

EXHIBIT RCS-2

Kentucky Power Company  
Big Sandy Retirement Rider

Test Year Ended September 30, 2014

Line No.	Description	Company Estimated Balance 30-Jun-15 (A)	Company Estimated Future Costs (B)	Company Estimated Grand Total (C) = A + B	AG Adjustments (D)	AG Adjusted (E)
<b>Component of Net Book Value</b>						
1	Original Cost	\$ 460,030,669		\$ 460,030,669		\$ 460,030,669
2	Accumulated Depreciation	\$ (263,500,120)		\$ (263,500,120)		\$ (263,500,120)
3	CW/IP Transfer to Original Cost	\$ 1,607,100		\$ 1,607,100		\$ 1,607,100
4	RW/IP Transfer to A/D	\$ 3,773,786		\$ 3,773,786		\$ 3,773,786
5	Net Book Value	\$ 201,911,435	\$ -	\$ 201,911,435	\$ -	\$ 201,911,435
6	Unusable Materials & Supplies	\$ 4,342,987		\$ 4,342,987		\$ 4,342,987
7	Removal Costs and Salvage	\$ 43,797,850	\$ 43,797,850	\$ 87,595,700	\$ (43,797,850) [a]	\$ 43,797,850
8	Unit 2 Ongoing Misc. Expenses	\$ 6,058,782	\$ 6,058,782	\$ 12,117,564	\$ (6,058,782) [a]	\$ 6,058,782
9	ARO	\$ 1,473,491	\$ 54,552,333	\$ 56,025,824	\$ (56,025,824) [a]	\$ -
10	ADIT	\$ (72,189,048)	\$ (72,189,048)	\$ (144,378,096)	\$ (105,882,456)	\$ (72,189,048)
11	Total Net Book Value	\$ 135,538,865	\$ 104,408,965	\$ 239,947,830	\$ (105,882,456)	\$ 134,065,374
12	Carrying Costs			\$ 314,209,917	\$ (166,474,681)	\$ 147,735,236
13	Total Retirement Costs			\$ 554,157,747	\$ (272,357,137)	\$ 281,800,610
14	Total Retirement Costs / 25 Years			\$ 22,166,310	\$ (10,894,285)	\$ 11,272,024
15	Kentucky Jurisdictional Allocation Factor			0.986	0.986	0.986
16	Amount Claimed in Company Revenue Requirement			\$ 21,855,982	\$ (10,741,765)	\$ 11,114,216
<b>Notes and Source</b>						
Cols. A-C Company Witness Yoder Testimony, pages 15 and 16						
Ratio of Col. C, lines 16 and 14						
0.98600021						
<b>Col. D:</b>						
[a] Remove speculative, unsupported amounts and future removal cost/ARO						
[b] Reduce Company proposed carrying costs in proportion to ratio of AG Adjusted and Company Requested						
Amounts on Line 11:						
	Total Net Book Value	(F)	Carrying Costs	Adjusted Carrying Costs	Adjustment To Carrying Costs	(I)
17	AG Adjusted (Col E)	\$ 134,065,374	\$ 175,557,620	\$ 175,557,620	\$ (138,652,297)	
18	Company Proposed (Col C)	\$ 239,947,830	\$ 314,209,917	\$ 175,557,620	\$ (138,652,297)	
19	Ratio of AG Adjusted to Company Proposed	0.55827178				
20	Adjustment To Carrying Costs		\$ (138,652,297)			
[c] Reduce Company proposed carrying costs in proportion to ratio of AG Adjusted pre-tax WACC and Company Requested pre-tax WACC:						
	Adjusted Carrying Costs Before WACC Adj. (From Col. H)		Company Pre-Tax WACC	Ratio of AG to Company Requested pre-tax WACC:		
21	Carrying Costs	\$ 175,557,620	0.8415199	\$ 147,735,236	\$ (27,822,385)	
22	Total Adjustment to Carrying Costs			\$ 147,735,236	\$ (166,474,681)	
<b>Pre-Tax WACC (Ex. RCS-1, Schedule D) Ratio of AG to KY Proposed:</b>						
23	Per AG		9.080%			
24	Per Company		10.79%			
25	Ratio of AG to KP Adjusted Pre-Tax WACC		0.8415199			

