



A unit of American Electric Power

HAND DELIVERED

November 14, 2013

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

RECEIVED

NOV 14 2013

PUBLIC SERVICE
COMMISSION

Attention: Chris Whelan

RE: THE STANDARD FUEL ADJUSTMENT CLAUSE BACKUP FILING

Dear Ms. Whelan:

In compliance with the Commission's Order dated November 25, 1981 in Case No. 8058-A, Kentucky Power is forwarding herewith for the month of September 2013 the required backup information for the fuel adjustment clause applied to customers' bills in the month of November 2013.

Pursuant to the Commission's Order dated October 3, 2002 in Case No. 2000-495-B, the Company began using the peaking unit equivalent approach to calculate the level of non-economy purchased power costs to flow through the fuel adjustment clause in the actual fuel costs. These fuel costs are documented on the attached Power Transaction Schedule.

1. Fuel Inventory Schedule – Coal
2. Fuel Inventory Schedule – Oil
3. Fuel Purchase Schedule – Coal
4. Fuel Purchase Schedule – Oil
5. Power Transaction Schedule
6. Copies of new fuel contracts or price change notices
7. Unit Performance Data

Should you have any questions, please call me at (502) 696-7010.

Sincerely,

Lila P. Munsey
Manager, Regulatory Services

Attachment

bcc: James Sorrels – Columbus
Brian Elswick– Columbus
Deborah Snyder – Columbus
Brian Lysiak – Columbus
John Lowry – Columbus

KENTUCKY POWER COMPANY
 BIG SANDY PLANT
 SEPTEMBER 2013

COAL INVENTORY SCHEDULE

		<u>Tons</u>	<u>Amount</u>	<u>Per Unit</u>
Beginning Inventory		638,867.56	\$50,833,499.91	\$79.5681
Purchases		49,073.78	\$4,166,362.57	\$84.9000
Adjustments	1	0.00	\$0.00	\$0.0000
Sub-Total		687,941.34	\$54,999,862.48	\$79.9485
Less Coal Burned	2	41,983.00	\$3,356,476.92	\$79.9485
Ending Inventory		645,958.34	\$51,643,385.56	\$79.9485

1 Coal Pile Survey Adjustment

2 Includes 0 tons and \$0 of fuel used in power conversion transaction.

**KENTUCKY POWER COMPANY
 BIG SANDY PLANT
 SEPTEMBER 2013**

OIL INVENTORY SCHEDULE

	<u>Gallons</u>		<u>Amount</u>		<u>Per Unit</u>
Beginning Inventory	288,519.90	\$	880,206.38		\$3.0508
Purchases	0.00	\$	-	\$	-
Adjustments	0.00		0.00		\$0.0000
Sub-Total	288,519.90	\$	880,206.38		\$3.0508
Less Disposed					
Generation	5,229.00	\$	15,952.45		\$3.0508
Chemical Cleaning/Other	0.00		0.00		\$0.0000
Ending Inventory	283,290.90	\$	864,253.93		\$3.0508

Explain any adjustments fully. Use additional sheets if necessary.

Includes 0 tons and \$0 of fuel used in power conversion transaction.

KENTUCKY POWER COMPANY																
ANALYSIS OF COAL PURCHASES																
SEPTEMBER 2013																
P	O	C	I	S.I. District	Tons Purchased	BTU Per LB.	No. MMBTU Per Ton	Price Per Ton	FOB Mine Cents Per MMBTU	Per Ton	Trans Cost Cents Per MMBTU	Per Ton	Delivered Cost Cents Per MMBTU	Per Ton	%	
Station and Supplier (a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(r)
BIG SANDY PLANT																
Long Term Contracts:																
P	03-30-08-901	A	T	KY	08	7,451.43	11,931	23.86	82.91	347.49	0.00	0.00	82.91	347.49	1.01	6.96
P	03-30-10-900	A	T	KY	08	20,690.22	12,359	24.72	81.74	330.66	0.00	0.00	81.74	330.66	0.88	5.67
P	03-30-10-901	A	T	KY	08	10,027.72	12,222	24.44	79.51	325.33	0.00	0.00	79.51	325.33	0.95	7.47
P	03-30-12-900	A	T	KY	08	10,904.41	12,487	24.99	76.20	304.92	0.00	0.00	76.20	304.92	0.88	4.88
Station Weighted Average																
						49,073.78	12,305	24.61	80.23	326.01	4.67	18.98	84.90	344.98	0.91	6.00
TOTAL SYSTEM WEIGHTED AVERAGE																
						49,073.78	12,305	24.61	80.23	326.01	4.67	18.98	84.90	344.98	0.91	6.00
ANALYSIS OF OIL PURCHASES																
B	O	C	I	Station Name	Gal or Cu. Ft. Purchased	BTU per Unit	Delivered Cost Per Gal	Cents Per MMBTU	%							
Supplier (a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)							
D	406286	T		Big Sandy	0.00	0	0.0000	0.00	0.36							
Ports Petroleum Company, Inc.																

