



**KENTUCKY  
POWER®**

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**RECEIVED**

**AUG 18 2014**

**PUBLIC SERVICE  
COMMISSION**

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

**HAND DELIVERED**

August 18, 2014

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

**Attention: Chris Whelan**

RE: The Standard Fuel Adjustment Clause

Dear Ms. Whelan,

Kentucky Power Company's Fuel Adjustment Clause Schedules with supporting sales and fuel cost schedules for the September 2014 billing month are attached. These calculations are based on estimated July 2014 fuel costs with an adjustment reflecting actual June 2014 fuel costs.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'John A. Rogness III', with a long horizontal line extending to the right.

John A. Rogness III  
Director, Regulatory Services

Attachments

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

**Month Ended: July 2014**

1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	\$0.00730
2 System Sales Clause Factor (Page 1 of 2)	(+)	<u>.0000000</u>
3 Total Adjustment Clause Factors		<u><u>\$0.0073000</u></u>

Effective Date for Billing

August 28, 2014

Submitted by:

John A. Rogner III/ae  
(Signature)

Title:

Director, Regulatory Services

Date Submitted:

August 18, 2014

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

	Month Ended:	July 2014		
Fuel Fm (Fuel Cost Schedule)		<u>\$19,049,860</u>		
Sales Sm (Sales Schedule)		533,564,000	(+)	0.03570
Fuel (Fb)		<u>\$16,138,627</u>		
Sales (Sb)		568,162,000	(-)	<u>0.02840</u> *
				<u>0.00730</u> (\$/KWH)

Effective Date for Billing August 28, 2014

Submitted by: John D. Rogness  
(Signature)

Title: Director, Regulatory Services

Date Submitted: August 18, 2014

\*Pursuant to PSC Order dated June 5, 2013 in Case No. 2012-00550

**KENTUCKY POWER COMPANY**

**FUEL COST SCHEDULE**

Month Ended: **July 2014**

A. Company Generation				
Coal Burned	(+)	\$24,325,723		
Oil Burned	(+)	560,349		
Gas Burned	(+)	0		
Fuel (jointly owned plant)	(+)	0		
Fuel (assigned cost during F. O.)	(+)	0		
Fuel (substitute for F. O.)	(-)			
Sub Total				<u>24,886,071</u>
B. Purchases				
Net Energy Cost - Economy Purchases	(+)	0		
Identifiable Fuel Cost - Other Purchases	(+)	8,071,313	*	
Identifiable Fuel Cost (substitute for F. O.)	(-)	0		
Sub Total				<u>8,071,313</u>
C. Inter-System Sales Fuel Costs				<u>17,667,397</u> *
Sub Total				<u>17,667,397</u>
D. Total Fuel Cost (A + B - C)				<u><u>\$15,289,987</u></u>
E. Adjustment indicating the difference in actual fuel cost for the month of <u>June 2014</u> and the estimated cost originally reported. <u>\$18,585,084</u> - <u>\$15,290,542</u> = <u>3,294,542</u> (actual) (estimated)				
F. Total Company Over or (Under) Recovery from Page 4, Line 12				<u>288,161</u>
G. Grand Total Fuel Cost (D + E - F)				<u>\$18,296,369</u>
H. Net Transmission Marginal Line Loss for month of <u>July 2014</u> (Accounts 4470207 and 447208)				753,491
I. ADJUSTED GRAND TOTAL FUEL COSTS (G + H)				<u><u>\$19,049,860</u></u>

\* Estimated - based on Kentucky generation unit costs in  
 July 2014 \$24,886,071  
 898,247,000 0.02771 /KWH

**KENTUCKY POWER COMPANY**

**SALES SCHEDULE**

**Month Ended: July 2014**

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	898,247,000
Purchases Including Interchange In	(+)	<u>291,278,000</u>
Sub Total		1,189,525,000
B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	637,582,000
System Losses	(+)	<u>18,379,000</u> *
Sub Total		<u>655,961,000</u>
Total Sales (A - B)		<u><u>533,564,000</u></u>

\* Does not include 266,000 KWH of company usage.

