Kentucky Power believe any additional surcharge amounts need to be incorporated into its base rates in conjunction with this two-year review?
- b. If yes to part (a), provide the additional surcharge amount that Kentucky Power believes should be incorporated into its existing base rates. Explain how the surcharge amount should be incorporated into the base rates. Include all supporting calculations, workpapers, and assumptions as well as any analysis that Kentucky Power believes supports its position.

### **RESPONSE**

a. No. Without regard to whether additional amounts of environmental costs are incorporated into base rates, there should be no effect on the ratepayers as a whole or the Company because the total revenue requirement should remain the same. Incorporation of these environmental costs outside of a rate case, however, can differentially affect customers because these environmental costs include both investment costs, which are generally reflected in the demand charge and energy costs, which are reflected in the energy charge. By contrast, fuel costs, which are periodically rolled into base rates, as a part of the fuel adjustment clause proceeding, include only energy costs. The best time to allocate the energy and investment components of the environmental charges is at the time of a general rate case.

b. N/A

**WITNESS:** Errol K Wagner

## **Kentucky Power Company**

### **REQUEST**

Included in the environmental costs reported on ES Form 3.10, Costs Associated with Big Sandy, are property taxes. Explain the reason(s) for the fluctuations in the property taxes during the last six months of the review period.

### **RESPONSE**

Page 2 of 4 lists the estimated monthly property tax amount for the expense months from November 2008 to April 2009.

The reason for the fluctuations in the Big Sandy property taxes during the last six months of the review period (November 2008 - April 2009) is the fact that the 2008 property tax calculation is based on the level of Big Sandy Plant as of December 31, 2007 and the 2009 Big Sandy property tax calculation is based on the level of Big Sandy Plant as of December 31, 2008.

The calculations were performed as follows:

The estimated property tax amount for expense months of November and December 2008 were calculated based on the environmental facilities investment at Big Sandy Plant of as December 31, 2007 (\$191,360,181) multiplied by the Big Sandy Plant Net Book Factor from the 2007 assessment (0.604271) to determine the Net Book Value (\$115,633,408). The Net Book Value (\$115,633,408) is then multiplied by the Manufacturing Machinery Assessment Factor (1.0) to determine the Estimated Assessed Value. The Estimated Assessed Value (\$115,633,408) is then multiplied by the Property Tax Rate (0.0015) to produce the annual 2008 Estimated Property Tax (\$173,450). The annual Estimated Property Tax is then divided by 12 to determine the estimated monthly property tax amount of \$14,454.

Please see Page 3 of 4 as to the calculation for months November and December 2008.

The estimated property tax amount for expense months from January to April 2009 were calculated based on the environmental facilities investment at Big Sandy Plant of as December 31, 2008 (\$191,230,568) multiplied by the Big Sandy Net Book Factor from the 2008 assessment (0.579534) to determine the Net Book Value (\$110,824,616). The Net Book Value (\$110,824,616) is then multiplied by the Manufacturing Machinery Assessment Factor (1.0) to determine the Estimated Assessed Value. The Estimated Assessed Value (\$110,824,616) is then multiplied by the Property Tax Rate (0.0015) to produce the annual 2008 Estimated Property Tax (\$166,237). The annual Estimated Property Tax is then divided by 12 to determine the estimated monthly property tax amount of \$13,853.

Please see Page 4 of 4 as to the calculation for months from January to April 2009.

**WITNESS:** Errol K Wagner

Kentucky Power Company  
Big Sandy Plant  
Estimated Property Tax

Expense Month		Estimated Property Tax Amount
Month	Year	
November	2008	14,454
December	2008	14,454
January	2009	13,853
February	2009	13,853
March	2009	13,853
April	2009	13,853
Total		84,320

Kentucky Power Company  
 Big Sandy Plant  
 2008 Estimated Monthly Property Tax on Environmental Facilities Investment  
 Based on Investment in Environmental Facilities Installed at Big Sandy Plant as of December 31, 2007

**PROPERTY  
 TAX**

**Estimated Property Taxes To Be Paid in 2008 (Big Sandy Plant Environmental Facilities Investment Only)**

Installed Cost as of <b>December 31, 2007</b>	January	2008	\$14,454
Big Sandy Net Book Factor (2007 Assessment)	February	2008	\$14,454
Net Book Value	March	2008	\$14,454
Manufacturing Machinery Assessment Factor	April	2008	\$14,454
Assessed Value	May	2008	\$14,454
Property Tax Rate	June	2008	\$14,454
<b>2008 Estimated Property Tax</b>	July	2008	\$14,454
Monthly Property Tax	August	2008	\$14,454
	September	2008	\$14,454
	October	2008	\$14,454
	November	2008	\$14,454
	December	2008	\$14,454
	<b>Total</b>		<b>\$173,448</b>

**\$191,360,181**  
 0.604271  
 \$115,633,408  
 1.000000  
 \$115,633,408  
 0.0015  
**\$173,450**  
 \$14,454



Kentucky Power Company  
Big Sandy Plant  
2009 Estimated Monthly Property Tax on Environmental Facilities Investment  
Based on Investment in Environmental Facilities Installed at Big Sandy Plant as of December 31, 2008

PROPERTY TAX	Amount	
Estimated Property Taxes To Be Paid in 2009 (Big Sandy Plant Environmental Facilities Investment Only)		
Installed Cost as of <b>December 31, 2008</b>	\$191,230,568	
Big Sandy Net Book Factor (2008 Assessment)	0.579534	
Net Book Value	\$110,824,616	
Manufacturing Machinery Assessment Factor	1.000000	
Assessed Value	\$110,824,616	
Property Tax Rate	0.0015	
<b>2009 Estimated Property Tax</b>	<b>\$166,237</b>	
Monthly Property Tax	\$13,853	
	January 2009	\$13,853
	February 2009	\$13,853
	March 2009	\$13,853
	April 2009	\$13,853
	May 2009	\$13,853
	June 2009	\$13,853
	July 2009	\$13,853
	August 2009	\$13,853
	September 2009	\$13,853
	October 2009	\$13,853
	November 2009	\$13,853
	December 2009	<b>\$13,854</b>
<b>Total</b>	<b>\$166,237</b>	

**Kentucky Power Company**

**REQUEST**

Refer to ES Form 3.13, the Operation and Maintenance Expense summary, Line 10, Equipment - Associated Maintenance Expenses. Explain the primary reason(s) for the fluctuations in these maintenance expenses during the last six expense months that make up the review period.

**RESPONSE**

The primary reasons for the fluctuations in these maintenance expenses was the worked performed on the SCR Ammonia Injection System (AOD) and the Emission Testing Required Under Permit during this review period. Of the \$138K of total maintenance performed, \$112K or 81% pertained to the maintenance performed on the SCR Ammonia Injection System (AOD) and the Emission Testing Required Under Permit.

Please see Page 2 of this response for further explanation of the maintenance costs.

**WITNESS:** Errol K Wagner

Line No.	Month	Year	Amount	Description
1	November	2008	\$23,860.23	(1) #1 Urea sump pump making grinding noise removed and sent to Weir Slurry Group Inc. for repairs and reinstalled. (2) Ammonia On Demand (AOD) #2 Mix Tank instrumentation not reading correctly replaced module in ovation cabinet. (3) Replaced circuit board in reactor seal air humidity alarm SCR Layup Air Heater #1. (4) SCR S. Dilution Probes and Probe Controller media, refill for ammonia. (5) Removed old Sulfur Blower reinstalled repaired blower.
2	December	2008	\$35,804.03	(1) #1 Urea sump pump making grinding noise removed and sent to Weir Slurry Group Inc. for repairs and reinstalled. (2) Ammonia slip monitor aspirators sent to Riggs Machine & Fabricating Inc. for fabrication. (3) Routine inspection of south booster fan replaced thrust ball bearing. (4) SCR NOx Monitoring replaced vacuum pump, diaphragm pump, stainless filter (Charleston Valve & Fitting Co.) and motor hub assembly (Teledyne Instruments). (5) SCR Seal layup fan motor would not start State Electric representative came to inspect and trouble shoot Variable Frequency Drive #1 & #2 Maintenance. (6) Insulators to reinsulate lines. (7) Sulfur Blower sent to Republic Pneumatics for repairs.
3	January	2009	\$11,764.76	(1) #1 Urea sump pump making grinding noise and discharge valve locked up. Installed new valve and pump sent out to be rebuilt and reinstalled. (2) Unit 2 Ammonia Injection blowdowns extended for valve operations. (3) Ammonia Injection System steam flow meter not working removed and reinstalled new Vortex Flowmeter from Rosemount Inc. (4) SCR Acoustic Horns cycle inventory adjustments checked out 4 solenoid valves. (5) Replace monitor transducer Continuous Emissions Monitoring System (CEMS). (6) Replaced Eductor, Dilution - Thermo Environmental Instruments.
4	February	2009	\$23,470.05	(1) SCR Ammonia Vapor Alarm lost power installed new monitor and sensors. (2) Replaced solenoid valves on Boiler Acoustic Horns Unit 2. (3) Replace desiccant chamber on CEMS. (4) Replace transducer monitor on CEMS. (5) Replaced calibration gas bottles - Air Gas Great Lakes.
5	March	2009	\$20,550.28	(1) Replaced solenoid valve and driver Boiler Acoustic Horns. (2) Replaced solenoid valve on SCR Acoustic Horns.
6	April	2009	<u>\$23,131.84</u>	(1) SCR Ammonia Injection System. Hydrolyzer Economizer tubes cleaned by North American Industrial Service. (2) SCR Ammonia Vapor Alarm lost power installed new monitor and sensors from Robert L Schmitt Co. (3) Replaced drivers and solenoids on SCR Acoustic Horns. (4) SCR Booster Fan North Unit 2 ground wire broke, installed new wire and mold purchased from State Electric Supply Co Inc. (5) Replaced desiccant chamber, vacuum pump and purge air filter on CEMS.
7	<b>Total</b>		<u><b>\$138,581.19</b></u>	
			<u>\$48,488.06</u>	<b>SCR Ammonia Injection System (AOD)</b>
			<u>\$63,901.94</u>	<b>Emission Testing Required Under Permit Maintenance</b>
			<u><b>\$112,390.00</b></u>	<b>Total</b>
			<b>81.10%</b>	<b>Percentage of Total Maintenance Costs</b>

**Kentucky Power Company**

**REQUEST**

Refer to ES Form 3.13, the Operation and Maintenance Expense summary, Line 9, Equipment - Associated Operating Expenses. Explain the primary reason(s) for the fluctuations in the operating expenses during the last six expense months in this review period.

**RESPONSE**

The primary reasons for the fluctuations in the operating expenses in this review period is the CAM Emission Particulate Test and the SCR Operator Overtime required during the Ozone Season. Please see Page 2 of this response.

**WITNESS:** Errol K Wagner

Kentucky Power Company  
 ES FORM 3.13  
 Line 9, Associated Operating Expenses

Line No.	Month	Year	Amount
Billing Period from November 2008 through April 2009			
1	November	2008	\$0.00
2	December	2008	\$115,572.60
3	January	2009	\$26,616.30
4	February	2009	\$1,996.50
5	March	2009	\$517.00
6	April	2009	\$1,097.64
7	Total		\$145,800.04

1/	CAM Emission Particulate Test	\$114,780.60
2/	CAM Emission Particulate Test	\$23,552.05
2/	Amount of Operator Overtime required during the Ozone Season.	\$3,016.73
3/	Amount of Operator Overtime required during the Ozone Season.	

**Kentucky Power Company**

**REQUEST**

Refer to ES Form 3.14, page 4 of 11, the Current Period Revenue Requirement, Ohio Power Company - Cardinal Plant Unit 1. Explain the primary reason(s) for the increase in the Utility Plant at Original Cost for the January 2009 expense month compared to the prior months in this review period.

**RESPONSE**

In Case No. 2006-00307, Kentucky Power (KPCo) requested approval to include environmental facilities that were to be installed at Ohio Power's Cardinal Plant. The facilities to be installed were FGD (Flue Gas Desulfurization or Scrubber), Controls Modernization, Boiler Modification, Balanced Draft Conversion, FD Fan Modification, FGD Purge Stream Water Treatment System, SO3 Mitigation, Catalyst Replacement and the Landfill. The Order in Case No. 2006-00307, dated January 24, 2007 granted KPCo permission to include the net investment (original cost less any associated retirement) amount in the monthly environmental surcharge report filing beginning in the January of the year following the year the facilities were placed in service.

These facilities were placed in service in 2008 and the net investment was included on ES FORM 3.14, Page 4 of 11 beginning in the expense month of January 2009.

Please see Page 2 of 2 as to the list of facilities and net investment amount.

**WITNESS:** Errol K Wagner

Ohio Power Company  
Cardinal Plant  
Environmental Facilities Investment  
As of December 31, 2008

Description	Amount
CEMS	1,004,969
SCR	91,983,948
Low NOx Burners	4,309,439
Landfill	1,247,009
Net Environmental Facilities Investment As of December 31, 2007	98,545,365
SCR	8,625
Landfill	11,012,144
Scrubber (FGD)	225,117,769
Balanced Draft	11,512,475
Boiler Modifications	5,705,488
Controls Modernization	7,157,566
SO <sub>3</sub> Mitigation	14,184,483
Purge Steam Water Treatment	14,085,670
FD Fan Modifications	1,599,463
SCR Catalyst Replacements	93,088
Net Environmental Facilities Investment For Year 2008	290,476,771
Net Environmental Facilities Investment As of December 31, 2008	389,022,136

**Kentucky Power Company**

**REQUEST**

Refer to ES Form 3.14, page 5 of 11, the Current Period Revenue Requirement, Ohio Power Company - Gavin Plant (Unit 1 & 2). Explain the primary reason(s) for the increase in the Trona operating expense on Line 7 for the April 2009 expense month compared to the prior months in this review period.

**RESPONSE**

With the Gavin Plant Trona silos empty the accounting records nevertheless indicated there was 7,682.81 tons in inventory at a cost of \$1,694,469.87. The Trona was consumed in prior accounting periods. Therefore, an accounting adjustment was made in April 2009, the month it was discovered. The remaining \$437,037.49 (\$2,131,507.36 - \$1,694,469.87) of Trona consumed during April 2009 was from normal operations at the Gavin Plant.

**WITNESS:** Errol K Wagner



**Kentucky Power Company**

**REQUEST**

Refer to ES Form 3.14, page 5 of 11, the Current Period Revenue Requirement, Ohio Power Company - Gavin Plant (Unit 1 & 2). Explain the primary reason(s) for the increase in the Urea operating expense on Line 6 during the last six expense months in this review period.

**RESPONSE**

The Gavin Plant started using Urea year round during the operations of the plant in December 2008.