**KENTUCKY POWER COMPANY
POWER TRANSACTION SCHEDULE
September 2013**

TRANSACTION TYPES *

F	FIRM
LT CAPACITY	LONG TERM CAPACITY
AEP-E DYNAMIC	EAST-WEST TRANSFER (SIA POOL)
AEP-E DYNAMIC	EAST-WEST TRANSFER (SIA FIRM)
AEP-E STATIC	EAST-WEST TRANSFER (SIA NON-FIRM)
SPOT MARKET ENERGY - DA	PJM MARKET SPOT ENERGY - DAY AHEAD
SPOT MARKET ENERGY - BAL	PJM MARKET SPOT ENERGY - BALANCING
CMP-UPR	COMPANY UNIT POWER
NF	NON-FIRM
BKSYSEXCESS	BUCKEYE EXCESS POWER
BKSYSPLUS	BUCKEYE SYSTEM PLUS POWER

OTHER

HR	HOURLY
DY	DAILY
WK	WEEKLY
MO	MONTHLY
YR	YEAR

* Due to voluminous transactions, they are aggregated by type rather than by interconnected utility.

KENTUCKY POWER COMPANY
 POWER TRANSACTION SCHEDULE
 MONTH ENDED: SEPTEMBER 2013

PURCHASES TRANSACTION TYPE	BILLING COMPONENTS				
	MWH	FUEL CHARGE (\$)	DEMAND (\$)	OTHER CHARGES (\$)	TOTAL CHARGES (\$)
HR-F	3,124	66,880.31	0.00	0.00	66,880.31
HR-NF	947	43,267.48	0.00	0.00	43,267.48
SPOT MARKET ENERGY - BAL	24,024	954,196.82	0.00	0.00	954,196.82
SPOT MARKET ENERGY - DA	0	0.00	0.00	0.00	0.00
	28,095 ⁽¹⁾	1,064,344.67	0.00	0.00	1,064,344.67
AEP POOL PRIMARY PURCHASES:	300,808	7,043,419.32	0.00	925,209.17	7,968,628.49
INTERRUPTIBLE BUY/THROUGH (AEP AFF. COS.)	0	0.00	0.00	0.00	0.00
BOOKOUTS/OPTIONS:	26,073	0.00	0.00	874,204.86	874,204.86
TOTALS:	354,976	8,107,763.99	0.00	1,799,414.03	9,907,178.02

	MWH	Total Energy Charges
⁽¹⁾ ALLOCATED TO SYSTEM SALES:	28,095	1,019,690.01
ALLOCATED TO INTERNAL CUSTOMERS:	2,239	44,654.66
	30,334	1,064,344.67
LESS: PJM IMPLICIT CONGESTION INCLUDED IN THE INTERNAL CUSTOMER'S FIGURE:	0	0.00
NET INCLUDABLE ENERGY CHARGES:	30,334	1,064,344.67
Add: AEP POOL PRIMARY PURCHASES FUEL CHARGE (PAGE 2)		7,043,419.32
Less: BOOKOUTS/OPTIONS FUEL CHARGE (PAGE 2)		0.00
PURCHASES - IDENTIFIABLE FUEL COST - OTHER PURCHASES (Page 4)		8,107,763.99

