

Steven L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet



Commonwealth of Kentucky
Public Service Commission
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June 1, 2015

David L. Armstrong
Chairman

James W. Gardner
Vice Chairman


Daniel E. Logsdon Jr.
Commissioner

PARTIES OF RECORD

Re: Case No. 2014-00396

Attached is a copy of a memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the memorandum please do so within five days of receipt of this letter. If you have any questions, please contact Jim Livers at (502)782-2655.

Sincerely,



Jeff Derouen
Executive Director

Attachments

INTRA-AGENCY MEMORANDUM
KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File – Case No. 2014-00396
FROM: Jim Livers, Division of Financial Analysis
DATE: June 1, 2015
RE: Informal Conference of May 28, 2015

Pursuant to an Order issued on May 13, 2015, an informal conference (“IC”) was held in this matter at the Commission’s office in Frankfort, Kentucky on May 28, 2015 for the purpose of discussing and reviewing the new forms and modifications of existing forms as proposed by Kentucky Power Company in this case. A list of attendees is attached to this memorandum.

At the IC, Kentucky Power reviewed new forms and changes to current forms that would be necessary under the partial settlement and stipulation filed in this proceeding. Kentucky Power stated that it will file a revised Form BS1 – Form 5.0 to correct an error. Kentucky Power also stated that it would work with Commission Staff to incorporate additional changes to its environmental surcharge forms. There being nothing further to discuss, the IC was adjourned.

Attachments:

Attendance List
New and Modified Forms

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY POWER)	
COMPANY FOR: (1) A GENERAL)	CASE NO.
ADJUSTMENT OF ITS RATES FOR)	2014-00396
ELECTRIC SERVICE; (2) AN ORDER)	
APPROVING ITS 2014 ENVIRONMENTAL)	
COMPLIANCE PLAN; (3) AN ORDER)	
APPROVING ITS TARIFFS AND RIDERS;)	
AND (4) AN ORDER GRANTING ALL)	
REQUIRED APPROVALS AND RELIEF)	

=====
May 28, 2015 Informal Conference
=====

Please sign in:

NAME

REPRESENTING

Jim Livers

PSC - FA

Ron Handziak

PSC - FA

Nancy Vinsel

psc - Legal

Quincy D. Young

PSC

Bob Russell

PSC

Chris Whelan

PSC - FA

John Rogness

Kentucky Power

MaryBeth Purvis

PSC - FA

JEFF JOHNSON

PSC

Mary Whitaker

PSC - FA

Steve Sharp

Kentucky Power

MARK R. WOODS KEET

STIVERS/HARRISON FOR KY. POWER

Amy Elliott

Kentucky Power

Angela Goad

AG Via Phone

Matt Malone

KSBA "

Derrick Williamson

Walmart "

Ken Gish

KyPower "

Mike Kartz

KIUC "

Kurt Boen

" "

Tody Cohn

" "

David Rousch

KyPower "

Alex Vaughn

" "

Shannon Listberger

" "

SAMPLE--FOR ILLUSTRATIVE PURPOSES ONLY

KENTUCKY POWER COMPANY

Environmental Surcharge

Summary

Month Ended:		Sample Only		
Residential Environmental Surcharge Factor	=	<u>\$1,578,215</u> \$17,430,123	=	9.0545%
All Other Classes Environmental Surcharge	=	<u>\$2,261,724</u> \$15,871,920	=	14.2498%

Effective Date for Billing SAMPLE ONLY

Submitted by: _____
(Signature)

Title: _____

Date Submitted: SAMPLE ONLY

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CALCULATION OF E(m) and SURCHARGE FACTOR
 For the Expense Month of Sample Only

<u>CALCULATION OF E(m)</u>			
E(m) = CRR - BRR			
LINE 1	CRR from ES FORM 3.00	\$4,091,943	
LINE 2	Brr from ES FORM 1.10	\$2,795,854	
LINE 3	Mitchell FGD Expenses (E.S. Form 3.13, Line 33)	\$3,278,204	
LINE 4	E(m) (LINE 1 - LINE 2 + LINE 3)	\$4,574,293	
LINE 5	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	91.0%	
LINE 6	KY Retail E(m) (LINE 3 * LINE 4)	\$4,162,607	
LINE 7	Under/ (Over) Collection, ES Form 3.30	(\$322,668.00)	
LINE 8	Net KY Retail E(m) (Line 6 + Line 7)	\$3,839,939	
<u>SURCHARGE FACTORS</u>		<u>Residential</u>	<u>All Other Classifications</u>
LINE 9	Allocation Factors, % of revenue during previous Calendar Year	41.10%	58.90%
LINE 10	Current Month's Allocation E(m)	\$1,578,215	\$2,261,724
LINE 11	Kentucky Residential Revenues/All Other Non-Fuel Revenues	\$17,430,123	\$15,871,920
LINE 12	Surcharge Factors	9.0545%	14.2498%

Effective Date for Billing: SAMPLE ONLY

Submitted By : _____

Title : _____

Date Submitted : December 22, 2014

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 BASE PERIOD REVENUE REQUIREMENT
 For the Expense Month of Sample Only

MONTHLY BASE PERIOD REVENUE REQUIREMENT

Billing Month	Base Net Environmental Costs
JANUARY	\$2,646,292
FEBRUARY	\$2,624,660
MARCH	\$2,736,994
APRIL	\$2,795,854
MAY	\$2,782,209
JUNE	\$2,723,098
JULY	\$3,416,840
AUGUST	\$3,184,443
SEPTEMBER	\$3,236,974
OCTOBER	\$2,982,958
NOVEMBER	\$2,895,369
DECEMBER	<u>\$2,876,988</u>
TOTAL	\$34,902,677

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 For the Expense Month of Sample Only

CALCULATION OF CURRENT PERIOD REVENUE REQUIREMENT

LINE NO.	COMPONENTS		
1	First Component: Associated with Mitchell Non-FGD expenses ES FORM 3.13, Line 33		\$3,324,906
2	Second Component: Associated with Rockport Plant [[RB IM(C)) (ROR IM(C)/12) + OE IM(C)] ES FORM 3.20, Line 20		\$767,074
3	Third Component: Net Proceeds from Emission Allowances Sales 1) CAIR SO2 - EPA Auction Proceeds received during Expense Month 2) CSAPR SO2 - Net Gain or (Loss) from Allowance Sales, received during Expense Month Total Net Proceeds from SO2 Allowances 3) NOx - EPA Auction Proceeds, received during Expense Month 4) NOx - Net Gain or (Loss) from NOx Allowances Sales, received during Expense Month Total Net Proceeds from NOx Allowances	\$12 \$22 \$34 \$1 \$2 \$3	
4	Total Net Gain or (Loss) from Emission Allowance Sales	-----	\$37
5	Total Current Period Revenue Requirement, CRR Record on ES FORM 1.00.		\$4,091,943

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 SO2 EMISSIONS ALLOWANCE INVENTORY

For the Expense Month of Sample Only

	(1) Allowance Activity in Month	(2) Dollar Value	(3) Weighted Average Cost
MONTHLY BEGINNING INVENTORY	1,117,037	\$10,415,388	\$9.324
Additions -			
EPA Allowances	0	\$0	\$0.000
Gavin Reallocation	0	\$0	\$0.000
P & E Transfers In	0	\$0	\$0.000
Intercompany Purchases	0	\$0	\$0.000
Other (List)	0	\$0	\$0.000
SO2 Emissions Allowance Adjustment	0	\$0	\$0.000
Withdrawals -			
P & E Transfers Out	0	\$0	\$0.000
Intercompany Sales	0	\$0	\$0.000
Off - System Sales	0	\$0	\$0.000
SO2 Emissions Allowance Adjustment	0	\$0	\$0.000
SO2 Emissions Allowances Consumed By Kentucky Power - 1:1 (Year 2009 & Prior)	0	\$0	
SO2 Emissions Allowances Consumed By Kentucky Power - 2:1 (Years 2010 to 2014)	2,040	\$192,698	\$94.460
ENDING INVENTORY - Record Balance in Column (4) on ES FORM 3.10, Line 5	1,114,997	10,222,690	\$9.168

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 CSAPR SO2 EMISSIONS ALLOWANCE INVENTORY

For the Expense Month of Sample Only

	(1) Allowance Activity in Month	(2) Dollar Value	(3) Weighted Average Cost
MONTHLY BEGINNING INVENTORY	12,345	\$350,000	\$28.352
Additions -			
EPA Allowances	0	\$0	\$0.000
Gavin Reallocation	0	\$0	\$0.000
P & E Transfers In	0	\$0	\$0.000
Intercompany Purchases	0	\$0	\$0.000
Other (List)	0	\$0	\$0.000
SO2 Emissions Allowance Adjustment	0	\$0	\$0.000
Withdrawals -			
P & E Transfers Out	0	\$0	\$0.000
Intercompany Sales	0	\$0	\$0.000
Off - System Sales	0	\$0	\$0.000
SO2 Emissions Allowance Adjustment	0	\$0	\$0.000
CSAPR SO2 Emissions Allowances Consumed in Current Month	1,234	\$23,747	\$19.244
ENDING INVENTORY - Record Balance in Column (4) on ES FORM 3.10, Line 5	11,111	326,253	\$29.363

ES FORM 3.12 A

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 CSAPR Annual NOx EMISSIONS ALLOWANCE INVENTORY
 For the Expense Month of Sample Only

	(1) Allowance Activity in Month	(2) Dollar Value	(3) Weighted Average Cost
MONTHLY BEGINNING INVENTORY	100,000	\$0	\$0.000
Additions -			
EPA Allowances	4	\$0	
P&E Transfers In	0		
Intercompany Purchases	0	\$0	
Other (List)	0	\$0	
Withdrawals -			
P & E Transfers Out	0	\$0	
Intercompany Sales	0	\$0	
Off - System Sales	0	\$0	
ERC Consumed By Kentucky Power	0	\$0	
NOx Consumed By Kentucky Power	12	\$ -	\$0.000
ENDING INVENTORY - Record Balance in Column (4) on ES FORM 3.10, Line 5	99,992	0	\$0.000

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 CSAPR Seasonal NOx EMISSIONS ALLOWANCE INVENTORY
 For the Expense Month of Sample Only

	(1)	(2)	(3)
	Allowance Activity in Month	Dollar Value	Weighted Average Cost
MONTHLY BEGINNING INVENTORY	7,758	\$123,453	\$15.913
Additions -			
EPA Allowances	3	\$0	
P&E Transfers In	0	\$0	
Intercompany Purchases	0	\$0	
External Purchases	0	\$0	
Other (List)	0	\$0	
NOx Emissions Allowance			
Adjustment	0	\$0	
Withdrawals -			
P & E Transfers Out	0	\$0	
Intercompany Sales	0	\$0	
Off - System Sales	0	\$0	
NOx Consumed By Kentucky Power	354	\$ 5,081	\$ 14.352
ENDING INVENTORY - Record Balance in Column (4) on ES FORM 3.10, Line 5	7,404	118,372	\$15.988

