



**KENTUCKY
POWER**

A unit of American Electric Power

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

HAND DELIVERED

February 18, 2014

RECEIVED

MAR 18 2014

PUBLIC SERVICE
COMMISSION

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

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 January 2014 the required backup information for the fuel adjustment clause applied to customers' bills in the month of March 2014.

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) 696-7004.

Sincerely,

Ranie K. Wohnhas
Managing Director, Regulatory & Finance

Attachment

KENTUCKY POWER COMPANY
BIG SANDY PLANT
JANUARY 2014

COAL INVENTORY SCHEDULE

		<u>Tons</u>	<u>Amount</u>	<u>Per Unit</u>
Beginning Inventory		761,517.78	\$54,514,851.12	\$71.5871
Purchases		47,942.93	\$3,719,935.23	\$77.5909
Adjustments	1	0.00	\$0.00	\$0.0000
Sub-Total		809,460.71	\$58,234,786.35	\$71.9427
Less Coal Burned	2	258,227.00	\$18,577,546.76	\$71.9427
Ending Inventory		551,233.71	\$39,657,239.59	\$71.9427

1 Coal Pile Survey Adjustment

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

**KENTUCKY POWER COMPANY
 BIG SANDY PLANT
 JANUARY 2014**

OIL INVENTORY SCHEDULE

	<u>Gallons</u>		<u>Amount</u>	<u>Per Unit</u>
Beginning Inventory	375,956.30	\$	1,146,231.43	\$3.0488
Purchases	114,217.00	\$	344,518.89	\$3.0164
Adjustments	0.00		0.00	\$0.0000
Sub-Total	490,173.30	\$	1,490,750.32	\$3.0413
Less Disposed				
Generation	156,710.50	\$	476,599.24	\$3.0413
Chemical Cleaning/Other	0.00		0.00	\$0.0000
Ending Inventory	333,462.80	\$	1,014,151.08	\$3.0413

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																	
JANUARY 2014																	
Station and Supplier (a)	P (b)	O (c)	M (d)	T (e)	ST District (f)	Tons Purchased (g)	BTU Per LB. (h)	No. MMBTU Per Ton (i)	FOB Mine Price Per Ton (j)	Cents Per MMBTU (k)	Per Ton (l)	Trans Cost Cents Per MMBTU (m)	Delivered Cost Per Ton (n)	Cents Per MMBTU (o)	% SO2 (p)	Ash (q)	% H2O (r)
BIG SANDY PLANT																	
Long Term Contracts:																	
Beech Fork Processing	P	03-30-08-901	A	T	KY	08	8,090.31	12,283	24.57	77.93	317.18	0.00	77.93	317.18	0.97	7.99	8.21
Rhino Energy, LLC	P	03-30-10-900	A	T	KY	08	18,776.10	11,859	23.80	77.07	323.82	0.00	77.07	323.82	0.86	12.35	6.79
S.M.&J.	P	03-30-10-901	A	T	KY	08	11,801.98	12,375	24.75	80.96	327.07	0.00	80.96	327.07	0.89	7.35	8.34
Southern Coal Sales Corp	P	03-30-12-900	A	T	KY	08	9,282.54	12,373	24.75	74.07	299.27	0.00	74.07	299.27	0.92	12.60	4.95
Station Weighted Average							47,942.93	12,172	24.34	77.59	318.78	0.00	77.59	318.78	0.90	10.47	7.03
TOTAL STATION WEIGHTED AVERAGE							47,942.93	12,172	24.34	77.59	318.78	0.00	77.59	318.78	0.90	10.47	7.03

ANALYSIS OF OIL PURCHASES													
Supplier (a)	B (b)	O (c)	M (d)	T (e)	Station Name (f)	Gal or Cu. Ft. Purchased (g)	BTU per Unit (h)	Delivered Cost Per Gal (i)	Cents Per MMBTU (j)	% SO2 (k)			
Ports Petroleum Company, Inc.	D	406288	T		Big Sandy	0.00	0	0.0000	0.00	0.36			
Marathon Petroleum	D	406288	T		Big Sandy	0.00	0	0.0000	0.00	0.36			
John W. Clark	D	406288	T		Big Sandy	0	0	0.0000	0.00	0.36			
Petroleum Traders	D	406288	T		Big Sandy	114,217.00	136,900	3.0164	2,203.33	0.36			

