



**KENTUCKY
POWER**

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FEB 17 2006

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

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FEB 17 2006

PUBLIC SERVICE
COMMISSION

17 February 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 January 2006 fuel costs with an adjustment reflecting actual December 2005 fuel costs.

The fuel adjustment clause factor of \$0.00281/kwh will be applied to our March 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 January 2006 net revenue with an adjustment reflecting the true-up of December 2005 net revenue.

The net system sales clause factor of \$(0.0016439)/kwh (a credit) for All Other Customers and \$(.0020559)/kwh (a credit) for CIP-TOD Customers will be applied to our March 2006 billing.

All billings during March 2006 will show a combined factor of \$0.0011291/kwh for All Other Customers and \$0.0007541/kwh for CIP-TOD Customers.

If you have any questions, please advise.

Sincerely,

Errol K. Wagner
Director of Regulatory Services

CHECKED
Public Service Commission

FEB 17 2006

By _____
FINANCIAL ANALYSIS DIVISION

Attachments

KENTUCKY POWER COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Month Ended: January 2006

		<u>All Other Customers</u>	<u>CIP-TOD Customers</u>
1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	\$0.00281 ✓	\$0.00281 ✓
2 System Sales Clause Factor (Page 1 of 2)	(+)	-\$0.0024909	-\$0.0024909
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)		-\$0.0016439	-0.0020559
6 Total Adjustment Clause Factors		<u><u>\$0.0011291</u></u>	<u><u>\$0.0007541</u></u>

Effective Date for Billing

March 2006

Submitted by:


 (Signature)

Title:

Director of Regulatory Services

Date Submitted:

February 17, 2006

KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: January 2006

Fuel Fm (Fuel Cost Schedule)	\$12,764,562			
Sales Sm (Sales Schedule)	660,641,000	(+)	0.01932	✓
Fuel (Fb)	\$8,703,098			
Sales (Sb)	527,226,000	(-)	0.01651	✓
			0.00281	✓
			0.00281	
(\$/KWH)				

Effective Date for Billing March 2006

Submitted by:



(Signature)

Title:

Director of Regulatory Services

Date Submitted:

February 17, 2006

KENTUCKY POWER COMPANY

FUEL COST SCHEDULE

Month Ended: January 2006

A. Company Generation			
Coal Burned	(+)	\$13,169,580	
Oil Burned	(+)	41,011	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)	(+)	0	
Fuel (substitute for F. O.)	(-)		
Sub Total		<u>13,210,591</u>	✓
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	9,709,543	*
Identifiable Fuel Cost (substitute for F. O.)	(-)	0	
Sub Total		<u>9,709,543</u>	✓
C. Inter-System Sales Fuel Costs		<u>8,417,950</u>	*
Sub Total		<u>8,417,950</u>	
D. Total Fuel Cost (A + B - C)		<u><u>\$14,502,184</u></u>	✓
E. Adjustment indicating the difference in actual fuel cost for the month of <u>Dec 2005</u> and the estimated cost originally reported. <u>\$16,122,678</u> - <u>\$17,250,063</u> = <u>(1,127,385)</u> (actual) (est.)			✓
F. Total Company Over or (Under) Recovery from Page 4, Line 12		<u>610,237</u>	✓
G. Grand Total Fuel Cost (D + E - F)		<u><u>\$12,764,562</u></u>	✓

* Estimated - based on actual Kentucky generation unit costs in
January 2006

\$13,210,591
653,419,000

0.02022 ✓ /KWH

KENTUCKY POWER COMPANY**SALES SCHEDULE****Month Ended:** January 2006

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	653,419,000
Purchases Including Interchange In	(+)	<u>480,195,000</u>
Sub Total		<u>1,133,614,000</u> ✓
B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	416,318,000
System Losses	(+)	<u>56,655,000</u> *
Sub Total		<u>472,973,000</u> ✓
Total Sales (A - B)		<u><u>660,641,000</u></u> ✓

* Does not include 677,886 KWH of company usage.

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: January 2006

Line No.			
1	FAC Rate Billed	(+)	0.00403 ✓
2	Retail KWH Billed at Above Rate	(x)	<u>746,745,869</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>3,009,386</u> ✓
4	KWH Used to Determine Last FAC Rate Billed	(+)	605,508,000
5	Non-Jurisdictional KWH Included in L4	(-)	<u>8,136,300</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>597,371,700</u> ✓
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		2,407,408 ✓
8	Over or (Under) Recovery (L3 - L7)		601,978 ✓
9	Total Sales (Page 3)	(+)	660,641,000
10	Kentucky Jurisdictional Sales	(/)	<u>651,702,400</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>610,237</u></u> ✓

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: December 2005

A. Company Generation

Coal Burned	(+)	\$18,480,307	
Oil Burned	(+)	70,416	
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 18,550,723 ✓

B. Purchases

Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	3,531,240	(1)
Identifiable Fuel Cost (substitute for F. O.)			
(-0- KWH X -0-)	(-)	<u>0</u>	

Sub-total 3,531,240 ✓

C. Inter-System Sales Fuel Costs

5,959,285 (1)Total Fuel Cost (A + B - C) \$16,122,678 ✓

(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>	January 2006		
1	Current Month (Tm) Net Revenue Level	(+)	4,187,099	\$4,187,099
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		3,291,139	3,291,139
4	Customer 50% Sharing	(x)	<u>50%</u>	<u>50%</u>
5	Customer Share of Increase/(Decrease) in System Sales Net Revenue		1,645,570	1,645,570
6	Current Month (Sm) Sales Level	(/)	660,641,000	660,641,000
7	System Sales Clause Factor - \$/Kwh		-0.0024909	-0.0024909
8	State Issues Settlement Factor	(+)	<u>\$0.000847</u>	<u>\$0.000500</u>
9	State Issues Settlement Balancing Adjustment Factor	(+)	-\$0.000037	-\$0.000065
10	Net System Sales Clause Factor - \$/kWh* (Ln 7+8+9)	(=)	<u><u>-\$0.0016809</u></u>	<u><u>-\$0.0020559</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:

March 2006

Submitted by:

E. K. Wagner
(Signature)

Title:

Director of Regulatory Services

Date Submitted:

February 17, 2006

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE NET REVENUE

Line No.		Month Ended:	January 2006	
		CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	TOTAL
1	Sales For Resale Revenues	\$9,673,691	\$15,174	\$9,688,865
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	9,673,691	15,174	9,688,865
4	Sales For Resale Expenses	\$5,262,132	\$100,758	\$5,362,890
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	138,876	0	138,876
7	Total System Sales Expenses	5,401,008	100,758	5,501,766
8	Total System Sales Net Revenues	\$4,272,683	(\$85,584)	\$4,187,099

*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

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PUBLIC SERVICE
COMMISSION

20 March 2006

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MAR 21 2006

Dear Ms. O'Donnell and Mr. Newby: **FINANCIAL ANA**

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 2006 fuel costs with an adjustment reflecting actual January 2006 fuel costs.

The fuel adjustment clause factor of \$0.00505/kwh will be applied to our April 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 February 2006 net revenue with an adjustment reflecting the true-up of January 2006 net revenue.

The net system sales clause factor of \$(0.0014066)/kwh (a credit) for All Other Customers and \$(.0017816)/kwh (a credit) for CIP-TOD Customers will be applied to our April 2006 billing for service rendered prior to March 30, 2006.

All billings for service rendered prior to March 30, 2006 will show a combined factor of \$0.0036434/kwh for All Other Customers and \$0.0032684/kwh for CIP-TOD Customers.

CHECKED
Public Service Commission

MAR 20 2006

By

A handwritten signature in black ink, appearing to be 'Daryl Newby', written over a horizontal line.

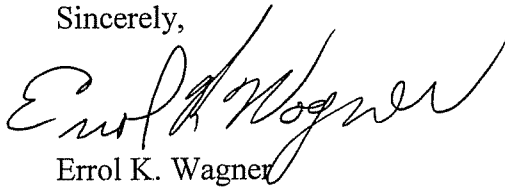
FINANCIAL ANALYSIS DIVISION

Pursuant to the Commission's March 14, 2006 Order in Case No. 2005-00341, the Company is also enclosing the system sales clause schedule with supporting net revenue schedule calculated pursuant to the Order for service rendered on and after March 30, 2006. The system sales clause factor of $$(.0021972)$ will be applied for service rendered March 30, 2006 and after.

All billings for service rendered March 30, 2006 and after will show a combined factor of $$.0028528/\text{kwh}$.

If you have any questions, please advise.

Sincerely,

A handwritten signature in cursive script, appearing to read "Errol K. Wagner".

Errol K. Wagner
Director of Regulatory Services

Attachments

KENTUCKY POWER COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

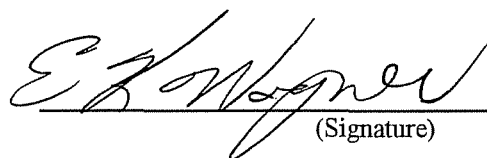
Month Ended: February 2006

		<u>All Other Customers</u>	<u>CIP-TOD Customers</u>
1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	\$0.00505 ✓	\$0.00505 ✓
2 System Sales Clause Factor (Page 1 of 2)	(+)	-.0022166	-\$0.0022166
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)		-\$0.0014066	-\$0.0017816
6 Total Adjustment Clause Factors		<u><u>\$0.0036434</u></u>	<u><u>\$0.0032684</u></u>

Effective Date for Billing

April 2006

Submitted by:



 (Signature)

Title:

Director of Regulatory Services

Date Submitted:

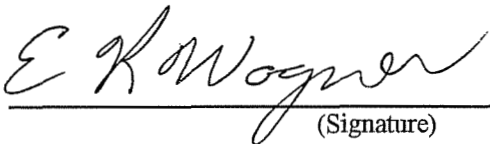
March 20, 2006

KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: February 2006

Fuel Fm (Fuel Cost Schedule)	<u>\$14,504,773</u>		
Sales Sm (Sales Schedule)	672,786,000	(+)	0.02156 ✓
Fuel (Fb)	<u>\$8,703,098</u>		
Sales (Sb)	527,226,000	(-)	0.01651 ✓
			<u>0.00505 ✓</u>
			(\$/KWH)

Effective Date for Billing April 2006

Submitted by: 
(Signature)