**Kentucky Power Company
Mitchell Environmental Costs
SAMPLE ONLY**

Ln. No.	Cost Component	Non-FGD Costs	FGD Costs	Total Costs
1	Utility Plant at Original Cost	\$ 343,000,000	\$327,193,412	\$ 670,193,412
2	Less Accumulated Depreciation	\$ 56,885,839	\$ 69,285,546	\$ 126,171,385
3	Less Accumulated Deferred Income Tax	\$ 20,569,189	\$ 23,778,041	\$ 44,347,230
4	Net Utility Plant	\$ 265,544,972	\$ 234,129,825	\$ 499,674,797
5	*SO2 Emission Allowance Inventory	\$ 2,904,865	\$ -	\$ 2,904,865
6	*CSAPR SO2 Emission Allowance Inventory			
7	*CSAPR NOx Emission Allowance Inventory	\$ 123,453	\$ -	\$ 216,243
8	*CSAPR AN Emission Allowance Inventory	\$ -		
9	Cash Working Capital Allowance	\$ 185,270	\$ 2,823,152	\$ 3,008,422
10	Total Rate Base	\$ 268,758,560	\$ 236,952,977	\$ 505,804,327
11	Weighted Average Cost of Capital 10.1280%			
12	Monthly Weighted Avg. Cost of Capital	0.84%	0.84%	0.84%
13	Monthly Return on Rate Base	\$ 2,268,322	\$ 1,999,883	\$ 4,268,989
14	Monthly Disposal (5010000)	0	\$ (92,224)	\$ (92,224)
15	Monthly Urea Expense (5020002)	\$ 141,313	\$ -	\$ 141,313
16	Monthly Trona Expense (5020003)	\$ 26,189	\$ -	\$ 26,189
17	Monthly Lime Stone Expense (5020004)		\$ 340,846	\$ 340,846
18	Monthly Polymer Expense (5020005)	\$ -	\$ 895	\$ 895
19	Monthly Lime Hydrate Expense (5020007)	\$ -	\$ 1,452	\$ 1,452
20	Monthly WV Air Emission Fee	\$ 5,991	\$ -	\$ 5,991
21	SO2 Consumption	\$ 33,162	\$ -	\$ 33,162
22	CSAPR SO2 Consumption			
23	CSAPR Seasonal Nox Consumption	\$ -	\$ -	\$ -
24	CSAPR Annual Nox consumption	\$ 2,207	\$ -	\$ 2,207
25	Total Monthly Operation Costs	\$ 2,477,185	\$ 2,250,852	\$ 4,728,820
26	Monthly FGD Maintenance Expense	--	\$ 156,365	\$ 156,365
27	Monthly Non-FGD Maintenance Expense	\$ 19,554		\$ 19,554
28	Total Monthly Maintenance Expense	\$ 19,554	\$ 156,365	\$ 175,919
29	Monthly Depreciation Expense	\$ 724,448	\$ 853,429	\$ 1,577,878
30	Monthly Catalyst Amortization Expense	\$ 85,314	\$ -	\$ 85,314
31	Monthly Property Tax	\$ 18,405.38	\$ 17,557.20	\$ 35,963
32	Total Monthly Other Expenses	\$ 828,167	\$ 870,987	\$ 1,699,154
33	Total Revenue Requirement	\$ 3,324,906	\$ 3,278,204	\$ 6,603,893

* Inventory Includes Total Kentucky Power allowances inventory.

** Includes Consumption for Rockport and Mitchell plants only. Big Sandy allowance consumption is recovered through the BS1OR.

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 MITCHELL PLANT COST OF CAPITAL

For the Expense Month of Sample Only

LINE NO.	Component	Balances	Cap. Structure	Cost Rates		WACC (Net of Tax)	GRCF		WACC (PRE-TAX)
		As of 9/30/2014							
1	L/T DEBT	\$585,086,099	51.51%	5.41%		2.79%	1.004977	***	2.8039%
2	S/T DEBT	\$0	0.00%	0.38%		0.00%	1.004977		0.0000%
3	ACCTS REC								
3	FINANCING	\$51,835,808	4.56%	1.07%		0.05%	1.004977		0.0502%
4	C EQUITY	\$498,888,221	43.93%	10.25%	*	4.50%	1.616424	**	7.2739%
5	TOTAL	\$1,135,810,128	100.00%						10.1280%

	<u>Debt</u>	<u>Equity</u>
6 Operating Revenues	#####	100.0000
7 Less Uncollectible Accounts Expense	0.3000	0.3000
8 KPSC Maintenance Assessment Fee	0.1952	0.1952
9 Income Before Income Taxes	99.5048	99.5048
10 Less State Income Taxes (Ln 4 x 5.7348)		5.7064
11 Income Before Federal Income Taxes		93.7984
12 Section 199 Deduction		2.5600
13 Taxable Income for Federal Income Taxes		91.2384
14 Less Federal Income Taxes (Ln 13*35%)		31.9334
15 Operating Income Percentage		61.8650
16 Gross Up Factor (100.00/Ln 9)	1.004977	1.616424

* WACC = Weighted Average Cost of Capital
 Rate of Return on Common Equity proposed in Case No. 2014-00396

** Gross Revenue Conversion Factor (GRCF) Calculation as reflected in Section V, Schedule 2, Workpaper S-2, Page 2 of 3.

*** Gross Up for PSC Maintenance Assessment Fee & Uncollectible Expense

The WACC (PRE - TAX) value on Line 5 is to be recorded on ES FORM 3.10, Line 9.
 Weighted Average Cost of Capital Balances As of 9/30/2014 based on Case No. 2014-00396, Dated xxxxxxxxxxxxxx.

**Kentucky Power Company
Rockport Environmental Costs
SAMPLE ONLY**

Ln. No.	Cost Component		Total Costs
1	Utility Plant at Original Cost		\$ 199,999,999
2	Less Accumulated Depreciation		\$ 11,111,111
3	Less Accumulated Deferred Income Tax		\$ 22,222,222
4	Net Utility Plant		\$ 166,666,666
5	Cash Working Capital Allowance		\$ 1,129
6	Total Rate Base		\$ 166,667,795
7	Weighted Average Cost of Capital	8.32%	
8	Monthly Weighted Avg. Cost of Capital		0.69%
9	Monthly Return on Rate Base		\$ 1,155,980
10	Monthly Brominated Sodium Bicarbonate (5020028)		\$ 2,222,222
11	Monthly Activated Carbon (5020008)		\$ 1,111,111
12	Monthly IN Air Emission Fee		\$ 15,625
13	Property Tax		\$ -
14	Total Monthly Operation Costs		\$ 4,504,938
15	Monthly Maintenance Expense		\$ 22,222
16	Total Monthly Maintenance Expense		\$ 22,222
17	Monthly Depreciation Expense		\$ 586,667
18	Total Monthly Other Expenses		\$ 586,667
19	Total Revenue Requirement		\$ 5,113,827
20	KPCo Share of Environmental Revenue Requirement	15%	\$ 767,074

*Indiana does not currently assess property taxes on environmental controls.

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 ROCKPORT UNIT POWER AGREEMENT COST OF CAPITAL

For the Expense Month of Sample Only

LINE NO.	Component	Balances	Cap. Structures	Cost Rates		WACC (NET OF TAX)	GRCF		WACC (PRE - TAX)	
		As of 4/30/2015								
1	L/T DEBT	63,595,049	25.1662%	2.2486%		0.5659%			0.5659%	
2	S/T DEBT	94,645,453	37.4537%	0.3061%		0.1146%			0.1146%	
	CAPITALIZATION									
3	OFFSETS	0	0.0000%	1.3704%		0.0000%			0.0000%	
4	DEBT		0.0000%							
5	C EQUITY	94,459,255	37.3800%	12.1600%	1/	4.5454%	1.681379	2/	7.6425%	
6	TOTAL	252,699,757 =====	100.0000% =====			5.2259% =====			8.3230% =====	
WACC = Weighted Average Cost of Capital 1/ Cost Rates per the Provisions of the Rockport Unit Power Agreement 2/ Gross Revenue Conversion Factor (GRCF) Calculation: 7 OPERATING REVENUE 8 LESS: INDIANA ADJUSTED GROSS INCOME 9 (LINE 1 X .085) 10 INCOME BEFORE FED INC TAX 11 LESS: FEDERAL INCOME TAX 12 (LINE 4 X .35) 13 OPERATING INCOME PERCENTAGE 14 GROSS REVENUE CONVERSION 15 FACTOR (100% / LINE 13)							100.00			
							<u>8.500</u>			
							91.500			
							<u>32.025</u>			
							59.475			
							<u>1.681379</u>			

The WACC (PRE - TAX) value on Line 6 is to be recorded on ES FORM 3.20, Line 7.

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 MONTHLY REVENUES, JURISDICTIONAL ALLOCATION FACTOR,
 and (OVER)/UNDER RECOVERY ADJUSTMENT

For the Expense Month of Sample Only

SCHEDULE OF MONTHLY REVENUES

Line No.	Description	Monthly Revenues	Percentage of Total Revenues
1	Kentucky Retail Revenues	\$43,908,900.19	91.0%
2	FERC Wholesale Revenues	\$568,574.54	1.2%
3	Associated Utilities Revenues	\$0.00	0.0%
4	Non-Assoc. Utilities Revenues	\$3,757,249.05	7.8%
5	Total Revenues for Surcharges Purposes	\$48,234,723.78	100.0%
6	Non-Physical Revenues for Month	\$180,017.34	
7	Total Revenues for Month	\$48,414,741.12	

The Kentucky Retail Monthly Revenues and Percentage of Total Revenues (Line 1) are to be recorded on ES FORM 1.00, Lines 9 and 4. The Percentage of Kentucky Retail Revenues to the Total Revenues for the Expense Month will be the Kentucky Retail Jurisdictional Allocation Factor.

OVER/(UNDER) RECOVERY ADJUSTMENT

Line No.	Description	Under/Over
1	Surcharge Amount To Be Collected	(\$1,211,556)
2	Actual Billed Environmental Surcharge Revenues	(\$888,888)
3	(Over) / Under Recovery (1) - (2) = (3)	(\$322,668)

The (Over)/Under Recovery amount is to be recorded on ES FORM 1.00, LINE 7.

Kentucky Power Company
Total Billed Revenues
As Used in Calculation of ES Form 3.30
Calendar Year 2014

ES Form 3.31

<u>Line No.</u>	<u>Revenue Category</u> (1)	<u>Total</u> (2)	Percentage of <u>Total</u> (3)	Residential/ All Other Classes to be used in <u>2015</u> (4)
1	Residential	\$241,979,204	29.09%	41.10%
2	All Other Classes	\$346,765,175	41.69%	58.90%
3	Total Retail Revenues	\$588,744,379	70.79%	100%
4	FERC Wholesale Revenues	\$7,016,660	0.84%	
5	Associated Utilities Revenues	\$5,479,520	0.66%	
6	Non Associated Utilities Revenues	\$224,770,862	27.03%	
7	Non-Physical Sales	\$5,679,798	0.68%	
8	Total Revenues	\$831,691,219	100.00%	

**Kentucky Power Company
Environmental Surcharge
Billed Revenue Calculations**

For the Expense Month of Sample Only

Line No.			
	<u>A. Residential Revenue Calculation</u>		
1	Revenue Class 010		\$ 5,555,555.00
2	+ Revenue Class 020	(+)	\$ 12,341,234.00
3	<i>Current Month Residential Retail Revenue</i>		\$ 17,896,789.00
4	Less Residential BSRR Revenues	(-)	\$444,444.00
5	Less Residential PPA Revenues		\$22,222.00
6	Total Current Month Residential Revenues		<u>\$ 17,430,123.00</u>
	<u>B. All Other Revenue Calculation</u>		
7	Total Retail Revenues		\$ 43,816,830.37
8	Less Residential Revenue (Rev Class 010 and 020)	(-)	\$ 17,896,789.00
9	Less All Other Classifications BSRR Revenues	(-)	\$777,777.00
10	Less All Other Classifications PPA Revenues		\$33,333.00
11	Non-Residential Retail Revenues		<u>\$ 25,108,931.37</u>
	Non-Residential Fuel Revenue Calculation:		
12	Total Retail kWh		570,541,462
13	Less Residential (Rev Class 010 + 020 kWh)	(-)	197,831,011
14	Non-Residential kWh		<u>372,710,451</u>
15	Base Fuel Amount		0.02840
16	Non-Residential Embedded Fuel Revenues (Ln 11 * Ln 12)		10,584,976.81
17	Plus FAC Revenues	(+)	(798,223.74)
18	Total Non-Residential Fuel Revenues		<u>9,786,753.06</u>
19	Non-Residential Non-fuel Revenues (Ln 8 - Ln 15)		\$ 15,322,178.31
20	Less Environmental Surcharge Revenues	(-)	(\$549,741.99)
21	Total Current Month All Other Revenues		<u>\$ 15,871,920.29</u>

