

American Electric Power
101A Enterprise Drive
PO Box 5190
Frankfort, KY 40602-5190
www.aep.com



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JAN 23 2006
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Elizabeth O'Donnell, Executive Director
Public Service Commission
Attn: Daryl Newby
P. O. Box 615
Frankfort, KY 40602

RECEIVED
JAN 20 2006
PUBLIC SERVICE
COMMISSION

20 January 2006

Dear Ms. O'Donnell and Mr. Newby:

Attached are Kentucky Power Company's fuel adjustment clause schedules with supporting sales and fuel cost schedules. These calculations are based on an estimated December 2005 fuel costs with an adjustment reflecting actual November 2005 fuel costs.

The fuel adjustment clause factor of \$0.00326/kwh will be applied to our February 2006 billing. Pursuant to the Commission's Order dated October 3, 2002 in Case No. 2000-495B, page 5 reflects the peaking unit equivalent approach used to calculate the level of non-economy purchased power costs to flow through the fuel adjustment clause.

Also, we are attaching the system sales clause schedule with a supporting net revenue schedule calculated pursuant to the Commission's December 13, 2004 Order in Case No. 2004-00420. These calculations are based on an estimated December 2005 net revenue with an adjustment reflecting the true-up of November 2005 net revenue. Additionally, pursuant to the Commission's Order dated December 13, 2004 in Case No. 2004-00420 and the Company's System Sales Clause Tariff, Sheet No. 19-2, the Company is enclosing the calculations for the Balancing Adjustment Factor (B.A.F.) which reconciles the over/under collection of additional revenues for the period January through December 2005. The B.A.F. of \$(.000037)/kwh for All Other Customers and \$(.000065)/kwh for CIP-TOD customers will be applied to customers bills beginning with the February 2006 billing through December 2006 billing.

CHECKED
Public Service Commission

JAN 23 2006

By 
FINANCIAL ANALYSIS DIVISION

Page 2
Beth O'Donnell/Daryl Newby
20 January 2006

The net system sales clause factor of \$0.0013582/kwh for All Other Customers and \$.0009832/kwh for CIP-TOD Customers will be applied to our February 2006 billing.

All billings during February 2006 will show a combined factor of \$0.0046182/kwh for All Other Customers and \$0.0042432/kwh for CIP-TOD Customers.

If you have any questions, please advise.

Sincerely,



Errol K. Wagner
Director of Regulatory Services

Attachments

KENTUCKY POWER COMPANY

SUMMARY OF ADJUSTMENT CLAUSES

Month Ended:

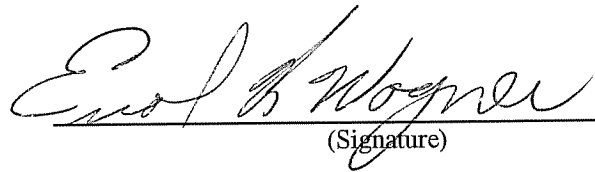
December 2005

		<u>All Other Customers</u>	<u>CIP-TOD Customers</u>
1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	\$0.00326 ✓	\$0.00326 ✓
2 System Sales Clause Factor (Page 1 of 2)	(+)	.0005482	\$0.0005482
3 State Issues Settlement Factor	(+)	0.0008470	0.0005000
4 State Issues Settlement Balancing Adjustment Factor (BAF)		<u>-0.000037</u>	<u>-0.000065</u>
5 Net System Sales Clause Factor - \$kWh (Ln 2+3+4)		\$0.0013582	0.0009832
6 Total Adjustment Clause Factors		<u><u>\$0.0046182</u></u> ✓	<u><u>\$0.0042432</u></u> ✓

Effective Date for Billing

February 2006

Submitted by:


(Signature)

Title:

Director of Regulatory Services

Date Submitted:

January 20, 2006

KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: December 2005

Fuel Fm (Fuel Cost Schedule)	<u>\$15,445,831</u>		
Sales Sm (Sales Schedule)	781,137,000	(+)	0.01977 ✓
Fuel (Fb)	<u>\$8,703,098</u>		
Sales (Sb)	527,226,000	(-)	0.01651 ✓
			<u>0.00326 ✓</u>
			<u>(\$/KWH)</u>

Effective Date for Billing February 2006

Submitted by: 
(Signature)

Title: Director of Regulatory Services

Date Submitted: January 20, 2006

KENTUCKY POWER COMPANY

FUEL COST SCHEDULE

Month Ended: December 2005

A. Company Generation				
Coal Burned	(+)	\$13,798,784		
Oil Burned	(+)	46,024		
Gas Burned	(+)	0		
Fuel (jointly owned plant)	(+)	0		
Fuel (assigned cost during F. O.)	(+)	0		
Fuel (substitute for F. O.)	(-)			
Sub Total			<u>13,844,808</u>	✓
B. Purchases				
Net Energy Cost - Economy Purchases	(+)	0		
Identifiable Fuel Cost - Other Purchases	(+)	10,517,167	*	
Identifiable Fuel Cost (substitute for F. O.)	(-)	0		
Sub Total			<u>10,517,167</u>	✓
C. Inter-System Sales Fuel Costs			<u>7,111,912</u>	*
Sub Total			<u>7,111,912</u>	✓
D. Total Fuel Cost (A + B - C)			<u><u>17,250,063</u></u>	✓
E. Adjustment indicating the difference in actual fuel cost for the month of <u>November 2005</u> and the estimated cost originally reported. <u>\$11,767,285</u> - <u>\$12,880,511</u> = <u>(1,113,226)</u> (actual) (est.)				✓
F. Total Company Over or (Under) Recovery from Page 4, Line 12			<u>691,006</u>	✓
G. Grand Total Fuel Cost (D + E - F)			<u><u>15,445,831</u></u>	✓

* Estimated - based on actual Kentucky generation unit costs in
December 2005

<u>\$13,844,808</u>		
682,596,000	0.02028	/KWH

KENTUCKY POWER COMPANY**SALES SCHEDULE****Month Ended:** December 2005

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	682,596,000
Purchases Including Interchange In	(+)	<u>518,598,000</u>
Sub Total		<u>1,201,194,000</u> ✓
B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	350,686,000
System Losses	(+)	<u>69,371,000</u> *
Sub Total		<u>420,057,000</u> ✓
Total Sales (A - B)		<u><u>781,137,000</u></u> ✓

* Does not include 693,975 KWH of company usage.

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: December 2005

Line
No.

1	FAC Rate Billed	(+)	0.00393
2	Retail KWH Billed at Above Rate	(x)	<u>713,752,033</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>2,805,045</u> ✓
4	KWH Used to Determine Last FAC Rate Billed	(+)	547,047,000
5	Non-Jurisdictional KWH Included in L4	(-)	<u>6,764,400</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>540,282,600</u> ✓
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		2,123,311 ✓
8	Over or (Under) Recovery (L3 - L7)		681,734 ✓
9	Total Sales (Page 3)	(+)	781,137,000
10	Kentucky Jurisdictional Sales	(/)	<u>770,659,100</u>
11	Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10)		1.01360 ✓
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>691,006</u></u> ✓

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: November 2005

A. Company Generation			
Coal Burned	(+)	\$13,762,894	
Oil Burned	(+)	195,537	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)			
(124,368 KWH X 12.047)	(+)	1,498,261	
Fuel (substitute for F. O.)	(-)	<u>0</u>	
Sub-total		<u>15,456,692</u>	✓
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	2,737,613	(1)
Identifiable Fuel Cost (substitute for F. O.)			
(124,368 KWH X 12.047)	(-)	<u>1,498,261</u>	
Sub-total		<u>1,239,352</u>	✓
C. Inter-System Sales Fuel Costs		<u>4,928,759</u>	(1)
Total Fuel Cost (A + B - C)		<u><u>\$11,767,285</u></u>	✓

(1) Includes total Energy Costs of non-economy purchase per KPSC Order dated October 3, 2002 in Case No. 2000-495-B.

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE SCHEDULE
Case No. 9061 and
Stipulation and Settlement Agreement

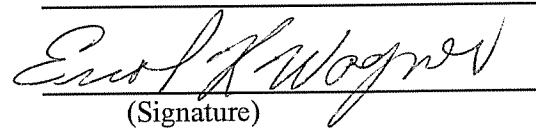
<u>Line No.</u>	<u>Month Ended:</u>	December 2005		
1	Current Month (Tm) Net Revenue Level	(+)	5,525	\$5,525
2	Base Month (Tb) Tariff 19-1 Net Revenue Level	(-)	<u>862,035</u>	<u>862,035</u>
3	Increase/(Decrease) of System Sales Net Revenue		(856,510)	(856,510)
4	Customer 50% Sharing	(x)	<u>50%</u>	<u>50%</u>
5	Customer Share of Increase/(Decrease) in System Sales Net Revenue		(428,255) ✓	(428,255)
6	Current Month (Sm) Sales Level	(/)	<u><u>781,137,000</u></u> ✓	781,137,000
7	System Sales Clause Factor - \$/Kwh		.0005482	0.0005482
8	State Issues Settlement Factor	(+)	<u>All Other Customers</u> \$0.000847	<u>CIP-TOD Customers</u> \$0.000500
9	State Issues Settlement Balancing Adjustment Factor	(+)	-\$0.000037	-\$0.000065
10	Net System Sales Clause Factor - \$/kWh* (Ln 7+8+9)	(=)	<u><u>\$0.0013582</u></u>	<u><u>\$0.0009832</u></u> *

* This factor is a credit to the customer when current month net revenue levels exceed the base month; and a charge when the current month net revenues levels are below the base month.

Effective Date for Billing:

February 2006

Submitted by:


 (Signature)

Title:

Director of Regulatory Services

Date Submitted:

January 20, 2006

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE NET REVENUE

Line No.		Month Ended: December 2005		TOTAL
		CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	
1	Sales For Resale Revenues	\$6,634,896	(\$120,418)	\$6,514,478
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	6,634,896	(120,418)	6,514,478
4	Sales For Resale Expenses	\$5,977,420	\$133,432	\$6,110,852
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	398,101	0	398,101
7	Total System Sales Expenses	6,375,521	133,432	6,508,953
8	Total System Sales Net Revenues	\$259,375	(\$253,850)	\$5,525

*Source:

ES Form 1.0, Line 3

ES Form 3.3, Line 4

Non-Associated Environmental Costs

American Electric Power
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Kentucky Power Company
State Issues Settlement Factor
Over (Under) Calculation
CIP-TOD and All Other Customers
for the months February 2006 through December 2006

Line No.	Description	All Other Customers	CIP-TOD Customers
1	State Issues Settlement Factor Over (Under) Amount (See page 2 of 6, Ln 5)	\$ 166,650	\$ 131,255
2	B.A.F. Over(Under) Amount (See page 3 of 6, Ln 5)	\$0.00	\$0.00
3	Net B.A.F. Amount (Ln 2+3)	\$ 166,650	\$ 131,255
4	Forecasted kWh Sales for the months Feb 2006 through Dec 2006 (See Pg 5 of 6)	4,508,230,000	2,023,570,000
5	B.A.F. for the months February 2006 through December 2006 (Ln 3 / Ln 4)	(0.000037)	(0.000065)
6	Year 2 State Issues Settlement Factor (See the System Sales Clause Tariff and the Settlement Agreement in Case No. 2004-00420)	0.000847	0.000500
7	Combined State Issues Settlement Factor and the B.A. F. to be applied February 2006 through December 2006 (Ln 5 + Ln 6)	\$ 0.000810	\$ 0.000435

**Kentucky Power Company
State Issues Settlement Factor
Over (Under) Calculation
CIP-TOD and All Other Customers
for the months January 2005 through December 2005**

Line No.	Description	All Other Customers	CIP-TOD Customers
1	Kentucky Power Company Billed kWhs for the twelve months ending December 2005 (See pg 4 of 6)	5,055,539,531	2,231,725,340
2	State Issues Settlement Factor (See the System Sales Clause Tariff and the Settlement Agreement in Case No. 2004-00420)	0.000847	0.000500
3	Actual State Issues Settlement Collected from Customers (Ln 1 x Ln 2)	\$4,282,042	\$1,115,863
4	Amount of State Issues Settlement to be Recovered from Customers per the Settlement Agreement in Case No. 2004-00420 and the System Sales Clause	\$4,115,392	\$984,608
5	Over(Under) Amount Collected (Ln 3 - Ln 4)	\$166,650	\$131,255

**Kentucky Power Company
State Issues Settlement Factor
CIP-TOD and All Other Customers
Over (Under) Calculation
for the months**

Line No.	Description	All Other Customers	CIP-TOD Customers
1	Kentucky Billed kWhs for the twelve months ending (See page 4 of 6)		
2	B.A.F. for the months XXX through XXX (See System Sales Clause Tariff and the Settlement Agreement in Case No. 2004-00420)		
3	Actual B.A.F. Distributed to Customers (Ln 1 x Ln 2)		
4	B.A.F. to be Distributed to Customers (See Pg 2 of 6, Ln 5, of the filing)		
5	Over(Under) Amount Distributed (Ln 4 - Ln 3)		

NOTE: THIS PAGE IS NOT APPLICABLE AS THE JANUARY 2006 FILING IS THE FIRST B.A.F. CALCULATION. THIS PAGE WILL BE USED IN FUTURE B.A.F. FILINGS.

**Kentucky Power Company
Kentucky Retail Billed kWhs
for CIP-TOD and All Other Customers
Twelve Months Ended December 2005**

Line No.	Month/Year	Retail Twelve Month kWh Sales	Total All Other Customers kWh Sales	Total CIP-TOD Customers kWh Sales
(1)	(2)	(3)	(3-4)	(4)
1	Jan 2005	719,580,775	529,361,255	190,219,520
2	Feb 2005	689,451,474	507,550,527	181,900,947
3	Mar 2005	646,537,664	477,351,851	169,185,813
4	Apr 2005	574,527,137	389,523,780	185,003,357
5	May 2005	518,721,701	336,198,848	182,522,853
6	Jun 2005	547,608,388	357,396,538	190,211,850
7	Jul 2005	574,452,045	401,128,265	173,323,780
8	Aug 2005	609,027,796	428,144,536	180,883,260
9	Sep 2005	594,466,932	414,424,812	180,042,120
10	Oct 2005	545,564,513	345,635,593	199,928,920
11	Nov 2005	553,574,413	359,460,073	194,114,340
12	Dec 2005	713,752,033	509,363,453	204,388,580
13	Total	7,287,264,871	5,055,539,531	2,231,725,340

**Kentucky Power Company
Monthly Forecasted kWh Sales
CIP-TOD and All Other Customers
for the 11 months February 2006 through December 2006**

Line No.	Month/Year	Total Ultimate KWH Sales	All Other Customers	CIP-TOD Customers
(1)	(2)	(3)	(3-4)	(4)
1	Feb 2006	690,200,000	528,120,000	162,080,000
2	Mar 2006	618,000,000	437,110,000	180,890,000
3	Apr 2006	543,300,000	359,040,000	184,260,000
4	May 2006	513,800,000	325,050,000	188,750,000
5	Jun 2006	560,500,000	378,320,000	182,180,000
6	Jul 2006	595,800,000	423,680,000	172,120,000
7	Aug 2006	593,600,000	409,030,000	184,570,000
8	Sep 2006	553,200,000	377,720,000	175,480,000
9	Oct 2006	531,100,000	326,380,000	204,720,000
10	Nov 2006	602,200,000	405,670,000	196,530,000
11	Dec 2006	730,100,000	538,110,000	191,990,000
12		6,531,800,000	4,508,230,000	2,023,570,000