Title: Director of Regulatory Services

Date Submitted: March 20, 2006

KENTUCKY POWER COMPANY

FUEL COST SCHEDULE

Month Ended: February 2006

A.	Company Generation			
	Coal Burned	(+)	\$12,313,637	
	Oil Burned	(+)	48,702	
	Gas Burned	(+)	0	
	Fuel (jointly owned plant)	(+)	0	
	Fuel (assigned cost during F. O.)	(+)	0	
	Fuel (substitute for F. O.)	(-)		
	Sub Total		<u>12,362,339</u>	✓
B.	Purchases			
	Net Energy Cost - Economy Purchases	(+)	0	
	Identifiable Fuel Cost - Other Purchases	(+)	11,367,648	*
	Identifiable Fuel Cost (substitute for F. O.)	(-)	0	
	Sub Total		<u>11,367,648</u>	✓
C.	Inter-System Sales Fuel Costs		<u>9,046,339</u>	*
	Sub Total		<u>9,046,339</u>	✓
D.	Total Fuel Cost (A + B - C)		<u>\$14,683,648</u>	✓
E.	Adjustment indicating the difference in actual fuel cost for the month of <u>January 2006</u> and the estimated cost originally reported. <u>\$13,995,193</u> - <u>\$14,502,184</u> = <u>(506,991)</u> (actual) (est.)			✓
F.	Total Company Over or (Under) Recovery from Page 4, Line 12		<u>(328,116)</u>	✓
G.	Grand Total Fuel Cost (D + E - F)		<u>\$14,504,773</u>	✓

* Estimated - based on actual Kentucky generation unit costs in
February 2006

\$12,362,339
616,427,000

0.02005 /KWH

KENTUCKY POWER COMPANY**SALES SCHEDULE****Month Ended:** February 2006

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	616,427,000
Purchases Including Interchange In	(+)	<u>566,965,000</u>
Sub Total		<u>1,183,392,000</u> ✓
 B. Pumped Storage Energy	 (+)	 0
Inter-System Sales Including Interchange Out	(+)	451,189,000
System Losses	(+)	<u>59,417,000</u> *
Sub Total		<u>510,606,000</u> ✓
Total Sales (A - B)		<u><u>672,786,000</u></u> ✓

* Does not include 375,166 KWH of company usage.

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: February 2006

Line
No.

1	FAC Rate Billed	(+)	0.00326
2	Retail KWH Billed at Above Rate	(x)	<u>671,335,031</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>2,188,552</u>
4	KWH Used to Determine Last FAC Rate Billed	(+)	781,137,000
5	Non-Jurisdictional KWH Included in L4	(-)	<u>10,477,900</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>770,659,100</u>
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		2,512,349
8	Over or (Under) Recovery (L3 - L7)		(323,797)
9	Total Sales (Page 3)	(+)	672,786,000
10	Kentucky Jurisdictional Sales	(/)	<u>663,932,103</u>
11	Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10)		1.01334
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>(328,116)</u></u>

KENTUCKY POWER COMPANY

**FINAL
FUEL COST SCHEDULE**

Month Ended: January 2006

A. Company Generation			
Coal Burned	(+)	\$17,392,257	
Oil Burned	(+)	48,858	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)			
(0 KWH X \$0.000000)	(+)	0	
Fuel (substitute for F. O.)	(-)	<u>0</u>	
Sub-total		<u>17,441,115</u>	✓
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	2,379,368	(1)
Identifiable Fuel Cost (substitute for F. O.)			
(0 KWH X \$0.000000)	(-)	<u>0</u>	
Sub-total		<u>2,379,368</u>	✓
C. Inter-System Sales Fuel Costs		<u>5,825,290</u>	(1)
Total Fuel Cost (A + B - C)		<u><u>\$13,995,193</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**

A unit of American Electric Power

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

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

RECEIVED

APR 18 2006

PUBLIC SERVICE
COMMISSION

18 April 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 March 2006 fuel costs with an adjustment reflecting actual February 2006 fuel costs.

The fuel adjustment clause factor of \$0.00394/kwh will be applied to our May 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 March 14, 2006 Order in Case No. 2005-00341. These calculations are based on an estimated March 2006 net revenue with an adjustment reflecting the true-up of February 2006 net revenue.

The net system sales clause factor of \$(0.0028872)/kwh (a credit) will be applied to our May 2006 billing.

All billings rendered April 28, 2006 and after will show a combined factor of \$0.0010528.

If you have any questions, please advise.

Sincerely,

Errol K. Wagner
Director of Regulatory Services

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APR 19 2006

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CHECKED

Public Service Commission

APR 19 2006

By

FINANCIAL ANALYSIS DIVISION

Attachments

KENTUCKY POWER COMPANY

SUMMARY OF ADJUSTMENT CLAUSES

Month Ended: March 2006

1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	\$0.00394 ✓
2 System Sales Clause Factor (Page 1 of 2)	(+)	<u>-\$0.0028872 ✓</u>
3 Total Adjustment Clause Factors		<u><u>\$0.0010528 ✓</u></u>

Effective Date for Billing

May 2006

Submitted by:


(Signature)

Title:

Director of Regulatory Services

Date Submitted:


April 17, 2006

KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: March 2006

Fuel Fm (Fuel Cost Schedule)	\$13,409,342		
Sales Sm (Sales Schedule)	<u>655,865,000</u>	(+)	0.02045 ✓
Fuel (Fb)	\$8,703,098		
Sales (Sb)	<u>527,226,000</u>	(-)	<u>0.01651</u> ✓
			<u><u>0.00394</u></u> ✓
			(\$/KWH)

Effective Date for Billing May 2006

Submitted by: 
(Signature)

Title: Director of Regulatory Services

Date Submitted: April 17, 2006

KENTUCKY POWER COMPANY

FUEL COST SCHEDULE

Month Ended: March 2006

A. Company Generation			
Coal Burned	(+)	\$13,971,401	
Oil Burned	(+)	38,449	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)	(+)	0	
Fuel (substitute for F. O.)	(-)		
Sub Total		<u>14,009,850</u>	✓
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	10,807,950	*
Identifiable Fuel Cost (substitute for F. O.)	(-)	0	
Sub Total		<u>10,807,950</u>	✓
C. Inter-System Sales Fuel Costs		<u>10,071,416</u>	*
Sub Total		<u>10,071,416</u>	
D. Total Fuel Cost (A + B - C)		<u><u>\$14,746,384</u></u>	✓
E. Adjustment indicating the difference in actual fuel cost for the month of <u>February 2006</u> and the estimated cost originally reported.			
		<u>\$13,293,449</u>	-
	(actual)		
		<u>\$14,683,648</u>	-
	(est.)		
			=
			<u>(1,390,199)</u>
F. Total Company Over or (Under) Recovery from Page 4, Line 12			<u>(53,157)</u>
G. Grand Total Fuel Cost (D + E - F)			<u><u>\$13,409,342</u></u>

* Estimated - based on actual Kentucky generation unit costs in
March 2006

\$14,009,850
677,631,000

0.02067 ✓ /KWH

KENTUCKY POWER COMPANY**SALES SCHEDULE****Month Ended:** March 2006

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	677,631,000
Purchases Including Interchange In	(+)	<u>522,881,000</u>
Sub Total		<u>1,200,512,000</u> ✓
B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	487,248,000
System Losses	(+)	<u>57,399,000</u> *
Sub Total		<u>544,647,000</u> ✓
Total Sales (A - B)		<u><u>655,865,000</u></u> ✓

* Does not include 767,540 KWH of company usage.

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: March 2006

Line No.			
1	FAC Rate Billed	(+)	0.00281
2	Retail KWH Billed at Above Rate	(x)	<u>633,032,015</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>1,778,820</u> ✓
4	KWH Used to Determine Last FAC Rate Billed	(+)	660,641,000
5	Non-Jurisdictional KWH Included in L4	(-)	<u>8,938,600</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>651,702,400</u> ✓
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		1,831,284
8	Over or (Under) Recovery (L3 - L7)		(52,464) ✓
9	Total Sales (Page 3)	(+)	655,865,000
10	Kentucky Jurisdictional Sales	(/)	<u>647,317,400</u>
11	Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10)		1.01320 ✓
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>(53,157)</u></u> ✓

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: February 2006

A. Company Generation			
Coal Burned	(+)	\$16,040,395	
Oil Burned	(+)	85,849	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)			
(79,513,000 KWH X \$0.012426)	(+)	988,029	
Fuel (substitute for F. O.)	(-)	<u>0</u>	
Sub-total		<u>17,114,273</u>	
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	2,811,832	(1)
Identifiable Fuel Cost (substitute for F. O.)			
(79,513,000 KWH X \$0.012426)	(-)	<u>988,029</u>	
Sub-total		<u>1,823,803</u>	
C. Inter-System Sales Fuel Costs		<u>5,644,627</u>	(1)
Total Fuel Cost (A + B - C)		<u><u>\$13,293,449</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**

A unit of American Electric Power

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MAY 19 2006

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

MAY 19 2006

PUBLIC SERVICE
COMMISSION

19 May 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 April 2006 fuel costs with an adjustment reflecting actual March 2006 fuel costs.

The fuel adjustment clause factor of \$0.00667/kwh will be applied to our June 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 March 14, 2006 Order in Case No. 2005-00341. These calculations are based on an estimated April 2006 net revenue with an adjustment reflecting the true-up of March 2006 net revenue.

The net system sales clause factor of \$(0.0008702)/kwh (a credit) will be applied to our June 2006 billing.

All billings during June 2006 will show a combined factor of \$0.00579981/kwh.

If you have any questions, please advise.