Kentucky Power Company
 Environmental Surcharge
 Cash Working Capital Calculation
 For the Expense Month of Sample Only

		<u>Rockport</u>	<u>Mitchell FGD</u>	<u>Mitchell Non-FGD</u>
May	2014	4561	1215331	123513
June	2014	6789	21353	123513
July	2014	8912	2134853	123513
August	2014	2345	2134853	123513
September	2014	4567	2134853	123513
October	2014	6789	2134853	123513
November	2014	8912	2134853	123513
December	2014	2345	2134853	123513
January	2015	4567	2134853	123513
February	2015	6789	2134853	123513
March	2015	6789	2134853	123513
April	2015	8912	2134853	123513
1/8 of 12 Month Total		\$ 9,035	\$ 2,823,152	\$ 185,270

Kentucky Power Company - Big Sandy 1 Operation Rider
For Year Ended June 30, 2016

1	Actual BS1OR Costs 12-Months Ended 6/30/16 from BS1OR Form 4.0	17,737,639
2	Actual Revenue Collected 12-Months Ended 7/31/16 from BS1OR Form 5.0	18,243,719
3	(Over) / Under Recovery (Line 1 - Line 2)	(506,080)
4	Going Level Revenue Requirement from BS1OR Form 3.0	17,224,222
5	Plus / (Minus) the Over / Under Recovery (Line 3)	(506,080)
6	Proposed BS1OR Revenue Requirement (Line 4 + Line 5)	16,718,142
	a.) Demand	\$12,718,801
	b.) Energy	\$3,999,340
		\$16,718,142

<u>Class</u>	<u>\$ / kWh Rate</u>	<u>\$ / kW Rate</u>
RES	\$0.00326	-
SGS	\$0.00244	-
MGS	\$0.00062	0.47
Non Demand MGS Sec ¹	\$0.00260	-
LGS	\$0.00062	0.62
LGS LMTOD	\$0.00251	-
IGS (QP / CIP-TOD)	\$0.00061	0.76
MW	\$0.00212	-
OL	\$0.00072	-
SL	\$0.00073	-

**Kentucky Power Company
Big Sandy 1 Operation Rider Rate Design**

	<u>Demand</u>	<u>Energy</u>	<u>Total</u>
KY Retail Jurisdiction			
Revenue Requirement	\$13,103,816	\$4,120,406	\$17,224,222
(Over)/Under Recovery	(\$385,015)	(\$121,065)	(\$506,080)
Total Revenue Requirement	\$12,718,801	\$3,999,340	\$16,718,142

<u>Class</u> (1)	<u>Historic Period</u> <u>Billing</u> <u>Energy</u> (2)	<u>Historic Period</u> <u>Billing</u> <u>Demand</u> (3)	<u>Test Year</u> <u>CP / kWh</u> <u>Ratio</u> (4)	<u>CP</u> <u>Demand</u> <u>Allocation</u> <u>Factor</u> (5) = (2) x (4)	<u>Allocated</u> <u>Demand</u> <u>Related</u> <u>Costs</u> <u>on (5)</u> (6)	<u>Allocated</u> <u>Energy</u> <u>Related</u> <u>Costs</u> <u>on (2)</u> (7)	<u>\$ / kW</u> <u>Rate</u> (8) = (6) / (3)	<u>\$ / kWh</u> <u>Rate</u> (9) = (7) / (2)	<u>Revenue</u> <u>Verification</u> (10)	<u>Difference</u> (11) = (10) - (6) - (7)
RES	2,260,149,747		0.0236060%	533,531	\$5,969,388	\$1,392,326	\$ -	\$0.00326	\$7,368,088	\$6,374
SGS	142,560,729		0.0163937%	23,371	261,485	87,822	\$ -	\$0.00244 ²	347,848	-\$1,459
MGS	507,158,704	2,119,598	0.0177002%	89,768	1,004,365	312,426	\$ 0.47	\$0.00062	1,310,649	-\$6,142
Non Demand MGS Sec ¹	6,484,718		0.0177002%	1,148	12,844	3,995	\$ -	\$0.00260	16,860	\$21
LGS	705,405,060	2,169,269	0.0169381%	119,482	1,336,819	434,553	\$ 0.62	\$0.00062	1,782,298	\$10,926
LGS LMTOD	1,959,939		0.0169381%	332	3,715	1,207	\$ -	\$0.00251	4,919	-\$3
IGS (QP / CIP-TOD)	2,818,677,591	5,429,712	0.0130626%	368,193	4,119,511	1,736,398	\$ 0.76	\$0.00061 ²	5,845,974	-\$9,935
MW	3,864,039		0.0134057%	518	5,796	2,380	\$ -	\$0.00212	8,192	\$16
OL	37,640,598		0.0009431%	355	3,972	23,188	\$ -	\$0.00072	27,101	-\$59
SL	8,190,082		0.0009890%	81	906	5,045	\$ -	\$0.00073	5,979	\$28
Total	6,492,091,207	9,718,579		1,136,779	\$12,718,801	\$3,999,340			\$16,717,910	(\$231)

Notes:

¹ Non Demand MGS Sec includes MGS RL, MGS LMTOD and MGS TOD

² Revised after Revenue Verification

Estimated Going Level Operating Expenses 7/1/2016 - 6/30/2017

Kentucky Power Company

<u>Description</u>	<u>Totals</u>
Operating Expenses:	
Demand Related O&M	8,000,000
Energy Related O&M (excluding fuel) Includes PJM	
Charges and Credits	4,100,000
Depreciation on Gas Plant in Service	-
Property Tax	-
Kentucky Air Emission Fee	-
	<hr/>
Sub Total Operating Expenses	\$ 12,100,000
gross up factor from settlement exhibit 2	1.004977
Total Operating Expenses	<u>\$ 12,160,222</u>
Net Gas Plant in Service	\$ 50,000,000
Pre Tax WACC from settlement exhibit 2	10.128%
Total Return	<u>\$ 5,064,000</u>
Total BS1OR Going Level Revenue Requirement	\$ 17,224,222
Demand-Related	\$ 13,103,816
Energy-Related	4,120,406

Actual Operating Expenses 12-Months Ended 6/30/16**Kentucky Power Company**

<u>Description</u>	<u>Totals</u>
Operating Expenses:	
Demand Related O&M	8,600,000
Energy Related O&M (excluding fuel) Includes PJM Charges and Credits	9,049,796
Depreciation on Gas Plant in Service	-
Property Tax	-
Kentucky Air Emission Fee	-
	<hr/>
Sub Total Operating Expenses	\$ 17,649,796
gross up factor from settlement exhibit 2	1.004977
Total Operating Expenses	\$ 17,737,639
	<hr/>
Net Gas Plant in Service	\$ -
Pre Tax WACC from settlement exhibit 2	10.128%
Total Return	\$ -
	<hr/>
Total BS1OR Going Level Revenue Requirement	\$ 17,737,639

Kentucky Power Company
Big Sandy 1 Operation Rider Revenue Collected
 12-Months Ended 6/30/16 from BS1OR

<u>Tariff Class</u>	<u>Total</u>
R.S.	7,458,494
S.G.S and S.G.S-T.O.D.	387,765
M.G.S.	1,435,757
M.G.S. Recreational Lighting, M.G.S.-L.M.T.O.D., and M.G.S.-T.O.D.	18,352
L.G.S. and L.G.S.-T.O.D.	1,956,684
L.G.S.-L.M.-T.O.D.	5,409
L.G.S. and C.S.-I.R.P.	6,904,303
M.W.	9,583
O.L.	55,332
S.L.	<u>12,040</u>
 Total	 18,243,719
 Total Revenue Collected	 18,243,719

KENTUCKY POWER COMPANY

Big Sandy Retirement Rider

Summary

Year Ended:	Sample Only		
Residential B.S.R.R. Adjustment Factor	=	$\frac{\$6,979,645}{\$232,101,696}$	= 3.0071%
All Other Classes B.S.R.R. Adjustment Factor	=	$\frac{\$9,743,851}{\$195,197,785}$	= 4.9918%

Effective Date for Billing _____ Sample Only

Submitted by: _____
(Signature)

Title: _____ Sample Only

Date Submitted: _____ Sample Only

KENTUCKY POWER COMPANY

Big Sandy Retirement Rider

Year Ended: Sample Only

Residential Adjustment Factor

A.	Base Annual Residential Allocation	=	$\frac{\$16,723,495}{\$556,124,527}$	x	$\frac{\$232,101,696}{\$556,124,527}$	*	=	\$	6,979,645
B.	Adjustment Factor	=	$\frac{\text{NRA (from A above)}}{\text{Residential Retail Revenue}}$	=	$\frac{\$6,979,645}{\$232,101,696}$				<u>3.0071%</u>

All Other Adjustment Factor

C.	Base Annual All Other Allocation	=	$\frac{\$16,723,495}{\$556,124,527}$	x	$\frac{\$324,022,831}{\$556,124,527}$	*	=	\$	9,743,851
D.	Adjustment Factor	=	$\frac{\text{NOA (from A above)}}{\text{All Other Classes, Non-Fuel Retail Revenue}}$	=	$\frac{\$9,743,851}{\$195,197,785}$				<u>4.9918%</u>

WACC	10.1280%	YEAR 1 - Initial BSRR Factor
Monthly	0.8440%	
Monthly Payment	\$1,413,412	
Annual Payment	\$16,960,949	
Retail Juris Demand Factor	0.986	
Retail Revenue Requirement	\$16,723,495	

Recovery of Regulatory Asset Balance

Line	Month	Additions	Carrying Charges	Actual Revenue	Levelized Payment	Calculated Change in RA	Month End Reg Asset Balance	ADIT on RA	ADIT Balance	Balance of Components Subject to WACC
53	November-19		1,049,486		1,413,412	(363,927)	190,938,600	127,374	(66,828,510)	124,110,090
54	December-19		1,047,489		1,413,412	(365,923)	190,572,677	128,073	(66,700,437)	123,872,240
55	January-20		1,045,482		1,413,412	(367,931)	190,204,747	128,776	(66,571,661)	123,633,085
56	February-20		1,043,463		1,413,412	(369,949)	189,834,797	129,482	(66,442,179)	123,392,618
57	March-20		1,041,434		1,413,412	(371,979)	189,462,819	130,193	(66,311,987)	123,150,832
58	April-20		1,039,393		1,413,412	(374,019)	189,088,799	130,907	(66,181,080)	122,907,720
59	May-20		1,037,341		1,413,412	(376,071)	188,712,728	131,625	(66,049,455)	122,663,273
60	June-20		1,035,278		1,413,412	(378,134)	188,334,594	132,347	(65,917,108)	122,417,486
61	July-20		1,033,204		1,413,412	(380,209)	187,954,385	133,073	(65,784,035)	122,170,350
62	August-20		1,031,118		1,413,412	(382,295)	187,572,090	133,803	(65,650,232)	121,921,859
63	September-20		1,029,020		1,413,412	(384,392)	187,187,698	134,537	(65,515,694)	121,672,004
64	October-20		1,026,912		1,413,412	(386,501)	186,801,198	135,275	(65,380,419)	121,420,779
65	November-20		1,024,791		1,413,412	(388,621)	186,412,577	136,017	(65,244,402)	121,168,175
66	December-20		1,022,659		1,413,412	(390,753)	186,021,824	136,764	(65,107,638)	120,914,185
67	January-21		1,020,516		1,413,412	(392,897)	185,628,927	137,514	(64,970,124)	120,658,803
68	February-21		1,018,360		1,413,412	(395,052)	185,233,875	138,268	(64,831,856)	120,402,019
299	May-40		15,381		1,413,412	(1,398,031)	1,405,701	489,311	(491,995)	913,705
300	June-40		7,712		1,413,412	(1,405,701)	0	491,995	(0)	0
Totals		-	216,295,801	-	424,023,715	(207,727,914)		72,704,770		