TARIFF SUMMARY REVENUE- ALL REVENUE CLASS
12 MONTHS BILLED + ESTIMATED - MCSR0162 - FINAL

TARIFF	REVENUE	FUEL CLAUSE	REVENUE EXCL FUEL CLAUSE	METERED KWH	OFF PEAK KWH	BILLING DEMAND	# OF CUST INCL	# OF CUST EXCL	# OF LAMPS	REALIZATION		
										INCL FUEL	EXCL FUEL	FACILITY CHARGE
011	144,767.22	9,428.94	135,338.28	2,809,768	0	0.0	114	0	0	5.15	4.82	0.00
012	27,869.61	1,870.04	25,999.57	552,037	0	0.0	18	0	0	5.05	4.71	0.00
013	7,241.93	491.17	6,750.76	143,931	0	0.0	4	0	0	5.03	4.69	0.00
014	3,703.51	260.92	3,442.59	78,660	0	0.0	3	0	0	4.71	4.38	0.00
015	49,206,522.12	2,891,820.78	46,314,701.34	860,125,480	41,791	14,358.0	60,093	0	0	5.72	5.38	0.00
017	673,735.61	45,018.46	628,717.15	13,190,671	0	213.1	557	0	0	5.11	4.77	0.00
022	88,897,596.48	5,490,046.41	83,407,550.07	1,602,232,364	19,595	17,297.8	83,525	0	0	5.55	5.21	0.00
028	6,255.76	455.41	5,800.35	133,743	92,427	0.0	8	0	0	4.68	4.34	0.00
030	100,112.49	6,881.83	93,230.66	2,024,269	1,275,806	0.0	75	0	0	4.95	4.61	0.00
032	160,555.39	13,113.66	147,441.73	3,820,504	2,826,333	0.0	113	0	0	4.20	3.86	0.00
034	735.35	51.17	684.18	14,361	9,387	0.0	2	0	0	5.12	4.76	0.00
036	228.11	10.46	217.65	3,611	2,103	0.0	1	0	0	6.32	6.03	0.00
054	149.11	13.68	135.43	3,440	0	0.0	1	0	0	4.33	3.94	0.00
093	170,866.72	7,533.24	163,333.48	2,162,351	0	0.0	0	2,438	2,526	7.90	7.55	79.20
094	1,720,050.61	42,615.28	1,677,435.33	12,317,868	0	0.0	0	24,170	25,719	13.96	13.62	34,018.12
095	19,463.94	1,121.46	18,342.48	323,219	0	0.0	0	139	172	6.02	5.67	3.72
097	233,216.54	7,908.00	225,308.54	2,281,663	0	0.0	0	1,831	2,280	10.22	9.87	6,819.64
098	24,850.23	1,001.71	23,848.52	291,310	0	0.0	0	59	148	8.53	8.19	1,098.18
099	1,240.53	46.28	1,194.25	13,502	0	0.0	0	8	16	9.19	8.84	0.00
107	206,343.24	6,100.69	200,242.55	1,753,607	0	0.0	0	1,272	1,751	11.77	11.42	4,374.00
109	626,381.99	26,388.31	599,993.68	7,588,642	0	0.0	0	1,749	3,844	8.25	7.91	16,253.13
110	19,464.09	395.29	19,068.80	114,702	0	0.0	0	40	96	16.97	16.62	2,054.28
111	96,872.74	1,424.40	95,448.34	411,368	0	0.0	0	152	855	23.55	23.20	315.79
113	1,421,502.72	42,333.68	1,379,169.04	12,176,346	0	0.0	0	15,833	17,553	11.67	11.33	61,372.88
116	197,598.12	5,285.92	192,312.20	1,526,256	0	0.0	0	247	824	12.95	12.60	4,771.75
122	8,546.22	85.25	8,460.97	32,541	0	0.0	0	17	47	26.26	26.00	0.00
131	45,972.33	1,393.47	44,578.86	400,867	0	0.0	0	24	94	11.47	11.12	311.19
204	183,134.10	6,255.82	176,878.28	1,808,935	0	21.7	648	0	0	10.12	9.78	0.00
211	6,327,394.39	248,327.49	6,079,066.90	72,432,723	110,523	48,094.6	17,115	0	0	8.74	8.39	0.00
212	203.72	24.22	179.50	3,976	0	51.1	0	0	0	5.12	4.51	0.00
213	151,324.86	5,681.47	145,643.39	1,518,848	0	0.0	427	0	0	9.96	9.59	0.00
214	76,213.45	4,061.35	72,152.10	1,085,819	0	21,100.7	70	0	0	7.02	6.64	0.00
215	39,460,392.11	2,030,813.42	37,429,578.69	602,363,794	107,633	2,628,355.6	11,094	0	0	6.55	6.21	0.00
216	574,952.30	30,646.48	544,305.82	8,920,114	0	35,129.7	91	0	0	6.45	6.10	0.00
217	258,973.37	15,193.68	243,779.69	4,513,584	0	14,446.3	34	0	0	5.74	5.40	0.00
218	51,568.58	2,747.89	48,820.69	806,875	0	2,529.2	18	0	0	6.39	6.05	0.00
220	618,813.32	36,727.05	582,086.27	10,527,020	0	40,334.3	53	0	0	5.88	5.53	0.00
223	84,066.99	5,480.83	78,586.16	1,571,596	1,033,680	0.0	55	0	0	5.35	5.00	0.00
225	2,757.77	90.47	2,667.30	27,843	15,432	23.3	6	0	0	9.90	9.58	0.00
229	129,931.30	7,327.67	122,603.63	2,154,648	1,309,374	281.7	75	0	0	6.03	5.69	0.00
236	236,049.88	11,895.15	224,154.73	3,549,140	0	17,199.4	23	0	0	6.65	6.32	0.00
240	30,307,090.49	1,936,553.69	28,370,536.80	570,348,841	0	1,729,415.0	684	0	0	5.31	4.97	0.00
242	408,688.59	27,688.88	380,999.71	8,180,320	0	19,151.0	7	0	0	5.00	4.66	0.00



TARIFF SUMMARY REVENUE- ALL REVENUE CLASS
12 MONTHS BILLED + ESTIMATED - MCSR0162 - FINAL

TARIFF	REVENUE	FUEL CLAUSE	REVENUE EXCL FUEL CLAUSE	METERED KWH	OFF PEAK KWH	BILLING DEMAND	# OF CUST INCL	# OF CUST EXCL	# OF LAMPS	REALIZATION		
										INCL FUEL	EXCL FUEL	FACILITY CHARGE
244 LGS PRI	6,741,841.61	425,732.74	6,316,108.87	123,685,899	0	614,661.0	98	0	0	5.45	5.11	0.00
246 LGS M PRI	30,595.18	2,185.54	28,409.64	671,580	0	1,563.0	1	0	0	4.56	4.23	0.00
248 LGS SUB	5,667,653.29	413,188.68	5,254,464.61	118,104,986	0	511,461.0	60	0	0	4.80	4.45	0.00
251 LGS-LM-TD	155,219.51	10,224.45	144,995.06	3,068,840	1,755,060	0.0	8	0	0	5.06	4.72	0.00
357 QPCONSLKY	102,762.40	4,737.96	98,024.44	1,570,800	0	7,200.0	1	0	0	6.54	6.24	0.00
358 QP PRI	10,686,997.37	875,061.23	9,811,936.14	256,524,325	0	573,669.0	31	0	0	4.17	3.82	0.00
359 QP SUB	28,018,239.61	2,344,503.24	25,673,736.37	683,943,115	0	1,666,099.0	51	0	0	4.10	3.75	0.00
360 QP TRANS	1,531,686.00	124,844.97	1,406,841.03	36,269,129	0	99,573.0	3	0	0	4.22	3.88	0.00
371 CIP SUB	68,911,510.70	6,352,286.71	62,559,223.99	1,997,656,500	3,346,000	3,437,709.6	12	0	0	3.45	3.13	0.00
372 CIP TRAN	8,481,874.64	702,321.49	7,779,553.15	234,068,840	728,000	638,322.3	3	0	0	3.62	3.32	0.00
528 SL	818,322.31	29,066.97	789,255.34	8,187,687	0	0.0	55	0	0	9.99	9.64	0.00
540 MW	369,769.32	24,539.39	345,229.93	7,178,893	0	13,576.5	21	0	0	5.15	4.81	0.00
887 VANCEBURG	2,413,314.59	352,902.78	2,060,411.81	69,731,900	0	144,112.0	1	0	0	3.46	2.95	0.00
888 OLIVEHILL	1,121,474.26	156,489.04	964,985.22	28,446,000	0	61,599.6	2	0	0	3.94	3.39	0.00
Grand Total	357,944,360.50	24,790,669.30	333,153,691.20	7,385,442,771	4,525,144	12,357,548.5	175,259	47,978	55,924	4.85	4.51	131,471.88

7385442,771
- 69,731,900
- 28,446,000

7,287,264,871

1997 656 500
234 068 840

2,231,725,340 CIP-TOD

Kentucky Power Company
Monthly Internal Load
2006

<u>Internal Energy (GWH)</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Residential	300.9	215.9	159.9	124.0	168.1	214.0	195.1	164.0	131.8	200.2	305.9
Commercial	136.7	112.2	108.4	109.3	123.5	124.9	123.1	123.4	108.6	112.5	131.6
Total Industrial	251.6	289.2	274.2	279.8	268.3	256.2	274.7	264.8	289.6	288.3	291.6
Total Other Ultimate	0.9	0.8	0.8	0.7	0.7	0.7	0.8	0.9	1.1	1.2	1.1
Total Ultimate Sales	690.2	618.0	543.3	513.8	560.5	595.8	593.6	553.2	531.1	602.2	730.1
Other Sales-for-Resale	8.4	8.5	7.0	6.7	7.1	7.7	7.4	7.2	6.7	6.8	8.6
Total Sales-for-Resale	8.4	8.5	7.0	6.7	7.1	7.7	7.4	7.2	6.7	6.8	8.6
Total Internal Sales	698.6	626.4	550.3	520.5	567.6	603.6	601.0	560.3	537.8	609.0	738.7
Total Losses	57.0	51.5	46.0	61.0	60.7	62.6	55.8	46.2	45.3	64.7	77.4
Total Internal Energy	755.6	677.9	596.3	581.5	628.3	666.1	656.8	606.6	583.1	673.7	816.1

Workpaper 1

Kentucky Power Company
 Monthly CIP-TOD and Total Industrial MWH
 Historic 12 Months Ended December 31, 2005
 Forecasted 11 Months Ending December 31, 2006

Historic Billing KWH																
Ln	No	Tariff Code	January	February	March	April	May	June	July	August	September	October	November	December	Total	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	
1		Tariff 370														
2		Tariff 371	171947	163,271	152,677	168,618	166,991	169,919	154,503	161,763	162,426	173,326	171,100	181,118	1,997,659	
3		Tariff 372	<u>18273</u>	<u>18,630</u>	<u>16,508</u>	<u>16,385</u>	<u>15,532</u>	<u>20,293</u>	<u>18,821</u>	<u>19,121</u>	<u>17,616</u>	<u>26,603</u>	<u>23,015</u>	<u>23,271</u>	<u>234,068</u>	
4		Total CIP-TOD	<u>190,220</u>	<u>181,901</u>	<u>169,185</u>	<u>185,003</u>	<u>182,523</u>	<u>190,212</u>	<u>173,324</u>	<u>180,884</u>	<u>180,042</u>	<u>199,929</u>	<u>194,115</u>	<u>204,389</u>	<u>2,231,727</u>	
Revenue Class																
5		Class 221	187413	182,346	164,255	181,437	183,184	186,044	178,525	185,383	184,108	196,886	190,541	198,554	2,218,676	
6		Class 222	2190	1,906	1,843	1,878	1,708	1,824	2,048	2,080	2,089	2,126	2,030	2,378	24,100	
7		Class 230	<u>98956</u>	<u>98,129</u>	<u>104,363</u>	<u>91,979</u>	<u>85,671</u>	<u>92,281</u>	<u>77,440</u>	<u>81,730</u>	<u>85,474</u>	<u>83,800</u>	<u>92,187</u>	<u>109,518</u>	<u>1,101,528</u>	
8		Total Class	<u>288,559</u>	<u>282,381</u>	<u>270,461</u>	<u>275,294</u>	<u>270,563</u>	<u>280,149</u>	<u>258,013</u>	<u>269,193</u>	<u>271,671</u>	<u>282,812</u>	<u>284,758</u>	<u>310,450</u>	<u>3,344,304</u>	
9		CIP-TOD Percentage	<u>65.92%</u>	<u>64.42%</u>	<u>62.55%</u>	<u>67.20%</u>	<u>67.46%</u>	<u>67.90%</u>	<u>67.18%</u>	<u>67.19%</u>	<u>66.27%</u>	<u>70.69%</u>	<u>68.17%</u>	<u>65.84%</u>	<u>66.73%</u>	
Forecasted MWH																
10		Industrial MWH		251.6	289.2	274.2	279.8	268.3	256.2	274.7	264.8	289.6	288.3	291.6	3,028	
11		CIP-TOD Percentage		<u>64.42%</u>	<u>62.55%</u>	<u>67.20%</u>	<u>67.46%</u>	<u>67.90%</u>	<u>67.18%</u>	<u>67.19%</u>	<u>66.27%</u>	<u>70.69%</u>	<u>68.17%</u>	<u>65.84%</u>	<u>66.73%</u>	
12		CIP-TOD MWH	<u>162,08</u>	<u>180,89</u>	<u>184,26</u>	<u>188,75</u>	<u>182,18</u>	<u>172,12</u>	<u>175,48</u>	<u>184,57</u>	<u>175,48</u>	<u>204,72</u>	<u>196,53</u>	<u>191,99</u>	<u>2,024</u>	



**KENTUCKY
POWER**

A unit of American Electric Power

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

Elizabeth O'Donnell, Executive Director
Public Service Commission
Attn: Daryl Newby
P. O. Box 615
Frankfort, KY 40602

20 December 2005

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DEC 20 2005

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DEC 20 2005

FINANCIAL ANA

PUBLIC SERVICE
COMMISSION

Dear Ms. O'Donnell and Mr. Newby:

Attached are Kentucky Power Company's fuel adjustment clause schedules with supporting sales and fuel cost schedules. These calculations are based on an estimated November 2005 fuel costs with an adjustment reflecting actual October 2005 fuel costs.

The fuel adjustment clause factor of \$0.00403/kwh will be applied to our January 2006 billing. Pursuant to the Commission's Order dated October 3, 2002 in Case No. 2000-495B, page 5 reflects the peaking unit equivalent approach used to calculate the level of non-economy purchased power costs to flow through the fuel adjustment clause.

Also, we are attaching the system sales clause schedule with a supporting net revenue schedule calculated pursuant to the Commission's December 13, 2004 Order in Case No. 2004-00420. These calculations are based on an estimated November 2005 net revenue with an adjustment reflecting the true-up of October 2005 net revenue.

The net system sales clause factor of \$(0.0007511)/kwh (a credit) for All Other Customers and \$(.0010981)/kwh (a credit) for CIP-TOD Customers will be applied to our January 2006 billing.

All billings during January 2006 will show a combined factor of \$0.0032789/kwh for All Other Customers and \$0.0029319/kwh for CIP-TOD Customers.

If you have any questions, please advise.

Sincerely,

Errol K. Wagner
Director of Regulatory Services

Attachments

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Public Service Commission

DEC 21 2005

By FINANCIAL ANALYSIS DIVISION

KENTUCKY POWER COMPANY

SUMMARY OF ADJUSTMENT CLAUSES

Month Ended: November 2005

		<u>All Other Customers</u>	<u>CIP-TOD Customers</u>
1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	\$0.00403 ✓	\$0.00403 ✓
2 System Sales Clause Factor (Page 1 of 2)	(+)	-0.0015981 ✓	-0.0015981 ✓
3 State Issues Settlement Factor	(+)	0.0008470	0.0005000
4 State Issues Settlement Balancing Adjustment Factor (BAF)		<u>0</u>	<u>0</u>
5 Net System Sales Clause Factor - \$kWh (Ln 2+3+4)		-\$0.0007511	-0.0010981
6 Total Adjustment Clause Factors		<u><u>\$0.0032789</u></u>	<u><u>\$0.0029319</u></u>

Effective Date for Billing

January 2006 2005

Submitted by:

Emel K. Wagner
(Signature) *EW*

Title:

Director of Regulatory Services

Date Submitted:

December 20, 2005

KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: November 2005

Fuel Fm (Fuel Cost Schedule)	<u>\$12,435,552</u>		
Sales Sm (Sales Schedule)	<u>605,508,000</u>	(+)	0.02054 ✓
Fuel (Fb)	<u>\$8,703,098</u>		
Sales (Sb)	<u>527,226,000</u>	(-)	<u>0.01651</u> ✓
			<u>0.00403</u> ✓
			<u>(\$/KWH)</u>

Effective Date for Billing January 2006 2005

Submitted by: *Lemuel K. Wagner, Jr.*
(Signature)

Title: Director of Regulatory Services

Date Submitted: December 20, 2005

KENTUCKY POWER COMPANY

SALES SCHEDULE

Month Ended: November 2005

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	567,074,000
Purchases Including Interchange In	(+)	<u>495,344,000</u>
Sub Total		<u>1,062,418,000</u> ✓
B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	406,655,000
System Losses	(+)	<u>50,255,000</u> *
Sub Total		<u>456,910,000</u> ✓
Total Sales (A - B)		<u><u>605,508,000</u></u> ✓

* Does not include 408,765 KWH of company usage.

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: November 2005

Line No.			
1	FAC Rate Billed	(+)	0.00319 ✓
2	Retail KWH Billed at Above Rate	(x)	<u>553,574,413</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>1,765,902</u> ✓
4	KWH Used to Determine Last FAC Rate Billed	(+)	557,304,000
5	Non-Jurisdictional KWH Included in L4	(-)	<u>7,429,800</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>549,874,200</u> ✓
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		1,754,099 ✓
8	Over or (Under) Recovery (L3 - L7)		11,803 ✓
9	Total Sales (Page 3)	(+)	605,508,000 ✓
10	Kentucky Jurisdictional Sales	(/)	<u>597,371,700</u>
11	Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10)		1.01362 ✓
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>11,964</u></u> ✓

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: October 2005

A. Company Generation			
Coal Burned	(+)	\$15,175,080	
Oil Burned	(+)	60,632	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)			
(KWH X)	(+)	0	
Fuel (substitute for F. O.)	(-)	<u>0</u>	
Sub-total		<u>15,235,712</u>	
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	2,332,029	(1)
Identifiable Fuel Cost (substitute for F. O.)			
(KWH X)	(-)	<u>0</u>	
Sub-total		<u>2,332,029</u>	
C. Inter-System Sales Fuel Costs		<u>6,381,658</u>	(1)
Total Fuel Cost (A + B - C)		<u><u>\$11,186,083</u></u>	

(1) Includes total Energy Costs of non-economy purchase per KPSC Order dated October 3, 2002 in Case No. 2000-495-B.

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE SCHEDULE
Case No. 9061 and
Stipulation and Settlement Agreement

<u>Line No.</u>	<u>Month Ended:</u>	November 2005		
1	Current Month (Tm) Net Revenue Level	(+)	2,559,653	\$2,559,653
2	Base Month (Tb) Tariff 19-1 Net Revenue Level	(-)	<u>624,320</u>	<u>624,320</u>
3	Increase/(Decrease) of System Sales Net Revenue		1,935,333	1,935,333
4	Customer 50% Sharing	(x)	<u>50%</u>	<u>50%</u>
5	Customer Share of Increase/(Decrease) in System Sales Net Revenue		967,667	967,667
6	Current Month (Sm) Sales Level	(/)	605,508,000	605,508,000
7	System Sales Clause Factor - \$/Kwh		-.0015981	-0.0015981
8	State Issues Settlement Factor	(+)	<u>\$0.000847</u>	<u>\$0.000500</u>
9	State Issues Settlement Balancing Adjustment Factor	(+)	\$0.000000	\$0.000000
10	Net System Sales Clause Factor - \$/kWh* (Ln 7+8+9)	(=)	<u><u>-\$0.0007511</u></u>	<u><u>-\$0.0010981</u></u> *

* This factor is a credit to the customer when current month net revenue levels exceed the base month; and a charge when the current month net revenues levels are below the base month.

Effective Date for Billing:

January 2006 2005

Submitted by:

Emil K. Wagner, Jr.
(Signature)

Title:

Director of Regulatory Services

Date Submitted:

December 20, 2005

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE NET REVENUE

Line No.		Month Ended: November 2005		TOTAL
		CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	
1	Sales For Resale Revenues	\$8,387,201	(\$3,302)	\$8,383,899
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	8,387,201	(3,302)	8,383,899
4	Sales For Resale Expenses	\$5,221,880	\$78,913	\$5,300,793
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	523,453	0	523,453
7	Total System Sales Expenses	5,745,333	78,913	5,824,246
8	Total System Sales Net Revenues	\$2,641,868	(\$82,215)	\$2,559,653

*Source:

ES Form 1.0, Line 3

ES Form 3.3, Line 4

Non-Associated Environmental Costs



**KENTUCKY
POWER**

A unit of American Electric Power

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

Elizabeth O'Donnell, Executive Director
Public Service Commission

✓ **Attn: Daryl Newby**
P. O. Box 615
Frankfort, KY 40602

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NOV 18 2005

PUBLIC SERVICE
COMMISSION

18 November 2005

Dear Ms. O'Donnell and Mr. Newby:

Attached are Kentucky Power Company's fuel adjustment clause schedules with supporting sales and fuel cost schedules. These calculations are based on an estimated October 2005 fuel costs with an adjustment reflecting actual September 2005 fuel costs.