Sincerely,

Errol K. Wagner
Director of Regulatory Services

Attachments

CHECKED
Public Service Commission

MAY 22 2006

By 
FINANCIAL ANALYSIS DIVISION

KENTUCKY POWER COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Month Ended: April 2006

- | | | |
|---|-----|--------------------|
| 1 Fuel Adjustment Clause Factor (Page 1 of 5) | (+) | \$0.00667 ✓ |
| 2 System Sales Clause Factor (Page 1 of 2) | (+) | -\$0.0008702 |
| 3 Total Adjustment Clause Factors | | <u>\$0.0057998</u> |

Effective Date for Billing

June 2006

Submitted by:


(Signature)

Title:

Director of Regulatory Services

Date Submitted:

May 19, 2006

KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: April 2006

Fuel Fm (Fuel Cost Schedule)	<u>\$12,128,193</u>		
Sales Sm (Sales Schedule)	523,217,000	(+)	0.02318 ✓
Fuel (Fb)	<u>\$8,703,098</u>		
Sales (Sb)	527,226,000	(-)	0.01651 ✓
			<u>0.00667 ✓</u>
			(\$/KWH)

Effective Date for Billing June 2006

Submitted by: 
(Signature)

Title: Director of Regulatory Services

Date Submitted: May 19, 2006

KENTUCKY POWER COMPANY

FUEL COST SCHEDULE

Month Ended: April 2006

A. Company Generation			
Coal Burned	(+)	\$10,663,397	
Oil Burned	(+)	584,511	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)	(+)	0	
Fuel (substitute for F. O.)	(-)		
Sub Total		<u>11,247,908</u>	✓
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	12,128,289	*
Identifiable Fuel Cost (substitute for F. O.)	(-)	0	
Sub Total		<u>12,128,289</u>	✓
C. Inter-System Sales Fuel Costs		<u>10,943,169</u>	*
Sub Total		<u>10,943,169</u>	
D. Total Fuel Cost (A + B - C)		<u><u>\$12,433,028</u></u>	✓
E. Adjustment indicating the difference in actual fuel cost for the month of <u>March 06</u> and the estimated cost originally reported. <u>\$13,933,754</u> - <u>\$14,746,384</u> = <u>(812,630)</u>			✓
		<u>(actual)</u>	<u>(est.)</u>
F. Total Company Over or (Under) Recovery from Page 4, Line 12		<u>(507,795)</u>	
G. Grand Total Fuel Cost (D + E - F)		<u><u>\$12,128,193</u></u>	✓

* Estimated - based on actual Kentucky generation unit costs in
April 2006

\$11,247,908
518,546,000

0.02169 ✓ /KWH

KENTUCKY POWER COMPANY**SALES SCHEDULE****Month Ended:** April 2006

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	518,546,000
Purchases Including Interchange In	(+)	<u>559,165,000</u>
Sub Total		<u>1,077,711,000</u> ✓
B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	504,526,000
System Losses	(+)	<u>49,968,000</u> *
Sub Total		<u>554,494,000</u> ✓
Total Sales (A - B)		<u><u>523,217,000</u></u> ✓

* Does not include 421,467 KWH of company usage.

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: April 2006

**Line
No.**

1	FAC Rate Billed	(+)	0.00505
2	Retail KWH Billed at Above Rate	(x)	<u>564,620,005</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>2,851,331</u> ✓
4	KWH Used to Determine Last FAC Rate Billed	(+)	672,786,000
5	Non-Jurisdictional KWH Included in L4	(-)	<u>8,853,897</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>663,932,103</u> ✓
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		3,352,857 ✓
8	Over or (Under) Recovery (L3 - L7)		(501,526) ✓
9	Total Sales (Page 3)	(+)	523,217,000 ✓
10	Kentucky Jurisdictional Sales	(/)	<u>516,758,211</u>
11	Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10)		1.01250 ✓
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>(507,795)</u></u> ✓

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: March 2006

A. Company Generation			
Coal Burned	(+)	\$18,694,283	
Oil Burned	(+)	47,362	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)			
(-0- KWH X -0-)	(+)	0	
Fuel (substitute for F. O.)	(-)	0	
		<u>18,741,645</u>	✓
Sub-total			
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	2,065,125	(1)
Identifiable Fuel Cost (substitute for F. O.)			
(-0- KWH X -0-)	(-)	0	
		<u>2,065,125</u>	✓
Sub-total			
C. Inter-System Sales Fuel Costs		<u>6,873,016</u>	(1)
Total Fuel Cost (A + B - C)		<u><u>\$13,933,754</u></u>	✓

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

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

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JUN 19 2006

PUBLIC SERVICE
COMMISSION

19 June 2006

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JUN 19 2006

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 May 2006 fuel costs with an adjustment reflecting actual April 2006 fuel costs.

The fuel adjustment clause factor of \$0.00821/kwh will be applied to our July 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 March 14, 2006 Order in Case No. 2005-00341. These calculations are based on an estimated May 2006 net revenue with an adjustment reflecting the true-up of April 2006 net revenue.

The net system sales clause factor of \$(0.0009622)/kwh (a credit) will be applied to our July 2006 billing.

All billings during July 2006 will show a combined factor of \$0.0072478/kwh.

If you have any questions, please advise.

Sincerely,

A handwritten signature in cursive script that reads 'Errol K. Wagner'.

Errol K. Wagner
Director of Regulatory Services

Attachments

KENTUCKY POWER COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Month Ended: May 2006

1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	\$0.00821
2 System Sales Clause Factor (Page 1 of 2)	(+)	- 0009622
3 Total Adjustment Clause Factors		<u>\$0.0072478</u>

Effective Date for Billing

July 2006

Submitted by:

Errol K. Wagner, Jr.
(Signature)

Title:

Director of Regulatory Services

Date Submitted:

June 19, 2006

KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: May 2006

Fuel Fm (Fuel Cost Schedule)	<u>\$13,283,956</u>		
Sales Sm (Sales Schedule)	<u>537,371,000</u>	(+)	0.02472
Fuel (Fb)	<u>\$8,703,098</u>		
Sales (Sb)	<u>527,226,000</u>	(-)	<u>0.01651</u>
			<u>0.00821</u>
			(\$/KWH)

Effective Date for Billing July 2006

Submitted by: *Garrel K. Wagner Jr*
(Signature)

Title: Director of Regulatory Services

Date Submitted: June 19, 2006

KENTUCKY POWER COMPANY

FUEL COST SCHEDULE

Month Ended: May 2006

A	Company Generation			
	Coal Burned	(+)	\$5,365,193	
	Oil Burned	(+)	727,631	
	Gas Burned	(+)	0	
	Fuel (jointly owned plant)	(+)	0	
	Fuel (assigned cost during F. O.)	(+)	0	
	Fuel (substitute for F. O.)	(-)		
	Sub Total		<u>6,092,824</u>	
B	Purchases			
	Net Energy Cost - Economy Purchases	(+)	0	
	Identifiable Fuel Cost - Other Purchases	(+)	14,959,727	*
	Identifiable Fuel Cost (substitute for F. O.)	(-)	0	
	Sub Total		<u>14,959,727</u>	
C	Inter-System Sales Fuel Costs		7,365,090	*
	Sub Total		<u>7,365,090</u>	
D	Total Fuel Cost (A + B - C)		<u><u>\$13,687,461</u></u>	
E	Adjustment indicating the difference in actual fuel cost for the month of <u>April 2006</u> and the estimated cost originally reported <u>\$11,494,305</u> - <u>\$12,433,028</u> = <u>(938,723)</u> (actual) (est)			
F	Total Company Over or (Under) Recovery from Page 4, Line 12		<u>(535,218)</u>	
G	Grand Total Fuel Cost (D + E - F)		<u><u>\$13,283,956</u></u>	

* Estimated - based on actual Kentucky generation unit costs in
May 2006 \$6,092,824
262,460,000 0.02321 /KWH

KENTUCKY POWER COMPANY

SALES SCHEDULE

Month Ended: May 2006

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	262,460,000
Purchases Including Interchange In	(+)	<u>644,538,000</u>
Sub Total		<u>906,998,000</u>
B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	317,324,000
System Losses	(+)	<u>52,303,000</u> *
Sub Total		<u>369,627,000</u>
Total Sales (A - B)		<u><u>537,371,000</u></u>

* Does not include 378,455 KWH of company usage

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: May 2006

Line No			
1	FAC Rate Billed	(+)	0 00394
2	Retail KWH Billed at Above Rate	(x)	<u>513,220,094</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>2,022,087</u>
4	KWH Used to Determine Last FAC Rate Billed	(+)	655,865,000
5	Non-Jurisdictional KWH Included in L4	(-)	<u>8,547,600</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>647,317,400</u>
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		2,550,431
8	Over or (Under) Recovery (L3 - L7)		(528,344)
9	Total Sales (Page 3)	(+)	537,371,000
10	Kentucky Jurisdictional Sales	(/)	<u>530,468,300</u>
11	Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10)		1 01301
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>(535,218)</u></u>

KENTUCKY POWER COMPANY

**FINAL
FUEL COST SCHEDULE**

Month Ended: April 2006

A. Company Generation			
Coal Burned	(+)	\$15,454,128	
Oil Burned	(+)	591,597	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F O.)			
(52,945,000 KWH X \$0.014992)	(+)	793,751	
Fuel (substitute for F O.)	(-)	<u>0</u>	
Sub-total		<u>16,839,476</u>	
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	3,830,182	(1)
Identifiable Fuel Cost (substitute for F O.)			
(52,945,000 KWH X \$0.014992)	(-)	<u>793,751</u>	
Sub-total		<u>3,036,431</u>	
C. Inter-System Sales Fuel Costs		<u>8,381,602</u>	(1)
Total Fuel Cost (A + B - C)		<u><u>\$11,494,305</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 in Case No. 2005-00341

YTD System Sales Profit	
Jan-07	0
Feb-06	4,348,009
Mar-06	4,437,747
Apr-06	3,357,274
May-06	3,104,186
Jun-06	0
Jul-06	0
Aug-06	0
Sep-06	0
Oct-06	0
Nov-06	0
Dec-06	0
Total	15,247,216

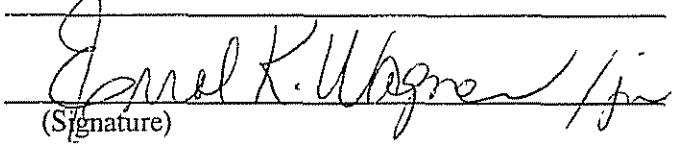
Line No.	Month Ended:		
1	Current Month (Tm) Net Revenue Level	(+)	3,104,186
2	Base Month (Tb) Tariff 19-2 Net Revenue Level	(-)	<u>2,365,563</u>
3	Increase/(Decrease) of System Sales Net Revenue		738,623
4	Customer 70% Sharing	(x)	<u>70%</u>
5	Customer Share of Increase/(Decrease) in System Sales Net Revenue		369,312
6	Current Month (Sm) Sales Level	(/)	537,371,000
7	System Sales Clause Factor - \$/Kwh		- .0009622

* 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 2006

Submitted by:


 (Signature)

Title:

Director of Regulatory Services

Date Submitted:

June 19, 2006

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE NET REVENUE

Line No		Month Ended: May 2006		TOTAL
		CURRENT MONTH	PRIOR MO TRUE-UP ADJUSTMENT	
1	Sales For Resale Revenues	\$8,993,113	\$12,944	\$9,006,057
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	8,993,113	12,944	9,006,057
4	Sales For Resale Expenses	\$5,624,534	\$51,279	\$5,675,813
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	226,058	0	226,058
7	Total System Sales Expenses	5,850,592	51,279	5,901,871
8	Total System Sales Net Revenues	\$3,142,521	(\$38,335)	\$3,104,186

*Source:

ES Form 1.0, Line 3

ES Form 3.3, Line 4

Non-Associated Environmental Costs

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

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JUL 17 2006

PUBLIC SERVICE
COMMISSION

18 July 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 June 2006 fuel costs with an adjustment reflecting actual May 2006 fuel costs.