**WITNESS:** Errol K Wagner



KENTUCKY POWER COMPANY  
 ENVIRONMENTAL SURCHARGE REPORT  
 CALCULATION OF E(m) and SURCHARGE FACTOR

As Originally Filed

CALCULATION OF E(m)  
 E(m) = CRR - BRR

Total  
 Over / Under  
 Recovery

October  
 2008

November  
 2008

December  
 2008

January  
 2009

February  
 2009

March  
 2009

April  
 2009

May  
 2009

June  
 2009

July  
 2009

August  
 2009

September  
 2009

October  
 2009

LINE	Description	October 2008	November 2008	December 2008	January 2009	February 2009	March 2009	April 2009	May 2009	June 2009	Total Over / Under Recovery
LINE 1	CRR from ES FORM 3.00	\$3,260,302	\$2,786,040	\$4,074,321	\$3,956,860	\$3,679,280	\$3,608,706	\$3,645,136	\$3,908,304	\$3,612,903	
LINE 2	Brr from ES FORM 1.10	\$2,181,975	\$2,598,522	\$1,407,969	\$2,531,784	\$3,003,995	\$2,845,066	\$2,095,535	\$1,514,859	\$1,913,578	
LINE 3	E(m) (LINE 1 - LINE 2)	\$1,078,327	\$187,518	\$2,666,352	\$1,427,076	\$675,285	\$763,640	\$1,549,601	\$2,393,445	\$1,699,325	
LINE 4	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	70.9%	83.4%	85.7%	81.4%	83.2%	75.9%	73.5%	75.0%	75.0%	
LINE 5A	KY Retail E(m) (LINE 3 * LINE 4)	\$764,534	\$156,390	\$2,285,063	\$1,161,640	\$561,837	\$579,603	\$1,138,957	\$1,795,084	\$1,274,494	
LINE 5B	Monthly Increase in Jurisdictional Environmental Revenue Requirement per Case No. 2006-00128, dated January 31, 2007	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LINE 5B	Adjustment from June 2007: (1) ES FORM 3.13 - Lines 9 & 10, SCR Equipment - Associated Operating & Maintenance Expenses and (2) ES FORM 3.14, Page 2, Line 14 - Ohio Power Company's revised Company Surplus Weighting	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LINE 5B	Environmental Surcharge Clause Adjustment Case No. 2007-00381, dated August 19, 2008	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LINE 5B	Environmental Surcharge Clause Adjustment Case No. 2009-00038, dated May 14, 2008	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LINE 6	Over/(Under) Recovery Adjustment from ES FORM 3.30	(\$16,367)	(\$25,318)	(\$267,420)	(\$133,250)	\$254,156	\$213,345	\$238,310	\$185,659	(\$7,124)	
LINE 7	Net KY Retail E(m) (LINE 5 + LINE 6)	\$748,167	\$131,072	\$2,017,643	\$1,028,390	\$815,993	\$792,948	\$1,382,423	\$1,980,743	\$1,267,370	
LINE 8	Net KY Retail E(m) (Line 7)	\$748,167	\$131,072	\$2,017,643	\$1,028,390	\$815,993	\$792,948	\$1,382,423	\$1,980,743	\$1,267,370	
LINE 9	KY Retail R(m) from ES FORM 3.30	\$40,145,688	\$40,955,486	\$55,425,728	\$54,583,592	\$50,221,821	\$42,934,424	\$39,718,015	\$35,497,815	\$38,199,156	
LINE 10	Environmental Surcharge Factor for Expense Month (Line 8 / LINE 9)	1.8636%	0.3200%	3.6403%	1.8841%	1.6248%	1.8465%	3.4806%	5.5789%	3.3178%	
	As Revised										
	CALCULATION OF E(m) E(m) = CRR - BRR										
LINE 11	CRR from ES FORM 3.00										
LINE 12	Brr from ES FORM 1.10										
LINE 13	E(m) (LINE 11 - LINE 12)										
LINE 14	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1				81.4%	83.2%	75.9%	73.5%	75.0%	75.0%	
LINE 15	KY Retail E(m) (LINE 13 * LINE 14)				\$1,158,277	\$466,521	\$601,638	\$1,130,852	\$1,794,754	\$1,274,491	
LINE 15B	Environmental Surcharge Clause Adjustment Case No. 2009-00038, dated May 14, 2008				\$0	\$0	\$0	\$5,156	\$0	\$0	
LINE 16	Over/(Under) Recovery Adjustment from ES FORM 3.30				(\$133,250)	\$254,156	\$213,345	\$238,310	\$185,659	(\$7,124)	
LINE 17	Net KY Retail E(m) (LINE 15 + LINE 16)				\$1,025,027	\$720,677	\$814,983	\$1,374,318	\$1,980,413	\$1,267,367	
	SURCHARGE FACTOR										
LINE 18	Net KY Retail E(m) (Line 17)				\$1,025,027	\$720,677	\$814,983	\$1,374,318	\$1,980,413	\$1,267,367	
LINE 19	KY Retail R(m) from ES FORM 3.30				\$54,583,592	\$50,221,821	\$42,934,424	\$39,718,015	\$35,497,815	\$38,199,156	
LINE 20	Environmental Surcharge Factor for Expense Month (Line 18 / LINE 19)				1.8779%	1.4350%	1.8982%	3.4602%	5.5790%	3.3178%	
LINE 21	Difference (Line 18 - Line 8)	\$0	\$0	\$0	(\$3,363)	(\$95,316)	\$22,035	(\$8,105)	(\$330)	(\$3)	(\$95,082)

REVISED - September 10, 2009

ES FORM 1.00

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT  
 CALCULATION OF E(m) and SURCHARGE FACTOR  
 For the Expense Month of January 2009

<u>CALCULATION OF E(m)</u>		REVISED AMOUNT	FILED AMOUNT	DIFFERENCE
E(m) = CRR - BRR				
LINE 1	CRR from ES FORM 3.00	\$3,954,729	\$3,958,860	(\$4,131)
LINE 2	Brr from ES FORM 1.10	2,531,784	2,531,784	0
LINE 3	E(m) (LINE 1 - LINE 2)	\$1,422,945	\$1,427,076	(\$4,131)
LINE 4	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	81.4%	81.4%	81.4%
LINE 5	KY Retail E(m) (LINE 3 * LINE 4)	\$1,158,277	\$1,161,640	(\$3,363)
LINE 6	Over/(Under) Recovery Adjustment from ES FORM 3.30	(\$133,250)	(\$133,250)	\$0
LINE 7	Net KY Retail E(m) (LINE 5 + LINE 6)	\$1,025,027	\$1,028,390	(\$3,363)
<u>SURCHARGE FACTOR</u>				
LINE 8	Net KY Retail E(m) (Line 7)	\$1,025,027	\$1,028,390	(\$3,363)
LINE 9	KY Retail R(m) from ES FORM 3.30	\$54,583,592	\$54,583,592	
LINE 10	Environmental Surcharge Factor for Expense Month (Line 8 / LINE 9)	1.8779%	1.8841%	

Effective Date for Billing: \_\_\_\_\_

Submitted By : \_\_\_\_\_

Title : Director Regulatory Services

Date Submitted : \_\_\_\_\_

REVISED - September 10, 2009

ES FORM 3.00

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT  
 CURRENT PERIOD REVENUE REQUIREMENT  
 For the Expense Month of January 2009

CALCULATION OF CURRENT PERIOD REVENUE REQUIREMENT

LINE NO.	COMPONENTS	REVISED AMOUNT	REVISED AMOUNT	FILED AMOUNT	FILED AMOUNT	DIFFERENCE	DIFFERENCE
1	First Component: Associated with Big Sandy Plant (ROR KP(C)) (ROR KP(C)/12) + OE KP(C) ES FORM 3.10, Line 20	\$3,908,522	\$3,912,653				(\$4,131)
2	Second Component: Associated with Rockport Plant ((ROR IM(C)) (ROR IM(C)/12) + OE IM(C) ES FORM 3.20, Line 12	\$46,207	\$46,207				\$0
	Third Component: Net Proceeds from Emission Allowances Sales AS						
	1) SO2 - EPA Auction Proceeds received during Expense Month	\$0	\$0	\$0	\$0	\$0	\$0
	2) SO2 - Net Gain or (Loss) from Allowance Sales, in compliance with the AEP Interim Allowance Agreement, received during Expense Month	\$0	\$0	\$0	\$0	\$0	\$0
	Total Net Proceeds from SO2 Allowances	\$0	\$0	\$0	\$0	\$0	\$0
	1) NOx - ERC Sales Proceeds, received during Expense Month	\$0	\$0	\$0	\$0	\$0	\$0
	2) NOx - EPA Auction Proceeds, received during Expense Month	\$0	\$0	\$0	\$0	\$0	\$0
	3) NOx - Net Gain or Loss from NOx Allowances Sales, received during Expense Month	\$0	\$0	\$0	\$0	\$0	\$0
	Total Net Proceeds from NOx Allowances	\$0	\$0	\$0	\$0	\$0	\$0
3	Total Net Gain or (Loss) from Emission Allowance Sales	\$0	\$0	\$0	\$0	\$0	\$0
4	Total Current Period Revenue Requirement, CRR Record on ES FORM 1.00.	\$3,954,729	\$3,958,860				(\$4,131)

ES FORM 3.10

REVISED - September 10, 2009

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

For the Expense Month of January 2009

LINE NO.	COST COMPONENT	REVISED AMOUNT	FILED AMOUNT	FILED AMOUNT	DIFFERENCE	DIFFERENCE
1	Utility Plant at Original Cost	\$191,230,568	\$191,230,568		\$0	
2	Less Accumulated Depreciation	(\$46,673,299)	(\$46,673,299)		\$0	
3	Less Accum. Def. Income Taxes	(\$39,193,245)	(\$39,193,245)		\$0	
4	Net Utility Plant	\$105,364,024	\$105,364,024		\$0	
5	SO2 Emission Allowance Inventory from ES FORM 3.11	\$8,380,283	\$8,380,283		\$0	
6	ECR & NOx Emission Allowance Inventory from ES FORM 3.12	\$0	\$0		\$0	
7	Cash Working Capital Allowance from ES FORM 3.13, Line 12	\$147,118	\$147,634		(\$516)	
8	Total Rate Base	\$113,891,425	\$113,891,941		(\$516)	
9	Weighted Average Cost of Capital - ES FORM 3.15			10.24%		
10	Monthly Weighted Avg. Cost of Capital (9) / 12	0.85%	0.85%			0.85%
11	Monthly Return of Rate Base (8) * (10)	\$968,077	\$968,081		(\$4)	
12	Operating Expenses :					
13	Monthly Depreciation Expense	\$576,946	\$576,946		\$0	
14	Monthly Catalyst Amortization Expense	\$46,030	\$46,030		\$0	
15	Monthly Property Taxes	\$13,853	\$13,853		\$0	
16	Monthly Kentucky Air Emissions Fee	\$32,461	\$32,461		\$0	
17	Monthly Environmental AEP Pool Capacity Costs from ES FORM 3.14, Page 1 of 11, Column 5, Line 10	\$1,679,689	\$1,683,816		(\$4,127)	
18	Monthly 2003 Plan Non-Fuel O&M Expenses from ES FORM 3.13	\$457,377	\$457,377		\$0	
19	Monthly SO2 Emission Allowance Consumption	\$134,089	\$134,089		\$0	
20	Monthly ERC & NOx Emission Allowance Consumption	\$0	\$0		\$0	
21	Total Operating Expenses [Line 12 thru Line 18]	\$2,840,445	\$2,944,572		(\$104,127)	
22	Total Revenue Requirement - Big Sandy	\$3,908,522	\$3,912,653		(\$4,131)	

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ES FORM 3.13

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT  
 CURRENT PERIOD REVENUE REQUIREMENT

For the Expense Month of January 2009

LINE NO.	O&M Expenses	REVISED AMOUNT	REVISED AMOUNT	FILED AMOUNT	FILED AMOUNT	DIFFERENCE
1	<b>1997 Plan :</b> Monthly Kentucky Air Emissions Fee	\$32,461		\$32,461		
2	Total Monthly AEP Pool	\$553,018		\$557,145		
3	Environmental Capacity Costs	<u>\$134,089</u>		<u>\$134,089</u>		
4	Monthly SO2 Allowance Consumption		\$719,568		\$723,695	(\$4,127)
	Total 1997 Plan O&M Expenses					
5	<b>2003 Plan :</b> Monthly Variable Cladding at Big Sandy Unit 1	\$0		\$0		
6	Monthly Urea Consumption at Big Sandy Unit 2	\$418,996		\$418,996		
7	Monthly Catalyst Replacement at Big Sandy Unit 2	\$0		\$0		
8	Monthly ERC & NOx Allowance Consumption	\$0		\$0		
9	Equipment - Associated Operating Expenses	\$3,017		\$3,017		
10	Equipment - Associated Maintenance Expenses	<u>\$35,364</u>		<u>\$35,364</u>		
11	Total 2003 Plan O&M Expenses		\$457,377		\$457,377	\$0
12	Total Monthly O&M Expenses		<u>\$1,176,945</u>		<u>\$1,181,072</u>	(\$4,127)
13	Cash Working Capital Allowance ( Line 12 X 1/8 )		\$147,118		\$147,634	(\$516)

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

ES FORM 3.14  
 Page 1 of 11

REVISED - September 10, 2009

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

For the Expense Month of January 2009

Line No.	(1)	Cost Component (2)	REVISED AMOUNTS			FILED AMOUNTS			DIFFERENCE					
			Ohio Power Company's Environmental Cost to KPCCo (3)	Indiana Power Company's Environmental Cost to KPCCo (4)	Total (5)	Ohio Power Company's Environmental Cost to KPCCo (6)	Indiana Power Company's Environmental Cost to KPCCo (7)	Total (8)	Ohio Power Company's Environmental Cost to KPCCo (9)	Indiana Power Company's Environmental Cost to KPCCo (10)	Total (11)			
1		Amos Unit No. 3 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 3 of 11, Line 24)	\$53,651			\$53,651			\$0					
2		Cardinal Unit No. 1 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 4 of 11, Line 22)	\$243,493			\$243,493			\$0					
3		Gavin Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 5 of 11, Line 26)	\$590,161			\$594,288			(\$4,127)					
4		Kammer Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 20)	\$4,127			\$4,127			\$0					
5		Michell Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 7 of 11, Line 23)	\$689,209			\$689,209			\$0					
6		Muskingum Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 8 of 11, Line 20)	\$70,169			\$70,169			\$0					
7		Sporn Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 9 of 11, Line 20)	\$8,254			\$8,254			\$0					
8		Rockport Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 10 of 11, Column 5, Line 21)		\$4,127				\$4,127					\$0	
9		Tanners Creek Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 11 of 11, Line 20)		\$16,508				\$16,508					\$0	
10		Total AEP Pool Monthly Environmental Capacity Costs to Kentucky Power	\$1,659,054	\$20,635	\$1,679,689	\$1,663,181	\$20,635	\$1,683,816	(\$4,127)			(\$4,127)	\$0	(\$4,127)