The fuel adjustment clause factor of \$0.00393/kwh will be applied to our December 2005 billing. Pursuant to the Commission's Order dated October 3, 2002 in Case No. 2000-495B, page 5 reflects the peaking unit equivalent approach used to calculate the level of non-economy purchased power costs to flow through the fuel adjustment clause.

Also, we are attaching the system sales clause schedule with a supporting net revenue schedule calculated pursuant to the Commission's December 13, 2004 Order in Case No. 2004-00420. These calculations are based on an estimated October 2005 net revenue with an adjustment reflecting the true-up of September 2005 net revenue.

The net system sales clause factor of \$(0.0006380)/kwh (a credit) for All Other Customers and \$(.0009850)/kwh (a credit) for CIP-TOD Customers will be applied to our December 2005 billing.

All billings during December 2005 will show a combined factor of \$0.0032920/kwh for All Other Customers and \$0.0029450/kwh for CIP-TOD Customers.

If you have any questions, please advise.

Sincerely,

Errol K. Wagner
Director of Regulatory Services

Attachments

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Public Service Commission

NOV 21 2005

By _____
FINANCIAL ANALYSIS DIVISION

KENTUCKY POWER COMPANY

SUMMARY OF ADJUSTMENT CLAUSES

Month Ended: October 2005

	<u>All Other Customers</u>	<u>CIP-TOD Customers</u>
1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+) \$0.00393 ✓	\$0.00393 ✓
2 System Sales Clause Factor (Page 1 of 2)	(+) -.0014850	-.0014850
3 State Issues Settlement Factor	(+) 0.0008470	0.0005000
4 State Issues Settlement Balancing Adjustment Factor (BAF)	<u>0</u>	<u>0</u>
5 Net System Sales Clause Factor - \$kWh (Ln 2+3+4)	-\$0.0006380 ✓	-\$0.0009850 ✓
6 Total Adjustment Clause Factors	<u>\$0.0032920</u>	<u>\$0.0029450</u>

Effective Date for Billing

December 2005

Submitted by:

Errol K. Wagner, Jr.
(Signature)

Title:

Director of Regulatory Services

Date Submitted:

November 18, 2005

KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: October 2005

Fuel Fm (Fuel Cost Schedule)	<u>\$11,179,193</u>		
Sales Sm (Sales Schedule)	547,047,000	(+)	0.02044 ✓
Fuel (Fb)	<u>\$8,703,098</u>		
Sales (Sb)	527,226,000	(-)	0.01651 ✓
			<u>0.00393 ✓</u>
			(\$/KWH)

Effective Date for Billing December 2005

Submitted by: Emil K. Wagner, Jr.
(Signature)

Title: Director of Regulatory Services

Date Submitted: November 18, 2005

KENTUCKY POWER COMPANY

FUEL COST SCHEDULE

Month Ended: October 2005

A. Company Generation	(+)	\$12,865,106	
Coal Burned	(+)	22,596	
Oil Burned	(+)	0	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)	(+)	0	
Fuel (substitute for F. O.)	(-)		
Sub Total		<u>12,887,702</u>	✓
B. Purchases	(+)	0	
Net Energy Cost - Economy Purchases	(+)	7,535,678	*
Identifiable Fuel Cost - Other Purchases	(-)	0	
Identifiable Fuel Cost (substitute for F. O.)		<u>7,535,678</u>	✓
Sub Total			
C. Inter-System Sales Fuel Costs		<u>8,804,302</u>	*
Sub Total		<u>8,804,302</u>	✓
D. Total Fuel Cost (A + B - C)		<u><u>\$11,619,078</u></u>	✓
E. Adjustment indicating the difference in actual fuel cost for the month of <u>Sept 2005</u> and the estimated cost originally reported. <u>\$11,422,835</u> - <u>\$12,247,860</u> = <u>(825,025)</u> (actual) (est.)			✓
F. Total Company Over or (Under) Recovery from Page 4, Line 12		<u>(385,140)</u>	✓
G. Grand Total Fuel Cost (D + E - F)		<u><u>\$11,179,193</u></u>	✓

* Estimated - based on actual Kentucky generation unit costs in
October 2005

\$12,887,702
664,351,000

0.01940 /KWH

KENTUCKY POWER COMPANY**SALES SCHEDULE****Month Ended:** October 2005

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	664,351,000
Purchases Including Interchange In	(+)	<u>388,437,000</u>
Sub Total		<u>1,052,788,000</u> ✓
B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	453,830,000
System Losses	(+)	<u>51,911,000</u> *
Sub Total		<u>505,741,000</u> ✓
Total Sales (A - B)		<u><u>547,047,000</u></u> ✓

* Does not include 287,985 KWH of company usage.

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: October 2005

Line No.			
1	FAC Rate Billed	(+)	0.00405
2	Retail KWH Billed at Above Rate	(x)	<u>545,564,513</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>2,209,536</u> ✓
4	KWH Used to Determine Last FAC Rate Billed	(+)	648,292,000
5	Non-Jurisdictional KWH Included in L4	(-)	<u>8,807,000</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>639,485,000</u> ✓
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		2,589,914 ✓
8	Over or (Under) Recovery (L3 - L7)		(380,378) ✓
9	Total Sales (Page 3)	(+)	547,047,000 ✓
10	Kentucky Jurisdictional Sales	(/)	<u>540,282,600</u>
11	Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10)		1.01252 ✓
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>(385,140)</u></u> ✓

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: Sept 2005

A. Company Generation			
Coal Burned	(+)	\$16,347,324	
Oil Burned	(+)	36,229	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)			
(KWH X)	(+)	0	
Fuel (substitute for F. O.)	(-)	<u>0</u>	
Sub-total		<u>16,383,553</u>	✓
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	2,276,959	(1)
Identifiable Fuel Cost (substitute for F. O.)			
(KWH X)	(-)	<u>0</u>	
Sub-total		<u>2,276,959</u>	✓
C. Inter-System Sales Fuel Costs		<u>7,237,677</u>	(1)
Total Fuel Cost (A + B - C)		<u><u>\$11,422,835</u></u>	✓

(1) Includes total Energy Costs of non-economy purchase per KPSC Order dated October 3, 2002 in Case No. 2000-495-B.

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE SCHEDULE
Case No. 9061 and
Stipulation and Settlement Agreement

<u>Line No.</u>	<u>Month Ended:</u>	October 2005	
1	Current Month (Tm) Net Revenue Level	(+)	2,355,770 \$2,355,770
2	Base Month (Tb) Tariff 19-1 Net Revenue Level	(-)	<u>731,014</u> <u>731,014</u>
3	Increase/(Decrease) of System Sales Net Revenue		1,624,756 1,624,756
4	Customer 50% Sharing	(x)	<u>50%</u> <u>50%</u>
5	Customer Share of Increase/(Decrease) in System Sales Net Revenue		812,378 812,378
6	Current Month (Sm) Sales Level	(/)	547,047,000 547,047,000
7	System Sales Clause Factor - \$/Kwh		-0.0014850 -0.0014850
8	State Issues Settlement Factor	(+)	<u>All Other Customers</u> \$0.000847 <u>CIP-TOD Customers</u> \$0.000500
9	State Issues Settlement Balancing Adjustment Factor	(+)	\$0.000000 \$0.000000
10	Net System Sales Clause Factor - \$/kWh* (Ln 7+8+9)	(=)	<u><u>-\$0.0006380</u></u> <u><u>-\$0.0009850</u></u> *

* This factor is a credit to the customer when current month net revenue levels exceed the base month; and a charge when the current month net revenues levels are below the base month.

Effective Date for Billing:

Submitted by:

Title:

Date Submitted:

December 2005

Errol K. Wagner
(Signature)

Director of Regulatory Services

November 18, 2005

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE NET REVENUE

Line No.		Month Ended:	October 2005	
		CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	TOTAL
1	Sales For Resale Revenues	\$8,527,794	(\$323,739)	\$8,204,055
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	8,527,794	(323,739)	8,204,055
4	Sales For Resale Expenses	\$5,247,691	\$152,978	\$5,400,669
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	447,616	0	447,616
7	Total System Sales Expenses	5,695,307	152,978	5,848,285
8	Total System Sales Net Revenues	\$2,832,487	(\$476,717)	\$2,355,770

*Source:

ES Form 1.0, Line 3

ES Form 3.3, Line 4

Non-Associated Environmental Costs



**KENTUCKY
POWER**

A unit of American Electric Power

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

Elizabeth O'Donnell, Executive Director
Public Service Commission
Attn: Daryl Newby
P. O. Box 615
Frankfort, KY 40602

17 October 2005

RECEIVED
OCT 17 2005

RECEIVED
OCT 17 2005
PUBLIC SERVICE
COMMISSION

FINANCIAL ANA

Dear Ms. O'Donnell and Mr. Newby:

Attached are Kentucky Power Company's fuel adjustment clause schedules with supporting sales and fuel cost schedules. These calculations are based on an estimated September 2005 fuel costs with an adjustment reflecting actual August 2005 fuel costs.

The fuel adjustment clause factor of \$0.00319/kwh will be applied to our November 2005 billing. Pursuant to the Commission's Order dated October 3, 2002 in Case No. 2000-495B, page 5 reflects the peaking unit equivalent approach used to calculate the level of non-economy purchased power costs to flow through the fuel adjustment clause.

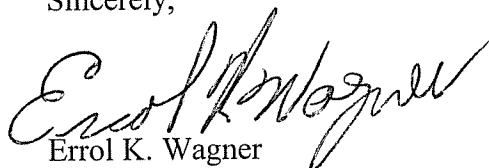
Also, we are attaching the system sales clause schedule with a supporting net revenue schedule calculated pursuant to the Commission's December 13, 2004 Order in Case No. 2004-00420. These calculations are based on an estimated September 2005 net revenue with an adjustment reflecting the true-up of August 2005 net revenue.

The net system sales clause factor of \$(0.0008063)/kwh (a credit) for All Other Customers and \$(.0011533)/kwh (a credit) for CIP-TOD Customers will be applied to our November 2005 billing.

All billings during November 2005 will show a combined factor of \$0.0023837/kwh for All Other Customers and \$0.0020367/kwh for CIP-TOD Customers.

If you have any questions, please advise.


Sincerely,


Errol K. Wagner
Director of Regulatory Services

Attachments

CHECKED
Public Service Commission

OCT 24 2005

By 
FINANCIAL ANALYSIS DIVISION

KENTUCKY POWER COMPANY

SUMMARY OF ADJUSTMENT CLAUSES

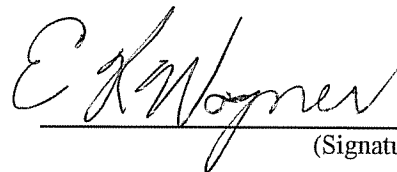
Month Ended: September 2005

		<u>All Other Customers</u>	<u>CIP-TOD Customers</u>
1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	\$0.00319 ✓	\$0.00319 ✓
2 System Sales Clause Factor (Page 1 of 2)	(+)	-\$0.0016533	-\$0.0016533
3 State Issues Settlement Factor	(+)	0.0008470	0.0005000
4 State Issues Settlement Balancing Adjustment Factor (BAF)		<u>0</u>	<u>0</u>
5 Net System Sales Clause Factor - \$kWh (Ln 2+3+4)		-\$0.0008063 ✓	-0.0011533 ✓
6 Total Adjustment Clause Factors		<u><u>\$0.0023837</u></u>	<u><u>\$0.0020367</u></u>

Effective Date for Billing

November 2005

Submitted by:



(Signature)

Title:

Director of Regulatory Services

Date Submitted:

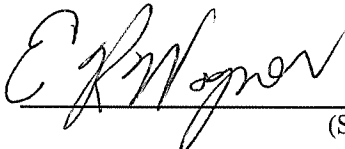
October 17, 2005

KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: September 2005

Fuel Fm (Fuel Cost Schedule)	\$10,977,226		
Sales Sm (Sales Schedule)	<u>557,304,000</u>	(+)	0.01970 ✓
Fuel (Fb)	\$8,703,098		
Sales (Sb)	<u>527,226,000</u>	(-)	<u>0.01651</u> ✓
			<u>0.00319</u> ✓
			(\$/KWH)

Effective Date for Billing November 2005

Submitted by: 
(Signature)

Title: Director of Regulatory Services

Date Submitted: October 17, 2005

KENTUCKY POWER COMPANY

FUEL COST SCHEDULE

Month Ended: September 2005

A. Company Generation			
Coal Burned	(+)	\$12,664,746	
Oil Burned	(+)	8,179	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)	(+)	0	
Fuel (substitute for F. O.)	(-)		
Sub Total		<u>12,672,925</u>	✓
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	10,454,824	*
Identifiable Fuel Cost (substitute for F. O.)	(-)	0	
Sub Total		<u>10,454,824</u>	✓
C. Inter-System Sales Fuel Costs		<u>10,879,889</u>	*
Sub Total		<u>10,879,889</u>	
D. Total Fuel Cost (A + B - C)		<u>\$12,247,860</u>	✓
E. Adjustment indicating the difference in actual fuel cost for the month of <u>August 2005</u> and the estimated cost originally reported.			
		<u>\$13,144,160</u> - <u>\$14,405,942</u>	=
		(actual) (est.)	
			<u>(1,261,782)</u>
F. Total Company Over or (Under) Recovery from Page 4, Line 12		<u>8,852</u>	✓
G. Grand Total Fuel Cost (D + E - F)		<u>\$10,977,226</u>	✓

* Estimated - based on actual Kentucky generation unit costs in September 2005

<u>\$12,672,925</u>		
633,143,000	0.02002	✓ /KWH

KENTUCKY POWER COMPANY**SALES SCHEDULE****Month Ended:** September 2005

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	633,143,000
Purchases Including Interchange In	(+)	<u>522,219,000</u>
Sub Total		<u>1,155,362,000</u>
B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	543,451,000
System Losses	(+)	<u>54,607,000</u> *
Sub Total		<u>598,058,000</u>
Total Sales (A - B)		<u><u>557,304,000</u></u>

* Does not include 329,511 KWH of company usage.

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: September 2005

Line No.			
1	FAC Rate Billed	(+)	0.00336 ✓
2	Retail KWH Billed at Above Rate	(x)	<u>594,466,932</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>1,997,409</u> ✓
4	KWH Used to Determine Last FAC Rate Billed	(+)	600,778,000
5	Non-Jurisdictional KWH Included in L4	(-)	<u>8,910,500</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>591,867,500</u> ✓
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		1,988,675 ✓
8	Over or (Under) Recovery (L3 - L7)		8,734
9	Total Sales (Page 3)	(+)	557,304,000
10	Kentucky Jurisdictional Sales	(/)	<u>549,874,200</u>
11	Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10)		1.01351 ✓
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>8,852</u></u> ✓

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: August 2005

A. Company Generation			
Coal Burned	(+)	\$15,931,082	
Oil Burned	(+)	142,800	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)			
(75,474,000 KWH X \$0.012633)	(+)	953,463	
Fuel (substitute for F. O.)	(-)	<u>0</u>	
Sub-total		<u>17,027,345</u>	
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	3,225,711	(1)
Identifiable Fuel Cost (substitute for F. O.)			
(75,474,000 KWH X \$0.012633)	(-)	<u>953,463</u>	
Sub-total		<u>2,272,248</u>	
C. Inter-System Sales Fuel Costs		<u>6,155,433</u>	(1)
Total Fuel Cost (A + B - C)		<u><u>\$13,144,160</u></u>	

(1) Includes total Energy Costs of non-economy purchase per KPSC Order dated October 3, 2002 in Case No. 2000-495-B.

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE SCHEDULE
Case No. 9061 and
Stipulation and Settlement Agreement

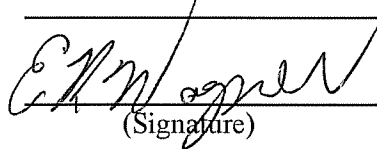
<u>Line No.</u>	<u>Month Ended:</u>	September 2005		
1	Current Month (Tm) Net Revenue Level	(+)	2,755,486	\$2,755,486
2	Base Month (Tb) Tariff 19-1 Net Revenue Level	(-)	912,736	912,736
3	Increase/(Decrease) of System Sales Net Revenue		1,842,750	1,842,750
4	Customer 50% Sharing	(x)	50%	50%
5	Customer Share of Increase/(Decrease) in System Sales Net Revenue		921,375	921,375
6	Current Month (Sm) Sales Level	(/)	557,304,000	557,304,000
7	System Sales Clause Factor - \$/Kwh		-0.0016533	-0.0016533
8	State Issues Settlement Factor	(+)	<u>All Other Customers</u> \$0.000847	<u>CIP-TOD Customers</u> \$0.000500
9	State Issues Settlement Balancing Adjustment Factor	(+)	\$0.000000	\$0.000000
10	Net System Sales Clause Factor - \$/kWh* (Ln 7+8+9)	(=)	-\$0.0008063	-\$0.0011533 *

* This factor is a credit to the customer when current month net revenue levels exceed the base month; and a charge when the current month net revenues levels are below the base month.

Effective Date for Billing:

November 2005

Submitted by:


 (Signature)

Title:

Director of Regulatory Services

Date Submitted:

October 17, 2005

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE NET REVENUE

Line No.		Month Ended: September 2005		TOTAL
		CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	
1	Sales For Resale Revenues	\$9,652,891	\$58,390	\$9,711,281
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	9,652,891	58,390	9,711,281
4	Sales For Resale Expenses	\$6,404,734	\$48,052	\$6,452,786
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	503,009	0	503,009
7	Total System Sales Expenses	6,907,743	48,052	6,955,795
8	Total System Sales Net Revenues	\$2,745,148	\$10,338	\$2,755,486

*Source:

ES Form 1.0, Line 3

ES Form 3.3, Line 4

Non-Associated Environmental Costs

Elizabeth O'Donnell/Darryl Newby

Page 2

September 19, 2005

The reason the Company calculated two different system sales clause factors for the billing month of October 2005 is pursuant to the Commission's Order dated September 7, 2005 in Case No. 2005-00068. The Commission approved the Company's revised Environmental Surcharge tariff effective for service rendered on and after September 7, 2005. Therefore, the Company will bill customers through October 5, 2005 (cycles 1-6) excluding the effect of the Order and customer billings after October 5, 2005 (cycles 7-21) will reflect the effect of the Order.