The fuel adjustment clause factor of \$(0.00028)/kwh (a credit) will be applied to our August 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.

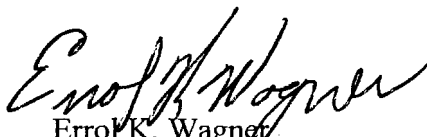
Also, we are attaching the system sales clause schedule with a supporting net revenue schedule calculated pursuant to the Commission's March 14, 2006 Order in Case No. 2005-00341. These calculations are based on an estimated June 2006 net revenue with an adjustment reflecting the true-up of May 2006 net revenue.

The net system sales clause factor of \$(0.0023792)/kwh (a credit) will be applied to our August 2006 billing.

All billings during August 2006 will show a combined factor of \$(0.0026592)/kwh (a credit).

If you have any questions, please advise.

Sincerely,


Errol K. Wagner
Director of Regulatory Services

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JUL 18 2006
FINANCIAL ANA

Attachments

KENTUCKY POWER COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

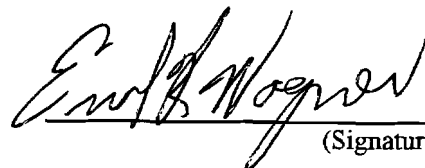
Month Ended: June 2006

1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	-\$0.00028
2 System Sales Clause Factor (Page 1 of 2)	(+)	-\$0.0023792
3 Total Adjustment Clause Factors		<u><u>-\$0.0026592</u></u>

Effective Date for Billing

August 2006

Submitted by:



(Signature)

Title:

Director of Regulatory Services

Date Submitted:

July 18, 2006

KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: June 2006

Fuel Fm (Fuel Cost Schedule)	\$9,040,337		
Sales Sm (Sales Schedule)	556,846,000	(+)	0.01623
Fuel (Fb)	\$8,703,098		
Sales (Sb)	527,226,000	(-)	0.01651
			(0.00028)
			(\$/KWH)

Effective Date for Billing August 2006

Submitted by: 
(Signature)

Title: Director of Regulatory Services

Date Submitted: July 18, 2006

KENTUCKY POWER COMPANY

FUEL COST SCHEDULE

Month Ended: June 2006

A.	Company Generation			
	Coal Burned	(+)	\$12,113,853	
	Oil Burned	(+)	148,921	
	Gas Burned	(+)	0	
	Fuel (jointly owned plant)	(+)	0	
	Fuel (assigned cost during F. O.)	(+)	0	
	Fuel (substitute for F. O.)	(-)		
	Sub Total		<u>12,262,774</u>	
B.	Purchases			
	Net Energy Cost - Economy Purchases	(+)	0	
	Identifiable Fuel Cost - Other Purchases	(+)	10,510,826	*
	Identifiable Fuel Cost (substitute for F. O.)	(-)	0	
	Sub Total		<u>10,510,826</u>	
C.	Inter-System Sales Fuel Costs		<u>10,611,893</u>	*
	Sub Total		<u>10,611,893</u>	
D.	Total Fuel Cost (A + B - C)		<u>\$12,161,707</u>	
E.	Adjustment indicating the difference in actual fuel cost for the month of <u>May 2006</u> and the estimated cost originally reported. <u>\$10,716,499</u> - <u>\$13,687,461</u> = <u>(2,970,962)</u> (actual) (est.)			
F.	Total Company Over or (Under) Recovery from Page 4, Line 12		<u>150,408</u>	
G.	Grand Total Fuel Cost (D + E - F)		<u>\$9,040,337</u>	

* Estimated - based on actual Kentucky generation unit costs in
June 2006 \$12,262,774
617,544,000 0.01986 /KWH

KENTUCKY POWER COMPANY**SALES SCHEDULE**

Month Ended: June 2006

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	617,544,000
Purchases Including Interchange In	(+)	<u>529,246,000</u>
Sub Total		<u>1,146,790,000</u>
B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	534,335,000
System Losses	(+)	<u>55,609,000</u> *
Sub Total		<u>589,944,000</u>
Total Sales (A - B)		<u><u>556,846,000</u></u>

* Does not include 308,000 KWH of company usage.

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: June 2006

<u>Line</u> <u>No.</u>			
1	FAC Rate Billed	(+)	0.00667
2	Retail KWH Billed at Above Rate	(x)	<u>539,005,748</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>3,595,168</u>
4	KWH Used to Determine Last FAC Rate Billed	(+)	523,217,000
5	Non-Jurisdictional KWH Included in L4	(-)	<u>6,458,789</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>516,758,211</u>
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		3,446,777
8	Over or (Under) Recovery (L3 - L7)		148,391
9	Total Sales (Page 3)	(+)	556,846,000
10	Kentucky Jurisdictional Sales	(/)	<u>549,379,090</u>
11	Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10)		1.01359
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>150,408</u></u>

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: May 2006

A. Company Generation			
Coal Burned	(+)	\$9,490,958	
Oil Burned	(+)	765,626	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)			
(0 KWH X \$0.000000)	(+)	0	
Fuel (substitute for F. O.)	(-)	<u>0</u>	
Sub-total		<u>10,256,584</u>	
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	4,957,783	(1)
Identifiable Fuel Cost (substitute for F. O.)			
(0 KWH X \$0.000000)	(-)	<u>0</u>	
Sub-total		<u>4,957,783</u>	
C. Inter-System Sales Fuel Costs		<u>4,497,868</u>	(1)
Total Fuel Cost (A + B - C)		<u><u>\$10,716,499</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 in Case No. 2005-00341

**Line
No.**

Month Ended:

1	Current Month (Tm) Net Revenue Level	(+)	4,994,179
2	Base Month (Tb) Tariff 19-2 Net Revenue Level	(-)	<u>3,101,556</u>
3	Increase/(Decrease) of System Sales Net Revenue		1,892,623
4	Customer 70% Sharing	(x)	<u>70%</u>
5	Customer Share of Increase/(Decrease) in System Sales Net Revenue		1,324,836
6	Current Month (Sm) Sales Level	(/)	556,846,000
7	System Sales Clause Factor - \$/Kwh		-0.0023792

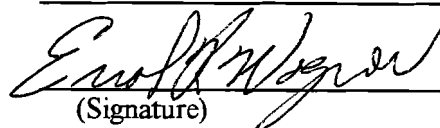
YTD System Sales Profit	
Jan-07	0
Feb-06	4,348,009
Mar-06	4,437,747
Apr-06	3,357,274
May-06	3,104,186
Jun-06	4,994,179
Jul-06	0
Aug-06	0
Sep-06	0
Oct-06	0
Nov-06	0
Dec-06	0
Total	20,241,395

* 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 2006

Submitted by:


 (Signature)

Title:

Director of Regulatory Services

Date Submitted:

July 18, 2006

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE NET REVENUE

Line No.		Month Ended: June 2006		TOTAL
		CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	
1	Sales For Resale Revenues	\$11,627,794	\$63,544	\$11,691,338
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	11,627,794	63,544	11,691,338
4	Sales For Resale Expenses	\$6,776,890	(\$229,775)	\$6,547,115
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	150,044	0	150,044
7	Total System Sales Expenses	6,926,934	(229,775)	6,697,159
8	Total System Sales Net Revenues	\$4,700,860	\$293,319	\$4,994,179

*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
P O Box 5190
101A Enterprise Drive
Frankfort, KY 40602
KentuckyPower.com

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

RECEIVED

AUG 18 2006

PUBLIC SERVICE
COMMISSION

18 August 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 July 2006 fuel costs with an adjustment reflecting actual June 2006 fuel costs.

The fuel adjustment clause factor of \$0.00363/kwh will be applied to our September 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 March 14, 2006 Order in Case No. 2005-00341. These calculations are based on an estimated July 2006 net revenue with an adjustment reflecting the true-up of June 2006 net revenue.

The net system sales clause factor of \$(0.0051630)/kwh (a credit) will be applied to our September 2006 billing.

All billings during September 2006 will show a combined factor of \$(0.0015330)/kwh (a credit).

If you have any questions, please advise.

Sincerely,

Errol K. Wagner
Director of Regulatory Services

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
AUG 18 2006

FINANCIAL ANA

Attachments

CHECKED
Public Service Commission

AUG 21 2006

By 
FINANCIAL ANALYSIS DIVISION

KENTUCKY POWER COMPANY
SUMMARY OF ADJUSTMENT CLAUSES


Month Ended: July 2006

1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	\$0 00363
2 System Sales Clause Factor (Page 1 of 2)	(+)	-\$0.0051630
3 Total Adjustment Clause Factors		<u><u>-\$0.0015330</u></u>

Effective Date for Billing

September 2006

Submitted by:



(Signature)

Title:

Director of Regulatory Services

Date Submitted:

August 18, 2006

KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: July 2006

Fuel Fm (Fuel Cost Schedule)	\$12,477,649		
Sales Sm (Sales Schedule)	<u>619,475,000</u>	(+)	0.02014
Fuel (Fb)	\$8,703,098		
Sales (Sb)	<u>527,226,000</u>	(-)	<u>0.01651</u>
			<u>0.00363</u>
			(\$/KWH)

Effective Date for Billing September 2006

Submitted by:



(Signature)

Title: Director of Regulatory Services

Date Submitted: August 18, 2006

KENTUCKY POWER COMPANY

FUEL COST SCHEDULE

Month Ended: July 2006

A.	Company Generation			
	Coal Burned	(+)	\$12,426,716	
	Oil Burned	(+)	205,286	
	Gas Burned	(+)	0	
	Fuel (jointly owned plant)	(+)	0	
	Fuel (assigned cost during F. O.)	(+)	0	
	Fuel (substitute for F. O.)	(-)		
	Sub Total		<u>12,632,002</u>	
B.	Purchases			
	Net Energy Cost - Economy Purchases	(+)	0	
	Identifiable Fuel Cost - Other Purchases	(+)	11,481,586	*
	Identifiable Fuel Cost (substitute for F. O.)	(-)	0	
	Sub Total		<u>11,481,586</u>	
C.	Inter-System Sales Fuel Costs		10,824,699	*
	Sub Total		10,824,699	
D.	Total Fuel Cost (A + B - C)		<u>\$13,288,889</u>	
E.	Adjustment indicating the difference in actual fuel cost for the month of <u>June 2006</u> and the estimated cost originally reported. <u>\$11,626,632</u> - <u>\$12,161,707</u> = <u>(535,075)</u> (actual) (est)			
F.	Total Company Over or (Under) Recovery from Page 4, Line 12		<u>276,165</u>	
G.	Grand Total Fuel Cost (D + E - F)		<u>\$12,477,649</u>	

* Estimated - based on actual Kentucky generation unit costs in
July 2006

<u>\$12,632,002</u>		
647,036,000	0 01952	/KWH

KENTUCKY POWER COMPANY

SALES SCHEDULE

Month Ended: July 2006

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	647,036,000
Purchases Including Interchange In	(+)	<u>588,196,000</u>
Sub Total		<u>1,235,232,000</u>
B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	554,544,000
System Losses	(+)	<u>61,213,000</u> *
Sub Total		<u>615,757,000</u>
Total Sales (A - B)		<u><u>619,475,000</u></u>

* Does not include 368,665 KWH of company usage.