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



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

For the Expense Month of January 2009

Line No. (1)	Cost Component (2)	REVISED AMOUNTS		FILED AMOUNTS		DIFFERENCE	
		Ohio Power Company's Environmental Cost to KPCC (3)	Michigan Power Company's Environmental Cost to KPCC (4)	Ohio Power Company's Environmental Cost to KPCC (6)	Michigan Power Company's Environmental Cost to KPCC (7)	Ohio Power Company's Environmental Cost to KPCC (8)	Michigan Power Company's Environmental Cost to KPCC (10)
1	Anna Unit No. 3 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 3 of 11, Line 16)	\$57,119		\$57,119		\$0	
2	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 4 of 11, Line 12)	\$854,853		\$854,853		\$0	
3	Goshwin Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 16)	\$10,960,104		\$11,024,708		(\$64,604)	
4	Kammer Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 10)	\$18,534		\$18,534		\$0	
5	Michell Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 7 of 11, Line 13)	\$1,614,700		\$1,614,700		\$0	
6	Muskingum Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 10)	\$300,225		\$300,225		\$0	
7	Swann Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 10)	\$22,851		\$22,851		\$0	
8	Recipient Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 10 of 11, Column 3, Line 10)		\$15,025		\$15,025	\$0	\$0
9	Recipient Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 10 of 11, Column 4 & 5, Line 10)		\$0		\$0	\$0	\$0
10	Tanners Creek Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 11 of 11, Line 10)		\$15,825		\$15,825	\$0	\$0
11	Subtotal	\$13,828,368	\$31,250	\$13,862,960	\$31,260	(\$64,604)	\$0
12	Steam Capacity By Company - OPCCs (Column 3) / BSM (Column 4) (row)	8,418,000	5,108,000	8,418,000	5,108,000	8,425,000	5,107,000
13	Environmental Base (\$/hr)	\$1.62	\$0.01	\$1.63	\$0.01		
14	Company Surplus Weighting	83.00%	13.00%	83.00%	13.00%	82.00%	17.00%
15	Portion of Weighted Average Capacity Rate Attributed to Environmental Fixed O&M Costs	\$1.34	\$0.00	\$1.35	\$0.00		
16	Kentucky Power Capacity Detail (row)	412,700	412,700	412,700	412,700	387,400	387,400
17	Fixed O&M Environmental Cost to Kentucky Power	\$553,018	\$0	\$557,145	\$0	(\$4,127)	\$0
				\$557,145	\$0	(\$4,127)	(\$4,127)

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

REVISED - September 10, 2009

ES FORM 3.14  
 Page 5 of 11

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

For the Expense Month of January 2009

LINE NO.	COST	REVISED AMOUNTS	FILED AMOUNTS	DIFFERENCE
1	Utility Plant at Original Cost	\$258,204,701	\$258,204,701	\$0
2	Member Primary Capacity Investment Rate (16.44% / 12)	1.37%	1.37%	1.37%
3	Total Rate Base	\$3,537,404	\$3,537,404	\$0
4	Operations :			
5	Sludge Disposal (5010000)	\$716,890	\$716,890	\$0
6	Lime (5020001)	\$2,894,595	\$2,894,595	\$0
7	Urea (5020002)	\$1,283,316	\$1,283,316	\$0
8	Trona (5020003)	\$386,726	\$386,726	\$0
9	Lime Stone (5020004)	\$0	\$0	\$0
10	Air Emission Fee	\$31,338	\$31,338	\$0
11	Lease (5070005)	\$5,296,630	\$5,296,630	\$0
12	Total Operations (Lines 4 thru 10)	\$10,609,495	\$10,609,495	\$0
13	Maintenance :			
14	SCR Maintenance (5120000)	\$99,773	\$99,773	\$0
15	Scrubber Maintenance (5120000)	\$601,445	\$730,652	(\$129,207)
16	Total Maintenance (12) + (13)	\$701,218	\$830,425	(\$129,207)
17	1/2 of Maintenance (13) * 50%	\$350,609	\$415,213	(\$64,604)
18	Fixed O&M (11) + (15)	\$10,960,104	\$11,024,708	(\$64,604)
19	Total Revenue Requirement,			
20	Cost Associated with Gavin Plant (3) + (16)	\$14,497,508	\$14,562,112	(\$64,604)
21	Ohio Power Company's Percentage Ownership	100.00%	100.00%	100.00%
22	OPCo's Share of Cost Associated with Gavin Plant (17) X (18)	\$14,497,508	\$14,562,112	(\$64,604)
23	Ohio Power Company Steam Capacity (kw)	8,418,000	8,418,000	8,418,000
24	Gavin Plant (\$/kw)	\$1.72	\$1.73	(\$0.01)
25	Ohio Power Surplus Weighing	83.00%	83.00%	83.00%
26	Portion of Weighted Average Capacity Rate			
27	Attributed to Gavin Plant (\$/kw) (21) X (22)	\$1.43	\$1.44	(\$0.01)
28	Gavin Plant Costs to Kentucky Power :			
29	Gavin Plant Portion (\$/kw) (23)	\$1.43	\$1.44	(\$0.01)
30	Kentucky Power Capacity Deficit (kw)	412,700	412,700	412,700
31	Gavin Plant Environmental Cost to Kentucky Power (24) * (25)	\$590,161	\$594,288	(\$4,127)
32	(ES FORM 3.14, Page 1 of 10, Line 3)			

REVISED - September 10, 2009

ES FORM 1.00

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT  
 CALCULATION OF E(m) and SURCHARGE FACTOR  
 For the Expense Month of February 2009

<u>CALCULATION OF E(m)</u>		REVISED AMOUNT	FILED AMOUNT	DIFFERENCE
E(m) = CRR - BRR				
LINE 1	CRR from ES FORM 3.00	\$3,564,718	\$3,679,280	(\$114,563)
LINE 2	Brr from ES FORM 1.10	3,003,995	3,003,995	0
LINE 3	E(m) (LINE 1 - LINE 2)	\$560,723	\$675,285	(\$114,563)
LINE 4	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	83.2%	83.2%	83.2%
LINE 5	KY Retail E(m) (LINE 3 * LINE 4)	\$466,521	\$561,837	(\$95,316)
LINE 6	Over/(Under) Recovery Adjustment from ES FORM 3.30	\$254,156	\$254,156	\$0
LINE 7	Net KY Retail E(m) (LINE 5 + LINE 6)	\$720,677	\$815,993	(\$95,316)
<u>SURCHARGE FACTOR</u>				
LINE 8	Net KY Retail E(m) (Line 7)	\$720,677	\$815,993	(\$95,316)
LINE 9	KY Retail R(m) from ES FORM 3.30	\$50,221,821	\$50,221,821	
LINE 10	Environmental Surcharge Factor for Expense Month (Line 8 / LINE 9)	1.4350%	1.6248%	

Effective Date for Billing: \_\_\_\_\_

Submitted By : \_\_\_\_\_

Title : Director Regulatory Services

Date Submitted : \_\_\_\_\_

REVISED - September 10, 2009

ES FORM 3.00

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT  
 CURRENT PERIOD REVENUE REQUIREMENT  
 For the Expense Month of February 2009

CALCULATION OF CURRENT PERIOD REVENUE REQUIREMENT

LINE NO.	COMPONENTS	REVISED AMOUNT	REVISED AMOUNT	FILED AMOUNT	FILED AMOUNT	DIFFERENCE	DIFFERENCE
1	First Component: Associated with Big Sandy Plant ((RB KP(C)) (FOR KP(C)/12)) + OE KP(C) ES FORM 3.10, Line 20	\$3,516,698			\$3,631,260		(\$114,563)
2	Second Component: Associated with Rockport Plant (((RB IM(C)) (FOR IM(C)/12)) + OE IM(C)) ES FORM 3.20, Line 12  Third Component: Net Proceeds from Emission Allowances Sales AS 1) SO2 - EPA Auction Proceeds received during Expense Month 2) SO2 - Net Gain or (Loss) from Allowance Sales, in compliance with the AEP Interim Allowance Agreement, received during Expense Month Total Net Proceeds from SO2 Allowances 1) NOx - ERC Sales Proceeds, received during Expense Month 2) NOx - EPA Auction Proceeds, received during Expense Month 3) NOx - Net Gain or Loss from NOx Allowances Sales, received during Expense Month Total Net Proceeds from NOx Allowances Total Net Gain or (Loss) from Emission Allowance Sales	\$48,020			\$48,020		\$0
3		\$0			\$0		\$0
4	Total Current Period Revenue Requirement, CRR Record on ES FORM 1.00.	\$3,564,718			\$3,679,280		(\$114,563)

REVISD - September 10, 2009  
 ES FORM 3.10

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

For the Expense Month of February 2009

LINE NO.	COST COMPONENT	REVISED AMOUNT	FILED AMOUNT	FILED AMOUNT	DIFFERENCE	DIFFERENCE
1	Utility Plant at Original Cost	\$191,230,568	\$191,230,568			
2	Less Accumulated Depreciation	(\$47,296,276)	(\$47,296,276)			\$0
3	Less Accum. Def. Income Taxes	(\$39,467,611)	(\$39,467,611)			\$0
4	Net Utility Plant	\$104,466,681	\$104,466,681			\$0
5	SO2 Emission Allowance Inventory from ES FORM 3.11	\$8,279,354	\$8,279,354			\$0
6	ECR & NOx Emission Allowance Inventory from ES FORM 3.12	\$0	\$0			\$0
7	Cash Working Capital Allowance from ES FORM 3.13, Line 12	\$117,621	\$117,621			(\$14,305)
8	Total Rate Base	\$112,863,656	\$112,877,961			(\$14,305)
9	Weighted Average Cost of Capital - ES FORM 3.15			10.24%	10.24%	
10	Monthly Weighted Avg. Cost of Capital (9) / 12	0.85%	0.85%			0.85%
11	Monthly Return of Rate Base (8) * (10)	\$959,341	\$959,463			(\$122)
	Operating Expenses :					
12	Monthly Depreciation Expense	\$576,947	\$576,947			\$0
13	Monthly Catalyst Amortization Expense	\$46,030	\$46,030			\$0
14	Monthly Property Taxes	\$13,853	\$13,853			\$0
15	Monthly Kentucky Air Emissions Fee	\$32,461	\$32,461			\$0
16	Monthly Environmental AEP Pool Capacity Costs from ES FORM 3.14, Page 1 of 11, Column 5, Line 10	\$1,451,200	\$1,454,828			(\$3,628)
17	Monthly 2003 Plan Non-Fuel O&M Expenses from ES FORM 3.13	\$335,937	\$446,749			(\$110,813)
18	Monthly SO2 Emission Allowance Consumption	\$100,929	\$100,929			\$0
19	Monthly ERC & NOx Emission Allowance Consumption	\$0	\$0			\$0
20	Total Operating Expenses [Line 12 thru Line 18]	\$2,557,357	\$2,671,797			(\$114,441)
21	Total Revenue Requirement - Big Sandy Record on ES FORM 3.00, Line 1	\$3,516,698	\$3,631,260			(\$114,563)

REVISED - September 10, 2009

ES FORM 3.13

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT  
 CURRENT PERIOD REVENUE REQUIREMENT

For the Expense Month of February 2009

LINE NO.	O&M Expenses	REVISED AMOUNT	REVISED AMOUNT	FILED AMOUNT	FILED AMOUNT	DIFFERENCE
1	<b>1997 Plan :</b> Monthly Kentucky Air Emissions Fee	\$32,461		\$32,461		
2	Total Monthly AEP Pool					
3	Environmental Capacity Costs	\$471,640		\$475,268		
4	Monthly SO2 Allowance Consumption	\$100,929	\$605,030	\$100,929	\$608,658	(\$3,628)
	Total 1997 Plan O&M Expenses					
5	<b>2003 Plan :</b> Monthly Variable Cladding at Big Sandy Unit 1	\$0		\$0		
6	Monthly Urea Consumption at Big Sandy Unit 2	\$310,470		\$310,470		
7	Monthly Catalyst Replacement at Big Sandy Unit 2	\$0		\$0		
8	Monthly ERC & NOx Allowance Consumption	\$0		\$0		
9	Equipment - Associated Operating Expenses	\$1,997		\$1,997		
10	Equipment - Associated Maintenance Expenses	\$23,470	\$335,937	\$134,293	\$446,749	(\$110,813)
11	Total 2003 Plan O&M Expenses					
12	Total Monthly O&M Expenses		\$940,967		\$1,055,407	(\$114,441)
13	Cash Working Capital Allowance ( Line 12 X 1/8 )		\$117,621		\$131,926	(\$14,305)

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

REVISED - September 10, 2009

Kentucky Power Company  
Environmental Equipment Operation and Maintenance Costs  
February 2009

Work Description	REVISED AMOUNT				FILED AMOUNT				DIFFERENCE			
	Material Costs	Outside Contract Labor	Misc Other Costs	Total Costs	Material Costs	Outside Contract Labor	Misc Other Costs	Total Costs	Material Costs	Outside Contract Labor	Misc Other Costs	Total Costs
Ammonia Injection System	\$4,176.30	\$0.00	\$0.00	\$4,176.30	\$4,257.14	\$110,731.78	\$0.00	\$114,988.92	(\$80.84)	(\$110,731.78)	\$0.00	(\$110,812.62)
Boiler Acoustic Horns	\$540.96	\$0.00	\$0.00	\$540.96	\$540.96	\$0.00	\$0.00	\$540.96	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total SCR February 2009 O &amp; M Expense</b>	<b>\$4,717.26</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$4,717.26</b>	<b>\$4,798.10</b>	<b>\$110,731.78</b>	<b>\$0.00</b>	<b>\$115,528.88</b>	<b>(\$80.84)</b>	<b>(\$110,731.78)</b>	<b>\$0.00</b>	<b>(\$110,812.62)</b>
Additional Operator Overtime During The Ozone Season	\$0.00	\$0.00	\$1,996.50	\$1,996.50	\$0.00	\$0.00	\$1,996.50	\$1,996.50	\$0.00	\$0.00	\$0.00	\$0.00
Emission Testing Required Under Permit.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Operation Maintenance	\$0.00	\$18,752.79	\$0.00	\$18,752.79	\$0.00	\$18,752.79	\$0.00	\$18,752.79	\$0.00	\$0.00	\$0.00	\$0.00
<b>February 2009 O &amp; M Expenses Filed</b>				<b>\$25,467</b>				<b>\$136,279</b>				<b>(\$110,813)</b>

REVISED - September 10, 2009

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

For the Expense Month of February 2009

Line No.	Cost Component	REVISED AMOUNTS			FILED AMOUNTS			DIFFERENCE		
		Ohio Power Company's Environmental Cost to KPCo (3)	Michigan Power Company's Environmental Cost to KPCo (4)	Indiana Power Company's Environmental Cost to KPCo (5)	Ohio Power Company's Environmental Cost to KPCo (6)	Michigan Power Company's Environmental Cost to KPCo (7)	Indiana Power Company's Environmental Cost to KPCo (8)	Ohio Power Company's Environmental Cost to KPCo (9)	Michigan Power Company's Environmental Cost to KPCo (10)	Total (11)
1	Amos Unit No. 3 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 3 of 11, Line 24)	\$47,164			\$47,164			\$0		
2	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 4 of 11, Line 22)	\$224,936			\$224,936			\$0		
3	Gavin Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 5 of 11, Line 26)	\$489,780			\$493,408		(\$3,628)			
4	Kammer Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 20)	\$3,628			\$3,628			\$0		
5	Michal Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 7 of 11, Line 23)	\$602,248			\$602,248			\$0		
6	Muskingum Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 8 of 11, Line 20)	\$58,048			\$58,048			\$0		
7	Sporn Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 9 of 11, Line 20)	\$7,256			\$7,256			\$0		
8	Rockport Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 10 of 11, Column 5, Line 21)		\$3,628			\$3,628			\$0	
9	Tanners Creek Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 11 of 11, Line 20)		\$14,512			\$14,512			\$0	
10	Total AEP Pool Monthly Environmental Capacity Costs to Kentucky Power	\$1,433,060	\$18,140	\$1,451,200	\$1,436,688	\$18,140	\$1,454,928	(\$3,628)	\$0	(\$3,628)

Note: Cost in Column 8, Line 10 is to be recorded on ES FORM 3.10, Line 16.



