



Steven L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

David L. Armstrong
Chairman

James W. Gardner
Vice Chairman

Linda Breathitt
Commissioner

October 9, 2013

PARTIES OF RECORD

RE: Informal Conference for
Case No. 2013-00261 and
Case No. 2013-00325

Enclosed is a memorandum that has been filed in the record of the above-referenced case. Any comments regarding the content of this memorandum should be submitted to the Commission within seven days of receipt of this letter. Questions regarding this memorandum should be directed to Chris Whelan at (502) 782-2644.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeff Derouen".

Jeff Derouen
Executive Director

Enclosure

cc: Parties of Record

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File 2013-00261
Case File 2013-00325

FROM: Chris Whelan
Ron Handziak

DATE: October 9, 2013

RE: Misallocations of Certain PJM Charges/Credits and their Effects on the Fuel Adjustment Clause ("FAC"), Environmental Surcharge ("ES"), and Off-system Sales ("OSS") Mechanism of Kentucky Power Company ("Kentucky Power")

On October 7, 2013, Commission Staff ("Staff") held an informal conference ("IC") with Kentucky Power concerning both of the cases listed above. Notice of the IC was issued on October 3, 2013. Kentucky Power requested the IC to discuss misallocations of certain charges and credits it received from PJM Interconnection, LLC, the regional transmission organization of which it is a member, for the period from July 2011 through June 2013. These misallocations affected Kentucky Power's FAC, ES, and OSS. A list of the IC attendees is attached to this memorandum.

Kentucky Power began the IC by providing a handout which showed the effects of the misallocations by month. A copy of this handout is attached. The period covered in Kentucky Power's most recent two-year FAC review case was the 24 months ended October 31, 2012. Because that case, Case No. 2012-00550, is closed, Kentucky Power proposes that a one-time adjustment be made to correct the FAC only for the period November 2012 through June 2013. Kentucky Power stated its understanding that once a case covering a two-year FAC review period is closed, no adjustments for that period can be made. Kentucky Power proposes a one-time adjustment, which would refund \$210,151.09 to customers through the FAC. Kentucky Power requests that the Commission approve this adjustment in the final order in Case No. 2013-00261. If the misallocations for the period from July 2011 through October 2012 were corrected, the additional refund to customers through the FAC would be \$525,522.94. However, because of the sharing component of the OSS mechanism, the misallocation's net effect on customers by not correcting that earlier period is equal to only 40 percent of that amount.

Kentucky Power proposes to correct the misallocation to its OSS by making a one-time charge of \$413,441.63. Because review of the OSS mechanism in previous periods is not limited like the review of the FAC, Kentucky Power's proposed adjustment covers the entire misallocation period of July 2011 through June 2012. To avoid double-recovery, the proposed OSS adjustment does not include OSS related charges that were incorrectly recovered through the FAC during the period July 2011 through October 2012.

Kentucky Power's handout showed that the effect of the misallocations on its ES was minimal at \$9,008. It proposes to make an adjustment for this amount in Case No. 2013-00325, a two-year ES review in which the review period coincides with the misallocation period of July 2011 through June 2013. There being nothing further to discuss, the meeting was adjourned.

Attachment: Sign-In Sheet
Kentucky Power handout

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE)
COMMISSION OF THE ENVIRONMENTAL) CASE NO.
SURCHARGE MECHANISM OF KENTUCKY) 2013-00325
POWER COMPANY FOR THE TWO-YEAR)
BILLING PERIOD ENDING JUNE 30, 2013)

Please sign in:

NAME

REPRESENTING

~~Jonathan Beyer~~

PSC

Matthew Beyer

PSC

LILA MUNSLEY

KPCo

MARK R. OVERSTREET

STITES & HARBISON for KPCo

Randy Wolkwas

KPCo

Chris Whelan

PSC - FA

TIM LIVERS

"

Ron Handziak

PSC - FA

Jeff Shaw

PSC

LSE/OSS Allocation Issue for Kentucky Power

Background

AEP Service Corporation, on behalf of the AEP East Operating Companies, APCo, KPCo, I & M, and OPCo, incurs PJM credits and charges for energy and ancillary services. AEP allocates some of these PJM's ancillary services: congestion, marginal losses and credits, and FTR revenues based on the amount of energy assigned on an hourly basis from the AEP East Generating facilities. These assignments are either to Internal Load, "LSE," or Off-System Sales, "OSS." The AEP East Operating Companies, including Kentucky Power, record their Member Load Ratio Share per the East Interconnection Agreement for LSE or OSS PJM charges and credits.