For billings during October 2005 the following combined factors will apply:

	<u>All-Other Customer</u>	<u>CIP-TOD Customer</u>
Cycles 1 through 6 (eff September 28, 2005)	\$0.0040946	\$0.0037476
Cycles 7 through 21 (eff October 6, 2005)	\$0.0041275	\$0.0037805

If you have any questions, please advise.

Sincerely,



Errol K. Wagner
Director of Regulatory Services

Attachments

Effective September 28, 2005
Cycles 1 through 6

KENTUCKY POWER COMPANY

SUMMARY OF ADJUSTMENT CLAUSES

Month Ended: August 2005

	<u>All Other Customers</u>	<u>CIP-TOD Customers</u>
1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+) \$0.00405	\$0.00405
2 System Sales Clause Factor (Page 1 of 2)	(+) -.0008024	-\$0.0008024
3 State Issues Settlement Factor	(+) 0.0008470	0.0005000
4 State Issues Settlement Balancing Adjustment Factor (BAF)	<u>0</u>	<u>0</u>
5 Net System Sales Clause Factor - \$kWh (Ln 2+3+4)	\$0.0000446	-0.0003024
6 Total Adjustment Clause Factors	<u>\$0.0040946</u>	<u>\$0.0037476</u>

Effective Date for Billing

October 2005

Submitted by:


(Signature)

Title:

Director of Regulatory Services

Date Submitted:

September 19, 2005

Effective September 28, 2005
Cycles 1 thru 6

Page 1 of 5

KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: August 2005

Fuel Fm (Fuel Cost Schedule)	<u>\$13,328,887</u>		
Sales Sm (Sales Schedule)	648,292,000	(+)	0.02056 ✓
Fuel (Fb)	<u>\$8,703,098</u>		
Sales (Sb)	527,226,000	(-)	0.01651 ✓
			<u>0.00405 ✓</u>
			(\$/KWH)

Effective Date for Billing October 2005

Submitted by: 
(Signature)

Title: Director of Regulatory Services

Date Submitted: September 19, 2005

KENTUCKY POWER COMPANY

FUEL COST SCHEDULE

Month Ended: August 2005

A. Company Generation				
Coal Burned	(+)	\$12,362,157		
Oil Burned	(+)	106,717		
Gas Burned	(+)	0		
Fuel (jointly owned plant)	(+)	0		
Fuel (assigned cost during F. O.)	(+)	0		
Fuel (substitute for F. O.)	(-)			
Sub Total			<u>12,468,874</u>	✓
B. Purchases				
Net Energy Cost - Economy Purchases	(+)	0		
Identifiable Fuel Cost - Other Purchases	(+)	11,061,620		*
Identifiable Fuel Cost (substitute for F. O.)	(-)	0		
Sub Total			<u>11,061,620</u>	✓
C. Inter-System Sales Fuel Costs			<u>9,124,552</u>	*
Sub Total			<u>9,124,552</u>	
D. Total Fuel Cost (A + B - C)			<u><u>14,405,942</u></u>	✓
E. Adjustment indicating the difference in actual fuel cost for the month of <u>July 2005</u> and the estimated cost originally reported. <u>\$12,561,676</u> - <u>\$13,140,455</u> = <u>(578,779)</u> (actual) (est.)				✓
F. Total Company Over or (Under) Recovery from Page 4, Line 12			<u>125,199</u>	✓
G. Grand Total Fuel Cost (D + E - F)			<u>\$13,701,964</u>	✓
H. Forced Outage Over Collection Adjustment - Credit	(-)	373,077		
I. Adjusted Grand Total Fuel Cost			<u><u>\$13,328,887</u></u>	✓

* Estimated - based on actual Kentucky generation unit costs in August 2005

\$12,468,874
616,936,000

0.02021 /KWH ✓

KENTUCKY POWER COMPANY**SALES SCHEDULE****Month Ended:** August 2005

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	616,936,000
Purchases Including Interchange In	(+)	<u>547,334,000</u>
Sub Total		<u>1,164,270,000</u> ✓
B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	451,487,000
System Losses	(+)	<u>64,491,000</u> *
Sub Total		<u>515,978,000</u> ✓
Total Sales (A - B)		<u><u>648,292,000</u></u> ✓

* Does not include 343,675 KWH of company usage.

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: August 2005

Line
No.

1	FAC Rate Billed	(+)	0.00300 ✓
2	Retail KWH Billed at Above Rate	(x)	<u>609,027,796</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>1,827,083</u> ✓
4	KWH Used to Determine Last FAC Rate Billed	(+)	575,651,000
5	Non-Jurisdictional KWH Included in L4	(-)	<u>7,789,200</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>567,861,800</u> ✓
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		1,703,585 ✓
8	Over or (Under) Recovery (L3 - L7)		123,498 ✓
9	Total Sales (Page 3)	(+)	648,292,000
10	Kentucky Jurisdictional Sales	(/)	<u>639,485,000</u>
11	Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10)		1.01377 ✓
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>125,199</u></u> ✓

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: July 2005

A. Company Generation			
Coal Burned	(+)	\$16,594,363	
Oil Burned	(+)	148,909	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)			
(27,271,000 KWH X \$0.012564)	(+)	342,633	
Fuel (substitute for F. O.)	(-)	<u>0</u>	
Sub-total		<u>17,085,905</u>	
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	2,667,200	(1)
Identifiable Fuel Cost (substitute for F. O.)			
(27,271,000 KWH X \$0.012564)	(-)	<u>342,633</u>	
Sub-total		<u>2,324,567</u>	
C. Inter-System Sales Fuel Costs		<u>6,848,796</u>	(1)
Total Fuel Cost (A + B - C)		<u><u>\$12,561,676</u></u>	

(1) Includes total Energy Costs of non-economy purchase per KPSC Order dated October 3, 2002 in Case No. 2000-495-B.

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE SCHEDULE
 Case No. 9061 and
 Stipulation and Settlement Agreement

<u>Line No.</u>	<u>Month Ended:</u>	August 2005		
1	Current Month (Tm) Net Revenue Level	(+)	2,194,517	\$2,194,517
2	Base Month (Tb) Tariff 19-1 Net Revenue Level	(-)	<u>1,154,184</u>	<u>1,154,184</u>
3	Increase/(Decrease) of System Sales Net Revenue		1,040,333	1,040,333
4	Customer 50% Sharing	(x)	<u>50%</u>	<u>50%</u>
5	Customer Share of Increase/(Decrease) in System Sales Net Revenue		520,167	520,167
6	Current Month (Sm) Sales Level	(/)	648,292,000	648,292,000
7	System Sales Clause Factor - \$/Kwh		-0.0008024	-0.0008024
8	State Issues Settlement Factor	(+)	<u>\$0.000847</u>	<u>\$0.000500</u>
9	State Issues Settlement Balancing Adjustment Factor	(+)	\$0.000000	\$0.000000
10	Net System Sales Clause Factor - \$/kWh* (Ln 7+8+9)	(=)	<u>\$0.0000446</u>	<u>-\$0.0003024</u> *

* This factor is a credit to the customer when current month net revenue levels exceed the base month; and a charge when the current month net revenues levels are below the base month.

Effective Date for Billing:

October 2005

Submitted by:


 (Signature)

Title:

Director of Regulatory Services

Date Submitted:

September 19, 2005

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE NET REVENUE

Line No.		Month Ended: August 2005		TOTAL
		CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	
1	Sales For Resale Revenues	\$9,579,131	(\$327,154)	\$9,251,977
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	9,579,131	(327,154)	9,251,977
4	Sales For Resale Expenses	\$6,536,399	(\$69,382)	\$6,467,017
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	590,443	0	590,443
7	Total System Sales Expenses	7,126,842	(69,382)	7,057,460
8	Total System Sales Net Revenues	\$2,452,289	(\$257,772)	\$2,194,517

*Source:

ES Form 1.0, Line 3

ES Form 3.3, Line 4

Non-Associated Environmental Costs

**Per KPSC Order in 2005-00068
Effective October 6, 2005
Cycles 7 through 21
KENTUCKY POWER COMPANY**

SUMMARY OF ADJUSTMENT CLAUSES

Month Ended: August 2005

		<u>All Other Customers</u>	<u>CIP-TOD Customers</u>
1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	\$0.00405 ✓	\$0.00405
2 System Sales Clause Factor (Page 1 of 2)	(+)	-0.0007695	-0.0007695
3 State Issues Settlement Factor	(+)	0.0008470	0.0005000
4 State Issues Settlement Balancing Adjustment Factor (BAF)		<u>0</u>	<u>0</u>
5 Net System Sales Clause Factor - \$kWh (Ln 2+3+4)		\$0.0000775	-0.0002695
6 Total Adjustment Clause Factors		<u><u>\$0.0041275</u></u>	<u><u>\$0.0037805</u></u>

Effective Date for Billing

October 2005

Submitted by:


(Signature)

Title:

Director of Regulatory Services

Date Submitted:

September 19, 2005

Effective September 28, 2005
Cycles 1 thru 6

Page 1 of 5

KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: August 2005

Fuel Fm (Fuel Cost Schedule)	<u>\$13,328,887</u>		
Sales Sm (Sales Schedule)	648,292,000	(+)	0.02056 ✓
Fuel (Fb)	<u>\$8,703,098</u>		
Sales (Sb)	527,226,000	(-)	0.01651 ✓
			<u>0.00405 ✓</u>
			(\$/KWH)

Effective Date for Billing October 2005

Submitted by: 
(Signature)

Title: Director of Regulatory Services

Date Submitted: September 19, 2005

KENTUCKY POWER COMPANY

FUEL COST SCHEDULE

Month Ended: August 2005

A. Company Generation				
Coal Burned	(+)	\$12,362,157		
Oil Burned	(+)	106,717		
Gas Burned	(+)	0		
Fuel (jointly owned plant)	(+)	0		
Fuel (assigned cost during F. O.)	(+)	0		
Fuel (substitute for F. O.)	(-)			
Sub Total		<u>12,468,874</u>		
B. Purchases				
Net Energy Cost - Economy Purchases	(+)	0		
Identifiable Fuel Cost - Other Purchases	(+)	11,061,620	*	
Identifiable Fuel Cost (substitute for F. O.)	(-)	0		
Sub Total		<u>11,061,620</u>		
C. Inter-System Sales Fuel Costs		<u>9,124,552</u>	*	
Sub Total		<u>9,124,552</u>		
D. Total Fuel Cost (A + B - C)		<u>\$14,405,942</u>		
E. Adjustment indicating the difference in actual fuel cost for the month of <u>July 2005</u> and the estimated cost originally reported. <u>\$12,561,676</u> - <u>\$13,140,455</u> = <u>(578,779)</u> (actual) (est.)				
F. Total Company Over or (Under) Recovery from Page 4, Line 12		<u>125,199</u>		
G. Grand Total Fuel Cost (D + E - F)		<u>\$13,701,964</u>		
H. Forced Outage Over Collection Adjustment - Credit	(-)	373,077		
I. Adjusted Grand Total Fuel Cost		<u>\$13,328,887</u>		

* Estimated - based on actual Kentucky generation unit costs in August 2005

<u>\$12,468,874</u>		
616,936,000	0.02021	/KWH

KENTUCKY POWER COMPANY**SALES SCHEDULE****Month Ended:** August 2005

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	616,936,000
Purchases Including Interchange In	(+)	<u>547,334,000</u>
Sub Total		<u>1,164,270,000</u> ✓
B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	451,487,000
System Losses	(+)	<u>64,491,000</u> *
Sub Total		<u>515,978,000</u> ✓
Total Sales (A - B)		<u><u>648,292,000</u></u> ✓

* Does not include 343,675 KWH of company usage.

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: August 2005

Line No.			
1	FAC Rate Billed	(+)	0.00300 ✓
2	Retail KWH Billed at Above Rate	(x)	<u>609,027,796</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>1,827,083</u> ✓
4	KWH Used to Determine Last FAC Rate Billed	(+)	575,651,000
5	Non-Jurisdictional KWH Included in L4	(-)	<u>7,789,200</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>567,861,800</u> ✓
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		1,703,585 ✓
8	Over or (Under) Recovery (L3 - L7)		123,498 ✓
9	Total Sales (Page 3)	(+)	648,292,000
10	Kentucky Jurisdictional Sales	(/)	<u>639,485,000</u>
11	Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10)		1.01377 ✓
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>125,199</u></u> ✓

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: July 2005

A. Company Generation			
Coal Burned	(+)	\$16,594,363	
Oil Burned	(+)	148,909	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)			
(27,271,000 KWH X \$0.012564)	(+)	342,633	
Fuel (substitute for F. O.)	(-)	<u>0</u>	
Sub-total		<u>17,085,905</u>	✓
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	2,667,200	(1)
Identifiable Fuel Cost (substitute for F. O.)			
(27,271,000 KWH X \$0.012564)	(-)	<u>342,633</u>	✓
Sub-total		<u>2,324,567</u>	✓
C. Inter-System Sales Fuel Costs		<u>6,848,796</u>	(1) ✓
Total Fuel Cost (A + B - C)		<u><u>\$12,561,676</u></u>	✓

(1) Includes total Energy Costs of non-economy purchase per KPSC Order dated October 3, 2002 in Case No. 2000-495-B.

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE SCHEDULE
 Case No. 9061 and
Stipulation and Settlement Agreement

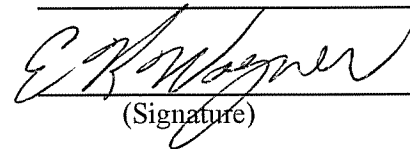
<u>Line No.</u>	<u>Month Ended:</u>	August 2005		
1	Current Month (Tm) Net Revenue Level	(+)	2,151,890	\$2,151,890
2	Base Month (Tb) Tariff 19-1 Net Revenue Level	(-)	<u>1,154,184</u>	<u>1,154,184</u>
3	Increase/(Decrease) of System Sales Net Revenue		997,706	997,706
4	Customer 50% Sharing	(x)	<u>50%</u>	<u>50%</u>
5	Customer Share of Increase/(Decrease) in System Sales Net Revenue		498,853	498,853
6	Current Month (Sm) Sales Level	(/)	648,292,000	648,292,000
7	System Sales Clause Factor - \$/Kwh		-0.0007695	-0.0007695
8	State Issues Settlement Factor	(+)	<u>\$0.000847</u>	<u>\$0.000500</u>
9	State Issues Settlement Balancing Adjustment Factor	(+)	\$0.000000	\$0.000000
10	Net System Sales Clause Factor - \$/kWh* (Ln 7+8+9)	(=)	<u>\$0.0000775</u>	<u>-\$0.0002695</u> *

* This factor is a credit to the customer when current month net revenue levels exceed the base month; and a charge when the current month net revenues levels are below the base month.

Effective Date for Billing:

October 2005

Submitted by:


 (Signature)

Title:

Director of Regulatory Services

Date Submitted:

September 19, 2005

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE NET REVENUE

Line No.		Month Ended: August 2005		TOTAL
		CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	
1	Sales For Resale Revenues	\$9,579,131	(\$327,154)	\$9,251,977
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	9,579,131	(327,154)	9,251,977
4	Sales For Resale Expenses	\$6,536,399	(\$69,382)	\$6,467,017
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	633,070 **	0	633,070 **
7	Total System Sales Expenses	7,169,469	(69,382)	7,100,087
8	Total System Sales Net Revenues	\$2,409,662	(\$257,772)	\$2,151,890

*Source:

ES Form 1.0, Line 3

ES Form 3.3, Line 4

Non-Associated Environmental Costs

** Per KPSC Order in Case No. 2005-00068 dated September 7, 2005



**KENTUCKY
POWER**

A unit of American Electric Power

RECEIVED
AUG 19 2005

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

FINANCIAL ANA

Elizabeth O'Donnell, Executive Director
Public Service Commission
Attn: Daryl Newby
P. O. Box 615
Frankfort, KY 40602

RECEIVED

AUG 19 2005

PUBLIC SERVICE
COMMISSION

19 August 2005

Dear Ms. O'Donnell and Mr. Newby:

Attached are Kentucky Power Company's fuel adjustment clause schedules with supporting sales and fuel cost schedules. These calculations are based on an estimated July 2005 fuel costs with an adjustment reflecting actual June 2005 fuel costs.

The fuel adjustment clause factor of \$0.00336/kwh will be applied to our September 2005 billing. Pursuant to the Commission's Order dated October 3, 2002 in Case No. 2000-495B, page 5 reflects the peaking unit equivalent approach used to calculate the level of non-economy purchased power costs to flow through the fuel adjustment clause. The Fuel Adjustment Clause factor also reflects one twelfth of the forced outage over-collection discussed at the September 30, 2004 informal conference.

Also, we are attaching the system sales clause schedule with a supporting net revenue schedule calculated pursuant to the Commission's December 13, 2004 Order in Case No. 2004-00420. These calculations are based on an estimated July 2005 net revenue with an adjustment reflecting the true-up of June 2005 net revenue.

The net system sales clause factor of \$(0.0004380)/kwh (a credit) for All Other Customers and \$(.0007850)/kwh (a credit) for CIP-TOD Customers will be applied to our September 2005 billing.

All billings during September 2005 will show a combined factor of \$0.0029220/kwh for All Other Customers and \$0.0025750/kwh for CIP-TOD Customers.

If you have any questions, please advise.