KENTUCKY POWER COMPANY ANALYSIS OF COAL PURCHASES JANUARY 2014													
P	B	D	U										
Station and Supplier (e)	Contract No. (c)	ST District (d)	Tons Purchased (g)	BTU Per LB. (h)	No. MMBTU Per Ton (i)	Price Per Ton (j)	FOB Mine Cents Per MMBTU (k)	Trans Cost Per MMBTU (m)	Delivered Cost Per Ton (n)	% SO2 (p)	Ash (q)	% HO2 (r)	
MITCHELL PLANT													
Long Term Contracts:													
Ohio Valley Resources	P 07-77-05-900OVR1	A T KY 08	55,212.00	12,5715	25.03	57.48	229.84	-0.01	57.47	4.16	10.08	6.27	
S.M.&J.	P 07-00-10-900	A T KY 08	21,225.00	11,870	23.74	71.95	303.07	3.06	75.01	0.95	10.54	9.45	
Southern Coal Sales Corp	P 07-00-12-901	A T KY 08	24,974.30	12,649	25.10	79.99	318.99	1.31	81.30	1.12	8.33	7.28	
Station Weighted Average			101,411.30	12,368	24.78	66.05	266.55	0.96	67.01	2.74	9.75	7.18	
Spot Market:													
Patriot Coal	P 07-00-13-001	A R KY 08	9,539.50	12,043	24.09	69.48	288.42	6.97	76.45	0.86	12.48	7.54	
Station Weighted Average			9,539.50	12,043	24.09	69.48	288.42	6.97	76.45	0.86	12.48	7.54	
TOTAL STATION WEIGHTED AVERAGE			110,950.80	12,358	24.72	66.34	266.40	1.47	67.82	2.58	9.98	7.21	
ANALYSIS OF OIL PURCHASES													
Supplier (a)	Contract No. (c)	Station Name (e)	Gal or Cur. Ft. Purchased (f)	BTU per Unit (g)	Delivered Cost Per Gal. (h)	Cents Per MMBTU (i)	% SO2 (j)						
Petroleum Traders	D 406288	Mitchell	365,014.00	137,500	3.3942	2,468.54	0.36						
MITCHELL PLANT - KENTUCKY POWER SHARE OF PURCHASES													
Kentucky Power Share of Coal Receipts			58,360.40										
Mitchell Total Coal Receipts			110,950.80										
Mitchell - Kentucky Power Coal Receipts Ratio			52.60%										
Ohio Valley Resources	P 07-77-05-900OVR1	A T KY 08	29,041.51	Long Term Contract									
S.M.&J.	P 07-00-10-900	A T KY 08	11,164.35	Long Term Contract									
Southern Coal Sales Corp	P 07-00-12-901	A T KY 08	13,136.48	Long Term Contract									
Patriot Coal	P 07-00-13-001	A R KY 08	5,018.06	Spot									
Total			58,360.40										
Kentucky Power Share of Oil Receipts			185,535.22										
Mitchell Total Oil Receipts			365,014.00										
Mitchell - Kentucky Power Oil Receipts Ratio			50.83%										
Petroleum Traders	D 406288		185,535.22										

KENTUCKY POWER COMPANY ANALYSIS OF COAL PURCHASES JANUARY 2014																									
P B D U (b)	P O C N (c)	M I S T (d)	SI District (e)	Tons Purchased (g)	BTU Per LB. (h)	No. MMBTU Per Ton (i)	FOB Mine		Trans Cost		Delivered Cost		Ash (q)	SO ₂ (p)	%	HO ₂ (r)									
							Price Per Ton (j)	Cents Per MMBTU (k)	Per Ton (l)	Cents Per MMBTU (m)	Per Ton (n)	Cents Per MMBTU (o)													
TOTAL KENTUCKY POWER																									
P	07-77-05-3000VR	A	KY	08	29,041.51	12,515	25.03	57.48	229.64	-0.01	-0.04	57.47	229.60	4.16	10.08	6.27									
P	07-00-10-900	A	KY	08	11,164.35	11,870	23.74	71.95	303.07	3.06	12.89	75.01	315.96	0.95	10.54	9.45									
P	07-00-12-901	A	KY	08	13,136.48	12,549	25.10	79.99	318.69	1.31	5.22	81.30	323.90	1.12	8.33	7.28									
P	07-00-13-001	A	RY	08	5,018.06	12,043	24.09	69.48	288.42	6.97	28.93	76.45	317.35	0.86	12.48	7.54									
P	03-30-08-901	A	KY	08	8,080.31	12,283	24.57	77.93	317.18	0.00	0	77.93	317.18	0.97	7.99	8.21									
P	03-30-10-900	A	KY	08	18,778.10	11,899	23.80	77.07	323.82	0.00	0	77.07	323.82	0.86	12.35	6.79									
P	03-30-10-901	A	KY	08	11,801.98	12,375	24.75	80.95	327.07	0.00	0	80.95	327.07	0.89	7.35	8.34									
P	03-30-12-900	A	KY	08	9,282.54	12,373	24.75	74.07	299.27	0.00	0.00	74.07	299.27	0.92	12.80	4.95									
TOTAL SYSTEM WEIGHTED AVERAGE																									
					106,303.33	12,275	24.55	71.42	290.92	0.81	3.30	72.23	294.22	1.82	10.18	7.14									