Issue Description

In August 2013, the AEP settlements team was reviewing the allocation amounts between LSE and OSS for PJM charges and credits and a determination was made that the PJM congestion costs, marginal losses and credits, and FTR revenues were not being allocated in the same manner as the energy assigned to either LSE or OSS.

In July 2011, AEP changed energy cost reconstruction systems from ECR to Power Tracker. It was determined that the interface from Power Tracker to AEP's PJM allocation system, "nMarket," did not properly allocate costs in comparison to the energy assigned for some of the AEP East Generating Plants. The mapping issue in nMarket caused additional PJM congestion costs, marginal losses and credits, and FTR revenues disproportionately assigned to LSE versus OSS for the period of July 2011 through June 2013. In the review, the determination was that the actual assignment of energy in Power Tracker and other PJM ancillary costs or credits were allocated correctly. AEP settlements corrected the allocation issue in nMarket for July 2013 settlements going forward.

Impact of Reclassification Issue

The settlements group reran the period of July 2011 through June 2013 to determine the impact of correcting the allocation between LSE and OSS for the impacted PJM ancillary costs or credits. The impact to Kentucky Power was approximately \$1.2M of net PJM ancillary costs for congestion, marginal losses and credits, and FTR revenues should have been assigned to OSS instead of LSE.

In September 2013, Kentucky Power will record an entry to increase PJM costs assigned to OSS of \$1.2M with the offset decreasing the LSE PJM accounts by the same amount. Kentucky Power is analyzing the regulatory impact from these entries. AEP is also continuing to review their allocation process from a settlement and system perspective to ensure costs or credits between LSE and OSS are properly assigned.

PJM Charges and Credits – Description

4470093 – PJM Implicit Congestion LSE - A charge attributable to the increased cost of energy delivered at a given load bus when the Transmission System serving that load bus is operating under constrained conditions. AEP allocates this PJM charge type between Internal Load and Off-System Sales. The 4470093 account represents the congestion attributable to serving Internal Load.

4470126 – PJM Implicit Congestion OSS - A charge attributable to the increased cost of energy delivered at a given load bus when the Transmission System serving that load bus is operating under constrained conditions. AEP allocates this PJM charge type between Internal Load and Off-System Sales. The 4470126 account represents the congestion attributable to serving Off-System Sales.

4470101 – PJM Financial Transmission Revenues LSE - A financial instrument awarded to bidders in the FTR auctions that entitles the holder to a stream of revenues (or charges) based on the hourly Day ahead congestion price differences across the path. AEP allocates this PJM charge type between Internal Load and Off-System Sales and is a hedge on congestion costs. The 4470101 account represents the financial transmission revenues attributable to serving internal load.

4470100 – PJM Financial Transmission Revenues OSS - A financial instrument awarded to bidders in the FTR auctions that entitles the holder to a stream of revenues (or charges) based on the hourly Day ahead congestion price differences across the path. AEP allocates this PJM charge type between Internal Load and Off-System Sales and is a hedge on congestion costs. The 4470100 account represents the financial transmission revenues attributable to serving Off-System Sales.

4470207 – PJM Transmission Loss Charges LSE – Transmission losses priced by PJM according to marginal loss factors which represent the percentage increase in system losses caused by an increase in power injection or withdrawal. AEP allocates this PJM charge type between Internal Load and Off-System Sales. The 4470207 account represents the transmission loss charges attributable to serving Internal Load.

4470209 – PJM Transmission Loss Charges OSS – Transmission losses priced by PJM according to marginal loss factors which represent the percentage increase in system losses caused by an increase in power injection or withdrawal. AEP allocates this PJM charge type between Internal Load and Off-System Sales. The 4470209 account represents the transmission loss charges attributable to serving Off-System Sales.