REVISED - September 10, 2009

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

For the Expense Month of February 2009

Line No.	Cost Component	REVISED AMOUNTS				FILED AMOUNTS				DIFFERENCE				
		Ohio Power Company's Environmental Cost to KPCo (3)	Michigan Power Company's (I&M) Environmental Cost to KPCo (4)	Ohio Power Company's (OPCo) Environmental Cost to KPCo (6)	Indiana Power Company's Environmental Cost to KPCo (7)	Ohio Power Company's (OPCo) Environmental Cost to KPCo (8)	Michigan Power Company's (I&M) Environmental Cost to KPCo (10)	Ohio Power Company's (OPCo) Environmental Cost to KPCo (9)	Indiana Power Company's Environmental Cost to KPCo (11)					
1	Ames Unit No. 3 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 3 of 11, Line 16)	\$75,474		\$75,474										
2	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 4 of 11, Line 12)	\$957,289		\$957,289										
3	Garvin Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 16)	\$10,351,788		\$10,417,578										
4	Kanawha Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 10)	\$18,534		\$18,534										
5	Michal Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 7 of 11, Line 13)	\$1,781,785		\$1,781,785										
9	Muskingum Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 10)	\$230,149		\$230,149										
7	Sporn Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 9 of 11, Line 10)	\$17,132		\$17,132										
8	Rockport Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 10 of 11, Column 3, Line 10)		\$15,625		\$15,625									
9	Rockport Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 10 of 11, Columns 4 & 5, Line 10)		\$0		\$0									
10	Tarriers Creek Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 11 of 11, Line 10)	\$13,432,118	\$31,290	\$13,463,408	\$31,250	\$15,625	\$0	\$15,625	\$31,250	\$0	\$0	\$0	\$0	\$0
11	Subtotal			\$13,463,408	\$31,250	\$15,625	\$0	\$15,625	\$31,250	\$0	\$0	\$0	\$0	\$0
12	Steam Capacity By Company - OPCo (Column 3) / I&M (Column 4) (f/w)	8,425,000	5,107,000	8,425,000	5,107,000	8,425,000	5,107,000	5,107,000	5,107,000	8,425,000	5,107,000	5,107,000	5,107,000	5,107,000
13	Environmental Base (f/w)	\$1.50	\$0.01	\$1.50	\$0.01	\$1.50	\$0.01	\$0.01	\$0.01	\$1.50	\$0.01	\$0.01	\$0.01	\$0.01
14	Company Surplus Weighting	82.00%	10.00%	82.00%	10.00%	82.00%	10.00%	82.00%	10.00%	82.00%	10.00%	82.00%	10.00%	17.00%
15	Portion of Weighted Average Capacity Rate Allocated to Environmental Piped O&M Costs	\$1.30	\$0.00	\$1.30	\$0.00	\$1.30	\$0.00	\$1.30	\$0.00	\$1.30	\$0.00	\$1.30	\$0.00	\$0.00
16	Kentucky Power Capacity Deficit (f/w)	382,800	382,800	382,800	382,800	382,800	382,800	382,800	382,800	382,800	382,800	382,800	382,800	387,400
17	Filed O&M Environmental Cost to Kentucky Power	\$471,640	\$0	\$471,640	\$0	\$471,640	\$0	\$471,640	\$0	\$475,288	\$0	\$475,288	\$0	(\$3,628)

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

REVISED - September 10, 2009

ES FORM 3.14  
 Page 5 of 11

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

For the Expense Month of February 2009

LINE NO.	COST	REVISED AMOUNTS	FILED AMOUNTS	DIFFERENCE
1	Utility Plant at Original Cost	\$258,204,701	\$258,204,701	\$0
2	Member Primary Capacity Investment Rate (16.44% / 12)	1.37%	1.37%	1.37%
3	Total Rate Base	\$3,537,404	\$3,537,404	\$0
4	Operations :			
5	Sludge Disposal (5010000)	\$629,185	\$629,185	\$0
6	Lime (5020001)	\$2,718,000	\$2,718,000	\$0
7	Urea (5020002)	\$1,080,754	\$1,080,754	\$0
8	Trona (5020003)	\$331,222	\$331,222	\$0
9	Lime Stone (5020004)	\$0	\$0	\$0
10	Air Emission Fee	\$31,338	\$31,338	\$0
11	Lease (5070005)	\$5,296,630	\$5,296,630	\$0
12	Total Operations (Lines 4 thru 10)	\$10,087,129	\$10,087,129	\$0
13	Maintenance :			
14	SCR Maintenance (5120000)	\$16,674	\$16,674	\$0
15	Scrubber Maintenance (5120000)	\$512,603	\$644,220	(\$131,617)
16	Total Maintenance (12) + (13)	\$529,277	\$660,894	(\$131,617)
17	1/2 of Maintenance (13) * 50%	\$264,639	\$330,447	(\$65,809)
18	Fixed O&M (11) + (15)	\$10,351,768	\$10,417,576	(\$65,809)
19	Total Revenue Requirement,			
20	Cost Associated with Gavin Plant (3) + (16)	\$13,889,172	\$13,954,980	(\$65,809)
21	Ohio Power Company's Percentage Ownership	100.00%	100.00%	100.00%
22	OPCo's Share of Cost Associated with Gavin Plant (17) X (18)	\$13,889,172	\$13,954,980	(\$65,809)
23	Ohio Power Company Steam Capacity (kw)	8,425,000	8,425,000	8,425,000
24	Gavin Plant (\$/kw)	\$1.65	\$1.66	(\$0.01)
25	Ohio Power Surplus Weighting	82.00%	82.00%	82.00%
26	Portion of Weighted Average Capacity Rate	\$1.35	\$1.36	(\$0.01)
27	Attributed to Gavin Plant (\$/kw) (21) X (22)	\$1.35	\$1.36	(\$0.01)
28	Gavin Plant Costs to Kentucky Power :			
29	Gavin Plant Portion (\$/kw) (23)	\$62,800	\$62,800	\$62,800
30	Kentucky Power Capacity Deficit (kw)			
31	Gavin Plant Environmental Cost to Kentucky Power (24) * (25)	\$489,780	\$493,406	(\$3,628)
32	(ES FORM 3.14, Page 1 of 10, Line 3)			

REVISED - September 10, 2009

ES FORM 1.00

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT  
 CALCULATION OF E(m) and SURCHARGE FACTOR  
 For the Expense Month of March 2009

<u>CALCULATION OF E(m)</u>		REVISED	FILED	
E(m) = CRR - BRR		AMOUNT	AMOUNT	DIFFERENCE
LINE 1	CRR from ES FORM 3.00	\$3,637,737	\$3,608,706	\$29,031
LINE 2	Brr from ES FORM 1.10	\$2,845,066	\$2,845,066	0
LINE 3	E(m) (LINE 1 - LINE 2)	\$792,671	\$763,640	\$29,031
LINE 4	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	75.9%	75.9%	75.9%
LINE 5	KY Retail E(m) (LINE 3 * LINE 4)	\$601,638	\$579,603	\$22,035
LINE 6	Over/(Under) Recovery Adjustment from ES FORM 3.30	\$213,345	\$213,345	\$0
LINE 7	Net KY Retail E(m) (LINE 5 + LINE 6)	\$814,983	\$792,948	\$22,035
<u>SURCHARGE FACTOR</u>				
LINE 8	Net KY Retail E(m) (Line 7)	\$814,983	\$792,948	\$22,035
LINE 9	KY Retail R(m) from ES FORM 3.30	\$42,934,424	\$42,934,424	
LINE 10	Environmental Surcharge Factor for Expense Month (Line 8 / LINE 9)	1.8982%	1.8469%	

Effective Date for Billing: \_\_\_\_\_

Submitted By : \_\_\_\_\_

Title : Director Regulatory Services

Date Submitted : \_\_\_\_\_

REVISED - September 10, 2009

ES FORM 3.00

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT  
 CURRENT PERIOD REVENUE REQUIREMENT  
 For the Expense Month of March 2009

CALCULATION OF CURRENT PERIOD REVENUE REQUIREMENT

LINE NO.	COMPONENTS	REVISED AMOUNT	REVISED AMOUNT	FILED AMOUNT	FILED AMOUNT	DIFFERENCE	DIFFERENCE
1	First Component: Associated with Big Sandy Plant (RB KP(C)) (ROR KP(C)/12) + OE KP(C) ES FORM 3.10, Line 20	\$3,626,911		\$3,597,880		\$29,031	
2	Second Component: Associated with Rockport Plant ((RB IM(C)) (ROR IM(C)/12)) + OE IM(C) ES FORM 3.20, Line 12	\$49,473		\$49,473		\$0	
	Third Component: Net Proceeds from Emission Allowances Sales AS		\$0		\$0		
	1) SO2 - EPA Auction Proceeds received during Expense Month		\$38,647	\$38,647		\$0	
	2) SO2 - Net Gain or (Loss) from Allowance Sales, in compliance with the AEP Interim Allowance Agreement, received during Expense Month		\$38,647	\$38,647		\$0	
	Total Net Proceeds from SO2 Allowances		\$0	\$0		\$0	
	1) NOx - ERC Sales Proceeds, received during Expense Month		\$0	\$0		\$0	
	2) NOx - EPA Auction Proceeds, received during Expense Month		\$0	\$0		\$0	
	3) NOx - Net Gain or Loss from NOx Allowances Sales, received during Expense Month		\$0	\$0		\$0	
	Total Net Proceeds from NOx Allowances		\$0	\$0		\$0	
3	Total Net Gain or (Loss) from Emission Allowance Sales	\$38,647		\$38,647		\$0	
4	Total Current Period Revenue Requirement, CRR Record on ES FORM 1.00.	\$3,637,737		\$3,608,706		\$29,031	

ES FORM 3.10

REVISED - September 10, 2009

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

For the Expense Month of March 2009

LINE NO.	COST COMPONENT	REVISED AMOUNT	FILED AMOUNT	FILED AMOUNT	DIFFERENCE	DIFFERENCE
1	Utility Plant at Original Cost	\$191,230,568	\$191,230,568			
2	Less Accumulated Depreciation	(\$47,919,253)	(\$47,919,253)			\$0
3	Less Accum. Del. Income Taxes	(\$39,741,977)	(\$39,741,977)			\$0
4	Net Utility Plant	\$103,569,338	\$103,569,338			\$0
5	SO2 Emission Allowance Inventory from ES FORM 3.11	\$8,162,697	\$8,162,697			\$0
6	ECR & NOx Emission Allowance Inventory from ES FORM 3.12	\$129,991	\$129,991			\$0
7	Cash Working Capital Allowance from ES FORM 3.13, Line 12	\$111,862,026	\$111,862,026			\$3,625
8	Total Rate Base			10.24%	10.24%	\$3,625
9	Weighted Average Cost of Capital - ES FORM 3.15	0.85%	0.85%			0.85%
10	Monthly Weighted Avg. Cost of Capital (9) / 12	\$950,796	\$950,796			\$31
11	Monthly Return of Rate Base (8) * (10)					
12	Operating Expenses :					
13	Monthly Depreciation Expense	\$576,947	\$576,947			\$0
14	Monthly Catalyst Amortization Expense	\$46,030	\$46,030			\$0
15	Monthly Property Taxes	\$13,853	\$13,853			\$0
16	Monthly Kentucky Air Emissions Fee	\$32,461	\$32,461			\$0
17	Monthly Environmental AEP Pool Capacity Costs from ES FORM 3.14, Page 1 of 11, Column 5, Line 10	\$1,565,124	\$1,565,124			\$0
18	Monthly 2003 Plan Non-Fuel O&M Expenses from ES FORM 3.13	\$325,012	\$325,012			\$29,000
19	Monthly SO2 Emission Allowance Consumption	\$116,657	\$116,657			\$0
20	Monthly ERC & NOx Emission Allowance Consumption	\$0	\$0			\$0
21	Total Operating Expenses [Line 12 thru Line 18]	\$2,676,084	\$2,676,084			\$29,000
22	Total Revenue Requirement - Big Sandy	\$3,626,911	\$3,626,911			\$29,081
23	Record on ES FORM 3.00, Line 1					

REVISED - September 10, 2009

ES FORM 3.13

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT  
 CURRENT PERIOD REVENUE REQUIREMENT