WACC	10.1280%	YEAR 2 - October 2016 Factor
Monthly	0.8440%	
Monthly Payment	\$1,450,136	
Annual Payment	\$17,401,628	
Retail Juris Demand Factor	0.986	
Retail Revenue Requirement	\$17,158,005	

Recovery of Regulatory Asset Balance

Line	Month	Additions	Carrying Charges	Actual Revenue	Levelized Payment	Calculated Change in RA	Month End Reg Asset Balance	ADIT on RA	ADIT Balance	Balance of Components Subject to WACC
	June-15						207,727,914		(72,704,770)	135,023,144
1	July-15		1,139,595	1,394,000		(254,405)	207,473,509	89,042	(72,615,728)	134,857,781
2	August-15		1,138,200	1,394,000		(255,800)	207,217,709	89,530	(72,526,198)	134,691,511
3	September-15		1,136,796	1,394,000		(257,204)	206,960,505	90,021	(72,436,177)	134,524,328
4	October-15		1,135,385	1,394,000		(258,615)	206,701,890	90,515	(72,345,662)	134,356,229
5	November-15		1,133,967	1,394,000		(260,033)	206,441,857	91,012	(72,254,650)	134,187,207
6	December-15		1,132,540	1,394,000		(261,460)	206,180,397	91,511	(72,163,139)	134,017,258
7	January-16	833,333	1,131,106	1,394,000		570,439	206,750,836	(199,654)	(72,362,793)	134,388,043
8	February-16	833,333	1,134,235	1,394,000		573,568	207,324,404	(200,749)	(72,563,542)	134,760,863
9	March-16	833,333	1,137,382	1,394,000		576,715	207,901,119	(201,850)	(72,765,392)	135,135,728
10	April-16	833,333	1,140,546	1,394,000		579,879	208,480,998	(202,958)	(72,968,349)	135,512,649
11	May-16	833,333	1,143,727	1,394,000		583,060	209,064,058	(204,071)	(73,172,420)	135,891,638
12	June-16	833,333	1,146,925	1,394,000		586,259	209,650,317	(205,191)	(73,377,611)	136,272,706
13	July-16		1,150,142		1,450,136	(299,994)	209,350,323	104,998	(73,272,613)	136,077,710
14	August-16		1,148,496		1,450,136	(301,640)	209,048,683	105,574	(73,167,039)	135,881,644
15	September-16		1,146,841		1,450,136	(303,295)	208,745,389	106,153	(73,060,886)	135,684,503
16	October-16		1,145,177		1,450,136	(304,958)	208,440,430	106,735	(72,954,151)	135,486,280
17	November-16		1,143,504		1,450,136	(306,631)	208,133,799	107,321	(72,846,830)	135,286,969
18	December-16		1,141,822		1,450,136	(308,314)	207,825,485	107,910	(72,738,920)	135,086,565
19	January-17		1,140,131		1,450,136	(310,005)	207,515,480	108,502	(72,630,418)	134,885,062
20	February-17		1,138,430		1,450,136	(311,706)	207,203,775	109,097	(72,521,321)	134,682,453
21	March-17		1,136,720		1,450,136	(313,416)	206,890,359	109,696	(72,411,626)	134,478,733
22	April-17		1,135,001		1,450,136	(315,135)	206,575,224	110,297	(72,301,328)	134,273,895
23	May-17		1,133,272		1,450,136	(316,864)	206,258,360	110,902	(72,190,426)	134,067,934
24	June-17		1,131,533		1,450,136	(318,602)	205,939,758	111,511	(72,078,915)	133,860,842
25	July-17		1,129,786		1,450,136	(320,350)	205,619,407	112,123	(71,966,793)	133,652,615
26	August-17		1,128,028		1,450,136	(322,108)	205,297,300	112,738	(71,854,055)	133,443,245
27	September-17		1,126,261		1,450,136	(323,875)	204,973,425	113,356	(71,740,699)	133,232,726
28	October-17		1,124,484		1,450,136	(325,651)	204,647,774	113,978	(71,626,721)	133,021,053
29	November-17		1,122,698		1,450,136	(327,438)	204,320,336	114,603	(71,512,118)	132,808,218
30	December-17		1,120,901		1,450,136	(329,234)	203,991,102	115,232	(71,396,886)	132,594,216
31	January-18		1,119,095		1,450,136	(331,040)	203,660,061	115,864	(71,281,021)	132,379,040
32	February-18		1,117,279		1,450,136	(332,857)	203,327,205	116,500	(71,164,522)	132,162,683
33	March-18		1,115,453		1,450,136	(334,683)	202,992,522	117,139	(71,047,383)	131,945,139
34	April-18		1,113,617		1,450,136	(336,519)	202,656,003	117,782	(70,929,601)	131,726,402
35	May-18		1,111,771		1,450,136	(338,365)	202,317,639	118,428	(70,811,174)	131,506,465
36	June-18		1,109,915		1,450,136	(340,221)	201,977,418	119,077	(70,692,096)	131,285,321
37	July-18		1,108,048		1,450,136	(342,088)	201,635,330	119,731	(70,572,366)	131,062,965
38	August-18		1,106,171		1,450,136	(343,964)	201,291,366	120,387	(70,451,978)	130,839,388
39	September-18		1,104,284		1,450,136	(345,851)	200,945,515	121,048	(70,330,930)	130,614,585
40	October-18		1,102,387		1,450,136	(347,749)	200,597,766	121,712	(70,209,218)	130,388,548
41	November-18		1,100,479		1,450,136	(349,656)	200,248,110	122,380	(70,086,838)	130,161,271
42	December-18		1,098,561		1,450,136	(351,574)	199,896,535	123,051	(69,963,787)	129,932,748
43	January-19		1,096,632		1,450,136	(353,503)	199,543,032	123,726	(69,840,061)	129,702,971
44	February-19		1,094,693		1,450,136	(355,443)	199,187,590	124,405	(69,715,656)	129,471,933
45	March-19		1,092,743		1,450,136	(357,393)	198,830,197	125,087	(69,590,569)	129,239,628
46	April-19		1,090,782		1,450,136	(359,353)	198,470,844	125,774	(69,464,795)	129,006,049
47	May-19		1,088,811		1,450,136	(361,325)	198,109,519	126,464	(69,338,332)	128,771,188
48	June-19		1,086,829		1,450,136	(363,307)	197,746,212	127,157	(69,211,174)	128,535,038
49	July-19		1,084,836		1,450,136	(365,300)	197,380,913	127,855	(69,083,319)	128,297,593
50	August-19		1,082,832		1,450,136	(367,304)	197,013,609	128,556	(68,954,763)	128,058,846
51	September-19		1,080,817		1,450,136	(369,319)	196,644,290	129,262	(68,825,501)	127,818,788
52	October-19		1,078,791		1,450,136	(371,345)	196,272,945	129,971	(68,695,531)	127,577,414

WACC	10.1280%	YEAR 2 - October 2016 Factor
Monthly	0.8440%	
Monthly Payment	\$1,450,136	
Annual Payment	\$17,401,628	
Retail Juris Demand Factor	0.986	
Retail Revenue Requirement	\$17,158,005	

Recovery of Regulatory Asset Balance

Line	Month	Additions	Carrying Charges	Actual Revenue	Levelized Payment	Calculated Change in RA	Month End Reg Asset Balance	ADIT on RA	ADIT Balance	Balance of Components Subject to WACC
53	November-19		1,076,753		1,450,136	(373,382)	195,899,562	130,684	(68,564,847)	127,334,716
54	December-19		1,074,705		1,450,136	(375,431)	195,524,132	131,401	(68,433,446)	127,090,686
55	January-20		1,072,645		1,450,136	(377,490)	195,146,641	132,122	(68,301,325)	126,845,317
56	February-20		1,070,574		1,450,136	(379,561)	194,767,080	132,846	(68,168,478)	126,598,602
57	March-20		1,068,492		1,450,136	(381,643)	194,385,437	133,575	(68,034,903)	126,350,534
58	April-20		1,066,399		1,450,136	(383,737)	194,001,700	134,308	(67,900,595)	126,101,105
59	May-20		1,064,293		1,450,136	(385,842)	193,615,857	135,045	(67,765,550)	125,850,307
60	June-20		1,062,177		1,450,136	(387,959)	193,227,898	135,786	(67,629,764)	125,598,134
61	July-20		1,060,048		1,450,136	(390,087)	192,837,811	136,531	(67,493,234)	125,344,577
62	August-20		1,057,908		1,450,136	(392,227)	192,445,584	137,280	(67,355,954)	125,089,629
63	September-20		1,055,756		1,450,136	(394,379)	192,051,205	138,033	(67,217,922)	124,833,283
64	October-20		1,053,593		1,450,136	(396,543)	191,654,662	138,790	(67,079,132)	124,575,530
65	November-20		1,051,417		1,450,136	(398,718)	191,255,944	139,551	(66,939,580)	124,316,363
66	December-20		1,049,230		1,450,136	(400,906)	190,855,038	140,317	(66,799,263)	124,055,775
67	January-21		1,047,031		1,450,136	(403,105)	190,451,933	141,087	(66,658,177)	123,793,757
68	February-21		1,044,819		1,450,136	(405,316)	190,046,617	141,861	(66,516,316)	123,530,301
299	May-40		15,781		1,450,136	(1,434,355)	1,442,224	502,024	(504,778)	937,445
300	June-40		7,912		1,450,136	(1,442,224)	0	504,778	(0)	0
Totals		5,000,000	221,639,147	16,728,000	417,639,061	(207,727,914)		72,704,770		

WACC	10.1280%	YEAR 3 - October 2017 Factor
Monthly	0.8440%	
Monthly Payment	\$1,543,119	
Annual Payment	\$18,517,431	
Retail Juris Demand Factor	0.986	
Retail Revenue Requirement	\$18,258,187	

Recovery of Regulatory Asset Balance

Line	Month	Additions	Carrying Charges	Actual Revenue	Levelized Payment	Calculated Change in RA	Month End Reg Asset Balance	ADIT on RA	ADIT Balance	Balance of Components Subject to WACC
53	November-19		1,145,795		1,543,119	(397,324)	208,460,762	139,063	(72,961,267)	135,499,495
54	December-19		1,143,616		1,543,119	(399,503)	208,061,259	139,826	(72,821,441)	135,239,818
55	January-20		1,141,424		1,543,119	(401,695)	207,659,564	140,593	(72,680,847)	134,978,716
56	February-20		1,139,220		1,543,119	(403,899)	207,255,665	141,365	(72,539,483)	134,716,182
57	March-20		1,137,005		1,543,119	(406,115)	206,849,550	142,140	(72,397,343)	134,452,208
58	April-20		1,134,777		1,543,119	(408,343)	206,441,207	142,920	(72,254,423)	134,186,785
59	May-20		1,132,536		1,543,119	(410,583)	206,030,625	143,704	(72,110,719)	133,919,906
60	June-20		1,130,284		1,543,119	(412,835)	205,617,790	144,492	(71,966,226)	133,651,563
61	July-20		1,128,019		1,543,119	(415,100)	205,202,690	145,285	(71,820,941)	133,381,748
62	August-20		1,125,742		1,543,119	(417,377)	204,785,312	146,082	(71,674,859)	133,110,453
63	September-20		1,123,452		1,543,119	(419,667)	204,365,645	146,883	(71,527,976)	132,837,669
64	October-20		1,121,150		1,543,119	(421,969)	203,943,676	147,689	(71,380,287)	132,563,389
65	November-20		1,118,835		1,543,119	(424,284)	203,519,392	148,499	(71,231,787)	132,287,605
66	December-20		1,116,507		1,543,119	(426,612)	203,092,780	149,314	(71,082,473)	132,010,307
67	January-21		1,114,167		1,543,119	(428,952)	202,663,828	150,133	(70,932,340)	131,731,488
68	February-21		1,111,814		1,543,119	(431,305)	202,232,522	150,957	(70,781,383)	131,451,139
299	May-40		16,793		1,543,119	(1,526,326)	1,534,700	534,214	(537,145)	997,555
300	June-40		8,419		1,543,119	(1,534,700)	0	537,145	(0)	0
Totals		17,500,000	234,452,989	33,780,000	425,900,902	(207,727,914)		72,704,770		