4470208 – PJM Transmission Loss Credits LSE – PJM redistributes any over collections from transmission loss charges back to the PJM participants. AEP allocates this PJM charge type between Internal Load and Off-System Sales. The 4470208 account represents the transmission loss credits attributable to serving Internal Load.

4470206 – PJM Transmission Loss Credits OSS – PJM redistributes any over collections from transmission loss charges back to the PJM participants. AEP allocates this PJM charge type between Internal Load and Off-System Sales. The 4470206 account represents the transmission loss credits attributable to serving Off-System Sales.

Kentucky Power Company
LSE/OSS Allocation Analysis
July 2011 through June 2013

Line No.	Account	9/1/2012	10/1/2012	11/1/2012	12/1/2012	1/1/2013	2/1/2013	3/1/2013	4/1/2013	5/1/2013	6/1/2013	Grand Total
1	4470093 PJM Congestion - LSE	\$ (48,087.79)	\$ (45,422.55)	\$ (15,627.89)	\$ (25,289.05)	\$ (58,915.16)	\$ (24,591.31)	\$ (12,200.50)	\$ (4,313.92)	\$ (3,138.22)	\$ (24,401.24)	\$ (641,262.41)
2	4470101 PJM FTR Revenue - LSE	\$ 11,201.48	\$ 19,650.14	\$ 2,981.87	\$ 5,014.54	\$ 10,750.85	\$ 9,947.30	\$ 4,697.77	\$ 613.96	\$ 1,025.20	\$ 668.68	\$ 162,347.91
3	4470207 PJM Transmission Losses - LSE	\$ (65,050.35)	\$ (73,201.12)	\$ (36,872.34)	\$ (68,440.15)	\$ (52,800.32)	\$ (24,408.84)	\$ (20,270.05)	\$ (14,959.93)	\$ (10,397.66)	\$ (39,150.55)	\$ (977,921.94)
4	4470208 PJM Trans. Loss Credits - LSE	\$ 15,242.13	\$ 15,361.61	\$ 7,810.51	\$ 12,972.02	\$ 13,524.12	\$ 6,526.33	\$ 4,718.76	\$ 2,980.17	\$ 1,490.67	\$ 7,126.17	\$ 242,244.12
	Subtotal											\$ (1,214,592.32)
5	4470100 PJM FTR Revenue - OSS	\$ (11,201.48)	\$ (19,650.14)	\$ (2,981.87)	\$ (5,014.54)	\$ (10,750.85)	\$ (9,947.30)	\$ (4,697.77)	\$ (613.96)	\$ (1,025.20)	\$ (668.68)	\$ (162,347.90)
6	4470126 PJM Congestion - OSS	\$ 48,087.79	\$ 45,422.54	\$ 15,627.89	\$ 25,289.05	\$ 58,915.16	\$ 24,591.31	\$ 12,200.50	\$ 4,313.92	\$ 3,138.22	\$ 24,401.24	\$ 641,266.19
7	4470206 PJM Trans. Loss Credits - OSS	\$ (15,242.13)	\$ (15,361.61)	\$ (7,810.51)	\$ (12,972.02)	\$ (13,524.12)	\$ (6,526.33)	\$ (4,718.76)	\$ (2,980.17)	\$ (1,490.67)	\$ (7,126.17)	\$ (242,244.12)
8	4470209 PJM Transmission Losses - OSS	\$ 65,050.35	\$ 73,201.13	\$ 36,872.34	\$ 68,440.15	\$ 52,800.32	\$ 24,408.84	\$ 20,270.05	\$ 14,959.93	\$ 10,397.66	\$ 39,150.55	\$ 977,918.15
	Subtotal											\$ 1,214,592.32

Recovered through FAC (Case No. 2012 00550)
that should have been allocated to OSS