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

Month Ended: **July 2014**

Line No.			
1	FAC Rate Billed	(+)	0.00699
2	Retail KWH Billed at Above Rate	(x)	<u>515,817,995</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>3,605,568</u>
4	KWH Used to Determine Last FAC Rate Billed	(+)	481,881,000
5	Non-Jurisdictional KWH Included in L4	(-)	<u>6,690,100</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>475,190,900</u>
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		3,321,584
8	Over or (Under) Recovery (L3 - L7)		283,984
9	Total Sales (Page 3)	(+)	533,564,000
10	Kentucky Jurisdictional Sales	(/)	<u>525,830,600</u>
11	Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10)		1.01471
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>288,161</u></u>

**KENTUCKY POWER COMPANY**

**FINAL  
 FUEL COST SCHEDULE**

**Month Ended: June 2014**

A. Company Generation			
Coal Burned	(+)	\$26,080,036	
Oil Burned	(+)	343,115	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)			
( 0 KWH X \$0.000000 )	(+)	0	
Fuel (substitute for F. O.)	(-)	<u>0</u>	
Sub-total		<u>26,423,151</u>	
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	8,971,788	(1)
Identifiable Fuel Cost (substitute for F. O.)			
( 0 KWH X \$0.000000 )	(-)	<u>0</u>	
Sub-total		<u>8,971,788</u>	
C. Inter-System Sales Fuel Costs		<u>16,809,854</u>	(1)
D. SUB-TOTAL FUEL COST (A + B - C)		<u>\$18,585,084</u>	
E. Net Transmission Marginal Line Loss for month	June 2014	<u>784,026</u>	
F. GRAND TOTAL FUEL COSTS (D + E)		<u><u>\$19,369,111</u></u>	

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

**KENTUCKY POWER COMPANY  
 SYSTEM SALES CLAUSE SCHEDULE  
 Case No. 9061 and  
 Settlement Agreements in Case Nos. 2009-00459 and 2012-00578**

Month Ended: July 2014

Line  
 No.

1	Current Month (Tm) Net Revenue Level	(+)	7,356,364	
2	Base Month (Tb) Net Revenue Level (Tariff Sheet No. 19-2, Case No. 2009-00459)	(-)	616,234	
3	Increase/(Decrease) of System Sales Net Revenue		6,740,130	
4	Customer 60% Sharing	(x)	60%	
5	Customer Share of Increase/(Decrease) in System Sales Net Revenue		4,044,078	
6	Current Month (Sm) Sales Level (Page 3 of 5)	(/)	533,564,000	
7	As Calculated System Sales Clause Factor - \$/Kwh (Ln 5 / Ln 6)		(0.0075794)	*
8	System Sales Clause Factor		.0000000	**

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

\*\*In accordance with the Stipulation and Settlement Agreement modified and approved by the Commission in Order Dated October 7, 2013 in Case No. 2012-000578.

Effective Date for Billing:

August 28, 2014

Submitted by:

John A. Rogness III/ee  
(Signature)

Title:

Director, Regulatory Services

Date Submitted:

August 18, 2014



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

**Month Ended: July 2014**

Line No.		CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	TOTAL
1	Sales For Resale Revenues	\$23,077,383	(\$15,030)	\$23,062,353
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	23,077,383	(15,030)	23,062,353
4	Sales For Resale Expenses	\$15,852,291	\$202,870	\$16,055,161
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	(349,172)	0	(349,172)
7	Total System Sales Expenses	15,503,119	202,870	15,705,989
8	Total System Sales Net Revenues	<u>\$7,574,264</u>	<u>(\$217,900)</u>	<u>\$7,356,364</u>

\*Source:  
 ES Form 1.0, Line 3  
 ES Form 3.3, Line 4  
 Non-Associated Environmental Costs