For the Expense Month of March 2009

LINE NO.	O&M Expenses	REVISED AMOUNT	REVISED AMOUNT	FILED AMOUNT	FILED AMOUNT	DIFFERENCE
1	<b>1997 Plan :</b> Monthly Kentucky Air Emissions Fee	\$32,461		\$32,461		
2	Total Monthly AEP Pool	\$565,796		\$565,796		
3	Environmental Capacity Costs	<u>\$116,657</u>		<u>\$116,657</u>		
4	Monthly SO2 Allowance Consumption		\$714,914		\$714,914	\$0
	Total 1997 Plan O&M Expenses					
5	<b>2003 Plan :</b> Monthly Variable Cladding at Big Sandy Unit 1	\$0		\$0		
6	Monthly Urea Consumption at Big Sandy Unit 2	\$303,945		\$303,945		
7	Monthly Catalyst Replacement at Big Sandy Unit 2	\$0		\$0		
8	Monthly ERC & NOx Allowance Consumption	\$0		\$0		
9	Equipment - Associated Operating Expenses	\$517		\$517		
10	Equipment - Associated Maintenance Expenses	<u>\$20,550</u>		<u>\$20,550</u>		
11	Total 2003 Plan O&M Expenses		\$325,012		\$325,012	\$29,000
12	Total Monthly O&M Expenses		<u>\$1,039,926</u>		<u>\$1,010,926</u>	\$29,000
13	Cash Working Capital Allowance ( Line 12 X 1/8 )		\$128,991		\$126,366	\$3,625

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

REVISED - September 10, 2009

Kentucky Power Company  
 Environmental Equipment Operation and Maintenance Costs  
 March 2009

Work Description	REVISED AMOUNT			FILED AMOUNT			DIFFERENCE					
	Material Costs	Outside Contract Labor	Misc Other Costs	Total Costs	Material Costs	Outside Contract Labor	Misc Other Costs	Total Costs	Material Costs	Outside Contract Labor	Misc Other Costs	Total Costs
Ammonia Injection System	\$13,081.79	\$2,702.25	\$0.00	\$15,784.04	\$13,081.79	(\$26,297.75)	\$0.00	(\$13,215.96)	\$0.00	\$29,000.00	\$0.00	\$29,000.00
Boiler Acoustic Horns	\$1,540.00	\$0.00	\$0.00	\$1,540.00	\$1,540.00	\$0.00	\$0.00	\$1,540.00	\$0.00	\$0.00	\$0.00	\$0.00
SCR Acoustic Horns	\$2,000.00	\$0.00	\$0.00	\$2,000.00	\$2,000.00	\$0.00	\$0.00	\$2,000.00	\$0.00	\$0.00	\$0.00	\$0.00
SCR Boiler Outlet Ductwork	\$4,098.50	\$0.00	\$0.00	\$4,098.50	\$4,098.50	\$0.00	\$0.00	\$4,098.50	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total SCR March 2009 O &amp; M Expense</b>	<b>\$20,720.29</b>	<b>\$2,702.25</b>	<b>\$0.00</b>	<b>\$23,422.54</b>	<b>\$20,720.29</b>	<b>(\$26,297.75)</b>	<b>\$0.00</b>	<b>(\$5,577.46)</b>	<b>\$0.00</b>	<b>\$29,000.00</b>	<b>\$0.00</b>	<b>\$29,000.00</b>
Additional Operator Overtime During The Ozone Season	\$0.00	\$0.00	\$517.00	\$517.00	\$0.00	\$0.00	\$517.00	\$517.00	\$0.00	\$0.00	\$0.00	\$0.00
Emission Testing Required Under Permit - Operation Maintenance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	(\$2,872.26)	\$0.00	\$0.00	(\$2,872.26)	(\$2,872.26)	\$0.00	\$0.00	(\$2,872.26)	\$0.00	\$0.00	\$0.00	\$0.00
<b>March 2009 O &amp; M Expenses Filed</b>			<b>\$21,057</b>					<b>(\$7,933)</b>				<b>\$29,000</b>

REVISED - September 10, 2009

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

For the Expense Month of March 2009

Line No.	Cost Component	REVISED AMOUNTS		FILED AMOUNTS		DIFFERENCE	
		(3)	(4)	(6)	(7)	(8)	(10)
1	Amos Unit No. 3 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 3 of 11, Line 24)	\$51,436		\$51,436		\$0	
2	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 4 of 11, Line 22)	\$227,788		\$227,788		\$0	
3	Gavia Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 5 of 11, Line 26)	\$598,862		\$598,862		\$0	
4	Kanawha Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 20)	\$3,674		\$3,674		\$0	
5	Michael Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 7 of 11, Line 23)	\$595,188		\$595,188		\$0	
6	Muskingum Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 8 of 11, Line 20)	\$58,784		\$58,784		\$0	
7	Spartan Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 9 of 11, Line 20)	\$7,348		\$7,348		\$0	
8	Roadport Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 10 of 11, Column 5, Line 21)		\$3,674		\$3,674		\$0
9	Tenners Creek Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 11 of 11, Line 20)		\$18,370		\$18,370		\$0
10	Total AEP Pool Monthly Environmental Capacity Costs to Kentucky Power	\$1,543,080	\$22,044	\$1,543,080	\$22,044	\$0	\$0

Note: Cost in Column 6, Line 10 is to be recorded on ES FORM 3.10, Line 16.



REVISED - September 10, 2009

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

For the Expense Month of March 2009

Line No. (1)	Cost Component (2)	REVISED AMOUNTS (3)		FILED AMOUNTS (7)		DIFFERENCE (10)		Total (11)
		Ohio Power Company's Environmental Cost to KPCo (3)	Michigan Power Company's Environmental Cost to KPCo (4)	Ohio Power Company's Environmental Cost to KPCo (6)	Michigan Power Company's Environmental Cost to KPCo (7)	Ohio Power Company's Environmental Cost to KPCo (9)	Michigan Power Company's Environmental Cost to KPCo (10)	
1	Across Unit No. 3 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 3 of 11, Line 16)	\$152,776		\$152,776		\$0		\$0
2	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 4 of 11, Line 12)	\$978,851		\$978,851		\$0		\$0
3	Gavin Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 18)	\$13,107,921		\$13,215,281		(\$17,660)		(\$17,660)
4	Kammer Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 18)	\$18,534		\$18,534		\$0		\$0
5	Michell Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 7 of 11, Line 13)	\$1,278,302		\$1,278,302		\$0		\$0
6	Mudlum Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 18)	\$169,809		\$189,899		\$0		\$0
7	Strom Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 9 of 11, Line 16)	\$6,880		\$6,880		\$0		\$0
8	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Column 3, Line 10)		\$15,825		\$15,825		\$0	\$0
9	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Columns 4 & 5, Line 10)		\$0		\$0		\$0	\$0
10	Tennays Creek Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 11 of 11, Line 10)	\$15,802,863	\$31,250	\$15,820,623	\$31,250	(\$17,660)	\$0	\$0
11	Subtotal	\$15,802,863	\$31,250	\$15,820,623	\$31,250	(\$17,660)	\$0	\$0
12	Steam Capacity By Company - OPCo (Column 3) / I&M (Column 4) (row)	\$425,000	\$1,407,000	\$425,000	\$1,407,000		\$5,107,000	\$5,107,000
13	Environmental Base (\$/kw)	\$1.88	\$0.01	\$1.88	\$0.01			
14	Company Surplus Weighting	82.00%	17.00%	82.00%	17.00%			17.00%
15	Portion of Weighted Average Capacity Rate Allocated to Environmental Fixed O&M Costs	\$1.54	\$0.00	\$1.54	\$0.00			
16	Kentucky Power Capacity Deficit (row)	367,400	367,400	367,400	367,400			367,400
17	Fixed O&M Environmental Cost to Kentucky Power	\$565,768	\$0	\$565,768	\$0			\$0
				\$565,768	\$0			\$565,768

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

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 ES FORM 3.14  
 Page 5 of 11

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

For the Expense Month of March 2009

LINE NO.	COST	REVISED AMOUNTS	FILED AMOUNTS	DIFFERENCE
1	Utility Plant at Original Cost	\$258,204,701	\$258,204,701	\$0
2	Member Primary Capacity Investment Rate (16.44% / 12)	1.37%	1.37%	1.37%
3	Total Rate Base	\$3,537,404	\$3,537,404	\$0
4	Operations :			
5	Sludge Disposal (5010000)	\$687,193	\$687,193	\$0
6	Lime (5020001)	\$3,056,236	\$3,056,236	\$0
7	Urea (5020002)	\$1,129,513	\$1,129,513	\$0
8	Trona (5020003)	\$765,824	\$765,824	\$0
9	Lime Stone (5020004)	\$0	\$0	\$0
10	Air Emission Fee	\$31,338	\$31,338	\$0
11	Lease (5070005)	\$7,236,179	\$7,236,179	\$0
12	Total Operations (Lines 4 thru 10)	\$12,906,283	\$12,906,283	\$0
13	Maintenance :			
14	SCR Maintenance (5120000)	\$78,381	\$78,381	\$0
15	Scrubber Maintenance (5120000)	\$504,295	\$539,614	(\$35,319)
16	Total Maintenance (12) + (13)	\$582,676	\$617,995	(\$35,319)
17	1/2 of Maintenance (13) * 50%	\$291,338	\$308,998	(\$17,660)
18	Fixed O&M (11) + (15)	\$13,197,621	\$13,215,281	(\$17,660)
19	Total Revenue Requirement,			
20	Cost Associated with Gavin Plant (3) + (16)	\$16,735,025	\$16,752,685	(\$17,660)
21	Ohio Power Company's Percentage Ownership	100.00%	100.00%	100.00%
22	OPCo's Share of Cost Associated with Gavin Plant (17) X (18)	\$16,735,025	\$16,752,685	(\$17,660)
23	Ohio Power Company Steam Capacity (kw)	8,425,000	8,425,000	8,425,000
24	Gavin Plant (\$/kw)	\$1.99	\$1.99	\$0.00
25	Ohio Power Surplus Weighting	82.00%	82.00%	82.00%
26	Portion of Weighted Average Capacity Rate	\$1.63	\$1.63	\$0.00
27	Attributed to Gavin Plant (\$/kw) (21) X (22)	\$1.63	\$1.63	\$0.00
28	Gavin Plant Costs to Kentucky Power :			
29	Gavin Plant Portion (\$/kw) (23)	\$67,400	\$67,400	\$0.00
30	Kentucky Power Capacity Deficit (kw)			
31	Gavin Plant Environmental Cost to Kentucky Power (24) * (25)	\$598,862	\$598,862	\$0
32	(ES FORM 3.14, Page 1 of 10, Line 3)			

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ES FORM 1.00

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT  
 CALCULATION OF E(m) and SURCHARGE FACTOR  
 For the Expense Month of April 2009

<u>CALCULATION OF E(m)</u>		REVISED AMOUNT	FILED AMOUNT	DIFFERENCE
E(m) = CRR - BRR				
LINE 1	CRR from ES FORM 3.00	\$3,634,108	\$3,645,136	(\$11,028)
LINE 2	Brr from ES FORM 1.10	2,095,535	2,095,535	0
LINE 3	E(m) (LINE 1 - LINE 2)	\$1,538,573	\$1,549,601	(\$11,028)
LINE 4	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	73.5%	73.5%	73.5%
LINE 5	KY Retail E(m) (LINE 3 + LINE 4)	\$1,130,852	\$1,138,957	(\$8,105)
LINE 5A	Environmental Surcharge Clause Adjustment per Order in Case No. 2009 - 00038 dated May 14, 2009	\$5,156	\$5,156	\$0
LINE 6	Over/(Under) Recovery Adjustment from ES FORM 3.30	\$238,310	\$238,310	\$0
LINE 7	Net KY Retail E(m) (LINE 5 + LINE 6)	\$1,374,318	\$1,382,423	(\$8,105)
<u>SURCHARGE FACTOR</u>				
LINE 8	Net KY Retail E(m) (Line 7)	\$1,374,318	\$1,382,423	(\$8,105)
LINE 9	KY Retail R(m) from ES FORM 3.30	\$39,718,015	\$39,718,015	
LINE 10	Environmental Surcharge Factor for Expense Month (Line 8 / LINE 9)	3.4602%	3.4806%	

Effective Date for Billing: \_\_\_\_\_

Submitted By : \_\_\_\_\_

Title : Director Regulatory Services

Date Submitted : \_\_\_\_\_

REVISED - September 10, 2009

ES FORM 3.00

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT  
 CURRENT PERIOD REVENUE REQUIREMENT  
 For the Expense Month of April 2009

CALCULATION OF CURRENT PERIOD REVENUE REQUIREMENT

LINE NO.	COMPONENTS	REVISED AMOUNT	FILED AMOUNT	FILED AMOUNT	DIFFERENCE	DIFFERENCE
1	First Component: Associated with Big Sandy Plant ((RB KP(C)) (ROR KP(C)/12)) + OE KP(C) ES FORM 3.10, Line 20	\$3,581,626		\$3,592,654		(\$11,028)
2	Second Component: Associated with Rockport Plant (((RB IM(C)) (ROR IM(C)/12)) + OE IM(C)) ES FORM 3.20, Line 12	\$52,482		\$52,482		\$0
	Third Component: Net Proceeds from Emission Allowances Sales AS					
	1) SO2 - EPA Auction Proceeds received during Expense Month	\$0	\$0	\$0	\$0	\$0
	2) SO2 - Net Gain or (Loss) from Allowance Sales, in compliance with the AEP Interim Allowance Agreement, received during Expense Month	\$0	\$0	\$0	\$0	\$0
	Total Net Proceeds from SO2 Allowances	\$0	\$0	\$0	\$0	\$0
	1) NOx - ERC Sales Proceeds, received during Expense Month	\$0	\$0	\$0	\$0	\$0
	2) NOx - EPA Auction Proceeds, received during Expense Month	\$0	\$0	\$0	\$0	\$0
	3) NOx - Net Gain or Loss from NOx Allowances Sales, received during Expense Month	\$0	\$0	\$0	\$0	\$0
	Total Net Proceeds from NOx Allowances	\$0	\$0	\$0	\$0	\$0
3	Total Net Gain or (Loss) from Emission Allowance Sales	\$0		\$0		\$0
4	Total Current Period Revenue Requirement, CRR Record on ES FORM 1.00.	\$3,634,108		\$3,645,136		(\$11,028)