Sincerely,

Errol K. Wagner
Director of Regulatory Services

Attachments

CHECKED
Public Service Commission

AUG 25 2005

By 
FINANCIAL ANALYSIS DIVISION

KENTUCKY POWER COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

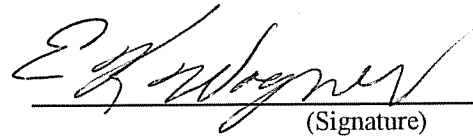
Month Ended: July 2005

		<u>All Other Customers</u>	<u>CIP-TOD Customers</u>
1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	\$0.0033600	\$0.0033600
2 System Sales Clause Factor (Page 1 of 2)	(+)	-.0012850	-\$0.0012850
3 State Issues Settlement Factor	(+)	\$0.0008470	\$0.0005000
4 State Issues Settlement Balancing Adjustment Factor (BAF)		<u>\$0.0000000</u>	<u>\$0.0000000</u>
5 Net System Sales Clause Factor - \$kWh (Ln 2+3+4)		-\$0.0004380	-\$0.0007850
6 Total Adjustment Clause Factors		<u><u>\$0.0029220</u></u>	<u><u>\$0.0025750</u></u>

Effective Date for Billing

September 2005

Submitted by:



(Signature)

Title:

Director of Regulatory Services

Date Submitted:

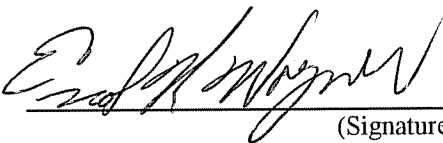
August 19, 2005

KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: July 2005

Fuel Fm (Fuel Cost Schedule)	<u>\$11,938,835</u>		
Sales Sm (Sales Schedule)	600,778,000	(+)	0.01987 ✓
Fuel (Fb)	<u>\$8,703,098</u>		
Sales (Sb)	527,226,000	(-)	0.01651 ✓
			<u>0.00336 ✓</u>
			(\$/KWH)

Effective Date for Billing September 2005

Submitted by: 
(Signature)

Title: Director of Regulatory Services

Date Submitted: August 19, 2005

KENTUCKY POWER COMPANY

FUEL COST SCHEDULE

Month Ended: July 2005

A.	Company Generation			
	Coal Burned	(+)	\$13,094,974	
	Oil Burned	(+)	103,230	
	Gas Burned	(+)	0	
	Fuel (jointly owned plant)	(+)	0	
	Fuel (assigned cost during F. O.)	(+)	0	
	Fuel (substitute for F. O.)	(-)		
	Sub Total		<u>13,198,204</u>	✓
B.	Purchases			
	Net Energy Cost - Economy Purchases	(+)	0	
	Identifiable Fuel Cost - Other Purchases	(+)	10,447,183	*
	Identifiable Fuel Cost (substitute for F. O.)	(-)	0	
	Sub Total		<u>10,447,183</u>	✓
C.	Inter-System Sales Fuel Costs		<u>10,504,932</u>	*
	Sub Total		<u>10,504,932</u>	✓
D.	Total Fuel Cost (A + B - C)		<u>\$13,140,455</u>	✓
E.	Adjustment indicating the difference in actual fuel cost for the month of <u>June 2005</u> and the estimated cost originally reported. <u>\$11,922,000</u> - <u>\$12,637,033</u> = <u>(715,033)</u> (actual) (est.)			✓
F.	Total Company Over or (Under) Recovery from Page 4, Line 12		<u>113,510</u>	✓
G.	Grand Total Fuel Cost (D + E - F)		<u>\$12,311,912</u>	✓
H.	Forced Outage Over Collection Adjustment - Credit	(-)	373,077	
I.	Adjusted Grand Total Fuel Cost		<u>\$11,938,835</u>	✓

* Estimated - based on actual Kentucky generation unit costs in
July 2005

\$13,198,204
662,704,000

0.01992 ✓ /KWH

KENTUCKY POWER COMPANY**SALES SCHEDULE****Month Ended:** July 2005

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	662,704,000
Purchases Including Interchange In	(+)	<u>524,457,000</u>
Sub Total		<u>1,187,161,000 ✓</u>
B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	527,356,000
System Losses	(+)	<u>59,027,000 *</u>
Sub Total		<u>586,383,000 ✓</u>
Total Sales (A - B)		<u><u>600,778,000 ✓</u></u>

* Does not include 303,466 KWH of company usage.

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: July 2005

Line
No.

1	FAC Rate Billed	(+)	0.00365 ✓
2	Retail KWH Billed at Above Rate	(x)	<u>574,452,045</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>2,096,750</u> ✓
4	KWH Used to Determine Last FAC Rate Billed	(+)	550,279,000
5	Non-Jurisdictional KWH Included in L4	(-)	<u>6,464,500</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>543,814,500</u> ✓
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		1,984,923 ✓
8	Over or (Under) Recovery (L3 - L7)		111,827 ✓
9	Total Sales (Page 3)	(+)	600,778,000
10	Kentucky Jurisdictional Sales	(/)	<u>591,867,500</u>
11	Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10)		1.01505 ✓
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>113,510</u></u> ✓

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: June 2005

A. Company Generation			
Coal Burned	(+)	\$15,508,035	
Oil Burned	(+)	95,402	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)			
(-0- KWH X -0-)	(+)	0	
Fuel (substitute for F. O.)	(-)	<u>0</u>	
Sub-total		<u>15,603,437</u>	
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	2,292,691	(1)
Identifiable Fuel Cost (substitute for F. O.)			
(-0- KWH X -0-)	(-)	<u>0</u>	
Sub-total		<u>2,292,691</u>	
C. Inter-System Sales Fuel Costs		<u>5,974,128</u>	(1)
Total Fuel Cost (A + B - C)		<u><u>\$11,922,000</u></u>	

(1) Includes total Energy Costs of non-economy purchase per KPSC Order dated October 3, 2002 in Case No. 2000-495-B.

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE SCHEDULE
Case No. 9061 and
Stipulation and Settlement Agreement

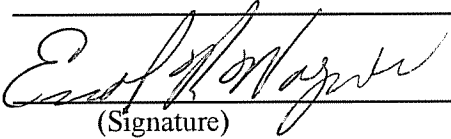
<u>Line No.</u>	<u>Month Ended:</u>	July 2005		
1	Current Month (Tm) Net Revenue Level	(+)	2,571,386	\$2,571,386
2	Base Month (Tb) Tariff 19-1 Net Revenue Level	(-)	<u>1,027,403</u>	<u>1,027,403</u>
3	Increase/(Decrease) of System Sales Net Revenue		1,543,983	1,543,983
4	Customer 50% Sharing	(x)	<u>50%</u>	<u>50%</u>
5	Customer Share of Increase/(Decrease) in System Sales Net Revenue		771,992	771,992
6	Current Month (Sm) Sales Level	(/)	600,778,000	600,778,000
7	System Sales Clause Factor - \$/Kwh		-0.0012850	-0.001285
8	State Issues Settlement Factor	(+)	<u>\$0.000847</u>	<u>\$0.000500</u>
9	State Issues Settlement Balancing Adjustment Factor	(+)	\$0.000000	\$0.000000
10	Net System Sales Clause Factor - \$/kWh* (Ln 7+8+9)	(=)	<u><u>-\$0.0004380</u></u>	<u><u>-\$0.0007850</u></u> *

* This factor is a credit to the customer when current month net revenue levels exceed the base month; and a charge when the current month net revenues levels are below the base month.

Effective Date for Billing:

September 2005

Submitted by:


 (Signature)

Title:

Director of Regulatory Services

Date Submitted:

August 19, 2005

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE NET REVENUE

Line No.		Month Ended: July 2005		TOTAL
		CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	
1	Sales For Resale Revenues	\$10,634,301	(\$230,522)	\$10,403,779
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	10,634,301	(230,522)	10,403,779
4	Sales For Resale Expenses	\$7,129,752	\$63,378	\$7,193,130
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	639,263	0	639,263
7	Total System Sales Expenses	7,769,015	63,378	7,832,393
8	Total System Sales Net Revenues	\$2,865,286	(\$293,900)	\$2,571,386

*Source:

ES Form 1.0, Line 3

ES Form 3.3, Line 4

Non-Associated Environmental Costs

American Electric Power
101A Enterprise Drive
PO Box 5190
Frankfort, KY 40602-5190
www.aep.com



Elizabeth O'Donnell, Executive Director
Public Service Commission
Attn: Daryl Newby
P. O. Box 615
Frankfort, KY 40602

RECEIVED RECEIVED
JUL 18 2005 JUL 18 2005
PUBLIC SERVICE COMMISSION
FINANCIAL ANA

15 July 2005

Dear Ms. O'Donnell and Mr. Newby:

Attached are Kentucky Power Company's fuel adjustment clause schedules with supporting sales and fuel cost schedules. These calculations are based on an estimated June 2005 fuel costs with an adjustment reflecting actual May 2005 fuel costs.

The fuel adjustment clause factor of \$0.00300/kwh will be applied to our August 2005 billing. Pursuant to the Commission's Order dated October 3, 2002 in Case No. 2000-495B, page 5 reflects the peaking unit equivalent approach used to calculate the level of non-economy purchased power costs to flow through the fuel adjustment clause. The Fuel Adjustment Clause factor also reflects one twelfth of the forced outage over-collection discussed at the September 30, 2004 informal conference.

Also, we are attaching the system sales clause schedule with a supporting net revenue schedule calculated pursuant to the Commission's December 13, 2004 Order in Case No. 2004-00420. These calculations are based on an estimated June 2005 net revenue with an adjustment reflecting the true-up of May 2005 net revenue.

The net system sales clause factor of \$(0.0007401)/kwh (a credit) for All Other Customers and \$(.0010871)/kwh (a credit) for CIP-TOD Customers will be applied to our August 2005 billing.

All billings during August 2005 will show a combined factor of \$0.0022599/kwh for All Other Customers and \$0.0019129/kwh for CIP-TOD Customers.

If you have any questions, please advise.

Sincerely,

A handwritten signature in black ink, appearing to read 'Errol K. Wagner'.

Errol K. Wagner
Director of Regulatory Services

CHECKED
Public Service Commission

JUL 18 2005

By 
FINANCIAL ANALYSIS DIVISION

Attachments

AEP: America's Energy Partner®

KENTUCKY POWER COMPANY

SUMMARY OF ADJUSTMENT CLAUSES

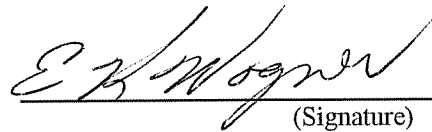
Month Ended: June 2005

		<u>All Other Customers</u>	<u>CIP-TOD Customers</u>
1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	\$0.00300 ✓	\$0.00300 ✓
2 System Sales Clause Factor (Page 1 of 2)	(+)	-0.0015871 ✓	-\$0.0015871 ✓
3 State Issues Settlement Factor	(+)	0.0008470	0.0005000
4 State Issues Settlement Balancing Adjustment Factor (BAF)		<u>0</u>	<u>0</u>
5 Net System Sales Clause Factor - \$kWh (Ln 2+3+4)		-\$0.0007401 ✓	-0.0010871 ✓
6 Total Adjustment Clause Factors		<u><u>\$0.0022599</u></u>	<u><u>\$0.0019129</u></u>

Effective Date for Billing

August 2005

Submitted by:


(Signature)

Title:

Director of Regulatory Services

Date Submitted:

July 18, 2005

KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: June 2005

Fuel Fm (Fuel Cost Schedule)	<u>\$11,231,213</u>		
Sales Sm (Sales Schedule)	<u>575,651,000</u>	(+)	0.01951 ✓
Fuel (Fb)	<u>\$8,703,098</u>		
Sales (Sb)	<u>527,226,000</u>	(-)	0.01651 ✓
			<u>0.00300</u> ✓
			<u>(\$/KWH)</u>

Effective Date for Billing August 2005

Submitted by: 
(Signature)

Title: Director of Regulatory Services

Date Submitted: July 18, 2005

KENTUCKY POWER COMPANY

FUEL COST SCHEDULE

Month Ended: June 2005

A. Company Generation				
Coal Burned	(+)	\$11,860,120		
Oil Burned	(+)	76,515		
Gas Burned	(+)	0		
Fuel (jointly owned plant)	(+)	0		
Fuel (assigned cost during F. O.)	(+)	0		
Fuel (substitute for F. O.)	(-)			
Sub Total			<u>11,936,635</u>	✓
B. Purchases				
Net Energy Cost - Economy Purchases	(+)	0		
Identifiable Fuel Cost - Other Purchases	(+)	10,446,913		*
Identifiable Fuel Cost (substitute for F. O.)	(-)	0		
Sub Total			<u>10,446,913</u>	✓
C. Inter-System Sales Fuel Costs			<u>9,746,515</u>	*
Sub Total			<u>9,746,515</u>	
D. Total Fuel Cost (A + B - C)			<u><u>12,637,033</u></u>	✓
E. Adjustment indicating the difference in actual fuel cost for the month of <u>May 2005</u> and the estimated cost originally reported. <u>\$10,184,859</u> - <u>\$11,151,103</u> = <u>(966,244)</u> (actual) (est.)				✓
F. Total Company Over or (Under) Recovery from Page 4, Line 12			<u>66,499</u>	✓
G. Grand Total Fuel Cost (D + E - F)			<u>11,604,290</u>	✓
H. Forced Outage Over Collection Adjustment - Credit	(-)	373,077		
I. Adjusted Grand Total Fuel Cost			<u><u>11,231,213</u></u>	✓
* Estimated - based on actual Kentucky generation unit costs in June 2005		<u>\$11,936,635</u>		
		590,494,000		0.02021 ✓ /KWH

KENTUCKY POWER COMPANY**SALES SCHEDULE****Month Ended:** June 2005

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	590,494,000
Purchases Including Interchange In	(+)	<u>516,918,000</u>
Sub Total		<u>1,107,412,000</u>
B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	482,262,000
System Losses	(+)	<u>49,499,000</u> *
Sub Total		<u>531,761,000</u>
Total Sales (A - B)		<u><u>575,651,000</u></u>

* Does not include 319,441 KWH of company usage.

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: June 2005

Line No.			
1	FAC Rate Billed	(+)	0.00324
2	Retail KWH Billed at Above Rate	(x)	<u>547,608,388</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>1,774,251</u>
4	KWH Used to Determine Last FAC Rate Billed	(+)	533,848,000
5	Non-Jurisdictional KWH Included in L4	(-)	<u>6,486,400</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>527,361,600</u>
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		1,708,652
8	Over or (Under) Recovery (L3 - L7)		65,599
9	Total Sales (Page 3)	(+)	575,651,000
10	Kentucky Jurisdictional Sales	(/)	<u>567,861,800</u>
11	Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10)		1.01372
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>66,499</u></u>

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: Month 2005

A. Company Generation			
Coal Burned	(+)	\$12,091,383	
Oil Burned	(+)	81,232	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)			
(KWH X)	(+)	0	
Fuel (substitute for F. O.)	(-)	<u>0</u>	
Sub-total		<u>12,172,615</u>	✓
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	1,958,127	(1)
Identifiable Fuel Cost (substitute for F. O.)			
(KWH X)	(-)	<u>0</u>	
Sub-total		<u>1,958,127</u>	✓
C. Inter-System Sales Fuel Costs		<u>3,945,883</u>	(1)
Total Fuel Cost (A + B - C)		<u><u>\$10,184,859</u></u>	✓

(1) Includes total Energy Costs of non-economy purchase per KPSC Order dated October 3, 2002 in Case No. 2000-495-B.

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE SCHEDULE
Case No. 9061 and
Stipulation and Settlement Agreement


<u>Line No.</u>	<u>Month Ended:</u>	June 2005		
1	Current Month (Tm) Net Revenue Level	(+)	3,151,393	\$3,151,393
2	Base Month (Tb) Tariff 19-1 Net Revenue Level	(-)	<u>1,324,166</u>	<u>1,324,166</u>
3	Increase/(Decrease) of System Sales Net Revenue		1,827,227	1,827,227
4	Customer 50% Sharing	(x)	<u>50%</u>	<u>50%</u>
5	Customer Share of Increase/(Decrease) in System Sales Net Revenue		913,614	913,614
6	Current Month (Sm) Sales Level	(/)	575,651,000	575,651,000
7	System Sales Clause Factor - \$/Kwh		-0.0015871	-0.0015871 ✓
			<u>All Other Customers</u>	<u>CIP-TOD Customers</u>
8	State Issues Settlement Factor	(+)	\$0.000847	\$0.000500
9	State Issues Settlement Balancing Adjustment Factor	(+)	\$0.000000	\$0.000000
10	Net System Sales Clause Factor - \$/kWh* (Ln 7+8+9)	(=)	<u><u>-\$0.0007401</u></u>	<u><u>-\$0.0010871</u></u> *

* This factor is a credit to the customer when current month net revenue levels exceed the base month; and a charge when the current month net revenues levels are below the base month.

Effective Date for Billing:

August 2005

Submitted by:


 (Signature)

Title:

Director of Regulatory Services

Date Submitted:

July 18, 2005

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE NET REVENUE

Line No.		Month Ended: June 2005		TOTAL
		CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	
1	Sales For Resale Revenues	\$9,712,824	(\$118,270)	\$9,594,554
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	9,712,824	(118,270)	9,594,554
4	Sales For Resale Expenses	\$6,092,527	(\$35,762)	\$6,056,765
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	386,396	0	386,396
7	Total System Sales Expenses	6,478,923	(35,762)	6,443,161
8	Total System Sales Net Revenues	\$3,233,901	(\$82,508)	\$3,151,393

*Source:

ES Form 1.0, Line 3

ES Form 3.3, Line 4

Non-Associated Environmental Costs



**KENTUCKY
POWER**

A unit of American Electric Power

Elizabeth O'Donnell, Executive Director
Public Service Commission
Attn: Daryl Newby
P. O. Box 615
Frankfort, KY 40602

23 June 2005

Dear Ms. O'Donnell and Mr. Newby:

Attached are Kentucky Power Company's fuel adjustment clause schedules with supporting sales and fuel cost schedules. These calculations are based on an estimated May 2005 fuel costs with an adjustment reflecting actual April 2005 fuel costs.

The fuel adjustment clause factor of \$0.00365/kwh will be applied to our July 2005 billing. Pursuant to the Commission's Order dated October 3, 2002 in Case No. 2000-495B, page 5 reflects the peaking unit equivalent approach used to calculate the level of non-economy purchased power costs to flow through the fuel adjustment clause. The Fuel Adjustment Clause factor also reflects one twelfth of the forced outage over-collection discussed at the September 30, 2004 informal conference.

*Pursuant to the Commission's Order dated June 23, 2005 in Case No. 2004-00463, the attached schedules reflect the change to base fuel rate from 12.00 mills/kWh to 16.51 mills/kWh.

Also, we are attaching the system sales clause schedule with a supporting net revenue schedule calculated pursuant to the Commission's December 13, 2004 Order in Case No. 2004-00420. These calculations are based on an estimated May 2005 net revenue with an adjustment reflecting the true-up of April 2005 net revenue.

The net system sales clause factor of \$(0.0014576)/kwh (a credit) for All Other Customers and \$(.0018046)/kwh (a credit) for CIP-TOD Customers will be applied to our July 2005 billing.