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: July 2006

Line No.			
1	FAC Rate Billed	(+)	0 00821
2	Retail KWH Billed at Above Rate	(x)	<u>563,619,342</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>4,627,315</u>
4	KWH Used to Determine Last FAC Rate Billed	(+)	537,371,000
5	Non-Jurisdictional KWH Included in L4	(-)	<u>6,902,700</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>530,468,300</u>
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		4,355,145
8	Over or (Under) Recovery (L3 - L7)		272,170
9	Total Sales (Page 3)	(+)	619,475,000
10	Kentucky Jurisdictional Sales	(/)	<u>610,513,800</u>
11	Ratio of Total Sales to KY Jurisdictional Sales (L9 / L10)		1.01468
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>276,165</u></u>

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: June 2006

A. Company Generation			
Coal Burned	(+)	\$16,247,728	
Oil Burned	(+)	167,012	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)			
(23,666,000 KWH X \$0.013214)	(+)	312,722	
Fuel (substitute for F. O.)	(-)	<u>0</u>	
Sub-total		<u>16,727,462</u>	
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	2,765,929	(1)
Identifiable Fuel Cost (substitute for F. O.)			
(23,666,000 KWH X \$0.013214)	(-)	<u>312,722</u>	
Sub-total		<u>2,453,207</u>	
C Inter-System Sales Fuel Costs		<u>7,554,037</u>	(1)
Total Fuel Cost (A + B - C)		<u><u>\$11,626,632</u></u>	

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

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
SEP 19 2006 SEP 18 2006

18 September 2006

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 August 2006 fuel costs with an adjustment reflecting actual July 2006 fuel costs.

The fuel adjustment clause factor of \$0.00410/kwh will be applied to our October 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 March 14, 2006 Order in Case No. 2005-00341. These calculations are based on an estimated August 2006 net revenue with an adjustment reflecting the true-up of July 2006 net revenue. Pursuant to the Settlement Agreement and the Commission's March 14, 2006 Order in Case No. 2005-00341, when the Company surpasses the base off-system sales margin of \$30M, the customer sharing mechanism shall be on a 60/40 basis. The System Sales Clause Schedule, page 1 of 2, shows the net revenue level for August was \$6,462,817. Of this amount, \$3,931,606 is in excess of the \$30M, therefore, for October customer bills, the sharing mechanism was calculated using a 70%/30% basis for \$2,531,211 and on a 60%/40% basis on \$3,931,606.

The net system sales clause factor of \$(0.0047846)/kwh (a credit) will be applied to our October 2006 billing.

All billings during October 2006 will show a combined factor of \$(0.0006846)/kwh (a credit).

If you have any questions, please advise.

Sincerely,

A handwritten signature in black ink that reads 'Errol K. Wagner'.

Errol K. Wagner
Director of Regulatory Services

Attachments

AEP: America's Energy Partner®

KENTUCKY POWER COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Month Ended: August 2006

1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	\$0.00410
2 System Sales Clause Factor (Page 1 of 2)	(+)	-0.0047846
3 Total Adjustment Clause Factors		<u><u>-\$0.0006846</u></u>

Effective Date for Billing October 2006

Submitted by: 
(Signature)

Title: Director of Regulatory Services

Date Submitted: September 18, 2006

KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: August 2006

Fuel Fm (Fuel Cost Schedule)	<u>\$13,221,871</u>		
Sales Sm (Sales Schedule)	641,545,000	(+)	0.02061
Fuel (Fb)	<u>\$8,703,098</u>		
Sales (Sb)	527,226,000	(-)	0.01651
			<u>0.00410</u>
			(\$/KWH)

Effective Date for Billing October 2006

Submitted by:



(Signature)

Title: Director of Regulatory Services

Date Submitted: September 18, 2006

KENTUCKY POWER COMPANY

FUEL COST SCHEDULE

Month Ended: August 2006

A.	Company Generation			
	Coal Burned	(+)	\$12,142,609	
	Oil Burned	(+)	252,686	
	Gas Burned	(+)	0	
	Fuel (jointly owned plant)	(+)	0	
	Fuel (assigned cost during F. O.)	(+)	0	
	Fuel (substitute for F. O.)	(-)		
	Sub Total		<u>12,395,295</u>	
B.	Purchases			
	Net Energy Cost - Economy Purchases	(+)	0	
	Identifiable Fuel Cost - Other Purchases	(+)	12,557,986	*
	Identifiable Fuel Cost (substitute for F. O.)	(-)	0	
	Sub Total		<u>12,557,986</u>	
C.	Inter-System Sales Fuel Costs		<u>10,916,977</u>	*
	Sub Total		10,916,977	
D.	Total Fuel Cost (A + B - C)		<u><u>\$14,036,304</u></u>	
E.	Adjustment indicating the difference in actual fuel cost for the month of <u>July 2006</u> and the estimated cost originally reported. <u>\$12,458,923</u> - <u>\$13,288,889</u> = <u>(829,966)</u> (actual) (est)			
F.	Total Company Over or (Under) Recovery from Page 4, Line 12		<u>(15,533)</u>	
G.	Grand Total Fuel Cost (D + E - F)		<u><u>\$13,221,871</u></u>	

* Estimated - based on actual Kentucky generation unit costs in August 2006

<u>\$12,395,295</u>		
622,228,000	0.01992	/KWH

KENTUCKY POWER COMPANY**SALES SCHEDULE****Month Ended:** August 2006

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	622,228,000
Purchases Including Interchange In	(+)	<u>630,421,000</u>
Sub Total		<u>1,252,649,000</u>
B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	548,041,000
System Losses	(+)	<u>63,063,000</u> *
Sub Total		<u>611,104,000</u>
Total Sales (A - B)		<u><u>641,545,000</u></u>

* Does not include 415,261 KWH of company usage.

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: August 2006

<u>Line</u> <u>No.</u>			
1	FAC Rate Billed	(+)	(0 00028)
2	Retail KWH Billed at Above Rate	(x)	<u>604,224,233</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>(169,183)</u>
4	KWH Used to Determine Last FAC Rate Billed	(+)	557,011,000
5	Non-Jurisdictional KWH Included in L4	(-)	<u>7,466,900</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>549,544,100</u>
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		(153,872)
8	Over or (Under) Recovery (L3 - L7)		(15,311)
9	Total Sales (Page 3)	(+)	641,545,000
10	Kentucky Jurisdictional Sales	(/)	<u>632,368,600</u>
11	Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10)		1.01451
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>(15,533)</u></u>

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: July 2006

A. Company Generation			
Coal Burned	(+)	\$16,278,934	
Oil Burned	(+)	250,971	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)			
(0 KWH X \$0 000000)	(+)	0	
Fuel (substitute for F. O.)	(-)	<u>0</u>	
Sub-total		<u>16,529,905</u>	
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	3,216,011	(1)
Identifiable Fuel Cost (substitute for F. O.)			
(0 KWH X \$0.000000)	(-)	<u>0</u>	
Sub-total		<u>3,216,011</u>	
C. Inter-System Sales Fuel Costs		<u>7,286,993</u>	(1)
Total Fuel Cost (A + B - C)		<u><u>\$12,458,923</u></u>	

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

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OCT 16 2006

PUBLIC SERVICE
COMMISSION

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

16 October 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 September 2006 fuel costs with an adjustment reflecting actual August 2006 fuel costs.

The fuel adjustment clause factor of \$0.00221/kwh will be applied to our November 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.

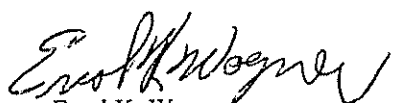
Also, we are attaching the system sales clause schedule with a supporting net revenue schedule calculated pursuant to the Commission's March 14, 2006 Order in Case No. 2005-00341. These calculations are based on an estimated September 2006 net revenue with an adjustment reflecting the true-up of August 2006 net revenue. Pursuant to the Settlement Agreement and the Commission's March 14th Order in Case No. 2005-00341, when the Company surpasses the base off-system sales margin of \$30M, the customer sharing mechanism shall be on a 60/40 basis. The System Sales Clause Schedule, page 1 of 2, shows the net revenue level for September was \$3,011,963 in excess of the \$30M, therefore, for November customer bills, the sharing mechanism was calculated using a 60/40 basis on \$3,011,963.

The net system sales clause factor of \$(0.0017577)/kwh (a credit) will be applied to our November 2006 billing.

All billings during November 2006 will show a combined factor of \$0.0004523/kwh.

If you have any questions, please advise.