KENTUCKY POWER COMPANY
 POWER TRANSACTION SCHEDULE
 MONTH ENDED: SEPTEMBER 2013

SALES TRANSACTION TYPE	KPCO MLR SHARE OF DELIVERED MWH	BILLING COMPONENTS					TOTAL CHARGES (\$)
		SUPPLIED BY KPCO SOURCES			DEMAND (\$)	OTHER CHARGES (\$)	
		MWH	FUEL CHARGE (\$)				
AEP-E DYNAMIC	180	283	6,413	0	36	6,449	
BKSYSEXCESS	810	523	25,952	0	39,396	65,348	
HR-NF	2,982	2,321	68,285	0	19,980	88,265	
MO-F	9,633	10,007	232,842	0	162,140	394,982	
POT MARKET ENERGY - BAL	6,136	4,808	122,113	0	83,482	205,595	
POT MARKET ENERGY - DA	169,888	129,511	3,670,330	0	2,822,261	6,492,591	
YR-F	2,724	2,927	68,148	0	39,169	107,318	
	192,353	150,380	4,172,601.50 ⁽¹⁾	0.00	3,187,946.93	7,360,548.43	
AEP POOL SALES (PRIMARY/ECONOMY)	0	0	0.00	0.00	0.00	0.00	
INTERRUPTIBLE BUY/THROUGH (AEP AFF. CO./KY EL. STEEL)	0	2	383.55	0.00	0.00	383.55	
BOOKOUTS/OPTIONS:	25,650	0	0.00	0.00	1,410,008.42	1,410,008.42	
TOTALS:	218,003	150,382	4,172,985.05	0.00	4,597,955.35	8,770,940.40	
KPCo's other costs incurred, (other than fuel from Account 151):						369,985.83	
KPCo's MLR share of AEP energy cost less the actual energy costs incurred by KPCo:						1,678,082.74	
KPCo's MLR share of the difference (Total AEP energy charges - Total AEP energy costs):						1,139,878.43	
Total (Other Charges):						3,187,947.00	
⁽¹⁾ Includes (\$21,482) adjustment for chemicals carried over to Other Charges.							
SUPPLIED BY KPCo SOURCES - FUEL CHARGE (Page 3)						4,172,985.05	
Add: ALLOCATED TO SYSTEM SALES (PAGE 2)					1,019,690.01		
Less: FUEL ALLOCATED TO SYSTEM SALES					1,019,689.95	0.06	
INTER-SYSTEM SALES - FUEL COSTS (PAGE 4)						4,172,985.12	

FINAL SCHEDULE SEPTEMBER 2013 COSTS - ACTUAL

KENTUCKY POWER COMPANY
 FUEL COST SCHEDULE
 MONTH ENDED: SEPTEMBER 2013

(A) COMPANY GENERATION	BIG SANDY (PLANT)	ROCKPORT UNIT #1	ROCKPORT UNIT #2	FUEL AMOUNTS (\$)
COAL BURNED	3,356,476.92	2,501,545.81	2,166,982.74	8,025,005.47
OIL BURNED	15,952.45	33,794.24	63,447.94	113,194.63
GAS BURNED				-----
FUEL (JOINTLY OWNED PLANT)				-----
FUEL (ASSIGNED COST DURING F.O.) (300,808 x 23.415)				7,043,419.32
FUEL (SUBSTITUTE FOR F.O.)				-----
SUB-TOTAL				15,181,619.42

(B) PURCHASES

NET ENERGY COST - ECONOMY PURCHASES				0.00
⁽¹⁾ IDENTIFIABLE FUEL COST - OTHER PURCHASES				8,107,763.99
IDENTIFIABLE FUEL COST (SUBSTITUTE FOR F.O.) (300,808 x 23.415)				7,043,419.32
SUB-TOTAL				1,064,344.67

(C) INTER-SYSTEM SALES

⁽¹⁾ FUEL COSTS				4,172,985.05
TOTAL FUEL COSTS (A + B - C)				12,072,979.04

F.O. = FORCED OUTAGE

DETAILS:

FUEL (ASSIGNED COST DURING F.O.)

QUANTITY OF SUBSTITUTE ENERGY GIVEN AN ASSIGNED COST (kwh):				300,808,000
AT THE BIG SANDY FUEL RATE OF:	35.428	MILLS/KWH	\$	10,657,025.82

IDENTIFIABLE FUEL COST (SUBSTITUTE FOR F.O.)

PURCHASES SUBSTITUTED FOR F.O.:

PRIMARY ENERGY (AEP POOL)	300,808,000	kwh	23.415	MILLS/KWH	\$	7,043,419.32
CASH PURCHASES FROM NON-AFFILIATED COS.		kwh		MILLS/KWH	\$	0.00
TOTAL PURCHASES (IDENTIFIABLE FUEL COST) (SUBSTITUTE FOR F.O.):		kwh	23.415	MILLS/KWH	\$	7,043,419.32

⁽¹⁾ INCLUDES TOTAL ENERGY COSTS OF NON-ECONOMY PURCHASES AS PER KPSC ORDER OF OCTOBER 3, 2002 IN CASE NO. 2000-00495-B.