KENTUCKY POWER COMPANY																	
ANALYSIS OF COAL PURCHASES																	
JANUARY 2014																	
P	O	C	M	I	SI	District	Tons	BTU	No.	FOB Mine	Trans Cost	Delivered Cost	%	SO2	Ash	HO2	
U	N	(c)	(d)	(e)	(f)	(g)	Per LB.	Per Ton	Per Ton	Per Ton	Per Ton	Per Ton	%	(p)	(q)	(r)	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)
BIG SANDY PLANT																	
Long Term Contracts:																	
P	03-30-08-901	A	T	KY	08	8,080.31	12,283	24.57	77.93	317.18	0.00	77.93	317.18	0.97	7.99	8.21	
Beech Fork Processing																	
P	03-30-10-900	A	T	KY	08	18,778.10	11,899	23.80	77.07	323.82	0.00	77.07	323.82	0.86	12.35	6.79	
Rhino Energy, LLC																	
P	03-30-10-901	A	T	KY	08	11,801.98	12,375	24.75	80.95	327.07	0.00	80.95	327.07	0.89	7.35	8.34	
S.M.&J.																	
P	03-30-12-800	A	T	KY	08	9,282.54	12,373	24.75	74.07	299.27	0.00	74.07	299.27	0.92	12.60	4.95	
Southern Coal Sales Corp																	
Station Weighted Average																	
						47,942.93	12,172	24.34	77.59	318.78	0.00	77.59	318.78	0.90	10.47	7.03	
TOTAL SYSTEM WEIGHTED AVERAGE																	
ANALYSIS OF OIL PURCHASES																	
B	O	C	M	T	Station	Gal or	BTU per	Delivered	Cents Per	%							
U	N	(c)	(d)	(e)	Name	Cu. Ft.	Unit	Cost Per Gal	MMBTU	SO2							
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)							
D	406288	T		Big Sandy	0.00	0	0.0000	0.00	0.00	0.36							
Marathon Petroleum																	
D	406288	T		Big Sandy	0.00	0	0.0000	0.00	0.00	0.36							
John W. Clark																	
D	406288	T		Big Sandy	114,217.00	136,900	3.0164	2,203.33	0.36								
Petroleum Traders																	

KENTUCKY POWER COMPANY
 MITCHELL PLANT - KPCO SHARE
 JANUARY 2014

COAL INVENTORY SCHEDULE

		<u>Tons</u>	<u>Amount</u>	<u>Per Unit</u>
Beginning Inventory		421,824.08	\$29,937,480.07	\$70.9715
Purchases		58,360.40	\$3,965,660.89	\$67.9512
Adjustments	1	0.00	\$0.00	\$0.0000
Sub-Total		480,184.48	\$33,903,140.96	\$70.6044
Less Coal Burned	2	145,211.50	\$10,249,835.84	\$70.5856
Ending Inventory		334,972.98	\$23,653,305.12	\$70.6126

1 Coal Pile Survey Adjustment

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

**KENTUCKY POWER COMPANY
 MITCHELL PLANT - KPCO SHARE
 JANUARY 2014**

OIL INVENTORY SCHEDULE

	<u>Gallons</u>	<u>Amount</u>	<u>Per Unit</u>
Beginning Inventory	443,787.50	\$ 1,429,567.35	\$3.2213
Purchases	185,535.22	\$ 629,379.26	\$3.3922
Adjustments	0.00	0.00	\$0.0000
Sub-Total	629,322.72	\$ 2,058,946.61	\$3.2717
Less Disposed			
Generation	184,707.22	\$ 604,304.10	\$3.2717
Chemical Cleaning/Other	0.00	0.00	\$0.0000
Ending Inventory	<u>444,615.50</u>	<u>\$ 1,454,642.51</u>	<u>\$3.2717</u>

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

JANUARY 2014

P	B	D	U	P	O	C	M	I	S	T	District	Tons Purchased	BTU Per LB.	No. MMBTU Per Ton	Price Per Ton	FOB Mine		Trans Cost		Delivered Cost		% HO2		
																(d)	(e)	(f)	(g)	(h)	(i)		(j)	(k)
MITCHELL PLANT																								
Long Term Contracts:																								
P	07-77-05-900	VR	A	T	KY	08	55,212.00	12,515	25.03	57.48	229.64	-0.01	57.47	229.60	4.16	10.08	6.27							
P	07-00-10-900		A	T	KY	08	21,225.00	11,870	23.74	71.95	303.07	3.06	12.89	315.96	0.95	10.54	9.45							
P	07-00-12-901		A	T	KY	08	24,874.30	12,549	25.10	79.99	318.69	1.31	5.22	323.90	1.12	8.33	7.28							
Station Weighted Average													101,411.30	12,388	24.78	66.05	266.55	0.96	3.87	67.01	270.42	2.74	9.75	7.18
Spot Market:																								
P	07-00-13-001		A	R	KY	08	9,539.50	12,043	24.09	69.48	288.42	6.97	28.93	317.35	0.86	12.48	7.54							
Station Weighted Average													9,539.50	12,043	24.09	69.48	288.42	6.97	28.93	317.35	0.86	12.48	7.54	
TOTAL SYSTEM WEIGHTED AVERAGE													110,950.80	12,359	24.72	66.34	268.40	1.47	5.96	67.82	274.37	2.58	9.98	7.21
ANALYSIS OF OIL PURCHASES																								
B	O	C	M	T			Station Name	Gal or Cu. Ft. Purchased	BTU per Unit	Delivered Cost Per Gal	Cents Per MMBTU	% SO2												
Supplier (a)													(e)	(f)	(g)	(h)	(i)	(j)						
D	405288		T				Mitchell	365,014.00	137,500	3.3942	2,458.54	0.36												