Sincerely,


Errol K. Wagner
Director of Regulatory Services

Attachments

RECEIVED

OCT 16 2006

FINANCIAL ANA

KENTUCKY POWER COMPANY
SUMMARY OF ADJUSTMENT CLAUSES


Month Ended: September 2006

1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	\$0.00221
2 System Sales Clause Factor (Page 1 of 2)	(+)	-0.0017577
3 Total Adjustment Clause Factors		<u>\$0.0004523</u>

Effective Date for Billing

November 2006

Submitted by:


(Signature)

Title:

Director of Regulatory Services

Date Submitted:

October 16, 2006

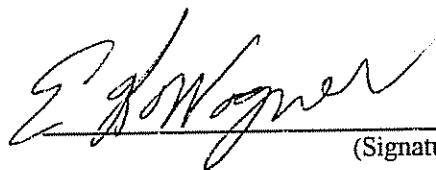
KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: September 2006

Fuel Fm (Fuel Cost Schedule)	<u>\$9,674,312</u>		
Sales Sm (Sales Schedule)	516,883,000	(+)	0.01872
Fuel (Fb)	<u>\$8,703,098</u>		
Sales (Sb)	527,226,000	(-)	<u>0.01651</u>
			<u>0.00221</u>
			(\$/KWH)

Effective Date for Billing November 2006

Submitted by:



(Signature)

Title:

Director of Regulatory Services

Date Submitted:

October 16, 2006

KENTUCKY POWER COMPANY

FUEL COST SCHEDULE

Month Ended: September 2006

A. Company Generation			
Coal Burned	(+)	\$11,314,644	
Oil Burned	(+)	69,267	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)	(+)	0	
Fuel (substitute for F. O.)	(-)		
Sub Total			<u>11,383,911</u>
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	8,462,963	*
Identifiable Fuel Cost (substitute for F. O.)	(-)	0	
Sub Total			<u>8,462,963</u>
C. Inter-System Sales Fuel Costs			<u>9,130,442</u> *
Sub Total			<u>9,130,442</u>
D. Total Fuel Cost (A + B - C)			<u><u>\$10,716,432</u></u>
E. Adjustment indicating the difference in actual fuel cost for the month of <u>August 2006</u> and the estimated cost originally reported.			
		<u>\$12,910,653</u>	-
	(actual)		<u>\$14,036,304</u>
			(est.)
			= <u>(1,125,651)</u>
F. Total Company Over or (Under) Recovery from Page 4, Line 12			<u>(83,531)</u>
G. Grand Total Fuel Cost (D + E - F)			<u><u>\$9,674,312</u></u>

* Estimated - based on actual Kentucky generation unit costs in
September 2006

\$11,383,911
606,069,000

0.01878 /KWH

KENTUCKY POWER COMPANY

SALES SCHEDULE

Month Ended: September 2006

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	606,069,000
Purchases Including Interchange In	(+)	<u>450,637,000</u>
Sub Total		<u>1,056,706,000</u>
B Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	486,179,000
System Losses	(+)	<u>53,644,000</u> *
Sub Total		<u>539,823,000</u>
Total Sales (A - B)		<u><u>516,883,000</u></u>

* Does not include 368,256 KWH of company usage

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: September 2006

Line No.			
1	FAC Rate Billed	(+)	0.00363
2	Retail KWH Billed at Above Rate	(x)	<u>587,806,843</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>2,133,739</u>
4	KWH Used to Determine Last FAC Rate Billed	(+)	619,475,000
5	Non-Jurisdictional KWH Included in L4	(-)	<u>8,961,200</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>610,513,800</u>
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		2,216,165
8	Over or (Under) Recovery (L3 - L7)		(82,426)
9	Total Sales (Page 3)	(+)	516,883,000
10	Kentucky Jurisdictional Sales	(/)	<u>510,047,900</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>(83,531)</u></u>

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: August 2006

A. Company Generation			
Coal Burned	(+)	\$16,480,599	
Oil Burned	(+)	266,925	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)			
(59,562,000 KWH X \$0 013533)	(+)	806,053	
Fuel (substitute for F. O.)	(-)	<u>0</u>	
Sub-total		<u>17,553,577</u>	
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	4,169,459	(1)
Identifiable Fuel Cost (substitute for F. O.)			
(59,562,000 KWH X \$0 013533)	(-)	<u>806,053</u>	
Sub-total		<u>3,363,406</u>	
C. Inter-System Sales Fuel Costs		<u>8,006,330</u>	(1)
Total Fuel Cost (A + B - C)		<u><u>\$12,910,653</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 in Case No. 2005-00341

September 2006

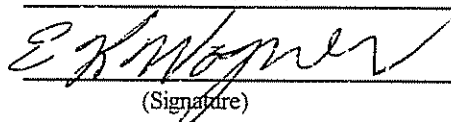
Line No.	Month Ended:			YTD System Sales Profit	
				Jan-07	0
				Feb-06	4,348,009
				Mar-06	4,437,747
				Apr-06	3,357,274
				May-06	3,104,186
				Jun-06	4,994,179
				Jul-06	7,227,394
				Aug-06	6,462,817
				Sep-06	3,011,963
				Oct-06	0
				Nov-06	0
				Dec-06	0
				Total	36,943,569
1	Current Month (Tm) Net Revenue Level @ 70%	(+)	-0-		
2	Current Month (Tm) Net Revenue Level @ 60%		3,011,963		
3	Current Month Net Revenue Level (Ln 1 + Ln 2)		3,011,963		
4	Base Month (Tb) Tariff 19-2 Net Revenue Level	(-)	1,497,772		
5	Increase/(Decrease) of System Sales Net Revenue (Ln 3 - Ln 4)		1,514,191		
6	Customer 70% Sharing	(x)	-0-		
7	Customer 60% Sharing	(x)	60%		
8	Customer Share of Increase/(Decrease) in System Sales Net Revenue (Ln 5 * Ln 7)		908,515		
9	Current Month (Sm) Sales Level (pg 3)	(/)	516,883,000		
10	System Sales Clause Factor - \$/Kwh (Ln 8 / Ln 9) *		-0017577		*

* 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 2006

Submitted by:


(Signature)

Title:

Director of Regulatory Services

Date Submitted:

October 16, 2006

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE NET REVENUE

Line No.		Month Ended: September 2006		TOTAL
		CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	
1	Sales For Resale Revenues	\$8,749,225	(\$107,576)	\$8,641,649
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	8,749,225	(107,576)	8,641,649
4	Sales For Resale Expenses	\$5,578,574	\$5,140	\$5,583,714
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	45,972	0	45,972
7	Total System Sales Expenses	5,624,546	5,140	5,629,686
8	Total System Sales Net Revenues	\$3,124,679	(\$112,716)	\$3,011,963

*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
P O Box 5190
101A Enterprise Drive
Frankfort, KY 40602
KentuckyPower.com

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

17 November 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 October 2006 fuel costs with an adjustment reflecting actual September 2006 fuel costs.

The fuel adjustment clause factor of \$0.00441/kwh will be applied to our December 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.

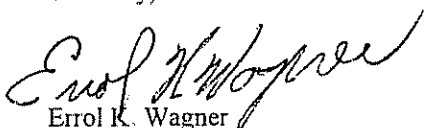
Also, we are attaching the system sales clause schedule with a supporting net revenue schedule calculated pursuant to the Commission's March 14, 2006 Order in Case No. 2005-00341. These calculations are based on an estimated October 2006 net revenue with an adjustment reflecting the true-up of September 2006 net revenue. Pursuant to the Settlement Agreement and the Commission's March 14th Order in Case No. 2005-00341, when the Company surpasses the base off-system sales margin of \$30M, the customer sharing mechanism shall be on a 60/40 basis. The System Sales Clause Schedule, page 1 of 2, shows the net revenue level for October was \$3,269,198 in excess of the \$30M, therefore, for December customer bills, the sharing mechanism was calculated using a 60/40 basis on \$3,269,198.

The net system sales clause factor of \$(0.0024272)/kwh (a credit) will be applied to our December 2006 billing.

All billings during December 2006 will show a combined factor of \$0.00198828/kwh.

If you have any questions, please advise.

Sincerely,


Errol K. Wagner
Director of Regulatory Services

Attachments

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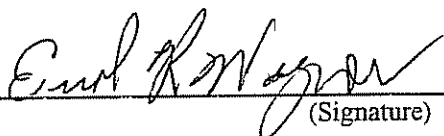
By 
FINANCIAL ANALYSIS DIVISION

KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: October 2006

Fuel Fm (Fuel Cost Schedule)	<u>\$11,990,107</u>		
Sales Sm (Sales Schedule)	573,265,000	(+)	0.02092
Fuel (Fb)	<u>\$8,703,098</u>		
Sales (Sb)	527,226,000	(-)	<u>0.01651</u>
			<u>0.00441</u>
			(\$/KWH)

Effective Date for Billing December 2006

Submitted by: 
(Signature)

Title: Director of Regulatory Services

Date Submitted: November 17, 2006

KENTUCKY POWER COMPANY

FUEL COST SCHEDULE

Month Ended: October 2006

A.	Company Generation			
	Coal Burned	(+)	\$12,312,556	
	Oil Burned	(+)	53,398	
	Gas Burned	(+)	0	
	Fuel (jointly owned plant)	(+)	0	
	Fuel (assigned cost during F O.)	(+)	0	
	Fuel (substitute for F O.)	(-)		
	Sub Total		<u>12,365,954</u>	
B.	Purchases			
	Net Energy Cost - Economy Purchases	(+)	0	
	Identifiable Fuel Cost - Other Purchases	(+)	9,448,144	*
	Identifiable Fuel Cost (substitute for F O.)	(-)	0	
	Sub Total		<u>9,448,144</u>	
C.	Inter-System Sales Fuel Costs		<u>9,946,800</u>	*
	Sub Total		<u>9,946,800</u>	
D.	Total Fuel Cost (A + B - C)		<u><u>\$11,867,298</u></u>	
E.	Adjustment indicating the difference in actual fuel cost for the month of <u>September 2006</u> and the estimated cost originally reported. <u>\$10,315,069</u> - <u>\$10,716,432</u> = <u>(401,363)</u> (actual) (est.)			
F.	Total Company Over or (Under) Recovery from Page 4, Line 12		<u>(524,172)</u>	
G.	Grand Total Fuel Cost (D + E - F)		<u><u>\$11,990,107</u></u>	

* Estimated - based on actual Kentucky generation unit costs in
October 2006

<u>\$12,365,954</u>		
659,388,000	0.01875	/KWH

KENTUCKY POWER COMPANY

SALES SCHEDULE

Month Ended: October 2006

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	659,388,000
Purchases Including Interchange In	(+)	<u>503,901,000</u>
Sub Total		<u>1,163,289,000</u>
B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	530,496,000
System Losses	(+)	<u>59,528,000</u> *
Sub Total		<u>590,024,000</u>
Total Sales (A - B)		<u><u>573,265,000</u></u>

* Does not include 353,316 KWH of company usage.