AMERICAN ELECTRIC POWER SERVICE CORPORATION
 FUEL AND ENERGY SYSTEM PRACTICES
 KENTUCKY POWER COMPANY
 MONTHLY PURCHASE SUMMARY REPORT FOR
 (Year:2013 Month:9 Cycle:Actual) EastPurchase Power Report for Book Name: Actual September 2013

NERC Id	Transaction Class	MWH	TOTAL			ALLOCATED			FIRM		
			ENERGY COST	FUEL COST	MWH	ENERGY COST	FUEL COST	MWH	ENERGY COST	FUEL COST	MWH
MISO	HR-NF	90	3,514.36	3,514.36	78	3,222.66	3,222.66	12	291.70	291.70	
NPC12	HR-NF	511	28,519.57	28,519.57	511	28,519.57	28,519.57	-	-	-	
OVPS	OVPS	-	-	-	-	-	-	-	-	-	
TVAM	HR-F	3,124	66,880.31	66,880.31	1,772	44,350.06	44,350.06	1,352	22,530.25	22,530.25	
TVAM	HR-NF	346	11,233.55	11,233.55	288	9,120.87	9,120.87	69	2,112.66	2,112.66	
PJM	SPOT MARKET ENERGY - BAL	24,024	954,196.82	954,196.82	23,237	934,476.79	934,476.79	786	19,720.03	19,720.03	
PJM	SPOT MARKET ENERGY - DA	-	-	-	-	-	-	-	-	-	
Total		28,085	1,064,344.61	1,064,344.61	25,856	1,019,889.95	1,019,889.95	2,239	44,854.66	44,854.66	



American Electric Power
155 W. Nationwide Blvd., Suite 500
Columbus, OH 43215
AEP.com

September 19, 2013

Rhino Energy LLC
Attn: Andrew W. Cox
424 Lewis Hargett Circle, Suite 250
Lexington, KY 40503

Re: Coal Supply Agreement No. 03-30-10-900, dated August 18, 2010,
by and between Kentucky Power Company ("Buyer") and Rhino
Energy LLC ("Seller")

Amendment 2013-1

Reference is made to the above-captioned Coal Purchase and Sale Agreement (the "Agreement") under which Seller is supplying coal to Buyer. Effective September 1, 2013, Buyer and Seller agree to amend the Agreement as follows:

ARTICLE I, Term and Delivery Period, shall be deleted in its entirety and replaced with the following in lieu thereof:

"The term of this Agreement (the "Term") shall commence on the Effective Date and shall remain in effect through June 30, 2014.

The delivery period of this Agreement (the "Delivery Period") shall be from October 2010 through June 30, 2014."

Section 2.1, Contract Quantity, of ARTICLE II, Obligations and Deliveries, shall be deleted in its entirety and replaced with the following in lieu thereof:

"Section 2.1 Contract Quantity. During the Delivery Period, Seller agrees to sell and deliver to the Buyer and Buyer agrees to purchase and accept from Seller, FOB truck at the Designated Delivery Point, the quantity of Coal set forth herein.

Contract Year	Contract Quantity Tons per Month
October through December 2010	10,000
2011	40,000
2012	40,000
January through August 2013	33,975
September through December 2013	20,000
January through June 2014	21,367*

**All Coal delivered in 2014 will be at the 2013 price designated in ARTICLE V.*

Such tonnage shall be delivered ratably during each month of each Contract Year. Time for delivery of the quantities set forth herein is of the essence."

Rhino Energy LLC
Contract 03-30-10-900
Amendment 2013-1
September 19, 2013
Page 2

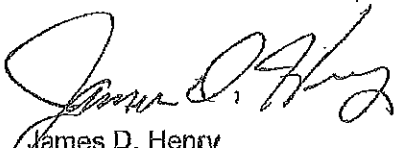
The table in ARTICLE V, Contract Price, shall be deleted in its entirety and replaced with the following in lieu thereof.

"The Contract Price shall be as follows:

<u>Contract Year</u>	<u>Contract Price Per Ton FOB at the Designated Delivery Point</u>
October – December 2010	\$73.00
2011	\$69.75
2012	\$75.50
2013	\$78.45
2014	\$78.45

Except as provided herein under ARTICLE VII, the Contract Price shall be firm and not subject to any adjustment. For purposes of calculating certain of its underlying costs of mining and transporting the Coal to the Designated Delivery Point, Seller may, for illustrative purposes, designate that portion of the Contract Price which is appropriately allocable to transportation expenses to the Designated Delivery Point which Seller is responsible for hereunder."