9	Accounts 4470207 and 4470208 (7/1/11 -- 10/31/12)	\$ 49,808.22	\$ 57,839.52									\$ 525,522.94
10	To be recovered through OSS (7/1/11 -- 10/31/12) (Accounts 4470100 and 4470126)	\$ 36,886.31	\$ 25,772.40									\$ 346,141.17
11	To be recovered through OSS (11/1/12 -- 6/30/13) (Accts 4470100, 4470126, 4470206, 4470209)			\$ 41,707.85	\$ 75,742.64	\$ 87,440.51	\$ 32,526.52	\$ 23,054.02	\$ 15,679.72	\$ 11,020.01	\$ 55,756.94	\$ 342,928.21
												\$ 689,069.38
12	To be refunded through FAC (11/1/12 -- 6/30/13)	N/A	N/A	\$ (29,061.83)	\$ (55,468.13)	\$ (39,276.20)	\$ (17,882.51)	\$ (15,551.29)	\$ (11,979.76)	\$ (8,906.99)	\$ (32,024.38)	\$ (210,151.09)

Reconciliation for OSS:

13	Recovered through Base Rates	\$ 1,214,592.32	Misallocated OSS costs to LSE, not OSS	\$ (210,151.09)
14	Recovered through OSS Tracker	\$ 525,522.94	OSS costs recovered in FAC 2 yr review (Case No. 2012 00550)	\$ 413,441.63
15	Recovered through FAC	\$ 689,069.38	Remaining OSS costs (1)	\$ 203,290.54
16			60% Customer OSS sharing percentage	
17		\$ 413,441.63	Additional OSS costs to be recovered	
18			(1) \$210,151.09 To be refunded to customers through FAC for 11/12 thru 6/13 time period	

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

As Originally Filed

CALCULATION OF E(m)		May	June	July	August	September	October	November	December	January	February	March	April
E(m) = CRR - BRR		2011	2011	2011	2011	2011	2011	2011	2011	2012	2012	2012	2012
LINE 1	CRR from ES FORM 3 00	\$5 653 443	\$5 467 944	\$4 319 397	\$3 871 782	\$3 485 386	\$3 814 158	\$3 654 543	\$4 809 453	\$3 284 764	\$3 444 998	\$3 223 502	\$3 026 068
LINE 2	Brr from ES FORM 1 10	\$3,922,590	\$3,627,274	\$3,805,325	\$4,088,830	\$3,740,010	\$3,260,302	\$2,786,040	\$4,074,321	\$3,991,163	\$3,590,810	\$3,651,374	\$3,647,040
LINE 3	E(m) (LINE 1 - LINE 2)	\$1 730 853	\$1 840 670	\$514 072	(\$217 048)	(\$254 624)	\$553 856	\$868 503	\$735 132	(\$706 399)	(\$145 812)	(\$427 872)	(\$620 972)
LINE 4	Kentucky Retail Jurisdictional Allocation Factor from ES FORM 3 30, Schedule of Revenues - LINE 1	77.6%	72.7%	68.3%	76.2%	79.7%	78.0%	83.3%	83.0%	88.6%	88.9%	90.6%	80.4%
LINE 5A	KY Retail E(m) (LINE 3 * LINE 4)	\$1 343 142	\$1 338 167	\$351 111	(\$165 390)	(\$202 935)	\$432 008	\$723 463	\$610 160	(\$625 869)	(\$129 627)	(\$387 652)	(\$499 261)
LINE 5B	Environmental Surcharge Clause Adjustment Case No. 2011-00031, dated April 16, 2012	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$629 557)	\$0
LINE 5B	Environmental Surcharge Clause Adjustment Case No. 2012-00273, dated December 12, 2012	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LINE 5B	Environmental Surcharge Clause Adjustment Case No. 2012-00504, dated May 13, 2013	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LINE 6	(Over)/Under Recovery Adjustment from ES FORM 3 30	\$179 377	\$7 110	(\$235 309)	(\$197 884)	\$5 290	(\$27 561)	\$15 676	(\$122 928)	(\$105 459)	(\$74 511)	(\$211 240)	(\$17 621)
LINE 7	Net KY Retail E(m) (LINE 5 + LINE 6)	\$1 522 519	\$1 345 277	\$115 802	(\$363 274)	(\$197 645)	\$404 447	\$739 139	\$487 232	(\$731 328)	(\$204 138)	(\$1 228 449)	(\$516 882)