EXHIBIT RCS-3

Kentucky Power Company  
Big Sandy 1 Coal Operations Rider ( BS1OR)

Exhibit RCS-3  
Case No. 2014-00396  
Page 1 of 1

Test Year Ended September 30, 2014

Line No.	Description	Company Proposed KY Retail (A)	AG Adjusted KY Retail (B)	Difference AG Adjustment (C) = B - A
	<b>Revenue Requirement Total</b>			
1	Non Fuel Plant O&M - Demand	\$ 9,150,077	\$ 9,150,077	\$ -
2	Non Fuel Plant O&M - Energy	\$ 3,351,767	\$ 3,351,767	\$ -
3	Annualized PJM Charges	\$ 5,653,211	\$ *	\$ (5,653,211)
4	Total Operational Expense	\$ 18,155,055	\$ 12,501,844	\$ (5,653,211)
5	Gross Up Factor	1.004977	1.004977	1.004977
6	KY Retail Total	\$ 18,245,412	\$ 12,564,066	\$ (5,681,347)
	<b>Demand and Energy</b>			
7	Demand Total	\$ 9,195,617	\$ 9,195,617	\$ -
8	Energy Total	\$ 9,049,795	\$ 3,368,449	\$ (5,681,347)
9	Total	\$ 18,245,412	\$ 12,564,066	\$ (5,681,347)

Notes and Source

Col.A: Company Exhibit AEV-4

Line 3:	Date	Amount	Reference
	Jan-Sept 2014	\$ 4,239,908	Exhibit AEV-4
	Annualized	\$ 5,653,211	Exhibit AEV-4

\* The PJM charges and credits are being removed from the BS1OR and reflected in base rates. See Schedule C-10.