WACC	10.1280%	YEAR 4 - October 2018 Factor
Monthly	0.8440%	
Monthly Payment	\$1,658,093	
Annual Payment	\$19,897,113	
Retail Juris Demand Factor	0.986	
Retail Revenue Requirement	\$19,618,554	

Recovery of Regulatory Asset Balance

Line	Month	Additions	Carrying Charges	Actual Revenue	Levelized Payment	Calculated Change in RA	Month End Reg Asset Balance	ADIT on RA	ADIT Balance	Balance of Components Subject to WACC
	June-15						207,727,914		(72,704,770)	135,023,144
1	July-15		1,139,595	1,394,000		(254,405)	207,473,509	89,042	(72,615,728)	134,857,781
2	August-15		1,138,200	1,394,000		(255,800)	207,217,709	89,530	(72,526,198)	134,691,511
3	September-15		1,136,796	1,394,000		(257,204)	206,960,505	90,021	(72,436,177)	134,524,328
4	October-15		1,135,385	1,394,000		(258,615)	206,701,890	90,515	(72,345,662)	134,356,229
5	November-15		1,133,967	1,394,000		(260,033)	206,441,857	91,012	(72,254,650)	134,187,207
6	December-15		1,132,540	1,394,000		(261,460)	206,180,397	91,511	(72,163,139)	134,017,258
7	January-16	833,333	1,131,106	1,394,000		570,439	206,750,836	(199,654)	(72,362,793)	134,388,043
8	February-16	833,333	1,134,235	1,394,000		573,568	207,324,404	(200,749)	(72,563,542)	134,760,863
9	March-16	833,333	1,137,382	1,394,000		576,715	207,901,119	(201,850)	(72,765,392)	135,135,728
10	April-16	833,333	1,140,546	1,394,000		579,879	208,480,998	(202,958)	(72,968,349)	135,512,649
11	May-16	833,333	1,143,727	1,394,000		583,060	209,064,058	(204,071)	(73,172,420)	135,891,638
12	June-16	833,333	1,146,925	1,394,000		586,259	209,650,317	(205,191)	(73,377,611)	136,272,706
13	July-16	833,333	1,150,142	1,394,000		589,475	210,239,792	(206,316)	(73,583,927)	136,655,865
14	August-16	833,333	1,153,375	1,394,000		592,709	210,832,501	(207,448)	(73,791,375)	137,041,126
15	September-16	833,333	1,156,627	1,394,000		595,960	211,428,461	(208,586)	(73,999,961)	137,428,500
16	October-16	833,333	1,159,897	1,430,000		563,230	211,991,691	(197,130)	(74,197,092)	137,794,599
17	November-16	833,333	1,162,986	1,430,000		566,320	212,558,011	(198,212)	(74,395,304)	138,162,707
18	December-16	833,333	1,166,093	1,430,000		569,427	213,127,438	(199,299)	(74,594,603)	138,532,834
19	January-17	1,250,000	1,169,217	1,430,000		989,217	214,116,655	(346,226)	(74,940,829)	139,175,826
20	February-17	1,250,000	1,174,644	1,430,000		994,644	215,111,299	(348,125)	(75,288,955)	139,822,344
21	March-17	1,250,000	1,180,101	1,430,000		1,000,101	216,111,399	(350,035)	(75,638,990)	140,472,409
22	April-17	1,250,000	1,185,587	1,430,000		1,005,587	217,116,986	(351,955)	(75,990,945)	141,126,041
23	May-17	1,250,000	1,191,104	1,430,000		1,011,104	218,128,090	(353,886)	(76,344,832)	141,783,259
24	June-17	1,250,000	1,196,651	1,430,000		1,016,651	219,144,741	(355,828)	(76,700,659)	142,444,082
25	July-17	1,250,000	1,202,228	1,430,000		1,022,228	220,166,969	(357,780)	(77,058,439)	143,108,530
26	August-17	1,250,000	1,207,836	1,430,000		1,027,836	221,194,805	(359,743)	(77,418,182)	143,776,623
27	September-17	1,250,000	1,213,475	1,430,000		1,033,475	222,228,280	(361,716)	(77,779,898)	144,448,382
28	October-17	1,250,000	1,219,144	1,522,000		947,144	223,175,424	(331,501)	(78,111,398)	145,064,026
29	November-17	1,250,000	1,224,340	1,522,000		952,340	224,127,764	(333,319)	(78,444,717)	145,683,047
30	December-17	1,250,000	1,229,565	1,522,000		957,565	225,085,329	(335,148)	(78,779,865)	146,305,464
31	January-18	1,250,000	1,234,818	1,522,000		962,818	226,048,147	(336,986)	(79,116,852)	146,931,296
32	February-18	1,250,000	1,240,100	1,522,000		968,100	227,016,247	(338,835)	(79,455,687)	147,560,561
33	March-18	1,250,000	1,245,411	1,522,000		973,411	227,989,659	(340,694)	(79,796,381)	148,193,278
34	April-18	1,250,000	1,250,751	1,522,000		978,751	228,968,410	(342,563)	(80,138,943)	148,829,466
35	May-18	1,250,000	1,256,121	1,522,000		984,121	229,952,531	(344,442)	(80,483,386)	149,469,145
36	June-18	1,250,000	1,261,520	1,522,000		989,520	230,942,050	(346,332)	(80,829,718)	150,112,333
37	July-18		1,266,948		1,658,093	(391,145)	230,550,905	136,901	(80,692,817)	149,858,089
38	August-18		1,264,802		1,658,093	(393,290)	230,157,615	137,652	(80,555,165)	149,602,450
39	September-18		1,262,645		1,658,093	(395,448)	229,762,167	138,407	(80,416,758)	149,345,408
40	October-18		1,260,475		1,658,093	(397,618)	229,364,549	139,166	(80,277,592)	149,086,957
41	November-18		1,258,294		1,658,093	(399,799)	228,964,750	139,930	(80,137,663)	148,827,088
42	December-18		1,256,101		1,658,093	(401,992)	228,562,758	140,697	(79,996,965)	148,565,793
43	January-19		1,253,895		1,658,093	(404,197)	228,158,561	141,469	(79,855,496)	148,303,065
44	February-19		1,251,678		1,658,093	(406,415)	227,752,146	142,245	(79,713,251)	148,038,895
45	March-19		1,249,448		1,658,093	(408,644)	227,343,501	143,026	(79,570,226)	147,773,276
46	April-19		1,247,206		1,658,093	(410,886)	226,932,615	143,810	(79,426,415)	147,506,200
47	May-19		1,244,952		1,658,093	(413,140)	226,519,475	144,599	(79,281,816)	147,237,659
48	June-19		1,242,686		1,658,093	(415,407)	226,104,068	145,392	(79,136,424)	146,967,644
49	July-19		1,240,407		1,658,093	(417,686)	225,686,382	146,190	(78,990,234)	146,696,148
50	August-19		1,238,115		1,658,093	(419,977)	225,266,405	146,992	(78,843,242)	146,423,163
51	September-19		1,235,811		1,658,093	(422,281)	224,844,123	147,798	(78,695,443)	146,148,680
52	October-19		1,233,495		1,658,093	(424,598)	224,419,526	148,609	(78,546,834)	145,872,692

WACC	10.1280%	YEAR 4 - October 2018 Factor
Monthly	0.8440%	
Monthly Payment	\$1,658,093	
Annual Payment	\$19,897,113	
Retail Juris Demand Factor	0.986	
Retail Revenue Requirement	\$19,618,554	

Recovery of Regulatory Asset Balance

Line	Month	Additions	Carrying Charges	Actual Revenue	Levelized Payment	Calculated Change in RA	Month End Reg Asset Balance	ADIT on RA	ADIT Balance	Balance of Components Subject to WACC
53	November-19		1,231,166		1,658,093	(426,927)	223,992,598	149,425	(78,397,409)	145,595,189
54	December-19		1,228,823		1,658,093	(429,269)	223,563,329	150,244	(78,247,165)	145,316,164
55	January-20		1,226,468		1,658,093	(431,624)	223,131,705	151,069	(78,096,097)	145,035,608
56	February-20		1,224,101		1,658,093	(433,992)	222,697,712	151,897	(77,944,199)	144,753,513
57	March-20		1,221,720		1,658,093	(436,373)	222,261,339	152,731	(77,791,469)	144,469,870
58	April-20		1,219,326		1,658,093	(438,767)	221,822,572	153,568	(77,637,900)	144,184,672
59	May-20		1,216,919		1,658,093	(441,174)	221,381,398	154,411	(77,483,489)	143,897,909
60	June-20		1,214,498		1,658,093	(443,594)	220,937,804	155,258	(77,328,231)	143,609,572
61	July-20		1,212,065		1,658,093	(446,028)	220,491,776	156,110	(77,172,121)	143,319,654
62	August-20		1,209,618		1,658,093	(448,475)	220,043,301	156,966	(77,015,155)	143,028,145
63	September-20		1,207,158		1,658,093	(450,935)	219,592,366	157,827	(76,857,328)	142,735,038
64	October-20		1,204,684		1,658,093	(453,409)	219,138,956	158,693	(76,698,635)	142,440,322
65	November-20		1,202,196		1,658,093	(455,896)	218,683,060	159,564	(76,539,071)	142,143,989
66	December-20		1,199,695		1,658,093	(458,397)	218,224,663	160,439	(76,378,632)	141,846,031
67	January-21		1,197,180		1,658,093	(460,912)	217,763,750	161,319	(76,217,313)	141,546,438
68	February-21		1,194,652		1,658,093	(463,441)	217,300,309	162,204	(76,055,108)	141,245,201
299	May-40		18,044		1,658,093	(1,640,049)	1,649,046	574,017	(577,166)	1,071,880
300	June-40		9,047		1,658,093	(1,649,046)	0	577,166	(0)	0
Totals		32,500,000	249,276,576	51,768,000	437,736,490	(207,727,914)		72,704,770		

WACC	10.1280%
Monthly	0.8440%
Monthly Payment	\$1,794,780
Annual Payment	\$21,537,360
Retail Juris Demand Factor	0.986
Retail Revenue Requirement	\$21,235,837