All billings during July 2005 will show a combined factor of \$0.0021924/kwh for All Other Customers and \$.0018454 for CIP-TOD Customers.

If you have any questions, please advise.

Sincerely,

Errol K. Wagner
Director of Regulatory Services

Attachments

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

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REVISED

JUN 24 2005

PUBLIC SERVICE
COMMISSION

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JUN 24 2005

FINANCIAL ANALYSIS

KENTUCKY POWER COMPANY

SUMMARY OF ADJUSTMENT CLAUSES

Month Ended: May 2005

		<u>All Other Customers</u>	<u>CIP-TOD Customers</u>
1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	0.00365 * ✓	0.00365 * ✓
2 System Sales Clause Factor (Page 1 of 2)	(+)	-0.0023046 ✓	-0.0023046 ✓
3 State Issues Settlement Factor	(+)	0.0008470 ✓	0.0005000 ✓
4 State Issues Settlement Balancing Adjustment Factor (BAF)		<u>0</u>	<u>0</u>
5 Net System Sales Clause Factor - \$kWh (Ln 2+3+4)		-0.0014576 ✓	-0.0018046 ✓
6 Total Adjustment Clause Factors		<u><u>0.0021924</u></u>	<u><u>0.0018454</u></u>

Effective Date for Billing July 2005

Submitted by: 
(Signature)

Title: Director of Regulatory Services

Date Submitted: June 23, 2005

KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: **May 2005**

Fuel Fm (Fuel Cost Schedule)	<u>\$11,093,944</u>		
Sales Sm (Sales Schedule)	550,279,000	(+)	0.02016 ✓
Fuel (Fb)	<u>\$8,703,098</u>		
Sales (Sb)	527,226,000	(-)	0.01651 * ✓
			<u>0.00365 * ✓</u>
			(\$/KWH)

Effective Date for Billing July 2005

Submitted by: 
(Signature)

Title: Director of Regulatory Services

Date Submitted: June 23, 2005

*Revised per PSC Order in Case No. 2004-00463 dated June 23, 2005

KENTUCKY POWER COMPANY

FUEL COST SCHEDULE

Month Ended May 2005

A. Company Generation			
Coal Burned	(+)	\$9,461,892	
Oil Burned	(+)	3,680	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O)	(+)	0	
Fuel (substitute for F. O)	(-)		
Sub Total		<u>9,465,572</u>	✓
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	8,965,338	*
Identifiable Fuel Cost (substitute for F. O)	(-)	0	
Sub Total		<u>8,965,338</u>	✓
C. Inter-System Sales Fuel Costs			*
Sub Total		<u>7,279,807</u>	
D. Total Fuel Cost (A + B - C)		<u>\$11,151,103</u>	✓
E. Adjustment indicating the difference in actual fuel cost for the month of <u>April 2005</u> and the estimated cost originally reported. <u>\$9,461,323</u> - <u>\$10,174,130</u> = <u>(712,807)</u> (actual) (est.)			✓
F. Total Company Over or (Under) Recovery from Page 4, Line 12		<u>(1,028,725)</u>	✓
G. Grand Total Fuel Cost (D + E - F)		<u>\$11,467,021</u>	
H. Forced Outage Over Collection Adjustment - Credit	(-)	373,077	
I. Adjusted Grand Total Fuel Cost		<u>\$11,093,944</u>	✓

* Estimated - based on actual Kentucky generation unit costs in
May 2005

\$9,465,572
501,448,000

0.01888 ✓ /KWH

KENTUCKY POWER COMPANY

SALES SCHEDULE

Month Ended: May 2005

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	501,448,000
Purchases Including Interchange In	(+)	<u>474,859,000</u>
Sub Total		<u>976,307,000</u> ✓
B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	385,583,000
System Losses	(+)	<u>40,445,000</u> *
Sub Total		<u>426,028,000</u> ✓
Total Sales (A - B)		<u><u>550,279,000</u></u> ✓

* Does not include 374,393 KWH of company usage.

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: May 2005

Line No.			
1	FAC Rate Billed	(+)	0.00596 ✓
2	Retail KWH Billed at Above Rate	(x)	<u>518,721,701</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>3,091,581</u> ✓
4	KWH Used to Determine Last FAC Rate Billed	(+)	700,891,000
5	Non-Jurisdictional KWH Included in L4	(-)	<u>11,592,600</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>689,298,400</u> ✓
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		4,108,218 ✓
8	Over or (Under) Recovery (L3 - L7)		(1,016,637) ✓
9	Total Sales (Page 3)	(+)	550,279,000 ✓
10	Kentucky Jurisdictional Sales	(/)	<u>543,814,500</u>
11	Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10)		1.01189 ✓
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>(1,028,725)</u></u> ✓

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: April 2005

A. Company Generation			
Coal Burned	(+)	\$13,925,528	
Oil Burned	(+)	96,616	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)			
(14,160,000 KWH X \$0.012884)	(+)	182,437	
Fuel (substitute for F. O.)	(-)	<u>0</u>	
Sub-total		<u>14,204,581</u>	✓
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	3,368,877	(1)
Identifiable Fuel Cost (substitute for F. O.)			
(14,160,000 KWH X \$0.012884)	(-)	<u>182,437</u>	✓
Sub-total		<u>3,186,440</u>	✓
C. Inter-System Sales Fuel Costs		<u>7,929,698</u>	(1)
Total Fuel Cost (A + B - C)		<u><u>\$9,461,323</u></u>	✓

(1) Includes total Energy Costs of non-economy purchase per KPSC Order dated October 3, 2002 in Case No. 2000-495-B.

KENTUCKY POWER COMPANY
 SYSTEM SALES CLAUSE SCHEDULE
 Case No. 9061 and
 Stipulation and Settlement Agreement

Line No.	Month Ended:	May 2005		
1	Current Month (Tm) Net Revenue Level	(+)	3,622,195	\$3,622,195
2	Base Month (Tb) Tariff 19-1 Net Revenue Level	(-)	<u>1,085,852</u>	<u>1,085,852</u>
3	Increase/(Decrease) of System Sales Net Revenue		2,536,343 ✓	2,536,343 ✓
4	Customer 50% Sharing	(x)	<u>50%</u>	<u>50%</u>
5	Customer Share of Increase/(Decrease) in System Sales Net Revenue		1,268,172	1,268,172
6	Current Month (Sm) Sales Level	(/)	550,279,000 ✓	550,579,000 ✓
7	System Sales Clause Factor - \$/Kwh		-0.0023046 ✓	-0.0023046 ✓
			<u>All Other</u>	<u>CIP-TOD</u>
8	State Issues Settlement Factor	(+)	\$0.000847	\$0.000500
9	State Issues Settlement Balancing Adjustment Factor	(+)	\$0.000000	\$0.000000
10	Net System Sales Clause Factor - \$/kWh* (Ln 7+8+9)	(=)	<u>-0.0014576 ✓</u>	<u>-0.0018046 ✓</u> *

* This factor is a credit to the customer when current month net revenue levels exceed the base month; and a charge when the current month net revenues levels are below the base month.

Effective Date for Billing:

July 2005

Submitted by:

E. L. Wagner
(Signature)

Title:

Director of Regulatory Services

Date Submitted

June 17, 2005

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE NET REVENUE

Line No.		Month Ended: May 2005		TOTAL
		CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	
1	Sales For Resale Revenues	\$8,631,853	\$704,275	\$9,336,128
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	8,631,853 ✓	704,275 ✓	9,336,128 ✓
4	Sales For Resale Expenses	\$5,374,089	\$53,012	\$5,427,101
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	286,832	0	286,832
7	Total System Sales Expenses	5,660,921 ✓	53,012 ✓	5,713,933 ✓
8	Total System Sales Net Revenues	<u>\$2,970,932 ✓</u>	<u>\$651,263 ✓</u>	<u>\$3,622,195 ✓</u>

*Source:

ES Form 1.0, Line 3

ES Form 3.3, Line 4

Non-Associated Environmental Costs



**KENTUCKY
POWER**

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JUN 20 2005

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

FINANCIAL ANALYSE

Elizabeth O'Donnell, Executive Director
Public Service Commission
Attn: Daryl Newby
P. O. Box 615
Frankfort, KY 40602

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JUN 17 2005

PUBLIC SERVICE
COMMISSION

Revised

17 June 2005

Dear Ms. O'Donnell and Mr. Newby:

Attached are Kentucky Power Company's fuel adjustment clause schedules with supporting sales and fuel cost schedules. These calculations are based on an estimated May 2005 fuel costs with an adjustment reflecting actual April 2005 fuel costs.

The fuel adjustment clause factor of \$0.00816/kwh will be applied to our July 2005 billing. Pursuant to the Commission's Order dated October 3, 2002 in Case No. 2000-495B, page 5 reflects the peaking unit equivalent approach used to calculate the level of non-economy purchased power costs to flow through the fuel adjustment clause. The Fuel Adjustment Clause factor also reflects one twelfth of the forced outage over-collection discussed at the September 30, 2004 informal conference.

Also, we are attaching the system sales clause schedule with a supporting net revenue schedule calculated pursuant to the Commission's December 13, 2004 Order in Case No. 2004-00420. These calculations are based on an estimated May 2005 net revenue with an adjustment reflecting the true-up of April 2005 net revenue.

The net system sales clause factor of \$(0.0014576)/kwh (a credit) for All Other Customers and \$(.0018046)/kwh (a credit) for CIP-TOD Customers will be applied to our July 2005 billing.

All billings during July 2005 will show a combined factor of \$0.0067024/kwh for All Other Customers and \$.0063554 for CIP-TOD Customers.

If you have any questions, please advise.
Sincerely,

Errol K. Wagner

Errol K. Wagner
Director of Regulatory Services

Attachments

CHECKED
Public Service Commission

JUN 20 2005

By *sh*
FINANCIAL ANALYSIS DIVISION

KENTUCKY POWER COMPANY

SUMMARY OF ADJUSTMENT CLAUSES

Month Ended: May 2005

	<u>All Other Customers</u>	<u>CIP-TOD Customers</u>
1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+) 0.00816 ✓	0.00816 ✓
2 System Sales Clause Factor (Page 1 of 2)	(+) -0.0023046 ✓	-0.0023046 ✓
3 State Issues Settlement Factor	(+) 0.0008470 ✓	0.0005000 ✓
4 State Issues Settlement Balancing Adjustment Factor (BAF)	<u>0</u>	<u>0</u>
5 Net System Sales Clause Factor - \$kWh (Ln 2+3+4)	-0.0014576 ✓	-0.0018046 ✓
6 Total Adjustment Clause Factors	<u><u>0.0067024</u></u>	<u><u>0.0063554</u></u>

Effective Date for Billing

July 2005

Submitted by:



(Signature)

Title:

Director of Regulatory Services

Date Submitted:


June 17, 2005

KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: May 2005

Fuel Fm (Fuel Cost Schedule)	<u>\$11,093,944</u>		
Sales Sm (Sales Schedule)	550,279,000	(+)	0.02016 ✓
Fuel (Fb)	<u>\$7,257,159</u>		
Sales (Sb)	604,802,000	(-)	0.01200 ✓
			<u>0.00816 ✓</u>
			(\$/KWH)

Effective Date for Billing July 2005

Submitted by: 
(Signature)

Title: Director of Regulatory Services

Date Submitted: June 17, 2005

KENTUCKY POWER COMPANY

FUEL COST SCHEDULE

Month Ended May 2005

A. Company Generation				
Coal Burned	(+)	\$9,461,892		
Oil Burned	(+)	3,680		
Gas Burned	(+)	0		
Fuel (jointly owned plant)	(+)	0		
Fuel (assigned cost during F. O.)	(+)	0		
Fuel (substitute for F. O.)	(-)			
Sub Total			<u>9,465,572</u>	✓
B. Purchases				
Net Energy Cost - Economy Purchases	(+)	0		
Identifiable Fuel Cost - Other Purchases	(+)	8,965,338		*
Identifiable Fuel Cost (substitute for F. O.)	(-)	0		
Sub Total			<u>8,965,338</u>	✓
C. Inter-System Sales Fuel Costs				*
Sub Total			<u>7,279,807</u>	
D. Total Fuel Cost (A + B - C)			<u>\$11,151,103</u>	✓
E. Adjustment indicating the difference in actual fuel cost for the month of <u>April 2005</u> and the estimated cost originally reported.				
		<u>\$9,461,323</u>	-	<u>\$10,174,130</u>
		(actual)		(est.)
			=	<u>(712,807)</u>
F. Total Company Over or (Under) Recovery from Page 4, Line 12			<u>(1,028,725)</u>	✓
G. Grand Total Fuel Cost (D + E - F)			<u>\$11,467,021</u>	✓
H. Forced Outage Over Collection Adjustment - Credit	(-)		373,077	
I. Adjusted Grand Total Fuel Cost			<u>\$11,093,944</u>	✓

* Estimated - based on actual Kentucky generation unit costs in May 2005

\$9,465,572
501,448,000

0.01888 ✓ /KWH

KENTUCKY POWER COMPANY
SALES SCHEDULE

Month Ended: May 2005

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	501,448,000
Purchases Including Interchange In	(+)	<u>474,859,000</u>
Sub Total		<u>976,307,000</u> ✓
B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	385,583,000
System Losses	(+)	<u>40,445,000</u> *
Sub Total		<u>426,028,000</u> ✓
Total Sales (A - B)		<u><u>550,279,000</u></u> ✓

* Does not include 374,393 KWH of company usage.

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: May 2005

Line
No.

1	FAC Rate Billed	(+)	0.00596 ✓
2	Retail KWH Billed at Above Rate	(x)	<u>518,721,701</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>3,091,581</u> ✓
4	KWH Used to Determine Last FAC Rate Billed	(+)	700,891,000
5	Non-Jurisdictional KWH Included in L4	(-)	<u>11,592,600</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>689,298,400</u> ✓
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		4,108,218 ✓
8	Over or (Under) Recovery (L3 - L7)		(1,016,637) ✓
9	Total Sales (Page 3)	(+)	550,279,000 ✓
10	Kentucky Jurisdictional Sales	(/)	<u>543,814,500</u>
11	Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10)		1.01189 ✓
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>(1,028,725)</u></u> ✓

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: April 2005

A. Company Generation			
Coal Burned	(+)	\$13,925,528	
Oil Burned	(+)	96,616	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)			
(14,160,000 KWH X \$0.012884)	(+)	182,437	
Fuel (substitute for F. O.)	(-)	<u>0</u>	
Sub-total		<u>14,204,581</u>	✓
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	3,368,877	(1)
Identifiable Fuel Cost (substitute for F. O.)			
(14,160,000 KWH X \$0.012884)	(-)	<u>182,437</u>	
Sub-total		<u>3,186,440</u>	✓
C. Inter-System Sales Fuel Costs		<u>7,929,698</u>	(1)
Total Fuel Cost (A + B - C)		<u><u>\$9,461,323</u></u>	✓

(1) Includes total Energy Costs of non-economy purchase per KPSC Order dated October 3, 2002 in Case No. 2000-495-B.

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE SCHEDULE
Case No. 9061 and
Stipulation and Settlement Agreement

<u>Line No.</u>	<u>Month Ended:</u>	May 2005		
1	Current Month (Tm) Net Revenue Level	(+)	3,622,195	\$3,622,195
2	Base Month (Tb) Tariff 19-1 Net Revenue Level	(-)	<u>1,085,852</u>	<u>1,085,852</u>
3	Increase/(Decrease) of System Sales Net Revenue		2,536,343	2,536,343
4	Customer 50% Sharing	(x)	<u>50%</u>	<u>50%</u>
5	Customer Share of Increase/(Decrease) in System Sales Net Revenue		1,268,172	1,268,172
6	Current Month (Sm) Sales Level	(/)	550,279,000	550,579,000
7	System Sales Clause Factor - \$/Kwh		-0.0023046	-0.0023046
			<u>All Other Customers</u>	<u>CIP-TOD Customers</u>
8	State Issues Settlement Factor	(+)	\$0.000847	\$0.000500
9	State Issues Settlement Balancing Adjustment Factor	(+)	\$0.000000	\$0.000000
10	Net System Sales Clause Factor - \$/kWh* (Ln 7+8+9)	(=)	<u>-0.0014576</u>	<u>-0.0018046</u> *

* This factor is a credit to the customer when current month net revenue levels exceed the base month; and a charge when the current month net revenues levels are below the base month.

Effective Date for Billing:

July 2005

Submitted by:

E. K. Wagner
(Signature)

Title:

Director of Regulatory Services

Date Submitted:

June 17, 2005

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE NET REVENUE

Line No.		Month Ended: May 2005		TOTAL
		CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	
1	Sales For Resale Revenues	\$8,631,853	\$704,275	\$9,336,128
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	8,631,853	704,275	9,336,128
4	Sales For Resale Expenses	\$5,374,089	\$53,012	\$5,427,101
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	286,832	0	286,832
7	Total System Sales Expenses	5,660,921	53,012	5,713,933
8	Total System Sales Net Revenues	\$2,970,932	\$651,263	\$3,622,195

*Source:
 ES Form 1.0, Line 3
 ES Form 3.3, Line 4
 Non-Associated Environmental Costs



**KENTUCKY
POWER**

A unit of American Electric Power

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

Elizabeth O'Donnell, Executive Director
Public Service Commission
Attn: Daryl Newby
P. O. Box 615
Frankfort, KY 40602

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FINANCIAL ANALYSIS

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20 May 2005

MAY 20 2005

PUBLIC SERVICE
COMMISSION

Dear Ms. O'Donnell and Mr. Newby:

Attached are Kentucky Power Company's fuel adjustment clause schedules with supporting sales and fuel cost schedules. These calculations are based on an estimated April 2005 fuel costs with an adjustment reflecting actual March 2005 fuel costs.

The fuel adjustment clause factor of \$0.00324/kwh will be applied to our June 2005 billing. Pursuant to the Commission's Order dated October 3, 2002 in Case No. 2000-495B, page 5 reflects the peaking unit equivalent approach used to calculate the level of non-economy purchased power costs to flow through the fuel adjustment clause. In reviewing the March 2005 energy costs of purchases allocated to internal use, the Company has determined that the average cost of such purchases exceeded the 75% point of the lowest daily market price of gas for the hypothetical gas turbine during the same month. A small quantity of purchases, aggregating to 39 MWh spread over 11 different days (March 1, 4, 5, 8, 9, 10, 12, 14, 16, 17 and 19) and at \$80.60/Mwh exceeded the average gas turbine equivalent for those days by \$4.50/MWh (\$80.60 vs \$76.10). Therefore, a credit totaling \$175.50 is included and made a part of this filing.