EXHIBIT RCS-4

Line No.	Month	Year	Environmental Utility Plant A/Original Cost (A)	Accumulated Depreciation (B)	Monthly Depreciation (C) 3.13%	ADHT (D)	Monthly ADHT (E)	Rate Base (F) = A - B - D	WACC (G) 9.080%	Monthly Return on Rate Base (H) = F x G/12	Monthly O & M (I)	Total FGD Monthly Revenue Real. (J) = H + I	Retail Allocation (K)	Per OAG Proposed Revenue Increase (L) = J x K	Per Company Proposed Revenue Increase (M)	Difference OAG Adjustment (N) = L - M
1	Balance as of 9/30/2014			\$76,112,982		\$24,747,361	\$119,915	\$226,333,069	9.080%	\$1,705,222	\$1,257,552	\$2,962,774	0.9076	\$2,689,014	\$2,980,478	
2	October	2014	\$327,193,412	\$76,966,411	\$853,429,48	\$24,867,276	\$119,915	\$225,359,725	9.080%	\$1,697,857	\$1,257,552	\$2,955,409	0.9076	\$2,682,329	\$2,972,534	
3	November	2014	\$327,193,412	\$77,819,841	\$853,429,48	\$24,987,191	\$119,915	\$224,386,380	9.080%	\$1,690,492	\$1,257,552	\$2,948,044	0.9076	\$2,675,645	\$2,964,591	
4	December	2014	\$327,193,412	\$78,673,270	\$853,429,48	\$25,107,106	\$119,915	\$223,413,036	9.080%	\$1,683,174	\$1,278,321	\$2,961,495	0.9076	\$2,687,853	\$2,975,549	
5	January	2015	\$327,193,412	\$79,526,700	\$853,429,48	\$25,220,819	\$113,713	\$222,445,893	9.080%	\$1,675,856	\$1,186,493	\$2,862,349	0.9076	\$2,597,868	\$2,884,313	
6	February	2015	\$327,193,412	\$80,380,129	\$853,429,48	\$25,334,532	\$113,713	\$221,478,751	9.080%	\$1,668,538	\$1,310,939	\$2,979,477	0.9076	\$2,704,173	\$2,989,367	
7	March	2015	\$327,193,412	\$81,233,559	\$853,429,48	\$25,448,245	\$113,713	\$220,511,608	9.080%	\$1,661,220	\$1,373,764	\$3,034,984	0.9076	\$2,754,551	\$3,038,495	
8	April	2015	\$327,193,412	\$82,086,988	\$853,429,48	\$25,561,958	\$113,713	\$219,544,466	9.080%	\$1,653,902	\$1,307,932	\$2,961,834	0.9076	\$2,688,160	\$2,970,853	
9	May	2015	\$327,193,412	\$82,940,418	\$853,429,48	\$25,675,671	\$113,713	\$218,577,323	9.080%	\$1,646,584	\$1,178,850	\$2,825,434	0.9076	\$2,564,364	\$2,845,805	
10	June	2015	\$327,193,412	\$83,793,847	\$853,429,48	\$25,789,384	\$113,713	\$217,610,181	9.080%	\$1,639,266	\$1,367,810	\$3,007,076	0.9076	\$2,729,222	\$3,009,413	(280,191)
11	July	2015	\$327,193,412	\$84,647,277	\$853,429,48	\$25,903,097	\$113,713	\$216,643,038	9.080%	\$1,631,948	\$1,081,502	\$2,713,450	0.9076	\$2,462,727	\$2,741,667	(278,940)
12	August	2015	\$327,193,412	\$85,500,706	\$853,429,48	\$26,016,810	\$113,713	\$215,675,896	9.080%	\$1,624,630	\$1,232,554	\$2,856,984	0.9076	\$2,592,998	\$2,870,687	(277,689)
13	September	2015	\$327,193,412	\$86,354,136	\$853,429,48	\$26,130,523	\$113,713	\$214,708,753	9.080%	\$1,617,312	\$1,257,552	\$2,874,864	0.9076	\$2,609,226	\$2,885,664	(276,438)
14	October	2015	\$327,193,412	\$87,207,565	\$853,429,48	\$26,244,236	\$113,713	\$213,741,611	9.080%	\$1,609,993	\$1,257,552	\$2,867,545	0.9076	\$2,602,584	\$2,877,771	(275,187)
15	November	2015	\$327,193,412	\$88,060,995	\$853,429,48	\$26,357,949	\$113,713	\$212,774,468	9.080%	\$1,602,675	\$1,257,552	\$2,860,227	0.9076	\$2,595,942	\$2,869,879	(273,937)
16	December	2015	\$327,193,412	\$88,914,424	\$853,429,48	\$26,471,662	\$113,713	\$211,807,326	9.080%	\$1,595,364	\$1,278,321	\$2,873,685	0.9076	\$2,608,156	\$2,880,843	(272,687)
17	January	2016	\$327,193,412	\$89,767,854	\$853,429,48	\$26,584,504	\$112,842	\$210,841,054	9.080%	\$1,588,053	\$1,186,493	\$2,774,546	0.9076	\$2,518,178	\$2,789,615	(271,437)
18	February	2016	\$327,193,412	\$90,621,283	\$853,429,48	\$26,697,346	\$112,842	\$209,874,783	9.080%	\$1,580,741	\$1,310,939	\$2,891,680	0.9076	\$2,624,489	\$2,894,677	(270,188)
19	March	2016	\$327,193,412	\$91,474,713	\$853,429,48	\$26,810,188	\$112,842	\$208,908,511	9.080%	\$1,573,430	\$1,373,764	\$2,947,194	0.9076	\$2,674,873	\$2,943,811	(268,938)
20	April	2016	\$327,193,412	\$92,328,142	\$853,429,48	\$26,923,030	\$112,842	\$207,942,240	9.080%	\$1,566,118	\$1,307,932	\$2,874,050	0.9076	\$2,608,488	\$2,876,176	(266,688)
21	May	2016	\$327,193,412	\$93,181,572	\$853,429,48	\$27,035,872	\$112,842	\$206,975,968	9.080%	\$1,558,807	\$1,178,850	\$2,737,657	0.9076	\$2,484,697	\$2,751,136	(266,439)
22	June	2016	\$327,193,412	\$94,035,001	\$853,429,48	\$27,148,714	\$112,842	\$206,009,697	9.080%	\$1,558,807	\$1,178,850	\$2,737,657	0.9076	\$2,484,697	\$2,751,136	(266,439)
23	Revenue Requirement for July 2015 through June 2016															
														\$31,111,581	\$34,391,339	(3,279,758)

Notes and Source

Company Exhibit A/E-4  
 Col.C: Col.A x Depreciation Rate of 3.13%  
 Col.G: Exhibit RCS-1, Schedule D