REVISED - September 10, 2009  
 ES FORM 3.10

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

For the Expense Month of April 2009

LINE NO.	COST COMPONENT	REVISED AMOUNT	FILED AMOUNT	DIFFERENCE	FILED AMOUNT	DIFFERENCE
1	Utility Plant at Original Cost	\$191,230,568	\$191,230,568			
2	Less Accumulated Depreciation	(\$48,542,230)	(\$48,542,230)			
3	Less Accum. Def. Income Taxes	(\$40,016,339)	(\$40,016,339)			
4	Net Utility Plant	\$102,671,999	\$102,671,999			
5	SO2 Emission Allowance Inventory from ES FORM 3.11	\$8,040,688	\$8,040,688			
6	ECR & NOx Emission Allowance Inventory from ES FORM 3.12	\$0	\$0			
7	Cash Working Capital Allowance from ES FORM 3.13, Line 12	\$124,952	\$125,870	(\$918)		
8	Total Rate Base	\$110,837,639	\$110,838,557	(\$918)		
9	Weighted Average Cost of Capital - ES FORM 3.15	10.30%	10.30%			
10	Monthly Weighted Avg. Cost of Capital (9) / 12	0.86%	0.86%			
11	Monthly Return of Rate Base (9) * (10)	\$953,204	\$953,212	(\$8)		
12	Operating Expenses :					
13	Monthly Depreciation Expense	\$576,947	\$576,947			
14	Monthly Catalyst Amortization Expense	\$46,030	\$46,030			
15	Monthly Property Taxes	\$13,853	\$13,853			
16	Monthly Kentucky Air Emissions Fee	\$32,461	\$32,461			
17	Monthly Environmental AEP Pool Capacity Costs from ES FORM 3.14, Page 1 of 11, Column 5, Line 10	\$1,484,296	\$1,487,970	(\$3,674)		
18	Monthly 2003 Plan Non-Fuel O&M Expenses from ES FORM 3.13	\$352,826	\$360,172	(\$7,346)		
19	Monthly SO2 Emission Allowance Consumption	\$122,009	\$122,009			
20	Monthly EPC & NOx Emission Allowance Consumption	\$0	\$0			
21	Total Operating Expenses [Line 12 thru Line 18]	\$2,628,422	\$2,639,442	(\$11,020)		
22	Total Revenue Requirement - Big Sandy	\$3,581,626	\$3,592,654	(\$11,028)		

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ES FORM 3.13

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT  
 CURRENT PERIOD REVENUE REQUIREMENT

For the Expense Month of April 2009

LINE NO.	O&M Expenses	REVISED AMOUNT	REVISED AMOUNT	FILED AMOUNT	FILED AMOUNT	DIFFERENCE
1	<b>1997 Plan :</b> Monthly Kentucky Air Emissions Fee	\$32,461		\$32,461		
2	Total Monthly AEP Pool	\$492,316		\$492,316		
3	Environmental Capacity Costs	\$122,009		\$122,009		
4	Monthly SO2 Allowance Consumption		\$646,786		\$646,786	\$0
	Total 1997 Plan O&M Expenses					
5	<b>2003 Plan :</b> Monthly Variable Cladding at Big Sandy Unit 1	\$0		\$0		
6	Monthly Urea Consumption at Big Sandy Unit 2	\$328,597		\$328,597		
7	Monthly Catalyst Replacement at Big Sandy Unit 2	\$0		\$0		
8	Monthly ERC & NOx Allowance Consumption	\$0		\$0		
9	Equipment - Associated Operating Expenses	\$1,098		\$1,098		
10	Equipment - Associated Maintenance Expenses	\$23,132		\$23,132		
11	Total 2003 Plan O&M Expenses		\$352,826		\$352,826	(\$7,346)
12	Total Monthly O&M Expenses		\$999,612		\$1,006,958	(\$7,346)
13	Cash Working Capital Allowance ( Line 12 X 1/8 )		\$124,952		\$125,870	(\$918)

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

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Kentucky Power Company  
 Environmental Equipment Operation and Maintenance Costs  
 April 2009

Work Description	REVISED AMOUNT				FILED AMOUNT				DIFFERENCE			
	Material Costs	Outside Contract Labor	Misc Other Costs	Total Costs	Material Costs	Outside Contract Labor	Misc Other Costs	Total Costs	Material Costs	Outside Contract Labor	Misc Other Costs	Total Costs
Ammonia Injection System	\$2,423.36	\$928.28	\$0.00	\$3,351.64	\$2,423.36	\$8,274.08	\$0.00	\$10,697.44	\$0.00	(\$7,345.80)	\$0.00	(\$7,345.80)
SCR Acoustic Horns	\$920.00	\$0.00	\$0.00	\$920.00	\$920.00	\$0.00	\$0.00	\$920.00	\$0.00	\$0.00	\$0.00	\$0.00
SCR Acoustic Horns	\$569.00	\$0.00	\$0.00	\$569.00	\$569.00	\$0.00	\$0.00	\$569.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total SCR April 2009 O &amp; M Expense</b>	<b>\$3,912.36</b>	<b>\$928.28</b>	<b>\$0.00</b>	<b>\$4,840.64</b>	<b>\$3,912.36</b>	<b>\$8,274.08</b>	<b>\$0.00</b>	<b>\$12,186.44</b>	<b>\$0.00</b>	<b>(\$7,345.80)</b>	<b>\$0.00</b>	<b>(\$7,345.80)</b>
Additional Operator Overtime During The Ozone Season	\$0.00	\$0.00	\$1,097.64	\$1,097.64	\$0.00	\$0.00	\$1,097.64	\$1,097.64	\$0.00	\$0.00	\$0.00	\$0.00
Emission Testing Required Under Permit - Operation Maintenance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	\$8,226.78	\$10,064.42	\$0.00	\$18,291.20	\$8,226.78	\$10,064.42	\$0.00	\$18,291.20	\$0.00	\$0.00	\$0.00	\$0.00
<b>April 2009 O &amp; M Expenses Filed</b>				<b>\$24,229</b>				<b>\$31,575</b>				<b>(\$7,346)</b>

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 ES FORM 3.14  
 Page 1 of 11

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

For the Expense Month of April 2009

Line No. (1)	Cost Component (2)	REVISED AMOUNTS			FILED AMOUNTS			DIFFERENCE		
		Ohio Power Company's Environmental Cost to KPCo (3)	Indiana Michigan Power Company's Environmental Cost to KPCo (4)	Total (5)	Ohio Power Company's Environmental Cost to KPCo (6)	Indiana Michigan Power Company's Environmental Cost to KPCo (7)	Total (8)	Ohio Power Company's Environmental Cost to KPCo (9)	Indiana Michigan Power Company's Environmental Cost to KPCo (10)	Total (11)
1	Amos Unit No. 3 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 3 of 11, Line 24)	\$52,456		\$52,456			\$0			\$0
2	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 4 of 11, Line 22)	\$227,789		\$227,789			\$0			\$0
3	Gavin Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 5 of 11, Line 26)	\$525,382		\$525,382			\$0			\$0
4	Kammer Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 20)	\$3,674		\$3,674			\$0			\$0
5	Mitchell Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 7 of 11, Line 23)	\$576,818		\$576,818			\$0			\$0
6	Muskingum Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 8 of 11, Line 20)	\$58,784		\$58,784			\$0			\$0
7	Sporn Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 9 of 11, Line 20)	\$7,348		\$7,348			\$0			\$0
8	Rockport Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 10 of 11, Column 5, Line 21)		\$3,674			\$3,674		\$0		\$0
9	Tenners Creek Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 11 of 11, Line 20)		\$18,370			\$18,370		\$0		\$0
10	Total AEP Pool Monthly Environmental Capacity Costs to Kentucky Power	\$1,462,262	\$22,044	\$1,484,296	\$1,465,926	\$22,044	\$1,487,970	(\$3,674)	\$0	(\$3,674)

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



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

For the Expense Month of April 2009

Line No. (1)	Cost Component (2)	REVISED AMOUNTS Filed in		FILED AMOUNTS Filed in		DIFFERENCE		Total (11)
		Ohio Power Company's Environmental Cost to KPCo (3)	Michigan Power Company's Environmental Cost to KPCo (4)	Ohio Power Company's Environmental Cost to KPCo (6)	Michigan Power Company's Environmental Cost to KPCo (7)	Ohio Power Company's Environmental Cost to KPCo (8)	Michigan Power Company's Environmental Cost to KPCo (10)	
1	Ames Unit No. 3 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 3 of 11, Line 16)	\$492,107		\$492,107		\$0		
2	Central Unit No. 1 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 4 of 11, Line 12)	\$951,309		\$951,309		\$0		
3	Garvin Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 5 of 11, Line 16)	\$11,152,889		\$11,188,778		(\$15,887)		
4	Kammer Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 10)	\$18,534		\$18,534		\$0		
5	Michoud Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 7 of 11, Line 13)	\$875,084		\$875,084		\$0		
6	Muskingum Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 8 of 11, Line 10)	\$293,081		\$293,081		\$0		
7	Spartan Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 9 of 11, Line 10)	\$20,434		\$20,434		\$0		
8	Rockford Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 10 of 11, Column 3, Line 10)		\$15,625		\$15,625		\$0	
8	Rockford Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 10 of 11, Columns 4 & 5, Line 10)		\$0		\$0		\$0	
10	Tongues Creek Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 11 of 11, Line 10)		\$15,625		\$15,625		\$0	
11	Subtotal	\$13,773,418	\$31,250	\$13,789,305	\$31,250	(\$15,887)	\$0	\$0
12	Slam Capacity By Company - OPCo (Column 3) / I&M (Column 4) (kw)	8,425,000	5,107,000	8,425,000	5,107,000	8,425,000	\$1,107,000	\$0
13	Environmental Base (\$/kw)	\$1.83	\$0.01	\$1.84	\$0.01			
14	Company Surplus Weighting	82.00%	17.00%	82.00%	17.00%	82.00%	17.00%	
15	Portion of Weighted Average Capacity Rate Attributed to Environmental Filed O&M Costs	\$1.34	\$0.00	\$1.34	\$0.00			
16	Kentucky Power Capacity Deficit (kw)	387,400	387,400	387,400	387,400	387,400	387,400	
17	Filed O&M Environmental Cost to Kentucky Power	\$492,318	\$0	\$492,318	\$0	\$492,318	\$0	\$0

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

REVISED - September 10, 2009

ES FORM 3.14  
 Page 5 of 11

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

For the Expense Month of April 2009

LINE NO.	COST	REVISED AMOUNTS	FILED AMOUNTS	DIFFERENCE
1	Utility Plant at Original Cost	\$258,204,701	\$258,204,701	\$0
2	Member Primary Capacity Investment Rate (16.44% / 12)	1.37%	1.37%	1.37%
3	Total Rate Base	\$3,537,404	\$3,537,404	\$0
4	Operations :			
5	Sludge Disposal (5010000)	\$528,834	\$528,834	\$0
6	Lime (5020001)	\$2,145,487	\$2,145,487	\$0
7	Urea (5020002)	\$624,233	\$624,233	\$0
8	Trona (5020003)	\$2,131,507	\$2,131,507	\$0
9	Lime Stone (5020004)	\$0	\$0	\$0
10	Air Emission Fee	\$31,338	\$31,338	\$0
11	Lease (5070005)	\$5,296,630	\$5,296,630	\$0
12	Total Operations (Lines 4 thru 10)	\$10,758,029	\$10,758,029	\$0
13	Maintenance :			
14	SCR Maintenance (5120000)	\$208,290	\$208,290	\$0
15	Scrubber Maintenance (5120000)	\$581,430	\$581,430	(\$31,774)
16	Total Maintenance (12) + (13)	\$789,720	\$821,494	(\$31,774)
17	1/2 of Maintenance (13) * 50%	\$394,860	\$410,747	(\$15,887)
18	Fixed O&M (11) + (15)	\$11,152,889	\$11,168,776	(\$15,887)
19	Total Revenue Requirement,			
20	Cost Associated with Gavin Plant (3) + (16)	\$14,690,293	\$14,706,180	(\$15,887)
21	OPCo's Share of Cost Associated with Gavin Plant (17) X (18)	100.00%	100.00%	100.00%
22	Ohio Power Company Steam Capacity (kw)	\$14,690,293	\$14,706,180	(\$15,887)
23	Gavin Plant (\$/kw)	8,425,000	8,425,000	8,425,000
24	Ohio Power Surplus Weighing	\$1.74	\$1.75	(\$0.01)
25	Portion of Weighted Average Capacity Rate	82.00%	82.00%	82.00%
26	Attributed to Gavin Plant (\$/kw) (21) X (22)	\$1.43	\$1.44	(\$0.01)
27	Gavin Plant Costs to Kentucky Power :			
28	Kentucky Power Capacity Deficit (kw)	\$1.43	\$1.44	(\$0.01)
29	Gavin Plant Environmental Cost to Kentucky Power (24) * (25)	367,400	367,400	367,400
30	(ES FORM 3.14, Page 1 of 10, Line 3)	\$525,362	\$529,056	(\$3,674)

REVISED - September 10, 2009

ES FORM 1.00

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT  
 CALCULATION OF E(m) and SURCHARGE FACTOR  
 For the Expense Month of May 2009

<u>CALCULATION OF E(m)</u>		REVISED AMOUNT	FILED AMOUNT	DIFFERENCE
E(m) = CRR - BRR				
LINE 1	CRR from ES FORM 3.00	\$3,907,864	\$3,908,304	(\$441)
LINE 2	Brr from ES FORM 1.10	1,514,859	1,514,859	0
LINE 3	E(m) (LINE 1 - LINE 2)	\$2,393,005	\$2,393,445	(\$441)
LINE 4	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	75.0%	75.0%	75.0%
LINE 5	KY Retail E(m) (LINE 3 * LINE 4)	\$1,794,754	\$1,795,084	(\$330)
LINE 6	Over/(Under) Recovery Adjustment from ES FORM 3.30	\$185,659	\$185,659	\$0
LINE 7	Net KY Retail E(m) (LINE 5 + LINE 6)	\$1,980,413	\$1,980,743	(\$330)
<u>SURCHARGE FACTOR</u>				
LINE 8	Net KY Retail E(m) (Line 7)	\$1,980,413	\$1,980,743	(\$330)
LINE 9	KY Retail R(m) from ES FORM 3.30	\$35,497,815	\$35,497,815	
LINE 10	Environmental Surcharge Factor for Expense Month (Line 8 / LINE 9)	5.5790%	5.5799%	

Effective Date for Billing: \_\_\_\_\_

Submitted By : \_\_\_\_\_

Title : Director Regulatory Services

Date Submitted : \_\_\_\_\_

REVISED - September 10, 2009

ES FORM 3.00

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT  
 CURRENT PERIOD REVENUE REQUIREMENT  
 For the Expense Month of May 2009