YEAR 5 - October 2019 Factor

Recovery of Regulatory Asset Balance

Line	Month	Additions	Carrying Charges	Actual Revenue	Levelized Payment	Calculated Change in RA	Month End Reg Asset Balance	ADIT on RA	ADIT Balance	Balance of Components Subject to WACC
	June-15						207,727,914		(72,704,770)	135,023,144
1	July-15		1,139,595	1,394,000		(254,405)	207,473,509	89,042	(72,615,728)	134,857,781
2	August-15		1,138,200	1,394,000		(255,800)	207,217,709	89,530	(72,526,198)	134,691,511
3	September-15		1,136,796	1,394,000		(257,204)	206,960,505	90,021	(72,436,177)	134,524,328
4	October-15		1,135,385	1,394,000		(258,615)	206,701,890	90,515	(72,345,662)	134,356,229
5	November-15		1,133,967	1,394,000		(260,033)	206,441,857	91,012	(72,254,650)	134,187,207
6	December-15		1,132,540	1,394,000		(261,460)	206,180,397	91,511	(72,163,139)	134,017,258
7	January-16	833,333	1,131,106	1,394,000		570,439	206,750,836	(199,654)	(72,362,793)	134,388,043
8	February-16	833,333	1,134,235	1,394,000		573,568	207,324,404	(200,749)	(72,563,542)	134,760,863
9	March-16	833,333	1,137,382	1,394,000		576,715	207,901,119	(201,850)	(72,765,392)	135,135,728
10	April-16	833,333	1,140,546	1,394,000		579,879	208,480,998	(202,958)	(72,968,349)	135,512,649
11	May-16	833,333	1,143,727	1,394,000		583,060	209,064,058	(204,071)	(73,172,420)	135,891,638
12	June-16	833,333	1,146,925	1,394,000		586,259	209,650,317	(205,191)	(73,377,611)	136,272,706
13	July-16	833,333	1,150,142	1,394,000		589,475	210,239,792	(206,316)	(73,583,927)	136,655,865
14	August-16	833,333	1,153,375	1,394,000		592,709	210,832,501	(207,448)	(73,791,375)	137,041,126
15	September-16	833,333	1,156,627	1,394,000		595,960	211,428,461	(208,586)	(73,999,961)	137,428,500
16	October-16	833,333	1,159,897	1,430,000		563,230	211,991,691	(197,130)	(74,197,092)	137,794,599
17	November-16	833,333	1,162,986	1,430,000		566,320	212,558,011	(198,212)	(74,395,304)	138,162,707
18	December-16	833,333	1,166,093	1,430,000		569,427	213,127,438	(199,299)	(74,594,603)	138,532,834
19	January-17	1,250,000	1,169,217	1,430,000		989,217	214,116,655	(346,226)	(74,940,829)	139,175,826
20	February-17	1,250,000	1,174,644	1,430,000		994,644	215,111,299	(348,125)	(75,288,955)	139,822,344
21	March-17	1,250,000	1,180,101	1,430,000		1,000,101	216,111,399	(350,035)	(75,638,990)	140,472,409
22	April-17	1,250,000	1,185,587	1,430,000		1,005,587	217,116,986	(351,955)	(75,990,945)	141,126,041
23	May-17	1,250,000	1,191,104	1,430,000		1,011,104	218,128,090	(353,886)	(76,344,832)	141,783,259
24	June-17	1,250,000	1,196,651	1,430,000		1,016,651	219,144,741	(355,828)	(76,700,659)	142,444,082
25	July-17	1,250,000	1,202,228	1,430,000		1,022,228	220,166,969	(357,780)	(77,058,439)	143,108,530
26	August-17	1,250,000	1,207,836	1,430,000		1,027,836	221,194,805	(359,743)	(77,418,182)	143,776,623
27	September-17	1,250,000	1,213,475	1,430,000		1,033,475	222,228,280	(361,716)	(77,779,898)	144,448,382
28	October-17	1,250,000	1,219,144	1,522,000		947,144	223,175,424	(331,501)	(78,111,398)	145,064,026
29	November-17	1,250,000	1,224,340	1,522,000		952,340	224,127,764	(333,319)	(78,444,717)	145,683,047
30	December-17	1,250,000	1,229,565	1,522,000		957,565	225,085,329	(335,148)	(78,779,865)	146,305,464
31	January-18	1,250,000	1,234,818	1,522,000		962,818	226,048,147	(336,986)	(79,116,852)	146,931,296
32	February-18	1,250,000	1,240,100	1,522,000		968,100	227,016,247	(338,835)	(79,455,687)	147,560,561
33	March-18	1,250,000	1,245,411	1,522,000		973,411	227,989,659	(340,694)	(79,796,381)	148,193,278
34	April-18	1,250,000	1,250,751	1,522,000		978,751	228,968,410	(342,563)	(80,138,943)	148,829,466
35	May-18	1,250,000	1,256,121	1,522,000		984,121	229,952,531	(344,442)	(80,483,386)	149,469,145
36	June-18	1,250,000	1,261,520	1,522,000		989,520	230,942,050	(346,332)	(80,829,718)	150,112,333
37	July-18	1,250,000	1,266,948	1,522,000		994,948	231,936,998	(348,232)	(81,177,949)	150,759,049
38	August-18	1,250,000	1,272,406	1,522,000		1,000,406	232,937,405	(350,142)	(81,528,092)	151,409,313
39	September-18	1,250,000	1,277,895	1,522,000		1,005,895	233,943,299	(352,063)	(81,880,155)	152,063,144
40	October-18	1,250,000	1,283,413	1,635,000		898,413	234,841,712	(314,445)	(82,194,599)	152,647,113
41	November-18	1,250,000	1,288,342	1,635,000		903,342	235,745,054	(316,170)	(82,510,769)	153,234,285
42	December-18	1,250,000	1,293,297	1,635,000		908,297	236,653,351	(317,904)	(82,828,673)	153,824,678
43	January-19	1,666,667	1,298,280	1,635,000		1,329,947	237,983,298	(465,481)	(83,294,154)	154,689,144
44	February-19	1,666,667	1,305,576	1,635,000		1,337,243	239,320,541	(468,035)	(83,762,189)	155,558,352
45	March-19	1,666,667	1,312,912	1,635,000		1,344,579	240,665,120	(470,603)	(84,232,792)	156,432,328
46	April-19	1,666,667	1,320,289	1,635,000		1,351,956	242,017,076	(473,184)	(84,705,977)	157,311,099
47	May-19	1,666,667	1,327,706	1,635,000		1,359,372	243,376,448	(475,780)	(85,181,757)	158,194,691
48	June-19	1,666,667	1,335,163	1,635,000		1,366,830	244,743,278	(478,390)	(85,660,147)	159,083,131
49	July-19		1,342,662		1,794,780	(452,118)	244,291,160	158,241	(85,501,906)	158,789,254
50	August-19		1,340,181		1,794,780	(454,599)	243,836,561	159,110	(85,342,796)	158,493,765
51	September-19		1,337,687		1,794,780	(457,093)	243,379,468	159,982	(85,182,814)	158,196,654
52	October-19		1,335,180		1,794,780	(459,600)	242,919,868	160,860	(85,021,954)	157,897,914

WACC	10.1280%	YEAR 5 - October 2019 Factor
Monthly	0.8440%	
Monthly Payment	\$1,794,780	
Annual Payment	\$21,537,360	
Retail Juris Demand Factor	0.986	
Retail Revenue Requirement	\$21,235,837	

Recovery of Regulatory Asset Balance

Line	Month	Additions	Carrying Charges	Actual Revenue	Levelized Payment	Calculated Change in RA	Month End Reg Asset Balance	ADIT on RA	ADIT Balance	Balance of Components Subject to WACC
53	November-19		1,332,658		1,794,780	(462,122)	242,457,746	161,743	(84,860,211)	157,597,535
54	December-19		1,330,123		1,794,780	(464,657)	241,993,090	162,630	(84,697,581)	157,295,508
55	January-20		1,327,574		1,794,780	(467,206)	241,525,884	163,522	(84,534,059)	156,991,824
56	February-20		1,325,011		1,794,780	(469,769)	241,056,115	164,419	(84,369,640)	156,686,475
57	March-20		1,322,434		1,794,780	(472,346)	240,583,769	165,321	(84,204,319)	156,379,450
58	April-20		1,319,843		1,794,780	(474,937)	240,108,831	166,228	(84,038,091)	156,070,740
59	May-20		1,317,237		1,794,780	(477,543)	239,631,288	167,140	(83,870,951)	155,760,337
60	June-20		1,314,617		1,794,780	(480,163)	239,151,125	168,057	(83,702,894)	155,448,232
61	July-20		1,311,983		1,794,780	(482,797)	238,668,329	168,979	(83,533,915)	155,134,414
62	August-20		1,309,334		1,794,780	(485,446)	238,182,883	169,906	(83,364,009)	154,818,874
63	September-20		1,306,671		1,794,780	(488,109)	237,694,774	170,838	(83,193,171)	154,501,603
64	October-20		1,303,994		1,794,780	(490,786)	237,203,988	171,775	(83,021,396)	154,182,592
65	November-20		1,301,301		1,794,780	(493,479)	236,710,509	172,718	(82,848,678)	153,861,831
66	December-20		1,298,594		1,794,780	(496,186)	236,214,323	173,665	(82,675,013)	153,539,310
67	January-21		1,295,872		1,794,780	(498,908)	235,715,415	174,618	(82,500,395)	153,215,019
68	February-21		1,293,135		1,794,780	(501,645)	235,213,769	175,576	(82,324,819)	152,888,950
299	May-40		19,531		1,794,780	(1,775,249)	1,784,988	621,337	(624,746)	1,160,242
300	June-40		9,792		1,794,780	(1,784,988)	0	624,746	(0)	0
Totals		50,000,000	265,605,646	71,049,000	452,284,560	(207,727,914)		72,704,770		

WACC 10.1280%
Monthly 0.8440%
Monthly Payment \$1,894,131
Annual Payment \$22,729,576
Retail Juris Demand Factor 0.986
Retail Revenue Requirement \$22,411,362