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: October 2006

Line No.			
1	FAC Rate Billed	(+)	0.00410
2	Retail KWH Billed at Above Rate	(x)	<u>506,220,983</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>2,075,506</u>
4	KWH Used to Determine Last FAC Rate Billed	(+)	641,545,000
5	Non-Jurisdictional KWH Included in L4	(-)	<u>9,176,400</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>632,368,600</u>
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		2,592,711
8	Over or (Under) Recovery (L3 - L7)		(517,205)
9	Total Sales (Page 3)	(+)	573,265,000
10	Kentucky Jurisdictional Sales	(/)	<u>565,644,000</u>
11	Ratio of Total Sales to KY Jurisdictional Sales (L9 / L10)		1.01347
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>(524,172)</u></u>

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: September 2006

A. Company Generation			
Coal Burned	(+)	\$15,213,304	
Oil Burned	(+)	112,552	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)			
(0 KWH X \$0.000000)	(+)	0	
Fuel (substitute for F. O.)	(-)	<u>0</u>	
Sub-total		<u>15,325,856</u>	
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	2,681,529	(1)
Identifiable Fuel Cost (substitute for F. O.)			
(0 KWH X \$0.000000)	(-)	<u>0</u>	
Sub-total		<u>2,681,529</u>	
C. Inter-System Sales Fuel Costs		<u>7,692,316</u>	(1)
Total Fuel Cost (A + B - C)		<u><u>\$10,315,069</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 in Case No. 2005-00341

October 2006

Line No.	Month Ended:			
1	Current Month (Tm) Net Revenue Level @ 70%	(+)	0	
2	Current Month (Tm) Net Revenue Level @ 60%		3,269,198	
3	Current Month Net Revenue Level (Ln 1 + Ln 2)		3,269,198	
4	Base Month (Tb) Tariff 19-2 Net Revenue Level	(-)	950,190	
5	Increase/(Decrease) of System Sales Net Revenue (Ln 3 - Ln 4)		2,319,008	
6	Customer 70% Sharing	(x)	n/a	
7	Customer 60% Sharing	(x)	60%	
8	Customer Share of Increase/(Decrease) in System Sales Net Revenue (Ln 5 * Ln 7)		1,391,405	
9	Current Month (Sm) Sales Level (pg 3)	(/)	573,265,000	
10	System Sales Clause Factor - \$/Kwh (Ln 8 / Ln 9) *		-0024272	*

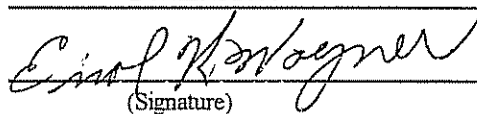
YTD System Sales Profit	
Jan-07	0
Feb-06	4,348,009
Mar-06	4,437,747
Apr-06	3,357,274
May-06	3,104,186
Jun-06	4,994,179
Jul-06	7,227,394
Aug-06	6,462,817
Sep-06	3,011,963
Oct-06	3,269,198
Nov-06	0
Dec-06	0
Total	40,212,767

* 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:

December 2006

Submitted by:


(Signature)

Title:

Director of Regulatory Services

Date Submitted:

November 17, 2006

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE NET REVENUE

Line No.	Month Ended:		TOTAL	
	CURRENT MONTH	October 2006 PRIOR MO. TRUE-UP ADJUSTMENT		
1	Sales For Resale Revenues	\$11,064,723	\$12,449	\$11,077,172
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	11,064,723	12,449	11,077,172
4	Sales For Resale Expenses	\$7,635,266	\$12,190	\$7,647,456
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	160,518	0	160,518
7	Total System Sales Expenses	7,795,784	12,190	7,807,974
8	Total System Sales Net Revenues	\$3,268,939	\$259	\$3,269,198

*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
P O Box 5190
101A Enterprise Drive
Frankfort, KY 40602
KentuckyPower.com

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

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**PUBLIC SERVICE
COMMISSION**

18 December 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 November 2006 fuel costs with an adjustment reflecting actual October 2006 fuel costs.

The fuel adjustment clause factor of \$0.00354/kwh will be applied to our January 2007 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 October 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 the hypothetical gas turbine during the same month. A small quantity of purchases aggregating to 3 MWh spread over one day (October 15) and at \$642.58 exceeded the average gas turbine equivalent for that day by \$594.44 (\$642.68 vs \$48.24). Therefore, a credit totaling \$1,783.32 (\$594.44 x 3) is included and made part of this filing.

Also, we are attaching the system sales clause schedule with a supporting net revenue schedule calculated pursuant to the Commission's March 14, 2006 Order in Case No. 2005-00341. These calculations are based on an estimated November 2006 net revenue with an adjustment reflecting the true-up of October 2006 net revenue. Pursuant to the Settlement Agreement and the Commission's March 14th Order in Case No. 2005-00341, when the Company surpasses the base off-system sales margin of \$30M, the customer sharing mechanism shall be on a 60/40 basis. The System Sales Clause Schedule, page 1 of 2, shows the net revenue level for November was \$2,516,000 in excess of the \$30M, therefore, for January customer bills, the sharing mechanism was calculated using a 60/40 basis on \$2,516,000.

The net system sales clause factor of \$(0.0012275)/kwh (a credit) will be applied to our January 2007 billing.

All billings during January 2007 will show a combined factor of \$0.0023125/kwh.

If you have any questions, please advise.

Sincerely,

Errol K. Wagner
Director of Regulatory Services

Attachments

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Public Service Commission

DEC 20 2006

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KENTUCKY POWER COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Month Ended: November 2006

1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	\$0.00354
2 System Sales Clause Factor (Page 1 of 2)	(+)	<u>-\$0.0012275</u>
3 Total Adjustment Clause Factors		<u><u>\$0.0023125</u></u>

Effective Date for Billing January 2007

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

Title: Director of Regulatory Services

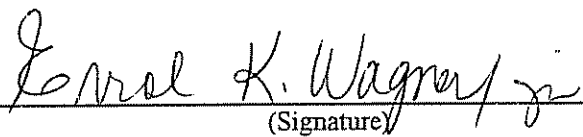
Date Submitted: December 18, 2006

KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: November 2006

Fuel Fm (Fuel Cost Schedule)	\$12,319,588		
Sales Sm (Sales Schedule)	<u>614,517,000</u>	(+)	0.02005
Fuel (Fb)	\$8,703,098		
Sales (Sb)	<u>527,226,000</u>	(-)	<u>0.01651</u>
			<u><u>0.00354</u></u>
			(\$/KWH)

Effective Date for Billing January 2007

Submitted by: 
(Signature)

Title: Director of Regulatory Services

Date Submitted: December 18, 2006

KENTUCKY POWER COMPANY

FUEL COST SCHEDULE

Month Ended: November 2006

A. Company Generation			
Coal Burned	(+)	\$12,358,356	
Oil Burned	(+)	224,140	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)	(+)	0	
Fuel (substitute for F. O.)	(-)		
Sub Total		<u>12,582,496</u>	
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	9,174,087	*
Identifiable Fuel Cost (substitute for F. O.)	(-)	0	
Sub Total		<u>9,174,087</u>	
C. Inter-System Sales Fuel Costs		<u>8,776,892</u>	*
Sub Total		<u>8,776,892</u>	
D. Total Fuel Cost (A + B - C)		<u><u>\$12,979,691</u></u>	
E. Adjustment indicating the difference in actual fuel cost for the month of <u>October 2006</u> and the estimated cost originally reported. <u>\$11,317,274</u> - <u>\$11,867,298</u> = <u>(550,024)</u> (actual) (est)			
F. Total Company Over or (Under) Recovery from Page 4, Line 12		<u>110,079</u>	
G. Grand Total Fuel Cost (D + E - F)		<u><u>\$12,319,588</u></u>	

* Estimated - based on actual Kentucky generation unit costs in
November 2006

<u>\$12,582,496</u>		
655,676,000	0 01919	/KWH

KENTUCKY POWER COMPANY

SALES SCHEDULE

Month Ended: November 2006

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	655,676,000
Purchases Including Interchange In	(+)	<u>478,066,000</u>
Sub Total		<u>1,133,742,000</u>
B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	457,368,000
System Losses	(+)	<u>61,857,000</u> *
Sub Total		<u>519,225,000</u>
Total Sales (A - B)		<u><u>614,517,000</u></u>

* Does not include 457,318 KWH of company usage

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: November 2006

<u>Line No</u>			
1	FAC Rate Billed	(+)	0.00221
2	Retail KWH Billed at Above Rate	(x)	<u>559,192,601</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>1,235,816</u>
4	KWH Used to Determine Last FAC Rate Billed	(+)	516,883,000
5	Non-Jurisdictional KWH Included in L4	(-)	<u>6,835,100</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>510,047,900</u>
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		1,127,206
8	Over or (Under) Recovery (L3 - L7)		108,610
9	Total Sales (Page 3)	(+)	614,517,000
10	Kentucky Jurisdictional Sales	(/)	<u>606,315,100</u>
11	Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10)		1.01353
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>110,079</u></u>

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: October 2006

A. Company Generation			
Coal Burned	(+)	\$16,560,374	
Oil Burned	(+)	98,698	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)			
(0 KWH X \$0 000000)	(+)	0	
Fuel (substitute for F. O.)	(-)	<u>0</u>	
Sub-total		<u>16,659,072</u>	
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	3,915,964	(1)
Identifiable Fuel Cost (substitute for F. O.)			
(0 KWH X \$0 000000)	(-)	<u>0</u>	
Sub-total		<u>3,915,964</u>	
C. Inter-System Sales Fuel Costs		<u>9,257,762</u>	(1)
Total Fuel Cost (A + B - C)		<u><u>\$11,317,274</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 in Case No. 2005-00341

November 2006

Line No.	Month Ended:			
	Current Month (Tm) Net Revenue Level @ 70%	(+)	n/a	
1	Current Month (Tm) Net Revenue Level @ 60%		2,516,000	
2	Current Month Net Revenue Level (Ln 1 + Ln 2)		2,516,000	
3	Base Month (Tb) Tariff 19-2 Net Revenue Level	(-)	1,258,779	
4	Increase/(Decrease) of System Sales Net Revenue (Ln 3 - Ln 4)		1,257,221	
5	Customer 70% Sharing	(x)	n/a	
6	Customer 60% Sharing	(x)	60%	
7	Customer Share of Increase/(Decrease) in System Sales Net Revenue (Ln 5 * Ln 7)		754,333	
8	Current Month (Sm) Sales Level (pg 3)	(/)	614,517,000	
9	System Sales Clause Factor - \$/Kwh (Ln 8 / Ln 9) *		-0.0012275	*