SURCHARGE FACTOR

LINE 8	Net KY Retail E(m) (Line 7)	\$1 522 519	\$1 345 277	\$115 802	(\$363 274)	(\$197 645)	\$404 447	\$739 139	\$487 232	(\$731 328)	(\$204 138)	(\$1 228 449)	(\$516 882)
LINE 9	KY Retail R(m) from ES FORM 3 30	\$40 424 987	\$46 953 714	\$46 534 433	\$47 519 210	\$44 097 032	\$38 287 502	\$42 852 396	\$50 620 415	\$55 884 283	\$48 360 835	\$44 915 695	\$35 695 838
LINE 10	Environmental Surcharge Factor for Expense - Month (Line 8 / LINE 9)	3.7663%	2.8651%	0.2489%	-0.7645%	-0.4482%	1.0563%	1.7248%	0.9625%	1.3086%	0.4221%	2.7350%	1.4480%

As Revised

CALCULATION OF E(m)		May	June	July	August	September	October	November	December	January	February	March	April
E(m) = CRR - BRR		2011	2011	2011	2011	2011	2011	2011	2011	2012	2012	2012	2012
LINE 11	CRR from ES FORM 3 00	\$0	\$0	\$4 319 397	\$3 871 782	\$3 485 386	\$3 814 158	\$3 654 543	\$4 809 453	\$3 284 764	\$3 444 998	\$3 223 502	\$3 026 068
LINE 12	Brr from ES FORM 1 10	\$0	\$0	\$3,805,325	\$4,088,830	\$3,740,010	\$3,260,302	\$2,786,040	\$4,074,321	\$3,991,163	\$3,590,810	\$3,651,374	\$3,647,040
LINE 13	E(m) (LINE 11 - LINE 12)	\$0	\$0	\$514 072	(\$217 048)	(\$254 624)	\$553 856	\$868 503	\$735 132	(\$706 399)	(\$145 812)	(\$427 872)	(\$620 972)
LINE 14	Kentucky Retail Jurisdictional Allocation Factor from ES FORM 3 30, Schedule of Revenues - LINE 1	0.0%	0.0%	68.5%	76.3%	79.7%	78.0%	83.3%	83.1%	88.6%	89.0%	90.6%	80.4%
LINE 15A	KY Retail E(m) (LINE 13 * LINE 14)	\$0	\$0	\$352 139	(\$165 607)	(\$202 935)	\$432 008	\$723 463	\$610 895	(\$625 869)	(\$129 773)	(\$387 652)	(\$499 261)
LINE 15B	Environmental Surcharge Clause Adjustment Case No. 2011-00031, dated April 16, 2012	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$629 557)	\$0
LINE 15B	Environmental Surcharge Clause Adjustment Case No. 2012-00273, dated December 12, 2012	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LINE 15B	Environmental Surcharge Clause Adjustment Case No. 2012-00504, dated May 13, 2013	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LINE 16	(Over)/Under Recovery Adjustment from ES FORM 3 30	\$0	\$0	(\$235 309)	(\$197 884)	\$5 290	(\$27 561)	\$15 676	(\$122 928)	(\$105 459)	(\$74 511)	(\$211 240)	(\$17 621)
LINE 17	Net KY Retail E(m) (LINE 15 + LINE 16)	\$0	\$0	\$116 830	(\$363 491)	(\$197 645)	\$404 447	\$739 139	\$487 967	(\$731 328)	(\$204 284)	(\$1 228 449)	(\$516 882)
LINE 18	Net KY Retail E(m) (Line 17)	\$0	\$0	\$116 830	(\$363 491)	(\$197 645)	\$404 447	\$739 139	\$487 967	(\$731 328)	(\$204 284)	(\$1 228 449)	(\$516 882)
LINE 19	KY Retail R(m) from ES FORM 3 30	\$0	\$0	\$46 534 433	\$47 519 210	\$44 097 032	\$38 287 502	\$42 852 396	\$50 620 415	\$55 884 283	\$48 360 835	\$44 915 695	\$35 695 838
LINE 20	Environmental Surcharge Factor for Expense - Month (Line 18 / LINE 19)	0.0000%	0.0000%	0.2511%	-0.7649%	-0.4482%	1.0563%	1.7248%	0.9640%	1.3086%	0.4224%	2.7350%	1.4480%
LINE 21	Difference (Line 18 - Line 8)	\$0	\$0	\$1 028	(\$217)	\$0	\$0	\$0	\$735	\$0	(\$146)	\$0	\$0