YEAR 6 - October 2020 Factor

Recovery of Regulatory Asset Balance

Line	Month	Additions	Carrying Charges	Actual Revenue	Levelized Payment	Calculated Change in RA	Month End Reg Asset Balance	ADIT on RA	ADIT Balance	Balance of Components Subject to WACC
	June-15						207,727,914		(72,704,770)	135,023,144
1	July-15		1,139,595	1,394,000		(254,405)	207,473,509	89,042	(72,615,728)	134,857,781
2	August-15		1,138,200	1,394,000		(255,800)	207,217,709	89,530	(72,526,198)	134,691,511
3	September-15		1,136,796	1,394,000		(257,204)	206,960,505	90,021	(72,436,177)	134,524,328
4	October-15		1,135,385	1,394,000		(258,615)	206,701,890	90,515	(72,345,662)	134,356,229
5	November-15		1,133,967	1,394,000		(260,033)	206,441,857	91,012	(72,254,650)	134,187,207
6	December-15		1,132,540	1,394,000		(261,460)	206,180,397	91,511	(72,163,139)	134,017,258
7	January-16	833,333	1,131,106	1,394,000		570,439	206,750,836	(199,654)	(72,362,793)	134,388,043
8	February-16	833,333	1,134,235	1,394,000		573,568	207,324,404	(200,749)	(72,563,542)	134,760,863
9	March-16	833,333	1,137,382	1,394,000		576,715	207,901,119	(201,850)	(72,765,392)	135,135,728
10	April-16	833,333	1,140,546	1,394,000		579,879	208,480,998	(202,958)	(72,968,349)	135,512,649
11	May-16	833,333	1,143,727	1,394,000		583,060	209,064,058	(204,071)	(73,172,420)	135,891,638
12	June-16	833,333	1,146,925	1,394,000		586,259	209,650,317	(205,191)	(73,377,611)	136,272,706
13	July-16	833,333	1,150,142	1,394,000		589,475	210,239,792	(206,316)	(73,583,927)	136,655,865
14	August-16	833,333	1,153,375	1,394,000		592,709	210,832,501	(207,448)	(73,791,375)	137,041,126
15	September-16	833,333	1,156,627	1,394,000		595,960	211,428,461	(208,586)	(73,999,961)	137,428,500
16	October-16	833,333	1,159,897	1,430,000		563,230	211,991,691	(197,130)	(74,197,092)	137,794,599
17	November-16	833,333	1,162,986	1,430,000		566,320	212,558,011	(198,212)	(74,395,304)	138,162,707
18	December-16	833,333	1,166,093	1,430,000		569,427	213,127,438	(199,299)	(74,594,603)	138,532,834
19	January-17	1,250,000	1,169,217	1,430,000		989,217	214,116,655	(346,226)	(74,940,829)	139,175,826
20	February-17	1,250,000	1,174,644	1,430,000		994,644	215,111,299	(348,125)	(75,288,955)	139,822,344
21	March-17	1,250,000	1,180,101	1,430,000		1,000,101	216,111,399	(350,035)	(75,638,990)	140,472,409
22	April-17	1,250,000	1,185,587	1,430,000		1,005,587	217,116,986	(351,955)	(75,990,945)	141,126,041
23	May-17	1,250,000	1,191,104	1,430,000		1,011,104	218,128,090	(353,886)	(76,344,832)	141,783,259
24	June-17	1,250,000	1,196,651	1,430,000		1,016,651	219,144,741	(355,828)	(76,700,659)	142,444,082
25	July-17	1,250,000	1,202,228	1,430,000		1,022,228	220,166,969	(357,780)	(77,058,439)	143,108,530
26	August-17	1,250,000	1,207,836	1,430,000		1,027,836	221,194,805	(359,743)	(77,418,182)	143,776,623
27	September-17	1,250,000	1,213,475	1,430,000		1,033,475	222,228,280	(361,716)	(77,779,898)	144,448,328
28	October-17	1,250,000	1,219,144	1,522,000		947,144	223,175,424	(331,501)	(78,111,398)	145,064,026
29	November-17	1,250,000	1,224,340	1,522,000		952,340	224,127,764	(333,319)	(78,444,717)	145,683,047
30	December-17	1,250,000	1,229,565	1,522,000		957,565	225,085,329	(335,148)	(78,779,865)	146,305,464
31	January-18	1,250,000	1,234,818	1,522,000		962,818	226,048,147	(336,986)	(79,116,852)	146,931,296
32	February-18	1,250,000	1,240,100	1,522,000		968,100	227,016,247	(338,835)	(79,455,687)	147,560,561
33	March-18	1,250,000	1,245,411	1,522,000		973,411	227,989,659	(340,694)	(79,796,381)	148,193,278
34	April-18	1,250,000	1,250,751	1,522,000		978,751	228,968,410	(342,563)	(80,138,943)	148,829,466
35	May-18	1,250,000	1,256,121	1,522,000		984,121	229,952,531	(344,442)	(80,483,386)	149,469,145
36	June-18	1,250,000	1,261,520	1,522,000		989,520	230,942,050	(346,332)	(80,829,718)	150,112,333
37	July-18	1,250,000	1,266,948	1,522,000		994,948	231,936,998	(348,232)	(81,177,949)	150,759,049
38	August-18	1,250,000	1,272,406	1,522,000		1,000,406	232,937,405	(350,142)	(81,528,092)	151,409,313
39	September-18	1,250,000	1,277,895	1,522,000		1,005,895	233,943,299	(352,063)	(81,880,155)	152,063,144
40	October-18	1,250,000	1,283,413	1,635,000		898,413	234,841,712	(314,445)	(82,194,599)	152,647,113
41	November-18	1,250,000	1,288,342	1,635,000		903,342	235,745,054	(316,170)	(82,510,769)	153,234,285
42	December-18	1,250,000	1,293,297	1,635,000		908,297	236,653,351	(317,904)	(82,828,673)	153,824,678
43	January-19	1,666,667	1,298,280	1,635,000		1,329,947	237,983,298	(465,481)	(83,294,154)	154,689,144
44	February-19	1,666,667	1,305,576	1,635,000		1,337,243	239,320,541	(468,035)	(83,762,189)	155,558,352
45	March-19	1,666,667	1,312,912	1,635,000		1,344,579	240,665,120	(470,603)	(84,232,792)	156,432,328
46	April-19	1,666,667	1,320,289	1,635,000		1,351,956	242,017,076	(473,184)	(84,705,977)	157,311,099
47	May-19	1,666,667	1,327,706	1,635,000		1,359,372	243,376,448	(475,780)	(85,181,757)	158,194,691
48	June-19	1,666,667	1,335,163	1,635,000		1,366,830	244,743,278	(478,390)	(85,660,147)	159,083,131
49	July-19	1,666,667	1,342,662	1,635,000		1,374,328	246,117,606	(481,015)	(86,141,162)	159,976,444
50	August-19	1,666,667	1,350,201	1,635,000		1,381,868	247,499,474	(483,654)	(86,624,816)	160,874,658
51	September-19	1,666,667	1,357,782	1,635,000		1,389,449	248,888,923	(486,307)	(87,111,123)	161,777,800
52	October-19	1,666,667	1,365,405	1,770,000		1,262,071	250,150,994	(441,725)	(87,552,848)	162,598,146

WACC	10.1280%
Monthly	0.8440%
Monthly Payment	\$1,894,131
Annual Payment	\$22,729,576
Retail Juris Demand Factor	0.986
Retail Revenue Requirement	\$22,411,362

YEAR 6 - October 2020 Factor

Recovery of Regulatory Asset Balance

Line	Month	Additions	Carrying Charges	Actual Revenue	Levelized Payment	Calculated Change in RA	Month End Reg Asset Balance	ADIT on RA	ADIT Balance	Balance of Components Subject to WACC
53	November-19	1,666,667	1,372,328	1,770,000		1,268,995	251,419,989	(444,148)	(87,996,996)	163,422,993
54	December-19	1,666,667	1,379,290	1,770,000		1,275,957	252,695,946	(446,585)	(88,443,581)	164,252,365
55	January-20	333,333	1,386,290	1,770,000		(50,377)	252,645,569	17,632	(88,425,949)	164,219,620
56	February-20	333,333	1,386,014	1,770,000		(50,653)	252,594,916	17,729	(88,408,221)	164,186,696
57	March-20	333,333	1,385,736	1,770,000		(50,931)	252,543,985	17,826	(88,390,395)	164,153,590
58	April-20	333,333	1,385,456	1,770,000		(51,210)	252,492,775	17,924	(88,372,471)	164,120,304
59	May-20	333,333	1,385,175	1,770,000		(51,491)	252,441,284	18,022	(88,354,449)	164,086,834
60	June-20	333,333	1,384,893	1,770,000		(51,774)	252,389,510	18,121	(88,336,328)	164,053,181
61	July-20		1,384,609		1,894,131	(509,522)	251,879,987	178,333	(88,157,996)	163,721,992
62	August-20		1,381,814		1,894,131	(512,318)	251,367,670	179,311	(87,978,684)	163,388,985
63	September-20		1,379,003		1,894,131	(515,128)	250,852,541	180,295	(87,798,389)	163,054,152
64	October-20		1,376,177		1,894,131	(517,954)	250,334,587	181,284	(87,617,105)	162,717,481
65	November-20		1,373,336		1,894,131	(520,796)	249,813,791	182,279	(87,434,827)	162,378,964
66	December-20		1,370,478		1,894,131	(523,653)	249,290,138	183,279	(87,251,548)	162,038,590
67	January-21		1,367,606		1,894,131	(526,526)	248,763,613	184,284	(87,067,264)	161,696,348
68	February-21		1,364,717		1,894,131	(529,414)	248,234,198	185,295	(86,881,969)	161,352,229
299	May-40		20,613		1,894,131	(1,873,519)	1,883,797	655,732	(659,329)	1,224,468
300	June-40		10,335		1,894,131	(1,883,797)	0	659,329	(0)	0
Totals		62,000,000	276,747,610	91,884,000	454,591,524	(207,727,914)		72,704,770		

WACC	10.1280%
Monthly	0.8440%
Monthly Payment	\$1,899,009
Annual Payment	\$22,788,112
Retail Juris Demand Factor	0.986
Retail Revenue Requirement	\$22,469,078

YEAR 7 - October 2021 Factor

Recovery of Regulatory Asset Balance

Line	Month	Additions	Carrying Charges	Actual Revenue	Levelized Payment	Calculated Change in RA	Month End Reg Asset Balance	ADIT on RA	ADIT Balance	Balance of Components Subject to WACC
	June-15						207,727,914		(72,704,770)	135,023,144
1	July-15		1,139,595	1,394,000		(254,405)	207,473,509	89,042	(72,615,728)	134,857,781
2	August-15		1,138,200	1,394,000		(255,800)	207,217,709	89,530	(72,526,198)	134,691,511
3	September-15		1,136,796	1,394,000		(257,204)	206,960,505	90,021	(72,436,177)	134,524,328
4	October-15		1,135,385	1,394,000		(258,615)	206,701,890	90,515	(72,345,662)	134,356,229
5	November-15		1,133,967	1,394,000		(260,033)	206,441,857	91,012	(72,254,650)	134,187,207
6	December-15		1,132,540	1,394,000		(261,460)	206,180,397	91,511	(72,163,139)	134,017,258
7	January-16	833,333	1,131,106	1,394,000		570,439	206,750,836	(199,654)	(72,362,793)	134,388,043
8	February-16	833,333	1,134,235	1,394,000		573,568	207,324,404	(200,749)	(72,563,542)	134,760,863
9	March-16	833,333	1,137,382	1,394,000		576,715	207,901,119	(201,850)	(72,765,392)	135,135,728
10	April-16	833,333	1,140,546	1,394,000		579,879	208,480,998	(202,958)	(72,968,349)	135,512,649
11	May-16	833,333	1,143,727	1,394,000		583,060	209,064,058	(204,071)	(73,172,420)	135,891,638
12	June-16	833,333	1,146,925	1,394,000		586,259	209,650,317	(205,191)	(73,377,611)	136,272,706
13	July-16	833,333	1,150,142	1,394,000		589,475	210,239,792	(206,316)	(73,583,927)	136,655,865
14	August-16	833,333	1,153,375	1,394,000		592,709	210,832,501	(207,448)	(73,791,375)	137,041,126
15	September-16	833,333	1,156,627	1,394,000		595,960	211,428,461	(208,586)	(73,999,961)	137,428,500
16	October-16	833,333	1,159,897	1,430,000		563,230	211,991,691	(197,130)	(74,197,092)	137,794,599
17	November-16	833,333	1,162,986	1,430,000		566,320	212,558,011	(198,212)	(74,395,304)	138,162,707
18	December-16	833,333	1,166,093	1,430,000		569,427	213,127,438	(199,299)	(74,594,603)	138,532,834
19	January-17	1,250,000	1,169,217	1,430,000		989,217	214,116,655	(346,226)	(74,940,829)	139,175,826
20	February-17	1,250,000	1,174,644	1,430,000		994,644	215,111,299	(348,125)	(75,288,955)	139,822,344
21	March-17	1,250,000	1,180,101	1,430,000		1,000,101	216,111,399	(350,035)	(75,638,990)	140,472,409
22	April-17	1,250,000	1,185,587	1,430,000		1,005,587	217,116,986	(351,955)	(75,990,945)	141,126,041
23	May-17	1,250,000	1,191,104	1,430,000		1,011,104	218,128,090	(353,886)	(76,344,832)	141,783,259
24	June-17	1,250,000	1,196,651	1,430,000		1,016,651	219,144,741	(355,828)	(76,700,659)	142,444,082
25	July-17	1,250,000	1,202,228	1,430,000		1,022,228	220,166,969	(357,780)	(77,058,439)	143,108,530
26	August-17	1,250,000	1,207,836	1,430,000		1,027,836	221,194,805	(359,743)	(77,418,182)	143,776,623
27	September-17	1,250,000	1,213,475	1,430,000		1,033,475	222,228,280	(361,716)	(77,779,898)	144,444,382
28	October-17	1,250,000	1,219,144	1,522,000		947,144	223,175,424	(331,501)	(78,111,398)	145,064,026
29	November-17	1,250,000	1,224,340	1,522,000		952,340	224,127,764	(333,319)	(78,444,717)	145,683,047
30	December-17	1,250,000	1,229,565	1,522,000		957,565	225,085,329	(335,148)	(78,779,865)	146,305,464
31	January-18	1,250,000	1,234,818	1,522,000		962,818	226,048,147	(336,986)	(79,116,852)	146,931,296
32	February-18	1,250,000	1,240,100	1,522,000		968,100	227,016,247	(338,835)	(79,455,687)	147,560,561
33	March-18	1,250,000	1,245,411	1,522,000		973,411	227,989,659	(340,694)	(79,796,381)	148,193,278
34	April-18	1,250,000	1,250,751	1,522,000		978,751	228,968,410	(342,563)	(80,138,943)	148,829,466
35	May-18	1,250,000	1,256,121	1,522,000		984,121	229,952,531	(344,442)	(80,483,386)	149,469,145
36	June-18	1,250,000	1,261,520	1,522,000		989,520	230,942,050	(346,332)	(80,829,718)	150,112,333
37	July-18	1,250,000	1,266,948	1,522,000		994,948	231,936,998	(348,232)	(81,177,949)	150,759,049
38	August-18	1,250,000	1,272,406	1,522,000		1,000,406	232,937,405	(350,142)	(81,528,092)	151,409,313
39	September-18	1,250,000	1,277,895	1,522,000		1,005,895	233,943,299	(352,063)	(81,880,155)	152,063,144
40	October-18	1,250,000	1,283,413	1,635,000		898,413	234,841,712	(314,445)	(82,194,599)	152,647,113
41	November-18	1,250,000	1,288,342	1,635,000		903,342	235,745,054	(316,170)	(82,510,769)	153,234,285
42	December-18	1,250,000	1,293,297	1,635,000		908,297	236,653,351	(317,904)	(82,828,673)	153,824,678
43	January-19	1,666,667	1,298,280	1,635,000		1,329,947	237,983,298	(465,481)	(83,294,154)	154,689,144
44	February-19	1,666,667	1,305,576	1,635,000		1,337,243	239,320,541	(468,035)	(83,762,189)	155,558,352
45	March-19	1,666,667	1,312,912	1,635,000		1,344,579	240,665,120	(470,603)	(84,232,792)	156,432,328
46	April-19	1,666,667	1,320,289	1,635,000		1,351,956	242,017,076	(473,184)	(84,705,977)	157,311,099
47	May-19	1,666,667	1,327,706	1,635,000		1,359,372	243,376,448	(475,780)	(85,181,757)	158,194,691
48	June-19	1,666,667	1,335,163	1,635,000		1,366,830	244,743,278	(478,390)	(85,660,147)	159,083,131
49	July-19	1,666,667	1,342,662	1,635,000		1,374,328	246,117,606	(481,015)	(86,141,162)	159,976,444
50	August-19	1,666,667	1,350,201	1,635,000		1,381,868	247,499,474	(483,654)	(86,624,816)	160,874,658
51	September-19	1,666,667	1,357,782	1,635,000		1,389,449	248,888,923	(486,307)	(87,111,123)	161,777,800
52	October-19	1,666,667	1,365,405	1,770,000		1,262,071	250,150,994	(441,725)	(87,552,848)	162,598,146

