



**KENTUCKY
POWER**

A unit of American Electric Power

Kentucky Power
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Kentucky Public Service Commission
Attn: Mr. Jeff Derouen
PO Box 615
Frankfort, KY 40601

January 30, 2015

Re: Case No. 2014-00225

Dear Mr. Derouen:

The Company is in receipt of the Commission's January 22, 2015 Order in Case No. 2014-00225.¹ That Order requires Kentucky Power to make certain refunds over the next four months, to cease collecting Mitchell No Load costs during the "Overlap Period," and to amend its January 20, 2015 monthly Fuel Adjustment Clause filing to reflect the terms of the Commission's January 22, 2015 Order. The Order also indicates that the Mitchell No Load costs collected since April 30, 2014 are disallowed.

The Company filed its amended January 20, 2015 FAC filing on January 27, 2015 in accordance with the Commission's January 22, 2015 Order. The new FAC rates will become effective on January 30, 2015.

Kentucky Power is evaluating the Commission's January 22, 2015 Order and reserves the right to seek rehearing or to appeal. The purpose of this letter is to place the Commission, the parties, and the Company's customers on notice that in the event the Company seeks rehearing of the Commission's January 22, 2015 Order, or appeals the Order, and prevails in whole or part, that any FAC revenues foregone or refunds made in compliance with the January 22, 2015 Order are subject to retroactive recovery by the Company back to January 30, 2015.

Please let me know if you have any questions.

Sincerely,

Ranie K. Wahnhas
Managing Director Regulatory & Finance

cc: Richard G. Raff
Michael L. Kurtz
Jennifer Black Hans

¹ *In the Matter of: An Examination Of The Application Of The Fuel Adjustment Clause Of Kentucky Power Company From November 1, 2013 Through April 30, 2014, Case No. 2014-00225.*