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

As Originally Filed

CALCULATION OF E(m) E(m) = CRR - BRR		May 2012	June 2012	July 2012	August 2012	September 2012	October 2012	November 2012	December 2012	January 2013	February 2013	March 2013	April 2013	Total (Over) / Under Recovery
LINE 1	CRR from ES FORM 3 00	\$2,391,424	\$2,882,566	\$3,327,923	\$3,236,799	\$2,324,588	\$2,316,161	\$2,344,576	\$2,918,789	\$3,129,219	\$3,543,964	\$3,855,280	\$3,567,081	
LINE 2	Brr from ES FORM 1 10	\$3,922,590	\$3,627,274	\$3,805,325	\$4,088,830	\$3,740,010	\$3,260,302	\$2,786,040	\$4,074,321	\$3,991,163	\$3,590,810	\$3,651,374	\$3,647,040	
LINE 3	E(m) (LINE 1 - LINE 2)	(\$1,531,166)	(\$744,708)	(\$477,402)	(\$852,031)	(\$1,415,422)	(\$944,141)	(\$441,464)	(\$1,155,532)	(\$861,944)	(\$46,846)	\$203,906	(\$79,959)	
LINE 4	Kentucky Retail Jurisdictional Allocation Factor from ES FORM 3 30 Schedule of Revenues - LINE 1	86.0%	81.8%	72.7%	76.0%	83.6%	81.3%	86.1%	82.1%	79.5%	84.7%	79.3%	82.6%	
LINE 5A	KY Retail E(m) (LINE 3 * LINE 4)	(\$1,316,803)	(\$609,171)	(\$347,071)	(\$647,544)	(\$1,183,293)	(\$767,587)	(\$380,100)	(\$948,692)	(\$685,245)	(\$39,679)	\$161,697	(\$66,046)	
LINE 5B	Environmental Surcharge Clause Adjustment Case No. 2011-00031, dated April 16, 2012	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
LINE 5B	Environmental Surcharge Clause Adjustment Case No. 2012-00273, dated December 12, 2012	\$0	\$0	\$0	\$0	\$0	\$0	(\$452,811)	\$0	\$0	\$0	\$0	\$0	
LINE 5B	Environmental Surcharge Clause Adjustment Case No. 2012-00504, dated May 13, 2013	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$704,292)	
LINE 6	(Over)/Under Recovery Adjustment from ES FORM 3 30	(\$224,683)	\$42,619	\$240,902	\$169,488	\$75,457	(\$103,039)	(\$117,808)	\$257,480	\$237,731	\$263,437	(\$7,291)	\$39,254	
LINE 7	Net KY Retail E(m) (LINE 5 + LINE 6)	(\$1,541,486)	(\$566,552)	(\$106,169)	(\$478,056)	(\$1,107,836)	(\$870,626)	(\$950,719)	(\$691,212)	(\$447,514)	\$223,758	\$154,406	(\$731,084)	

SURCHARGE FACTOR

LINE 8	Net KY Retail E(m) (Line 7)	(\$1,541,486)	(\$566,552)	(\$106,169)	(\$478,056)	(\$1,107,836)	(\$870,626)	(\$950,719)	(\$691,212)	(\$447,514)	\$223,758	\$154,406	(\$731,084)	
LINE 9	KY Retail R(m) from ES FORM 3 30	\$34,553,138	\$38,175,818	\$42,364,193	\$41,135,196	\$40,601,205	\$37,297,076	\$38,818,782	\$45,052,309	\$47,675,984	\$52,588,752	\$44,820,096	\$45,261,359	
LINE 10	Environmental Surcharge Factor for Expense - Month (Line 8 / LINE 9)	-4.4612%	-1.4841%	-0.2506%	-1.1622%	-2.7286%	-2.3343%	-2.4491%	-1.5342%	-0.9387%	0.4255%	0.3445%	1.6152%	