YTD System Sales Profit	
Jan-07	0
Feb-06	4,348,009
Mar-06	4,437,747
Apr-06	3,357,274
May-06	3,104,186
Jun-06	4,994,179
Jul-06	7,227,394
Aug-06	6,462,817
Sep-06	3,011,963
Oct-06	3,269,198
Nov-06	2,516,000
Dec-06	0
Total	42,728,767

* 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 2007

Submitted by:

Emil K. Wagner Jr.
(Signature)

Title:

Director of Regulatory Services

Date Submitted:

December 18, 2006

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE NET REVENUE

Line No.		Month Ended:	November 2006	
		CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	TOTAL
1	Sales For Resale Revenues	\$8,286,233	\$5,024	\$8,291,257
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	8,286,233	5,024	8,291,257
4	Sales For Resale Expenses	\$5,892,022	(\$146,933)	\$5,745,089
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	30,168	0	30,168
7	Total System Sales Expenses	5,922,190	(146,933)	5,775,257
8	Total System Sales Net Revenues	\$2,364,043	\$151,957	\$2,516,000

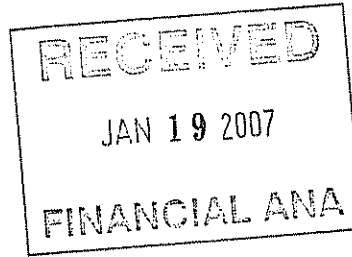
*Source:

ES Form 1 0, Line 3

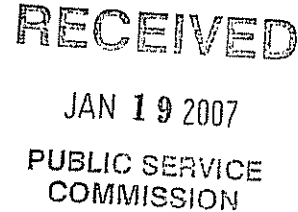
ES Form 3 3, Line 4

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



19 January 2007

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 2006 fuel costs with an adjustment reflecting actual November 2006 fuel costs.

The fuel adjustment clause factor of \$0.00207/kwh will be applied to our February 2007 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. There was an out-of-period accounting adjustment due to a settlement, therefore, a credit in the amount of \$38,039.00 is included in this filing.

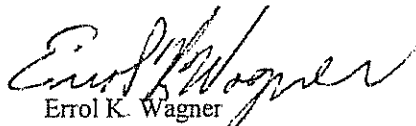
Also, we are attaching the system sales clause schedule with a supporting net revenue schedule calculated pursuant to the Commission's March 14, 2006 Order in Case No. 2005-00341. These calculations are based on an estimated December 2006 net revenue with an adjustment reflecting the true-up of November 2006 net revenue. Pursuant to the Settlement Agreement and the Commission's March 14th Order in Case No. 2005-00341, when the Company surpasses the base off-system sales margin of \$30M, the customer sharing mechanism shall be on a 60/40 basis. The System Sales Clause Schedule, page 1 of 2, shows the net revenue level for December was \$3,274,713 in excess of the \$30M, therefore, for February customer bills, the sharing mechanism was calculated using a 60/40 basis on \$3,274,713.

The net system sales clause factor of \$(0.0010856)/kwh (a credit) will be applied to our February 2007 billing.

All billings during February 2007 will show a combined factor of \$0.0009844/kwh.

If you have any questions, please advise.


Sincerely,


Errol K. Wagner
Director of Regulatory Services

Attachments

CHECKED
Public Service Commission

JAN 23 2007

By 
FINANCIAL ANALYSIS DIVISION

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JAN 19 2007

PUBLIC SERVICE
COMMISSION

KENTUCKY POWER COMPANY

SUMMARY OF ADJUSTMENT CLAUSES

Month Ended: December 2006

1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	\$0 00207
2 System Sales Clause Factor (Page 1 of 2)	(+)	- .0010856.
3 Total Adjustment Clause Factors		<u>\$0.0009844</u>

Effective Date for Billing

February 2007

Submitted by:


(Signature)

Title:

Director of Regulatory Services

Date Submitted:

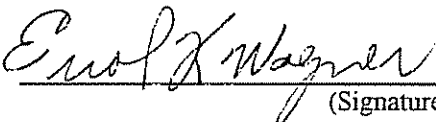
January 19, 2007

KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: December 2006

Fuel Fm (Fuel Cost Schedule)	<u>\$12,827,967</u>		
Sales Sm (Sales Schedule)	690,567,000	(+)	0.01858
Fuel (Fb)	<u>\$8,703,098</u>		
Sales (Sb)	527,226,000	(-)	0.01651
			<u>0.00207</u>
			(\$/KWH)

Effective Date for Billing February 2007

Submitted by: 
(Signature)

Title: Director of Regulatory Services

Date Submitted: January 19, 2007

KENTUCKY POWER COMPANY

FUEL COST SCHEDULE

Month Ended: December 2006

A.	Company Generation			
	Coal Burned	(+)	\$11,870,798	
	Oil Burned	(+)	38,233	
	Gas Burned	(+)	0	
	Fuel (jointly owned plant)	(+)	0	
	Fuel (assigned cost during F. O.)	(+)	0	
	Fuel (substitute for F. O.)	(-)		
	Sub Total		<u>11,909,031</u>	
B.	Purchases			
	Net Energy Cost - Economy Purchases	(+)	0	
	Identifiable Fuel Cost - Other Purchases	(+)	9,380,325	*
	Identifiable Fuel Cost (substitute for F. O.)	(-)	0	
	Sub Total		<u>9,380,325</u>	
C.	Inter-System Sales Fuel Costs		<u>7,042,088</u>	*
	Sub Total		<u>7,042,088</u>	
D.	Total Fuel Cost (A + B - C)		<u><u>\$14,247,268</u></u>	
E.	Adjustment indicating the difference in actual fuel cost for the month of <u>November 2006</u> and the estimated cost originally reported. <u>\$12,021,882</u> - <u>\$12,979,691</u> = <u>(957,809)</u> (actual) (est.)			
F.	Total Company Over or (Under) Recovery from Page 4, Line 12		<u>461,492</u>	
G.	Grand Total Fuel Cost (D + E - F)		<u><u>\$12,827,967</u></u>	

* Estimated - based on actual Kentucky generation unit costs in
December 2006

\$11,909,031
635,081,000

0.01875 /KWH

KENTUCKY POWER COMPANY

SALES SCHEDULE

Month Ended: December 2006

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	635,081,000
Purchases Including Interchange In	(+)	<u>500,284,000</u>
Sub Total		<u>1,135,365,000</u>
B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	375,578,000
System Losses	(+)	<u>69,220,000</u> *
Sub Total		<u>444,798,000</u>
Total Sales (A - B)		<u><u>690,567,000</u></u>

* Does not include 520,643 KWH of company usage

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: December 2006

Line No.			
1	FAC Rate Billed	(+)	0 00441
2	Retail KWH Billed at Above Rate	(x)	<u>668,855,912</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>2,949,655</u>
4	KWH Used to Determine Last FAC Rate Billed	(+)	573,265,000
5	Non-Jurisdictional KWH Included in L4	(-)	<u>7,621,000</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>565,644,000</u>
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		2,494,490
8	Over or (Under) Recovery (L3 - L7)		455,165
9	Total Sales (Page 3)	(+)	690,567,000
10	Kentucky Jurisdictional Sales	(/)	<u>681,097,200</u>
11	Ratio of Total Sales to KY Jurisdictional Sales (L9 / L10)		1.01390
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>461,492</u></u>

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: November 2006

A. Company Generation			
Coal Burned	(+)	\$16,637,199	
Oil Burned	(+)	251,215	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)			
(16,772,000 KWH X \$0.013137)	(+)	220,334	
Fuel (substitute for F. O.)	(-)	0	
		<u>17,108,748</u>	
Sub-total			
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	3,412,120	(1)
Identifiable Fuel Cost (substitute for F. O.)			
(16,772,000 KWH X \$0.013137)	(-)	220,334	
		<u>3,191,786</u>	
Sub-total			
C. Inter-System Sales Fuel Costs			
		<u>8,278,652</u>	(1)
Total Fuel Cost (A + B - C)			
		<u><u>\$12,021,882</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 in Case No. 2005-00341

December 2006

Line
No.

Month Ended:

1	Current Month (Tm) Net Revenue Level @ 70%	(+)	
2	Current Month (Tm) Net Revenue Level @ 60%		3,274,713
3	Current Month Net Revenue Level (Ln 1 + Ln 2)		3,274,713
4	Base Month (Tb) Tariff 19-2 Net Revenue Level	(-)	2,025,256
5	Increase/(Decrease) of System Sales Net Revenue (Ln 3 - Ln 4)		1,249,457
6	Customer 70% Sharing	(x)	n/a
7	Customer 60% Sharing	(x)	60%
8	Customer Share of Increase/(Decrease) in System Sales Net Revenue (Ln 5 * Ln 7)		749,674
9	Current Month (Sm) Sales Level (pg 3)	(/)	690,567,000
10	System Sales Clause Factor - \$/Kwh (Ln 8 / Ln 9) *		- 0010856

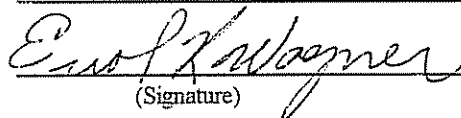
YTD System Sales Profit	
Jan-07	0
Feb-06	4,348,009
Mar-06	4,437,747
Apr-06	3,357,274
May-06	3,104,186
Jun-06	4,994,179
Jul-06	7,227,394
Aug-06	6,462,817
Sep-06	3,011,963
Oct-06	3,269,198
Nov-06	2,516,000
Dec-06	3,274,713
Total	46,003,480

* 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 2007

Submitted by:


(Signature)

Title:

Director of Regulatory Services

Date Submitted:

January 19, 2007

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE NET REVENUE

Line No.		Month Ended: December 2006		TOTAL
		CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	
1	Sales For Resale Revenues	\$8,420,204	(\$173)	\$8,420,031
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	8,420,204	(173)	8,420,031
4	Sales For Resale Expenses	\$5,253,346	(\$157,418)	\$5,095,928
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	49,390	0	49,390
7	Total System Sales Expenses	5,302,736	(157,418)	5,145,318
8	Total System Sales Net Revenues	\$3,117,468	\$157,245	\$3,274,713

*Source:

ES Form 1.0, Line 3

ES Form 3.3, Line 4

Non-Associated Environmental Costs