CALCULATION OF CURRENT PERIOD REVENUE REQUIREMENT

LINE NO.	COMPONENTS	REVISED AMOUNT	REVISED AMOUNT	FILED AMOUNT	FILED AMOUNT	DIFFERENCE	DIFFERENCE
1	First Component: Associated with Big Sandy Plant ((RB KP(C)) (ROR KP(C)/12)) + OE KP(C) ES FORM 3.10, Line 20		\$3,857,459		\$3,857,899		(\$441)
2	Second Component: Associated with Rockport Plant (((RB IM(C)) (ROR IM(C)/12)) + OE IM(C)) ES FORM 3.20, Line 12		\$50,492		\$50,492		\$0
	Third Component: Net Proceeds from Emission Allowances Sales AS						
	1) SO <sub>2</sub> - EPA Auction Proceeds received during Expense Month	\$0		\$0		\$0	
	2) SO <sub>2</sub> - Net Gain or (Loss) from Allowance Sales, in compliance with the AEP Interim Allowance Agreement, received during Expense Month	\$87		\$87		\$0	
	Total Net Proceeds from SO <sub>2</sub> Allowances	\$87		\$87		\$0	
	1) NO <sub>x</sub> - ERC Sales Proceeds, received during Expense Month	\$0		\$0		\$0	
	2) NO <sub>x</sub> - EPA Auction Proceeds, received during Expense Month	\$0		\$0		\$0	
	3) NO <sub>x</sub> - Net Gain or Loss from NO <sub>x</sub> Allowances Sales, received during Expense Month	\$0		\$0		\$0	
	Total Net Proceeds from NO <sub>x</sub> Allowances	\$0		\$0		\$0	
3	Total Net Gain or (Loss) from Emission Allowance Sales		\$87		\$87		\$0
4	Total Current Period Revenue Requirement, CRR Record on ES FORM 1.00.		\$3,907,864		\$3,908,304		(\$441)

ES FORM 3.10

REVISED - September 10, 2009

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

For the Expense Month of May 2009

LINE NO.	COST COMPONENT	REVISED AMOUNT	REVISED AMOUNT	FILED AMOUNT	FILED AMOUNT	DIFFERENCE	DIFFERENCE
1	Utility Plant at Original Cost	\$191,230,568				\$0	
2	Less Accumulated Depreciation	(\$49,165,207)				\$0	
3	Less Accum. Def. Income Taxes	(\$40,290,708)				\$0	
4	Net Utility Plant		\$101,774,653			\$0	
5	SO2 Emission Allowance Inventory from ES FORM 3.11		\$7,951,468			\$0	
6	ECR & NOx Emission Allowance Inventory from ES FORM 3.12		\$0			\$0	
7	Cash Working Capital Allowance from ES FORM 3.13, Line 12		\$159,994			\$0	
8	Total Rate Base		\$109,886,115			(\$55)	(\$55)
9	Weighted Average Cost of Capital - ES FORM 3.15						
10	Monthly Weighted Avg. Cost of Capital (9) / 12		10.30%				
11	Monthly Return of Rate Base (8) * (10)		0.86%				0.86%
12	Operating Expenses :		\$945,021			\$0	
13	Monthly Depreciation Expense		\$576,947			\$0	
14	Monthly Catalyst Amortization Expense		\$46,030			\$0	
15	Monthly Property Taxes		\$13,853			\$0	
16	Monthly Kentucky Air Emissions Fee		\$32,461			\$0	
17	Monthly Environmental AEP Pool Capacity Costs		\$1,690,040			\$0	
18	Monthly SO2 Emission Allowance Expenses from ES FORM 3.13		\$463,887			(\$441)	
19	Monthly SO2 Emission Allowance Consumption		\$89,220			\$0	
20	Monthly ERC & NOx Emission Allowance Consumption		\$0			\$0	
21	Total Operating Expenses [Line 12 thru Line 19]		\$2,912,438			\$0	(\$441)
22	Total Revenue Requirement - Big Sandy		\$3,857,459			\$3,857,899	(\$441)

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ES FORM 3.13

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT  
 CURRENT PERIOD REVENUE REQUIREMENT

For the Expense Month of May 2009

LINE NO.	O&M Expenses	REVISED AMOUNT	REVISED AMOUNT	FILED AMOUNT	FILED AMOUNT	DIFFERENCE
	<b>1997 Plan :</b>					
1	Monthly Kentucky Air Emissions Fee	\$32,461		\$32,461		
	Total Monthly AEP Pool					
2	Environmental Capacity Costs	\$694,386		\$694,386		
3	Monthly SO2 Allowance Consumption	\$89,220		\$89,220		
4	Total 1997 Plan O&M Expenses		\$816,067		\$816,067	\$0
	<b>2003 Plan :</b>					
5	Monthly Variable Cladding at Big Sandy Unit 1	\$0		\$0		
6	Monthly Urea Consumption at Big Sandy Unit 2	\$197,898		\$197,898		
7	Monthly Catalyst Replacement at Big Sandy Unit 2	\$0		\$0		
8	Monthly ERC & NOx Allowance Consumption	\$0		\$0		
9	Equipment - Associated Operating Expenses	\$3,380		\$3,380		
10	Equipment - Associated Maintenance Expenses	\$262,609		\$263,049		
11	Total 2003 Plan O&M Expenses		\$463,887		\$464,327	(\$441)
12	Total Monthly O&M Expenses		\$1,279,954		\$1,280,394	(\$441)
13	Cash Working Capital Allowance ( Line 12 X 1/8 )		\$159,994		\$160,049	(\$55)

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

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Kentucky Power Company  
 Environmental Equipment Operation and Maintenance Costs  
 May 2009

Work Description	REVISED AMOUNT				FILED AMOUNT				Difference			
	Material Costs	Outside Contract Labor	Misc Other Costs	Total Costs	Material Costs	Outside Contract Labor	Misc Other Costs	Total Costs	Material Costs	Outside Contract Labor	Misc Other Costs	Total Costs
Ammonia Injection System	\$30,104.44	\$0.00	\$0.00	\$30,104.44	\$30,545.19	\$0.00	\$0.00	\$30,545.19	(\$440.75)	\$0.00	\$0.00	(\$440.75)
SCR Acoustic Horns	\$2,000.00	\$0.00	\$0.00	\$2,000.00	\$2,000.00	\$0.00	\$0.00	\$2,000.00	\$0.00	\$0.00	\$0.00	\$0.00
SCR Boiler Outlet Ductwork	\$227,439.89	\$0.00	\$0.00	\$227,439.89	\$227,439.89	\$0.00	\$0.00	\$227,439.89	\$0.00	\$0.00	\$0.00	\$0.00
SCR Boosler Fan	\$91.48	\$0.00	\$0.00	\$91.48	\$91.48	\$0.00	\$0.00	\$91.48	\$0.00	\$0.00	\$0.00	\$0.00
SCR NDx Monitoring	\$610.75	\$0.00	\$0.00	\$610.75	\$610.75	\$0.00	\$0.00	\$610.75	\$0.00	\$0.00	\$0.00	\$0.00
SCR Reactor	\$300.00	\$0.00	\$0.00	\$300.00	\$300.00	\$0.00	\$0.00	\$300.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total SCR May 2009 O &amp; M Expense</b>	<b>\$280,546.56</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$280,546.56</b>	<b>\$260,987.31</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$260,987.31</b>	<b>(\$440.75)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>(\$440.75)</b>
Additional Operator Overtime During The Ozone Season	\$0.00	\$0.00	\$3,379.98	\$3,379.98	\$0.00	\$0.00	\$3,379.98	\$3,379.98	\$0.00	\$0.00	\$0.00	\$0.00
Emission Testing Required Under Permit - Operation Maintenance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>May 2009 O &amp; M Expenses Filed</b>				<b>\$265,988</b>				<b>\$266,429</b>				<b>(\$441)</b>

REVISED - September 10, 2009

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

For the Expense Month of May 2009

Line No. (1)	Cost Component (2)	REVISED AMOUNTS			FILED AMOUNTS			DIFFERENCE			
		Ohio Power Company's Environmental Cost to KPCo (3)	Michigan Power Company's Environmental Cost to KPCo (4)	Indiana Power Company's Environmental Cost to KPCo (5)	Ohio Power Company's Environmental Cost to KPCo (6)	Michigan Power Company's Environmental Cost to KPCo (7)	Indiana Power Company's Environmental Cost to KPCo (8)	Ohio Power Company's Environmental Cost to KPCo (9)	Michigan Power Company's Environmental Cost to KPCo (10)	Total (11)	
1	Amos Unit No. 3 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 3 of 11, Line 24)	\$55,110			\$55,110			\$0			
2	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 4 of 11, Line 22)	\$202,070			\$202,070			\$0			
3	Gavin Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 5 of 11, Line 26)	\$778,888			\$778,888			\$0			
4	Kammer Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 20)	\$3,674			\$3,674			\$0			
5	Milcheal Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 7 of 11, Line 23)	\$565,786			\$565,796			\$0			
6	Muskingum Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 8 of 11, Line 20)	\$55,110			\$55,110			\$0			
7	Sporn Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 9 of 11, Line 20)	\$7,346			\$7,346			\$0			
8	Rockport Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 10 of 11, Column 5, Line 21)		\$3,674			\$3,674			\$0		
9	Tanners Creek Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 11 of 11, Line 20)		\$18,370			\$18,370			\$0		
10	Total AEP Pool Monthly Environmental Capacity Costs to Kentucky Power	\$1,667,996	\$22,044	\$1,690,040	\$1,667,996	\$22,044	\$1,690,040	\$0	\$0	\$0	\$0

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



ES FORM 3.14  
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KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT  
 CURRENT PERIOD REVIEW REQUIREMENT  
 AEP FOGL MONTHLY ENVIRONMENTAL CAPACITY COSTS  
 WORKING CAPITAL ONLY

For the Expense Month of May 2009

Line No. (1)	Cost Component (2)	REVISED AMOUNTS			FILED AMOUNTS			DIFFERENCE			
		Ohio Power Company's (OPCo) Environmental Cost to KPCCo (3)	Michigan Power Company's (I&M) Environmental Cost to KPCCo (4)	Indiana Power Company's (I&M) Environmental Cost to KPCCo (5)	Ohio Power Company's (OPCo) Environmental Cost to KPCCo (6)	Michigan Power Company's (I&M) Environmental Cost to KPCCo (7)	Indiana Power Company's (I&M) Environmental Cost to KPCCo (8)	Ohio Power Company's (OPCo) Environmental Cost to KPCCo (9)	Michigan Power Company's (I&M) Environmental Cost to KPCCo (10)	Total (11)	
1	Ames Unit No. 3 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 3 of 11, Line 18)	\$276,823			\$276,823			\$0			\$0
2	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 4 of 11, Line 12)	\$288,185			\$288,185			\$0			\$0
3	Gavin Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 5 of 11, Line 18)	\$18,210,365			\$18,210,365			(\$28,780)			(\$28,780)
4	Kammer Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 10)	\$18,534			\$18,534			\$0			\$0
5	Michell Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 7 of 11, Line 13)	\$535,424			\$535,424			\$0			\$0
6	Muskegon Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 8 of 11, Line 10)	\$43,223			\$43,223			\$0			\$0
7	Sporn Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 9 of 11, Line 10)	(\$5,461)			(\$5,461)			\$0			\$0
8	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Column 3, Line 10)			\$15,825					\$15,825		\$0
8	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Columns 4 & 5, Line 10)			\$0					\$0		\$0
10	Tanners Creek Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 11 of 11, Line 10)	\$18,378,173			\$18,378,173			(\$26,780)			(\$26,780)
11	Subtotal	\$495,000			\$495,000			8,425,000			8,425,000
12	Steam Capacity By Company - OPCCo (Column 3) / I&M (Column 4) (row)	\$2.30			\$2.30			\$0.01			\$0.01
13	Environmental Base (\$/kw)	82.00%			82.00%			82.00%			82.00%
14	Company Surplus/Weighting	\$1.89			\$1.89			\$0.00			\$0.00
15	Portion of Weighted Average Capacity Rate Attributed to Environmental Fixed O&M Costs	387,400			387,400			387,400			387,400
16	Kentucky Power Capacity Deficit (kw)	\$694,389			\$694,389			\$0			\$0
17	Fixed O&M Environmental Cost to Kentucky Power							\$804,389			\$804,389
											\$0

Note: Cost in Column 6, Line 17 is to be recorded on ES FORM 3.13, Line 2.

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

For the Expense Month of May 2009

LINE NO.	COST	REVISED AMOUNTS	FILED AMOUNTS	DIFFERENCE
1	Utility Plant at Original Cost	\$258,204,701	\$258,204,701	\$0
2	Member Primary Capacity Investment Rate (16.44% / 12)	1.37%	1.37%	1.37%
3	Total Rate Base	\$3,537,404	\$3,537,404	\$0
	Operations :			
4	Sludge Disposal (5010000)	\$609,852	\$609,852	\$0
5	Lime (5020001)	\$1,679,938	\$1,679,938	\$0
6	Urea (5020002)	\$487,139	\$487,139	\$0
7	Trona (5020003)	\$121,766	\$121,766	\$0
8	Lime Stone (5020004)	\$0	\$0	\$0
9	Air Emission Fee	\$31,338	\$31,338	\$0
10	Lease (5070005)	\$14,963,296	\$14,963,296	\$0
11	Total Operations (Lines 4 thru 10)	\$17,893,318	\$17,893,318	\$0
	Maintenance :			
12	SCR Maintenance (5120000)	\$142,645	\$142,645	\$0
13	Scrubber Maintenance (5120000)	\$491,449	\$545,028	(\$53,579)
14	Total Maintenance (12) + (13)	\$634,094	\$687,673	(\$53,579)
15	1/2 of Maintenance (13) * 50%	\$317,047	\$343,837	(\$26,790)
16	Fixed O&M (11) + (15)	\$18,210,365	\$18,237,155	(\$26,790)
	Total Revenue Requirement,			
17	Cost Associated with Gavin Plant (3) + (16)	\$21,747,769	\$21,774,559	(\$26,790)
18	Ohio Power Company's Percentage Ownership	100.00%	100.00%	100.00%
19	OPCo's Share of Cost Associated with Gavin Plant (17) X (18)	\$21,747,769	\$21,774,559	(\$26,790)
20	Ohio Power Company Steam Capacity (kw)	8,425,000	8,425,000	8,425,000
21	Gavin Plant (\$/kw)	\$2.58	\$2.58	\$0.00
22	Ohio Power Surplus Weighting	82.00%	82.00%	82.00%
23	Portion of Weighted Average Capacity Rate			
	Attributed to Gavin Plant (\$/kw) (21) X (22)	\$2.12	\$2.12	\$0.00
24	Gavin Plant Costs to Kentucky Power :			
25	Gavin Plant Portion (\$/kw) (23)	\$2.12	\$2.12	\$0.00
	Kentucky Power Capacity Deficit (kw)	367,400	367,400	367,400
26	Gavin Plant Environmental Cost to Kentucky Power (24) * (25) (ES FORM 3.14, Page 1 of 10, Line 3)	\$778,888	\$778,888	\$0

REVISED - September 10, 2009

ES FORM 1.00

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT  
 CALCULATION OF E(m) and SURCHARGE FACTOR  
 For the Expense Month of June 2009