As Revised

CALCULATION OF E(m) E(m) = CRR - BRR		May 2012	June 2012	July 2012	August 2012	September 2012	October 2012	November 2012	December 2012	January 2013	February 2013	March 2013	April 2013	Total (Over) / Under Recovery
LINE 11	CRR from ES FORM 3 00	\$2,391,424	\$2,882,566	\$3,327,923	\$3,236,799	\$2,324,588	\$2,316,161	\$2,344,576	\$2,918,789	\$3,129,219	\$3,543,964	\$3,855,280	\$3,567,081	
LINE 12	Brr from ES FORM 1 10	\$3,922,590	\$3,627,274	\$3,805,325	\$4,088,830	\$3,740,010	\$3,260,302	\$2,786,040	\$4,074,321	\$3,991,163	\$3,590,810	\$3,651,374	\$3,647,040	
LINE 13	E(m) (LINE 11 - LINE 12)	(\$1,531,166)	(\$744,708)	(\$477,402)	(\$852,031)	(\$1,415,422)	(\$944,141)	(\$441,464)	(\$1,155,532)	(\$861,944)	(\$46,846)	\$203,906	(\$79,959)	
LINE 14	Kentucky Retail Jurisdictional Allocation Factor from ES FORM 3 30 Schedule of Revenues - LINE 1	86.0%	81.9%	72.8%	76.1%	83.8%	81.5%	86.2%	82.3%	79.6%	84.7%	79.3%	82.6%	
LINE 15A	KY Retail E(m) (LINE 13 * LINE 14)	(\$1,316,803)	(\$609,916)	(\$347,549)	(\$648,396)	(\$1,186,123)	(\$769,475)	(\$380,542)	(\$951,003)	(\$686,107)	(\$39,679)	\$161,697	(\$66,046)	
LINE 15B	Environmental Surcharge Clause Adjustment Case No. 2011-00031, dated April 16, 2012	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
LINE 15B	Environmental Surcharge Clause Adjustment Case No. 2012-00273, dated December 12, 2012	\$0	\$0	\$0	\$0	\$0	\$0	(\$452,811)	\$0	\$0	\$0	\$0	\$0	
LINE 15B	Environmental Surcharge Clause Adjustment Case No. 2012-00504, dated May 13, 2013	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$704,292)	
LINE 16	(Over)/Under Recovery Adjustment from ES FORM 3 30	(\$224,683)	\$42,619	\$240,902	\$169,488	\$75,457	(\$103,039)	(\$117,808)	\$257,480	\$237,731	\$263,437	(\$7,291)	\$39,254	
LINE 17	Net KY Retail E(m) (LINE 15 + LINE 16)	(\$1,541,486)	(\$567,297)	(\$106,647)	(\$478,908)	(\$1,110,666)	(\$872,514)	(\$951,161)	(\$693,523)	(\$448,376)	\$223,758	\$154,406	(\$731,084)	

SURCHARGE FACTOR

LINE 18	Net KY Retail E(m) (Line 17)	(\$1,541,486)	(\$567,297)	(\$106,647)	(\$478,908)	(\$1,110,666)	(\$872,514)	(\$951,161)	(\$693,523)	(\$448,376)	\$223,758	\$154,406	(\$731,084)	
LINE 19	KY Retail R(m) from ES FORM 3 30	\$34,553,138	\$38,175,818	\$42,364,193	\$41,135,196	\$40,601,205	\$37,297,076	\$38,818,782	\$45,052,309	\$47,675,984	\$52,588,752	\$44,820,096	\$45,261,359	
LINE 20	Environmental Surcharge Factor for Expense - Month (Line 18 / LINE 19)	-4.4612%	-1.4860%	-0.2517%	-1.1642%	-2.7355%	-2.3394%	-2.4503%	-1.5394%	-0.9405%	0.4255%	0.3445%	1.6152%	
LINE 21	Difference (Line 18 - Line 8)	\$0	(\$745)	(\$478)	(\$852)	(\$2,830)	(\$1,888)	(\$442)	(\$2,311)	(\$862)	\$0	\$0	\$0	(\$9,008)