The Fuel Adjustment Clause factor also reflects one twelfth of the forced outage over-collection discussed at the September 30, 2004 informal conference.

Also, we are attaching the system sales clause schedule with a supporting net revenue schedule calculated pursuant to the Commission's December 13, 2004 Order in Case No. 2004-00420. These calculations are based on an estimated April 2005 net revenue with an adjustment reflecting the true-up of March 2005 net revenue.

CHECKED
Public Service Commission

MAY 23 2005

By dm
FINANCIAL ANALYSIS DIVISION

Ms. Elizabeth O'Donnell

Page 2

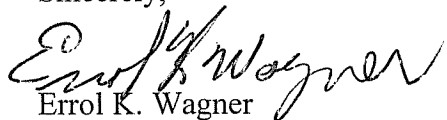
20 May 2005

The net system sales clause factor of $\$(0.0013046)/\text{kwh}$ (a credit) for All Other Customers and $\$(.0016516)/\text{kwh}$ (a credit) for CIP-TOD Customers will be applied to our June 2005 billing. An adjustment on Page 2 of 2 shows that certain PJM Purchase Power Accounts that are incurred as a result of the system sales activities were not considered in the system sales calculation for the months November and December 2004 and January 2005. An adjustment to collect the amount shown will be amortized over the next three months. This is the final month for the adjustment.

All billings during June 2005 will show a combined factor of $\$0.0019354/\text{kwh}$ for All Other Customers and $\$.0015884$ for CIP-TOD Customers.

If you have any questions, please advise.

Sincerely,


Errol K. Wagner
Director of Regulatory Services

Attachments

KENTUCKY POWER COMPANY

SUMMARY OF ADJUSTMENT CLAUSES

Month Ended: April 2005

		<u>All Other Customers</u>	<u>CIP-TOD Customers</u>
1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	0.00324 ✓	0.00324 ✓
2 System Sales Clause Factor (Page 1 of 2)	(+)	-0.0021516	-0.0021516
3 State Issues Settlement Factor	(+)	0.0008470	0.0005000
4 State Issues Settlement Balancing Adjustment Factor (BAF)		<u>0</u>	<u>0</u>
5 Net System Sales Clause Factor - \$kWh (Ln 2+3+4)		-0.0013046	-0.0016516
6 Total Adjustment Clause Factors		<u><u>0.0019354</u></u>	<u><u>0.0015884</u></u>

Effective Date for Billing

June 2005

Submitted by:



(Signature)

Title:

Director of Regulatory Services

Date Submitted:

May 20, 2005


KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: April 2005

Fuel Fm (Fuel Cost Schedule)	<u>\$8,133,712</u>		
Sales Sm (Sales Schedule)	533,848,000	(+)	0.01524
Fuel (Fb)	<u>\$7,257,159</u>		
Sales (Sb)	604,802,000	(-)	0.01200
			<u>0.00324</u>
			<u>0.00324</u>

(\$/KWH)

Effective Date for Billing June 2005

Submitted by: 
(Signature)

Title: Director of Regulatory Services

Date Submitted: May 20, 2005

KENTUCKY POWER COMPANY**SALES SCHEDULE****Month Ended:** April 2005

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	600,318,000
Purchases Including Interchange In	(+)	<u>489,602,000</u>
Sub Total		<u>1,089,920,000</u> ✓
B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	517,716,000
System Losses	(+)	<u>38,356,000</u> *
Sub Total		<u>556,072,000</u> ✓
Total Sales (A - B)		<u><u>533,848,000</u></u> ✓

* Does not include 462,216 KWH of company usage.

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: April 2005

Line
No.

1	FAC Rate Billed	(+)	0.00354 ✓
2	Retail KWH Billed at Above Rate	(x)	<u>574,527,137</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>2,033,826</u> ✓
4	KWH Used to Determine Last FAC Rate Billed	(+)	642,000,000
5	Non-Jurisdictional KWH Included in L4	(-)	<u>5,941,500</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>636,058,500</u> ✓
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		2,251,647 ✓
8	Over or (Under) Recovery (L3 - L7)		(217,821) ✓
9	Total Sales (Page 3)	(+)	533,848,000 ✓
10	Kentucky Jurisdictional Sales	(/)	<u>527,361,600</u>
11	Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10)		1.01230 ✓
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>(220,500)</u></u> ✓

KENTUCKY POWER COMPANY**FINAL
FUEL COST SCHEDULE****Month Ended:** Month 2005

A. Company Generation			
Coal Burned	(+)	\$15,857,327	
Oil Burned	(+)	19,131	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)			
(KWH X)	(+)	0	
Fuel (substitute for F. O.)	(-)	<u>0</u>	
Sub-total		<u>15,876,458</u>	✓
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	4,435,664	(1)
Identifiable Fuel Cost (substitute for F. O.)			
(KWH X)	(-)	<u>0</u>	
Sub-total		<u>4,435,664</u>	✓
C. Inter-System Sales Fuel Costs		<u>8,631,606</u>	(1)
Total Fuel Cost (A + B - C)		<u><u>\$11,680,516</u></u>	✓

(1) Includes total Energy Costs of non-economy purchase per KPSC Order dated October 3, 2002 in Case No. 2000-495-B.

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE SCHEDULE
Case No. 9061 and
Stipulation and Settlement Agreement

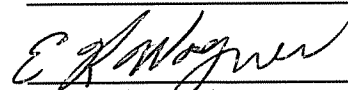
Line No.	Month Ended:	April 2005		
1	Current Month (Tm) Net Revenue Level	(+)	3,333,982	\$3,333,982
2	Base Month (Tb) Tariff 19-1 Net Revenue Level	(-)	<u>1,036,738</u>	<u>1,036,738</u>
3	Increase/(Decrease) of System Sales Net Revenue		2,297,244	2,297,244
4	Customer 50% Sharing	(x)	<u>50%</u>	<u>50%</u>
5	Customer Share of Increase/(Decrease) in System Sales Net Revenue		1,148,622	1,148,622
6	Current Month (Sm) Sales Level	(/)	533,848,000	533,848,000
7	System Sales Clause Factor - \$/Kwh		-0.0021516	-0.0021516
			<u>All Other</u>	<u>CIP-TOD</u>
			<u>Customers</u>	<u>Customers</u>
8	State Issues Settlement Factor	(+)	\$0.000847	\$0.000500
9	State Issues Settlement Balancing Adjustment Factor	(+)	\$0.000000	\$0.000000
10	Net System Sales Clause Factor - \$/kWh* (Ln 7+8+9)	(=)	<u>-0.0013046</u>	<u>-0.0016516</u> *

* This factor is a credit to the customer when current month net revenue levels exceed the base month; and a charge when the current month net revenues levels are below the base month.

Effective Date for Billing:

June 2005

Submitted by:


 (Signature)

Title:

Director of Regulatory Services

Date Submitted:

May 20, 2005

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE NET REVENUE

Line No.		Month Ended: April 2005		TOTAL
		CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	
1	Sales For Resale Revenues	\$10,694,134	\$23,207	\$10,717,341
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	10,694,134	23,207	10,717,341
4	Sales For Resale Expenses	\$6,342,603	\$44,425	\$6,387,028
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	331,815	0	331,815
7	Adjustment for PJM Purchase Power Accounts not considered in prior months' filings. To be collected for a 3 month period (\$1,993,546.01 / 3).	664,516		664,516
8	Total System Sales Expenses	7,338,934	44,425	7,383,359
9	Total System Sales Net Revenues	\$3,355,200	(\$21,218)	\$3,333,982

*Source:

ES Form 1.0, Line 3

ES Form 3.3, Line 4

Non-Associated Environmental Costs



**KENTUCKY
POWER**

A unit of American Electric Power

Elizabeth O'Donnell, Executive Director
Public Service Commission

Attn: Daryl Newby
P. O. Box 615
Frankfort, KY 40602

19 April 2005

Dear Ms. O'Donnell and Mr. Newby:

Attached are Kentucky Power Company's fuel adjustment clause schedules with supporting sales and fuel cost schedules. These calculations are based on an estimated March 2005 fuel costs with an adjustment reflecting actual February 2005 fuel costs.

The fuel adjustment clause factor of \$0.00596/kwh will be applied to our May 2005 billing. Pursuant to the Commission's Order dated October 3, 2002 in Case No. 2000-495B, page 5 reflects the peaking unit equivalent approach used to calculate the level of non-economy purchased power costs to flow through the fuel adjustment clause. The Fuel Adjustment Clause factor also reflects one twelfth of the forced outage over-collection discussed at the September 30, 2004 informal conference.

Also, we are attaching the system sales clause schedule with a supporting net revenue schedule calculated pursuant to the Commission's December 13, 2004 Order in Case No. 2004-00420. These calculations are based on an estimated March 2005 net revenue with an adjustment reflecting the true-up of February 2005 net revenue.

The net system sales clause factor of \checkmark \$0.0017618/kwh for All Other Customers and \checkmark \$.0014148/kwh for CIP-TOD Customers will be applied to our May 2005 billing. An adjustment on Page 2 of 2 shows that certain PJM Purchase Power Accounts that are incurred as a result of the system sales activities were not considered in the system sales calculation for the months November and December 2004 and January 2005. An adjustment to collect the amount shown will be amortized over the next three months.

All billings during May 2005 will show a combined factor of \checkmark \$0.0077218/kwh for All Other Customers and \checkmark \$.0073748 for CIP-TOD Customers.

If you have any questions, please advise.

Sincerely,

Errol K. Wagner
Director of Regulatory Services

Attachments

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

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APR 19 2005

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APR 19 2005

PUBLIC SERVICE
COMMISSION

FINANCIAL ANALYSIS

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Public Service Commission

APR 19 2005

By 4/20/05
FINANCIAL ANALYSIS DIVISION

KENTUCKY POWER COMPANY

SUMMARY OF ADJUSTMENT CLAUSES

Month Ended: March 2005

		<u>All Other Customers</u>	<u>CIP-TOD Customers</u>
1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	0.00596 ✓	0.00596 ✓
2 System Sales Clause Factor (Page 1 of 2)	(+)	0.0009148 ✓	0.0009148 ✓
3 State Issues Settlement Factor	(+)	0.0008470 ✓	0.0005000 ✓
4 State Issues Settlement Balancing Adjustment Factor (BAF)		<u>0</u>	<u>0</u>
5 Net System Sales Clause Factor - \$kWh (Ln 2+3+4)		0.0017618 ✓	0.0014148 ✓
6 Total Adjustment Clause Factors		<u>0.0077218 ✓</u>	<u>0.0073748 ✓</u>

Effective Date for Billing

May 2005

Submitted by:



(Signature)

Title:

Director of Regulatory Services

Date Submitted:


April 19, 2005

KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: March 2005

Fuel Fm (Fuel Cost Schedule)	<u>\$12,584,777</u>		
Sales Sm (Sales Schedule)	700,891,000	(+)	0.01796 ✓
Fuel (Fb)	<u>\$7,257,159</u>		
Sales (Sb)	604,802,000	(-)	0.01200 ✓
			<u>0.00596 ✓</u>
			(\$/KWH)

Effective Date for Billing May 2005

Submitted by: 
(Signature)

Title: Director of Regulatory Services

Date Submitted: April 19, 2005

KENTUCKY POWER COMPANY

FUEL COST SCHEDULE

Month Ended: March 2005

A. Company Generation				
Coal Burned	(+)	\$12,414,444		
Oil Burned	(+)	12,969		
Gas Burned	(+)	0		
Fuel (jointly owned plant)	(+)	0		
Fuel (assigned cost during F. O.)	(+)	0		
Fuel (substitute for F. O.)	(-)			
Sub Total			<u>12,427,413</u>	✓
B. Purchases				
Net Energy Cost - Economy Purchases	(+)	0		
Identifiable Fuel Cost - Other Purchases	(+)	10,937,884		*
Identifiable Fuel Cost (substitute for F. O.)	(-)	0		
Sub Total			<u>10,937,884</u>	✓
C. Inter-System Sales Fuel Costs			<u>9,796,940</u>	*
Sub Total			<u>9,796,940</u>	
D. Total Fuel Cost (A + B - C)			<u><u>\$13,568,357</u></u>	✓
E. Adjustment indicating the difference in actual fuel cost for the month of <u>Feb 2005</u> and the estimated cost originally reported. <u>\$11,147,547</u> - <u>\$11,984,126</u> = <u>(836,579)</u>				✓
		(actual)	(est.)	
F. Total Company Over or (Under) Recovery from Page 4, Line 12			<u>(226,076)</u>	✓
G. Grand Total Fuel Cost (D + E - F)			<u>\$12,957,854</u>	✓
H. Forced Outage Over Collection Adjustment - Credit	(-)	373,077		
I. Adjusted Grand Total Fuel Cost			<u><u>\$12,584,777</u></u>	✓

* Estimated - based on actual Kentucky generation unit costs in
March 2005

\$12,427,413
690,678,000

0.01799 /KWH

KENTUCKY POWER COMPANY**SALES SCHEDULE****Month Ended:** March 2005

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	690,678,000
Purchases Including Interchange In	(+)	<u>607,998,000</u>
Sub Total		<u>1,298,676,000</u> ✓
B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	544,577,000
System Losses	(+)	<u>53,208,000</u> *
Sub Total		<u>597,785,000</u> ✓
Total Sales (A - B)		<u><u>700,891,000</u></u> ✓

* Does not include 649,830 KWH of company usage.

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: March 2005

Line No.			
1	FAC Rate Billed	(+)	0.00419 ✓
2	Retail KWH Billed at Above Rate	(x)	<u>646,537,664</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>2,708,993</u> ✓
4	KWH Used to Determine Last FAC Rate Billed	(+)	708,979,000
5	Non-Jurisdictional KWH Included in L4	(-)	<u>9,377,800</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>699,601,200</u> ✓
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		2,931,329 ✓
8	Over or (Under) Recovery (L3 - L7)		(222,336) ✓
9	Total Sales (Page 3)	(+)	700,891,000
10	Kentucky Jurisdictional Sales	(/)	<u>689,298,400</u>
11	Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10)		1.01682 ✓
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>(226,076)</u></u> ✓

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: Feb 2005

A. Company Generation			
Coal Burned	(+)	\$14,019,028	
Oil Burned	(+)	23,582	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)			
(KWH X)	(+)	0	
Fuel (substitute for F. O.)	(-)	<u>0</u>	
Sub-total		<u>14,042,610</u>	✓
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	4,543,247	(1)
Identifiable Fuel Cost (substitute for F. O.)			
(KWH X)	(-)	<u>0</u>	
Sub-total		<u>4,543,247</u>	✓
C. Inter-System Sales Fuel Costs		<u>7,438,310</u>	(1)
Total Fuel Cost (A + B - C)		<u><u>\$11,147,547</u></u>	✓

(1) Includes total Energy Costs of non-economy purchase per KPSC Order dated October 3, 2002 in Case No. 2000-495-B.

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE SCHEDULE
Case No. 9061 and
Stipulation and Settlement Agreement

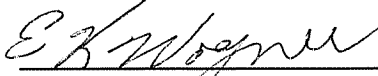
Line No.	Month Ended:	March 2005	
1	Current Month (Tm) Net Revenue Level	(+)	(389,264) (\$389,264)
2	Base Month (Tb) Tariff 19-1 Net Revenue Level	(-)	<u>893,126</u> <u>893126</u>
3	Increase/(Decrease) of System Sales Net Revenue		(1,282,390) (389,264)
4	Customer 50% Sharing	(x)	<u>50%</u> <u>50%</u>
5	Customer Share of Increase/(Decrease) in System Sales Net Revenue		(641,195) (194,632)
6	Current Month (Sm) Sales Level	(/)	700,891,000 700,891,000
7	System Sales Clause Factor - \$/Kwh		0.0009148 0.0009148
8	State Issues Settlement Factor	(+)	<u>All Other Customers</u> \$0.000847 <u>CIP-TOD Customers</u> \$0.000500
9	State Issues Settlement Balancing Adjustment Factor	(+)	\$0.000000 \$0.000000
10	Net System Sales Clause Factor - \$/kWh* (Ln 7+8+9)	(=)	<u>0.0017618</u> <u>0.0014148</u> *

* This factor is a credit to the customer when current month net revenue levels exceed the base month; and a charge when the current month net revenues levels are below the base month.

Effective Date for Billing:

May 2005

Submitted by:



(Signature)

Title:

Director of Regulatory Services

Date Submitted:

April 19, 2005

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE NET REVENUE

Line No.		Month Ended: March 2005		TOTAL
		CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	
1	Sales For Resale Revenues	\$9,799,210	(\$293,490)	\$9,505,720
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	9,799,210	(293,490)	9,505,720
4	Sales For Resale Expenses	\$8,534,555	\$6,321	\$8,540,876
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	689,593	0	689,593
7	Adjustment for PJM Purchase Power Accounts not considered in prior months filings. To be collected for a 3-month period (\$1,993,546.01/3)	664,515	0	664,515
8	Total System Sales Expenses	9,888,663	6,321	9,894,984
9	Total System Sales Net Revenues	(\$89,453)	(\$299,811)	(\$389,264)

*Source:

ES Form 1.0, Line 3

ES Form 3.3, Line 4

Non-Associated Environmental Costs



**KENTUCKY
POWER**

A unit of American Electric Power

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

Elizabeth O'Donnell, Executive Director
Public Service Commission
Attn: Daryl Newby
P. O. Box 615
Frankfort, KY 40602

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MAR 21 2005

PUBLIC SERVICE
COMMISSION

MAR 22 2005

21 March 2005

FINANCIAL ANALYSIS

Dear Ms. O'Donnell and Mr. Newby:

Attached are Kentucky Power Company's fuel adjustment clause schedules with supporting sales and fuel cost schedules. These calculations are based on an estimated February 2005 fuel costs with an adjustment reflecting actual January 2005 fuel costs.

The fuel adjustment clause factor of \$0.00354/kwh will be applied to our April 2005 billing. Pursuant to the Commission's Order dated October 3, 2002 in Case No. 2000-495B, page 5 reflects the peaking unit equivalent approach used to calculate the level of non-economy purchased power costs to flow through the fuel adjustment clause. The Fuel Adjustment Clause factor also reflects one twelfth of the forced outage over-collection discussed at the September 30, 2004 informal conference.