<u>CALCULATION OF E(m)</u>		REVISED AMOUNT	FILED AMOUNT	DIFFERENCE
E(m) = CRR - BRR				
LINE 1	CRR from ES FORM 3.00	\$3,612,899	\$3,612,903	(\$4)
LINE 2	Brr from ES FORM 1.10	1,913,578	1,913,578	0
LINE 3	E(m) (LINE 1 - LINE 2)	\$1,699,321	\$1,699,325	(\$4)
LINE 4	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	75.0%	75.0%	75.0%
LINE 5	KY Retail E(m) (LINE 3 * LINE 4)	\$1,274,491	\$1,274,494	(\$3)
LINE 6	Over/(Under) Recovery Adjustment from ES FORM 3.30	(\$7,124)	(\$7,124)	\$0
LINE 7	Net KY Retail E(m) (LINE 5 + LINE 6)	\$1,267,367	\$1,267,370	(\$3)
<u>SURCHARGE FACTOR</u>				
LINE 8	Net KY Retail E(m) (Line 7)	\$1,267,367	\$1,267,370	(\$3)
LINE 9	KY Retail R(m) from ES FORM 3.30	\$38,199,156	\$38,199,156	
LINE 10	Environmental Surcharge Factor for Expense Month (Line 8 / LINE 9)	3.3178%	3.3178%	

Effective Date for Billing: \_\_\_\_\_

Submitted By : \_\_\_\_\_

Title : Director Regulatory Services

Date Submitted : \_\_\_\_\_

REVISED - September 10, 2009

ES FORM 3.00

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT  
 CURRENT PERIOD REVENUE REQUIREMENT  
 For the Expense Month of June 2009

CALCULATION OF CURRENT PERIOD REVENUE REQUIREMENT

LINE NO.	COMPONENTS	REVISED AMOUNT	REVISED AMOUNT	FILED AMOUNT	FILED AMOUNT	DIFFERENCE	DIFFERENCE
1	First Component: Associated with Big Sandy Plant ((RB KP(C)) (ROR KP(C)/12)) + OE KP(C) ES FORM 3.10, Line 20	\$3,561,011	\$3,561,011		\$3,561,015		(\$4)
2	Second Component: Associated with Rockport Plant I((RB IM(C)) (ROR IM(C)/12)) + OE IM(C) ES FORM 3.20, Line 12	\$51,784	\$51,784		\$51,784		\$0
	Third Component: Net Proceeds from Emission Allowances Sales AS						
	1) SO2 - EPA Auction Proceeds received during Expense Month	\$0	\$0	\$0	\$0	\$0	\$0
	2) SO2 - Net Gain or (Loss) from Allowance Sales, in compliance with the AEP Interim Allowance Agreement, received during Expense Month	(\$104)	(\$104)	(\$104)	(\$104)	(\$104)	\$0
	Total Net Proceeds from SO2 Allowances	(\$104)	(\$104)	(\$104)	(\$104)	(\$104)	\$0
	1) NOx - ERC Sales Proceeds, received during Expense Month	\$0	\$0	\$0	\$0	\$0	\$0
	2) NOx - EPA Auction Proceeds, received during Expense Month	\$0	\$0	\$0	\$0	\$0	\$0
	3) NOx - Net Gain or Loss from NOx Allowances Sales, received during Expense Month	\$0	\$0	\$0	\$0	\$0	\$0
	Total Net Proceeds from NOx Allowances	\$0	\$0	\$0	\$0	\$0	\$0
3	Total Net Gain or (Loss) from Emission Allowance Sales	(\$104)	(\$104)	(\$104)	(\$104)	(\$104)	\$0
4	Total Current Period Revenue Requirement, CRR Record on ES FORM 1.00.	\$3,612,899	\$3,612,899		\$3,612,903		(\$4)

ES FORM 3.10

REVISED - September 10, 2009

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

For the Expense Month of June 2009

LINE NO.	COST COMPONENT	REVISED AMOUNT	REVISED AMOUNT	FILED AMOUNT	FILED AMOUNT	DIFFERENCE	DIFFERENCE
1	Utility Plant at Original Cost						
2	Return on Rate Base :						
3	Less Accumulated Depreciation	\$191,230,568	\$191,230,568			\$0	
4	Less Accum. Def. Income Taxes	(\$49,788,184)	(\$49,788,184)			\$0	
5	Net Utility Plant	(\$40,565,074)	(\$40,565,074)			\$0	
6	SO <sub>2</sub> Emission Allowance Inventory from ES FORM 3.11	\$100,877,310	\$100,877,310			\$0	
7	ECR & NOx Emission Allowance Inventory from ES FORM 3.12	\$7,844,970	\$7,844,970			\$0	
8	Cash Working Capital Allowance from ES FORM 3.13, Line 12	\$0	\$0			\$0	
9	Total Rate Base	\$124,515	\$124,515			(\$459)	
10	Weighted Average Cost of Capital - ES FORM 3.15	\$108,846,795	\$108,846,795			(\$459)	
11	Monthly Weighted Avg. Cost of Capital (9) / 12	10.30%	10.30%			10.30%	
12	Monthly Return of Rate Base (8) * (10)	0.86%	0.86%			0.86%	
13	Operating Expenses :	\$936,082	\$936,082			(\$4)	
14	Monthly Depreciation Expense	\$576,947	\$576,947			\$0	
15	Monthly Catalyst Amortization Expense	\$46,030	\$46,030			\$0	
16	Monthly Property Taxes	\$13,853	\$13,853			\$0	
17	Monthly Kentucky Air Emissions Fee	\$32,461	\$32,461			\$0	
18	Monthly Environmental/AEP Pool Capacity Costs from ES FORM 3.14, Page 1 of 11, Column 5, Line 10	\$1,649,626	\$1,649,626			\$0	
19	Monthly 2003 Plan Non-Fuel O&M Expenses from ES FORM 3.13	\$199,514	\$199,514			\$0	
20	Monthly SO <sub>2</sub> Emission Allowance Consumption	\$106,488	\$106,488			\$0	
21	Monthly ERC & NOx Emission Allowance Consumption	\$0	\$0			\$0	
22	Total Operating Expenses [Line 12 thru Line 18]	\$2,624,929	\$2,624,929			\$0	
23	Total Revenue Requirement - Big Sandy	\$3,561,011	\$3,561,011			(\$4)	
24	Record on ES FORM 3.00, Line 1						

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ES FORM 3.13

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT  
 CURRENT PERIOD REVENUE REQUIREMENT

For the Expense Month of June 2009

LINE NO.	O&M Expenses	REVISED AMOUNT	REVISED AMOUNT	FILED AMOUNT	FILED AMOUNT	DIFFERENCE
1	<b>1997 Plan :</b> Monthly Kentucky Air Emissions Fee	\$32,461		\$32,461		
2	Total Monthly AEP Pool					
3	Environmental Capacity Costs	\$657,646		\$661,320		
4	Monthly SO2 Allowance Consumption	\$106,498		\$106,498		
	Total 1997 Plan O&M Expenses		\$796,605		\$800,279	(\$3,674)
5	<b>2003 Plan :</b> Monthly Variable Cladding at Big Sandy Unit 1	\$0		\$0		
6	Monthly Urea Consumption at Big Sandy Unit 2	\$273,224		\$273,224		
7	Monthly Catalyst Replacement at Big Sandy Unit 2	\$0		\$0		
8	Monthly ERC & NOx Allowance Consumption	\$0		\$0		
9	Equipment - Associated Operating Expenses	\$2,927		\$2,927		
10	Equipment - Associated Maintenance Expenses	(\$76,637)		(\$76,637)		
11	Total 2003 Plan O&M Expenses		\$199,514		\$199,514	\$0
12	Total Monthly O&M Expenses		\$996,119		\$999,793	(\$3,674)
13	Cash Working Capital Allowance ( Line 12 X 1/8 )		\$124,515		\$124,974	(\$459)

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

REVISED - September 10, 2009

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

For the Expense Month of June 2009

Line No. (1)	Cost Component (2)	REVISED AMOUNTS			FILED AMOUNTS			DIFFERENCE			
		Ohio Power Company's Environmental Cost to KPCCo (3)	Michigan Power Company's Environmental Cost to KPCCo (4)	Indiana Power Company's Environmental Cost to KPCCo (5)	Ohio Power Company's Environmental Cost to KPCCo (6)	Michigan Power Company's Environmental Cost to KPCCo (7)	Indiana Power Company's Environmental Cost to KPCCo (8)	Ohio Power Company's Environmental Cost to KPCCo (9)	Michigan Power Company's Environmental Cost to KPCCo (10)	Total (11)	
1	Anna's Unit No. 3 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 3 of 11, Line 24)	\$58,784			\$58,784			\$0			\$0
2	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 4 of 11, Line 22)	\$220,440			\$220,440			\$0			\$0
3	Gavin Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 5 of 11, Line 26)	\$694,386			\$694,386			\$0			\$0
4	Kanawha Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 20)	\$3,674			\$3,674			\$0			\$0
5	Michael Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 7 of 11, Line 23)	\$584,166			\$584,166			\$0			\$0
6	Muskingum Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 8 of 11, Line 20)	\$58,784			\$58,784			\$0			\$0
7	Sporn Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 9 of 11, Line 20)	\$7,348			\$7,348			\$0			\$0
8	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Column 5, Line 21)			\$3,674		\$3,674			\$0		\$0
9	Tanners Creek Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 11 of 11, Line 20)			\$18,370		\$18,370			\$0		\$0
10	Total AEP Pool Monthly Environmental Capacity Costs to Kentucky Power	\$1,627,582	\$22,044	\$1,649,626	\$1,627,582	\$22,044	\$1,649,626	\$0	\$0	\$0	\$0

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

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

For the Expense Months of June 2009

Line No. (1)	Cost Component (2)	REVISED AMOUNTS				Total (5)	Ohio Power Company's Environmental Cost to KPCo (6)	Indiana Power Company's Environmental Cost to KPCo (7)	Total (8)	Ohio Power Company's Environmental Cost to KPCo (9)	DIFFERENCE Indiana Power Company's Environmental Cost to KPCo (10)	Total (11)
		Ohio Power Company's Environmental Cost to KPCo (3)	Indiana Power Company's Environmental Cost to KPCo (4)	Ohio Power Company's Environmental Cost to KPCo (6)	Indiana Power Company's Environmental Cost to KPCo (7)							
1	Area Unit No. 2 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 3 of 11, Line 16)	\$419,435				\$419,435						
2	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 4 of 11, Line 12)	\$765,222				\$765,222						
3	Genin Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 5 of 11, Line 16)	\$15,951,043				\$15,951,043						
4	Kammer Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 10)	\$18,512				\$18,512						
5	Michell Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 7 of 11, Line 13)	\$1,088,305				\$1,088,305						
6	Muskogum Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 8 of 11, Line 10)	\$189,259				\$189,259						
7	Sporn Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 9 of 11, Line 10)	(\$4,632)				(\$4,632)						
8	Rockcast Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 10 of 11, Column 3, Line 10)											
9	Rockcast Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 10 of 11, Columns 4 & 5, Line 10)											
10	Tanners Creek Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 11 of 11, Line 10)											
11	Subtotal	\$18,399,327	\$15,625	\$0	\$15,625	\$18,412,041	\$15,625	\$0	\$18,412,041	\$0	\$0	
12	Steam Capacity By Company - OPCo (Column 3) / I&M (Column 4) (row)	8,425,000	\$0.01	\$0.01	\$0.01	8,425,000	8,425,000	5,107,000	8,425,000	5,107,000	5,107,000	
13	Environmental Base (\$/kw)	\$2.18	82.00%	82.00%	82.00%	\$2.18	\$2.18	\$0.01	\$2.18	\$0.01	\$0.01	
14	Company Surplus Weighting	\$1.79	\$0.00	\$0.00	\$0.00	\$1.79	\$1.79	\$0.00	\$1.79	\$0.00	\$0.00	
15	Portion of Weighted Average Capacity Rate Allocated to Environmental Fixed O&M Costs	367,400	367,400	367,400	367,400	367,400	367,400	367,400	367,400	367,400	367,400	
16	Kentucky Power Capacity Deficit (row)	\$957,846	\$0	\$0	\$0	\$957,846	\$957,846	\$0	\$957,846	\$0	\$0	
17	Fixed O&M Environmental Cost to Kentucky Power											

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



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ES FORM 3.14  
 Page 5 of 11

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

For the Expense Month of June 2009

LINE NO.	COST	REVISED AMOUNTS	FILED AMOUNTS	DIFFERENCE
1	Utility Plant at Original Cost	\$256,204,701	\$256,204,701	\$0
2	Member Primary Capacity Investment Rate (16.44% / 12)	1.37%	1.37%	0
3	Total Rate Base	\$3,537,404	\$3,537,404	\$0
4	Operations :			
5	Sludge Disposal (5010000)	\$607,058	\$607,058	\$0
6	Lime (5020001)	\$2,901,041	\$2,901,041	\$0
7	Urea (5020002)	\$618,083	\$618,083	\$0
8	Tirona (5020003)	\$105,032	\$105,032	\$0
9	Lime Stone (5020004)	\$0	\$0	\$0
10	Air Emission Fee	\$31,338	\$31,338	\$0
11	Lease (5070005)	\$11,112,569	\$11,112,569	\$0
	Total Operations (Lines 4 thru 10)	\$15,575,121	\$15,575,121	\$0
	Maintenance :			
12	SCR Maintenance (5120000)	\$40,092	\$40,092	\$0
13	Scrubber Maintenance (5120000)	\$678,523	\$711,752	(\$33,229)
14	Total Maintenance (12) + (13)	\$718,615	\$751,844	(\$33,229)
15	1/2 of Maintenance (13) * 50%	\$359,308	\$375,922	(\$16,615)
16	Fixed O&M (11) + (15)	\$15,934,429	\$15,951,043	(\$16,615)
	Total Revenue Requirement,			
17	Cost Associated with Gavin Plant (3) + (16)	\$19,471,833	\$19,488,447	(\$16,615)
18	Ohio Power Company's Percentage Ownership	100.00%	100.00%	0
19	OPCo's Share of Cost Associated with Gavin Plant (17) X (18)	\$19,471,833	\$19,488,447	(\$16,615)
20	Ohio Power Company Steam Capacity (kw)	8,425,000	8,425,000	0
21	Gavin Plant (\$/kw)	\$2.31	\$2.31	0
22	Ohio Power Surplus Weighting	82.00%	82.00%	0
23	Portion of Weighted Average Capacity Rate Attributed to Gavin Plant (\$/kw) (21) X (22)	\$1.89	\$1.89	0
	Gavin Plant Costs to Kentucky Power :			
24	Gavin Plant Portion (\$/kw) (23)	\$1.89	\$1.89	0
25	Kentucky Power Capacity Deficit (kw)	367,400	367,400	0
	Gavin Plant Environmental Cost to Kentucky Power (24) * (25) (ES FORM 3.14, Page 1 of 10, Line 3)	\$694,386	\$694,386	0