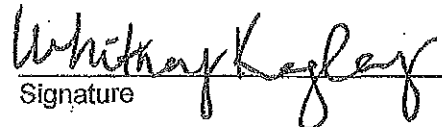
Except as amended herein, all other provisions of the above-referenced Agreement shall remain in full force and effect. Please indicate your acceptance by signing in the space provided below and return one original to the attention of Fuel Contract Administration at the address provided in the Agreement.


James D. Henry
Vice President - Fuel Procurement
On behalf of American Electric Power Service Corporation, as agent for Kentucky Power Company

Acceptance Date: Sept 23, 2013

Acceptance Date: 9-3-2013

Rhino Energy LLC


Signature

Whitney Kegley
Name (Print)

vice president
Title

APPENDIX A

KENTUCKY POWER COMPANY BIG SANDY - TOTAL PLANT SEPTEMBER 2013

<u>Line No.</u>	<u>Item Description</u>	
1.	Unit Performance:	
	a. Capacity (name plate rating) (MW)	1,096.8
	b. Capacity (average load) (MW)	132.2
	c. Net Demonstrated Capability (MW)	1,078.0
	d. Net Capability Factor (%)	12.3
2.	Heat Rate:	
	a. Btu's Consumed (MMBTU)	984.2
	b. Gross Generation (MWH)	100,700
	c. Net Generation (MWH)	95,190
	d. Heat Rate (L2a divided by L2c) (BTU/KWH)	10,339
3.	Operating Availability:	
	a. Hours Unit Operated	Reported on Unit Basis Only
	b. Hours Available	Reported on Unit Basis Only
	c. Hours During the Period	Reported on Unit Basis Only
	d. Availability Factor (%)	Reported on Unit Basis Only
4.	Cost per KWH:	
	a. Gross Generation - FAC Basis (Cents/KWH)	3.3
	b. Net Generation - FAC Basis (Cents/KWH)	3.5
5.	Inventory Analysis:	
	a. Number of Days Supply based on actual burn at the station	219.4

APPENDIX A

KENTUCKY POWER COMPANY BIG SANDY - UNIT 1 SEPTEMBER 2013

<u>Line No.</u>	<u>Item Description</u>		
1.	Unit Performance:		
	a. Capacity (name plate rating) (MW)	280.5	
	b. Capacity (average load) (MW)	132.2	
	c. Net Demonstrated Capability (MW)	278.0	
	d. Net Capability Factor (%)	47.6	
2.	Heat Rate:		
	a. Btu's Consumed (MMBTU)	984.2	
	b. Gross Generation (MWH)	100,700	
	c. Net Generation (MWH)	95,190	
	d. Heat Rate (L2a divided by L2c) (BTU/KWH)	10,339	
3.	Operating Availability:		
	a. Hours Unit Operated	720.0	
	b. Hours Available	720.0	
	c. Hours During the Period	720.0	
	d. Availability Factor (L3b divided by L3c) (%)	100.0	
4.	Cost per KWH:		
	a. Gross Generation - FAC Basis (Cents/KWH)		Reported on total plant basis only
	b. Net Generation - FAC Basis (Cents/KWH)		Reported on total plant basis only
5.	Inventory Analysis:		
	a. Number of Days Supply based on actual burn at the station		Reported on total plant basis only

APPENDIX A

**KENTUCKY POWER COMPANY
 BIG SANDY - UNIT 2
 SEPTEMBER 2013**

<u>Line No.</u>	<u>Item Description</u>	
1.	Unit Performance:	
	a. Capacity (name plate rating) (MW)	816.3
	b. Capacity (average load) (MW)	0.0
	c. Net Demonstrated Capability (MW)	800.0
	d. Net Capability Factor (%)	0.0
2.	Heat Rate:	
	a. Btu's Consumed (MMBTU)	0.0
	b. Gross Generation (MWH)	0
	c. Net Generation (MWH)	0
	d. Heat Rate (L2a divided by L2c) (BTU/KWH)	0
3.	Operating Availability:	
	a. Hours Unit Operated	0.0
	b. Hours Available	0.0
	c. Hours During the Period	720.0
	d. Availability Factor (L3b divided by L3c) (%)	0.0
4.	Cost per KWH:	
	a. Gross Generation - FAC Basis (Cents/KWH)	Reported on total plant basis only
	b. Net Generation - FAC Basis (Cents/KWH)	Reported on total plant basis only
5.	Inventory Analysis:	
	a. Number of Days Supply based on actual burn at the station	Reported on total plant basis only