Also, we are attaching the system sales clause schedule with a supporting net revenue schedule calculated pursuant to the Commission's December 13, 2004 Order in Case No. 2004-00420. These calculations are based on an estimated February 2005 net revenue with an adjustment reflecting the true-up of January 2005 net revenue.

The net system sales clause factor of \$0.0000119/kwh for All Other Customers and \$(-.0003351)/kwh for CIP-TOD Customers will be applied to our April 2005 billing. An adjustment on Page 2 of 2 shows that certain PJM Purchase Power Accounts that are incurred as a result of the system sales activities were not considered in the system sales calculation for the months November and December 2004 and January 2005. An adjustment to collect the amount shown will be amortized over the next three months.

All billings during April 2005 will show a combined factor of \$0.0035519/kwh for All Other Customers and \$.0032049 for CIP-TOD Customers.

If you have any questions, please advise.

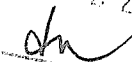
Sincerely,


Errol K. Wagner

Director of Regulatory Services

CHECKED
Public Service Commission

MAR 22 2005

By 
FINANCIAL ANALYSIS DIVISION

Attachments

KENTUCKY POWER COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

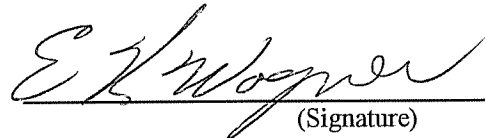
Month Ended: February 2005

		<u>All Other Customers</u>	<u>CIP-TOD Customers</u>
1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	0.00354	0.00354 ✓
2 System Sales Clause Factor (Page 1 of 2)	(+)	-0.0008351 ✓	-0.0008351 ✓
3 State Issues Settlement Factor	(+)	0.0008470 ✓	0.0005000 ✓
4 State Issues Settlement Balancing Adjustment Factor (BAF)		<u>0</u>	<u>0</u>
5 Net System Sales Clause Factor - \$kWh (Ln 2+3+4)		0.0000119 ✓	-0.0003351 ✓
6 Total Adjustment Clause Factors		<u>0.0035519 ✓</u>	<u>0.0032049 ✓</u>

Effective Date for Billing

April 2005

Submitted by:


 (Signature)

Title:

Director of Regulatory Services

Date Submitted:

March 21, 2005

KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: February 2005

Fuel Fm (Fuel Cost Schedule)	<u>\$9,973,480</u>		
Sales Sm (Sales Schedule)	642,000,000	(+)	0.01554 ✓
Fuel (Fb)	<u>\$7,257,159</u>		
Sales (Sb)	604,802,000	(-)	0.01200 ✓
			<u>0.00354 ✓</u>
			(\$/KWH)

Effective Date for Billing April 2005

Submitted by: 
(Signature)

Title: Director of Regulatory Services

Date Submitted: March 21, 2005

KENTUCKY POWER COMPANY

FUEL COST SCHEDULE

Month Ended: February 2005

A. Company Generation			
Coal Burned	(+)	\$10,805,641	
Oil Burned	(+)	14,824	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)	(+)	0	
Fuel (substitute for F. O.)	(-)		
Sub Total		<u>10,820,465</u>	✓
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	8,752,246	*
Identifiable Fuel Cost (substitute for F. O.)	(-)	<u>0</u>	
Sub Total		<u>8,752,246</u>	✓
C. Inter-System Sales Fuel Costs		<u>7,588,585</u>	*
Sub Total		<u>7,588,585</u>	
D. Total Fuel Cost (A + B - C)		<u><u>\$11,984,126</u></u>	✓
E. Adjustment indicating the difference in actual fuel cost for the month of <u>January 2005</u> and the estimated cost originally reported. <u>\$12,193,001</u> - <u>\$13,812,505</u> = <u>(1,619,504)</u> (actual) (est.)			✓
F. Total Company Over or (Under) Recovery from Page 4, Line 12		<u>18,065</u>	✓
G. Grand Total Fuel Cost (D + E - F)		<u>\$10,346,557</u>	✓
H. Forced Outage Over Collection Adjustment - Credit	(-)	373,077	
I. Adjusted Grand Total Fuel Cost		<u><u>\$9,973,480</u></u>	✓

* Estimated - based on actual Kentucky generation unit costs in February 2005

\$10,820,465
624,594,000

0.01732 /KWH

KENTUCKY POWER COMPANY

SALES SCHEDULE

Month Ended: February 2005

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	624,594,000
Purchases Including Interchange In	(+)	<u>505,326,000</u>
Sub Total		<u>1,129,920,000</u> ✓
B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	438,140,000
System Losses	(+)	<u>49,780,000</u> *
Sub Total		<u>487,920,000</u> ✓
Total Sales (A - B)		<u><u>642,000,000</u></u> ✓

* Does not include 708,881 KWH of company usage.

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: February 2005

Line No.			
1	FAC Rate Billed	(+)	0.00093
2	Retail KWH Billed at Above Rate	(x)	<u>689,451,474</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>641,190</u> ✓
4	KWH Used to Determine Last FAC Rate Billed	(+)	680,070,000
5	Non-Jurisdictional KWH Included in L4	(-)	<u>9,864,000</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>670,206,000</u> ✓
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		623,292 ✓
8	Over or (Under) Recovery (L3 - L7)		17,898 ✓
9	Total Sales (Page 3)	(+)	642,000,000 ✓
10	Kentucky Jurisdictional Sales	(/)	<u>636,058,500</u>
11	Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10)		1.00934 ✓
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>18,065</u></u> ✓

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: January 2005

A. Company Generation			
Coal Burned	(+)	\$12,481,977	
Oil Burned	(+)	307,773	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)			
(189,161,000 KWH X \$0.011239)	(+)	2,125,980	
Fuel (substitute for F. O.)	(-)	<u>0</u>	
Sub-total		<u>14,915,730</u>	
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	7,116,081	(1)
Identifiable Fuel Cost (substitute for F. O.)			
(189,161,000 KWH X \$0.011239)	(-)	<u>2,125,980</u>	
Sub-total		<u>4,990,101</u>	
C. Inter-System Sales Fuel Costs		<u>7,712,830</u>	(1)
Total Fuel Cost (A + B - C)		<u><u>\$12,193,001</u></u>	

(1) Includes total Energy Costs of non-economy purchase per KPSC Order dated October 3, 2002 in Case No. 2000-495-B.

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE SCHEDULE
Case No. 9061 and
Stipulation and Settlement Agreement

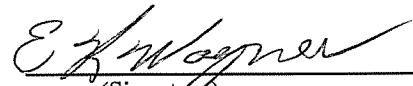
Line No.	Month Ended:	February 2005		
1	Current Month (Tm) Net Revenue Level	(+)	1,840,112	\$1,840,112
2	Base Month (Tb) Tariff 19-1 Net Revenue Level	(-)	<u>767,802</u>	<u>767,802</u>
3	Increase/(Decrease) of System Sales Net Revenue		1,072,310	1,072,310
4	Customer 50% Sharing	(x)	<u>50%</u>	<u>50%</u>
5	Customer Share of Increase/(Decrease) in System Sales Net Revenue		536,155	536,155
6	Current Month (Sm) Sales Level	(/)	642,000,000	642000000
7	System Sales Clause Factor - \$/Kwh		-\$0.0008351	-\$0.0008351
			<u>All Other</u>	<u>CIP-TOD</u>
			<u>Customers</u>	<u>Customers</u>
8	State Issues Settlement Factor	(+)	\$0.000847	\$0.000500
9	State Issues Settlement Balancing Adjustment Factor	(+)	\$0.000000	\$0.000000
10	Net System Sales Clause Factor - \$/kWh* (Ln 7+8+9)	(=)	<u>0.0000119</u>	<u>-0.0003351</u> *

* This factor is a credit to the customer when current month net revenue levels exceed the base month; and a charge when the current month net revenues levels are below the base month.

Effective Date for Billing:

April 2005

Submitted by:


 (Signature)

Title:

Director of Regulatory Services

Date Submitted:

March 21, 2005

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE NET REVENUE

Line No.		Month Ended: February 2005		TOTAL
		CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	
1	Sales For Resale Revenues	\$10,104,580	(\$177,007)	\$9,927,573
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	10,104,580	(177,007)	9,927,573
4	Sales For Resale Expenses	\$7,108,571	(\$242,184)	\$6,866,387
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	556,559	0	556,559
7	Adjustment for PJM Purchase Power Accounts not considered in prior months filings. To be collected for a 3-month period (\$1,993,546.01 / 3)	664,515		664,515
8	Total System Sales Expenses	8,329,645	(242,184)	8,087,461
9	Total System Sales Net Revenues	\$1,774,935	\$65,177	\$1,840,112

*Source:

ES Form 1.0, Line 3

ES Form 3.3, Line 4

Non-Associated Environmental Costs



**KENTUCKY
POWER**

A unit of American Electric Power

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

Elizabeth O'Donnell, Executive Director
Public Service Commission
Attn: Daryl Newby
P. O. Box 615
Frankfort, KY 40602

18 February 2005

Dear Ms. O'Donnell and Mr. Newby:

Attached are Kentucky Power Company's fuel adjustment clause schedules with supporting sales and fuel cost schedules. These calculations are based on an estimated January 2005 fuel costs with an adjustment reflecting actual December 2004 fuel costs.

The fuel adjustment clause factor of \$0.00419/kwh will be applied to our March 2005 billing. Pursuant to the Commission's Order dated October 3, 2002 in Case No. 2000-495B, page 5 reflects the peaking unit equivalent approach used to calculate the level of non-economy purchased power costs to flow through the fuel adjustment clause. The Fuel Adjustment Clause factor also reflects one twelfth of the forced outage over-collection discussed at the September 30, 2004 informal conference.

Also, we are attaching the system sales clause schedule with a supporting net revenue schedule calculated pursuant to the Commission's December 13, 2004 Order in Case No. 2004-00420. These calculations are based on an estimated January 2005 net revenue with an adjustment reflecting the true-up of December 2004 net revenue.

The system sales clause factor of \$(0.0011128)/kwh for All Other Customers and \$(.0014598)/kwh for CIP-TOD Customers will be applied to our March 2005 billing.

All billings during March 2005 will show a combined factor of \$0.0030772/kwh for All Other Customers and \$.0027302 for CIP-TOD Customers.

If you have any questions, please advise.

Sincerely,

Errol K. Wagner
Director of Regulatory Services

Attachments

RECEIVED

FEB 18 2005

PUBLIC SERVICE
COMMISSION

RECEIVED

FINANCIAL ANALYSIS

CHECKED
Public Service Commission

MAR 09 2005

By 
FINANCIAL ANALYSIS DIVISION

KENTUCKY POWER COMPANY

SUMMARY OF ADJUSTMENT CLAUSES

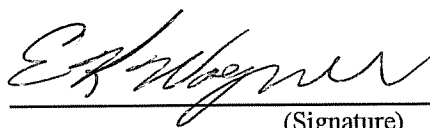
Month Ended: January 2005

		<u>All Other Customers</u>	<u>CIP-TOD Customers</u>
1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	0.00419	0.00419
2 System Sales Clause Factor (Page 1 of 2)	(+)	-0.0019598	-0.0019598
3 State Issues Settlement Factor	(+)	0.000847	0.00050
4 State Issues Settlement Balancing Adjustment Factor (BAF)		<u>0</u>	<u>0</u>
5 Net System Sales Clause Factor - \$kWh (Ln 2+3+4)		-0.0011128 ✓	-0.0014598 ✓
6 Total Adjustment Clause Factors		<u>0.0030772</u> ✓	<u>0.0027302</u> ✓

Effective Date for Billing

March 2005

Submitted by:



(Signature)

Title:

Director of Regulatory Services

Date Submitted:


February 18, 2005

KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: January 2005

Fuel Fm (Fuel Cost Schedule)	<u>\$11,478,765</u>		
Sales Sm (Sales Schedule)	708,979,000	(+)	0.01619 ✓
Fuel (Fb)	<u>\$7,257,159</u>		
Sales (Sb)	604,802,000	(-)	0.01200 ✓
			<u>0.00419 ✓</u>
			<u>(\$/KWH)</u>

Effective Date for Billing March 2005

Submitted by: 
(Signature)

Title: Director of Regulatory Services

Date Submitted: February 18, 2005

KENTUCKY POWER COMPANY**FUEL COST SCHEDULE****Month Ended: January 2005**

A. Company Generation				
Coal Burned	(+)	\$9,076,684		
Oil Burned	(+)	181,029		
Gas Burned	(+)	0		
Fuel (jointly owned plant)	(+)	0		
Fuel (assigned cost during F. O.)	(+)	0		
Fuel (substitute for F. O.)	(-)	0		
		<u>9,257,713</u>		✓
Sub Total				
B. Purchases				
Net Energy Cost - Economy Purchases	(+)	0		
Identifiable Fuel Cost - Other Purchases	(+)	13,013,285	*	
Identifiable Fuel Cost (substitute for F. O.)	(-)	0		
		<u>13,013,285</u>		✓
Sub Total				
C. Inter-System Sales Fuel Costs		<u>8,458,493</u>	*	
D. Total Fuel Cost (A + B - C)		<u><u>\$13,812,505</u></u>		✓
E. Adjustment indicating the difference in actual fuel cost for the month of <u>December 2004</u> and the estimated cost originally reported.				
		<u>\$12,104,568</u>	-	<u>\$13,025,961</u>
		(actual)		(est.)
			=	<u>(921,393)</u>
F. Total Company Over or (Under) Recovery from Page 4, Line 12		<u>1,039,270</u>		✓
G. Grand Total Fuel Cost (D + E - F)		<u>\$11,851,842</u>		✓
H. Forced Outage Over Collection Adjustment - Credit	(-)	373,077		
I. Adjusted Grand Total Fuel Cost		<u><u>\$11,478,765</u></u>		✓
* Estimated - based on actual Kentucky generation unit costs in				
January 2005		<u>\$9,257,713</u>		
		511,288,000		0.01811 ✓ /KWH

KENTUCKY POWER COMPANY**SALES SCHEDULE****Month Ended: January 2005**

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	511,288,000
Purchases Including Interchange In	(+)	<u>718,569,000</u>
Sub Total		1,229,857,000 ✓
 B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	467,062,000
System Losses	(+)	<u>53,816,000</u> *
Sub Total		<u>520,878,000</u> ✓
Total Sales (A - B)		<u><u>708,979,000</u></u> ✓

* Does not include 708,881 KWH of company usage.

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: **January 2005**

Line
No.

1	FAC Rate Billed	(+)	0.00674
2	Retail KWH Billed at Above Rate	(x)	<u>719,580,775</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>4,849,974</u> ✓
4	KWH Used to Determine Last FAC Rate Billed	(+)	574,415,000
5	Non-Jurisdictional KWH Included in L4	(-)	<u>6,989,800</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>567,425,200</u> ✓
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		3,824,446 ✓
8	Over or (Under) Recovery (L3 - L7)		1,025,528 ✓
9	Total Sales (Page 3)	(+)	708,979,000 ✓
10	Kentucky Jurisdictional Sales	(/)	<u>699,601,200</u>
11	Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10)		1.01340 ✓
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>1,039,270</u></u> ✓

KENTUCKY POWER COMPANY**FINAL
FUEL COST SCHEDULE****Month Ended:** December 2004

A. Company Generation			
Coal Burned	(+)	\$12,607,312	
Oil Burned	(+)	190,729	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)			
(204,353,000 KWH X \$0.010962)	(+)	2,240,118	
Fuel (substitute for F. O.)	(-)	<u>0</u>	
Sub-total		15,038,159	✓
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	5,602,272	(1)
Identifiable Fuel Cost (substitute for F. O.)			
(204,353,000 KWH X \$0.010962)	(-)	<u>2,240,118</u>	✓
Sub-total		3,362,154	✓
C. Inter-System Sales Fuel Costs		<u>6,295,745</u>	(1)
Total Fuel Cost (A + B - C)		<u><u>\$12,104,568</u></u>	✓

(1) Includes total Energy Costs of non-economy purchase per KPSC Order dated October 3, 2002 in Case No. 2000-495-B.

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE SCHEDULE
Case No. 9061 and
Stipulation and Settlement Agreement

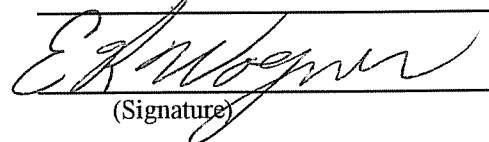
<u>Line No.</u>	<u>Month Ended:</u>	<u>January 2005</u>		
1	Current Month (Tm) Net Revenue Level	(+)	3,674,868	3,674,868
2	Base Month (Tb) Tariff 19-1 Net Revenue Level	(-)	<u>895,960</u>	<u>895,960</u>
3	Increase/(Decrease) of System Sales Net Revenue		2,778,908	2,778,908
4	Customer 50% Sharing	(x)	<u>50%</u>	<u>50%</u>
5	Customer Share of Increase/(Decrease) in System Sales Net Revenue		1,389,454	1,389,454
6	Current Month (Sm) Sales Level	(/)	<u>708,979,000</u>	<u>708,979,000</u>
7	System Sales Clause Factor - \$/Kwh		-0.0019598	-0.0019598
			<u>All Other Customers</u>	<u>CIP-TOD Customers</u>
8	State Issues Settlement Factor	(+)	\$0.000847	\$0.000500
9	State Issues Settlement Balancing Adjustment Factor	(+)	\$0.000000	\$0.000000
10	Net System Sales Clause Factor - \$/kWh* (Ln 7+8+9)	(=)	<u>-0.0011128</u>	<u>-0.0014598</u> *

* This factor is a credit to the customer when current month net revenue levels exceed the base month; and a charge when the current month net revenues levels are below the base month.

Effective Date for Billing:

March 2005

Submitted by:


 (Signature)

Title:

Director of Regulatory Services

Date Submitted:

February 18, 2005

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE NET REVENUE

Line No.	Month Ended:		TOTAL	
	CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT		
1	Sales For Resale Revenues	\$13,011,971	\$120,336	\$13,132,307
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	13,011,971	120,336	13,132,307
4	Sales For Resale Expenses	\$8,497,664	\$442,160	\$8,939,824
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	517,615		517,615
7	Total System Sales Expenses	9,015,279	442,160	9,457,439
8	Total System Sales Net Revenues	<u>\$3,996,692</u>	<u>(\$321,824)</u>	<u>\$3,674,868</u>

*Source:

ES Form 1.0, Line 3

ES Form 3.3, Line 4

Non-Associated Environmental Costs