WACC	10.1280%
Monthly	0.8440%
Monthly Payment	\$1,899,009
Annual Payment	\$22,788,112
Retail Juris Demand Factor	0.986
Retail Revenue Requirement	\$22,469,078

YEAR 7 - October 2021 Factor

Recovery of Regulatory Asset Balance

Line	Month	Additions	Carrying Charges	Actual Revenue	Levelized Payment	Calculated Change in RA	Month End		ADIT on RA	ADIT Balance	Balance of Components Subject to WACC
							Reg Asset Balance				
53	November-19	1,666,667	1,372,328	1,770,000		1,268,995	251,419,989	(444,148)	(87,996,996)	163,422,993	
54	December-19	1,666,667	1,379,290	1,770,000		1,275,957	252,695,946	(446,585)	(88,443,581)	164,252,365	
55	January-20	333,333	1,386,290	1,770,000		(50,377)	252,645,569	17,632	(88,425,949)	164,219,620	
56	February-20	333,333	1,386,014	1,770,000		(50,653)	252,594,916	17,729	(88,408,221)	164,186,696	
57	March-20	333,333	1,385,736	1,770,000		(50,931)	252,543,985	17,826	(88,390,395)	164,153,590	
58	April-20	333,333	1,385,456	1,770,000		(51,210)	252,492,775	17,924	(88,372,471)	164,120,304	
59	May-20	333,333	1,385,175	1,770,000		(51,491)	252,441,284	18,022	(88,354,449)	164,086,834	
60	June-20	333,333	1,384,893	1,770,000		(51,774)	252,389,510	18,121	(88,336,328)	164,053,181	
61	July-20		1,384,609	1,770,000		(385,391)	252,004,119	134,887	(88,201,442)	163,802,677	
62	August-20		1,382,495	1,770,000		(387,505)	251,616,613	135,627	(88,065,815)	163,550,799	
63	September-20		1,380,369	1,770,000		(389,631)	251,226,982	136,371	(87,929,444)	163,297,538	
64	October-20		1,378,231	1,868,000		(489,769)	250,737,213	171,419	(87,758,025)	162,979,189	
65	November-20		1,375,544	1,868,000		(492,456)	250,244,758	172,359	(87,585,665)	162,659,092	
66	December-20		1,372,843	1,868,000		(495,157)	249,749,600	173,305	(87,412,360)	162,337,240	
67	January-21		1,370,126	1,868,000		(497,874)	249,251,727	174,256	(87,238,104)	162,013,622	
68	February-21		1,367,395	1,868,000		(500,605)	248,751,122	175,212	(87,062,893)	161,688,229	
299	May-40		20,666		1,899,009	(1,878,344)	1,888,648	657,420	(661,027)	1,227,621	
300	June-40		10,361		1,899,009	(1,888,648)	0	661,027	(0)	(0)	
Totals		62,000,000	277,252,208	114,006,000	432,974,122	(207,727,914)		72,704,770			

		Regulatory Asset Balance				
		Beginning of Year (July 1)	Additions	Amortization	End of Year (June 30)	Revenue Requirement *
Year 1	2015/2016	207,727,914	5,000,000	(3,077,597)	209,650,317	\$16,723,495
Year 2	2016/2017	209,650,317	12,500,000	(3,005,576)	219,144,741	\$17,158,005
Year 3	2017/2018	219,144,741	15,000,000	(3,202,691)	230,942,050	\$18,258,187
Year 4	2018/2019	230,942,050	17,500,000	(3,698,772)	244,743,278	\$19,618,554
Year 5	2019/2020	244,743,278	12,000,000	(4,353,768)	252,389,510	\$21,235,837
Year 6	2020/2021	252,389,510	-	(5,668,423)	246,721,087	\$22,411,362
Year 7	2021/2022	246,721,087				\$22,469,078
Total			62,000,000	(23,006,826)		

* Based upon Beginning of Year Regulatory Asset Balance

**KENTUCKY POWER COMPANY
Capacity Charge Annual Adjustment
Case Nos. 2004-00420 and 2014-00396**

Summary

12 Month Period Ended:		Sample Only			
I.G.S. Capacity Charge Factor \$/kWh	=	$\frac{\$2,008,268}{2,818,677,591}$	=	\$	0.000712
All Other Classes Capacity Charge Factor \$/kWh	=	$\frac{\$4,691,732}{3,673,413,618}$	=	\$	0.001277

Effective Date for Billing: _____ Sample Only

Submitted by: _____
(Signature)

Title: _____ Sample Only

Date Submitted: _____ Sample Only

KENTUCKY POWER COMPANY
Capacity Charge Annual Adjustment
Case Nos. 2004-00420 and 2014-00396

For The 12 Month Period Ended: Sample Only

**Line
No.**

1. (Over)/Under Recovery			
a.	Settlement Revenue Requirement	\$ 6,200,000	<i>REVsettle</i>
b.	Previous 12 Month Billed CC Revenue	(-) \$ 5,700,000	<i>REVBilled</i>
c.	Net (Over) / Under Recovery (Ln. a) - (Ln. b)	\$ 500,000	<i>REVdiff</i>
2. Revenue Requirement Next Period			
d.	Settlement Revenue Requirement	\$ 6,200,000	<i>REVsettle</i>
e.	Net (Over) / Under Recovery From Previous Period	(+) \$ 500,000	<i>REVdiff</i>
f.	Authorized Revenue Requirement (Ln. d) + (Ln e)	\$ 6,700,000	<i>REVauthorized</i>
3. I.G.S Allocation			
g.	I.G.S. 12 Month Billed Revenue	\$ 189,000,671	<i>REVIGS</i>
h.	Total Company Billed Revenue	(/) \$ 630,545,440	<i>REVTotall</i>
i.	Percent of Total	29.9742%	
4. All Other Classes Allocation			
j.	All Other Class 12 Month Billed Revenue	\$ 441,544,769	<i>REVAIAll Other</i>
k.	Total Company Billed Revenue	(/) \$ 630,545,440	<i>REVTotall</i>
l.	Percent of Total	70.0258%	
5. I.G.S. Capacity Charge Factor			
m.	I.G.S. Share of Authorized Revenue Requirement (Ln. f)*(Ln. g / Ln. i)	\$ 2,008,268	
n.	I.G.S. 12 Month Billed kWh	(/) 2,818,677,591	<i>kWhIGS</i>
o.	I.G.S. Capacity Charge Factor (Ln. m) / (Ln. n)	\$0.000712	
6. All Other Class (A.O.) Capacity Charge Factor			
p.	A.O. Share of Authorized Revenue Requirement (Ln. f)*(Ln. h / Ln. i)	\$ 4,691,732	
q.	A.O. 12 Month Billed kWh	(/) 3,673,413,618	<i>kWhAll Other</i>
r.	A.O. Capacity Charge Factor (Ln. p) / (Ln. q)	\$0.001277	

KENTUCKY POWER COMPANY

Purchased Power Adjustment

Summary

Month Ended: Sample Only

$$\begin{array}{rclcl} \text{Purchased Power Adjustment} & & \underline{\$377,778} & & \\ \text{Factor} & = & \$31,902,243 & = & 1.1842\% \end{array}$$

Effective Date for Billing Sample Only

Submitted by: (Signature)

Title: Director, Regulatory Services

Date Submitted: SAMPLE ONLY

SAMPLE--FOR ILLUSTRATIVE PURPOSES ONLY

KENTUCKY POWER COMPANY
Purchase Power Adjustment
Case Nos. 2012-00578 and 2014-00396

Month Ended:

Sample Only

Line No.

1. Current Month Purchase Power Agreement Net Costs				
a.	Costs of power purchased through Purchase Power Agreements	\$	-	<i>PPA(m)</i>
b.	Costs of fuel related substitute generation for forced outage	(+)	\$ 33,333	<i>RP(m)</i>
	Less the cost of fuel which would have been used in plants suffering forced generation or transmission outages.	(-)	\$ 22,222	
d.	Costs of purchased power in excess of peaking-unit equivalent limitation	(+)	\$ 222,222	<i>PE(m)</i>
e.	Costs of any credits provided to customers under Tariff C.S.-I.R.P.	(+)	-	<i>CSIRP(m)</i>
f.	Total Monthly Purchase Power Agreement Net Costs		<u>\$ 233,333</u> *	<i>Monthly P(m)</i>
2. Retail Allocation				
g.	Current Month Wholesale Revenues (Olive Hill & Vanceburg)	\$	578,862	
h.	Current Month Retail Revenues	\$	39,457,798	<i>KY Retail R(m)</i>
i.	Total Company Revenues (Ln g + Ln h)	\$	40,036,660	
j.	Retail Revenues/Total Company Revenues (Ln h /Ln i)		<u>98.5542%</u>	
3. Current Month Retail Allocation of Net Costs				
k.	Retail Allocation of Net Costs (Ln f * Ln j)	\$	<u>229,959</u>	
4 (Over)/Under Recovery				
l.	Previous Month's Purchase Power Agreement Net Costs (Ln f from Previous Month's Cost Schedule)	\$	222,222	
m.	PPA Revenues Received during Previous Month	(-)	\$ 77,777	
n.	Net (Over)/Under Recovery		<u>\$ 144,445</u>	
5 Subtotal				
o.	Current Month PPA costs + (Over)/Under Recovery (Ln f + Ln n)	\$	<u>377,778</u>	<i>Net KY Retail P(m)</i>
6. PPA Adjustment Factor				
p.	Total PPA Costs allocated to Retail Customers	\$	<u>377,778</u>	<i>P(m)</i>
q.	Total Current Month Retail Revenues	(/)	\$ 31,902,243	**
r.	Current Month Adjustment Factor		<u><u>1.1842%</u></u>	

* Excludes any costs recovered through the Fuel Adjustment Clause

** KY Retail R(m) less the Environmental Surcharge Revenues and the Big Sandy Retirement Rider Revenues

Effective Date for Billing: May 30, 2014

Submitted by: _____
Signature

Title: Director, Regulatory Services

Date Submitted: May 20, 2014

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