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April 6, 2011

HAND DELIVERED

Jeff R. Derouen
Executive Director
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602-0615

RECEIVED

APR 06 2011

PUBLIC SERVICE
COMMISSION

Mark R. Overstreet
(502) 209-1219
(502) 223-4387 FAX
moverstreet@stites.com

RE: Case No. 2011-00055

Dear Mr. Derouen:

Enclosed please find and accept for filing the original and six copies of Kentucky Power Company's responses to the Commission Staff's initial information request.

Please do not hesitate to contact me if you have any questions.

Very truly yours,


Mark R. Overstreet

MRO

RECEIVED

APR 06 2011

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE

PUBLIC SERVICE COMMISSION OF KENTUCKY

IN THE MATTER OF

JOINT APPLICATION PURSUANT TO 1994 HOUSE)
BILL NO. 501 FOR THE APPROVAL OF KENTUCKY)
POWER COMPANY'S COLLABORATIVE DEMAND-SIDE)
MANAGEMENT PROGRAMS, AND FOR AUTHORITY)
TO IMPLEMENT A TARIFF TO RECOVER COSTS,)
NET LOST REVENUES AND RECEIVE INCENTIVES)
ASSOCIATED WITH THE IMPLEMENTATION OF THE)
KENTUCKY POWER COMPANY COLLABORATIVE)
DEMAND-SIDE MANAGEMENT PROGRAMS)

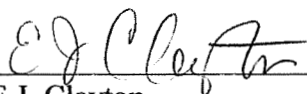
CASE NO.
2011-00055

KENTUCKY POWER COMPANY RESPONSES TO
COMMISSION STAFF INTIAL SET OF DATA REQUESTS

April 6, 2011

AFFIDAVIT

E.J. Clayton, upon being first duly sworn, hereby makes oath that if the foregoing questions were propounded to him at a hearing before the Public Service Commission of Kentucky, he would give the answers recorded following each of said questions and that said answers are true.



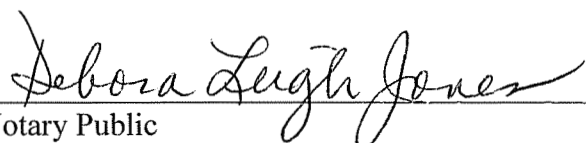
E.J. Clayton

Commonwealth of Kentucky

)
) Case No. 2011-00055
)

County of Boyd

1st Sworn to before me and subscribed in my presence by E.J. Clayton, this the
day of April, 2011.



Notary Public

My Commission Expires: 3-20-2012

Kentucky Power Company

REQUEST

Refer to page 1 of Kentucky Power Company's February 15, 2011 Demand Side Management Status Report ("DSM Report") regarding the increase of the average monthly net energy savings by 10 percent to include transmission and distribution line losses ("T&D losses"). Provide the basis for the 10 percent T&D losses.

RESPONSE

Losses vary by customer and by hour based upon the equipment and loading characteristics of the system, from the generator to the customer service drop. The 10% energy losses and 11% demand losses applied to the meter values represent an approximation of the expected losses of the program participants and are consistent with the loss estimates historically used. A loss study of the KPCo system was conducted in 2007, and that study provided average secondary service customer loss estimates of 8.7% for energy and 10.8% for peak demand. Although the numbers used in the filing were slightly higher than these average loss estimates, participants in these programs, which are almost exclusively residential customers, incur slightly higher losses than the secondary service population as a whole, which includes both residential and commercial customers.

A copy of the loss study that was completed in 2007 for Kentucky Power is attached.

WITNESS: Lila P Munsey

KENTUCKY POWER COMPANY

2006 Analysis of System Losses

August 13, 2007

Prepared by:



Management Applications Consulting, Inc.
1103 Rocky Drive – Suite 201
Reading, PA 19609
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MANAGEMENT APPLICATIONS CONSULTING, INC.

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August 13, 2007

KPSC Case No. 2011-00055
Commission Staff's Initial Set of Data Requests
Order Dated March 23, 2011
Item No. 1
Page 3

Mr. Meredith Gafford
East Transmission Planning
American Electric Power
700 Morrison Road
Gahanna, OH 43230

RE: 2006 LOSS ANALYSIS

Dear Mr. Gafford:

Transmitted herewith are the results of the 2006 Analysis of System Losses for the Kentucky Power Company's (KPCO) power system. Our analysis develops cumulative expansion factors (loss factors) for both demand (peak/kW) and energy (average/kWh) losses by discrete voltage levels applicable to metered sales data. Table 1 of the Executive Summary presents the results and appropriate loss factors to apply to metered load research or sales data for adjustment to system input.

On behalf of MAC, we appreciate the opportunity to assist you in performing the loss analysis contained herein. The level of detailed load research and sales data by voltage level, coupled with a summary of power flow data and power system model, forms the foundation for determining reasonable and representative power losses on the KPCO system. Our review of these data and calculated loss results support the proposed loss factors as presented herein for your use in various cost of service, rate studies, and demand analyses.

Should you require any additional information, please let us know at your earliest convenience.

Sincerely,

A handwritten signature in cursive script that reads "Paul M. Normand".

Paul M. Normand
Principal

Enclosure
PMN/tjp

Kentucky Power Company 2006 Analysis of System Losses

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Appendix A – Results of Kentucky Power Company Total Company 2006 Loss Analysis

Appendix B – Discussion of Hoebel Coefficient



Kentucky Power Company 2006 Analysis of System Losses

1.0 EXECUTIVE SUMMARY

This report presents Kentucky Power Company's (KPCO) 2006 Analysis of System Losses for the power systems as performed by Management Applications Consulting, Inc. (MAC). The study developed separate demand (kW) and energy (kWh) loss factors for each voltage level of service in the power system for KPCO. The cumulative loss factor results by voltage level, as presented herein, can be used to adjust metered kW and kWh sales data for losses in performing cost of service studies, determining voltage discounts, and other analyses which may require a loss adjustment.

The procedures used in the overall loss study were similar to prior studies and emphasized the use of "in house" resources where possible. To this end, extensive use was made of the Company's peak hour power flow data and transformer plant investments in the model. In addition, measured and estimated load data provided a means of calculating reasonable estimates of losses by using a "top-down" and "bottom-up" procedure. In the "top-down" approach, losses from the high voltage system, through and including distribution substations, were calculated along with power flow data, conductor and transformer loss estimates, and energy delivery.

With the recent emergence of transmission as a stand-alone function throughout various regions of the country, a modification to the historical calculation of the transmission loss factors was required. Previous loss studies recognized the multipath approach to losses from high voltage to low voltage delivery. The current definition of transmission losses recognized in the industry is simply to sum all losses at transmission as an integrated system. This approach will typically increase the resulting transmission loss factors.

The load research data provided the starting point for performing a "bottom-up" approach for estimating the remaining distribution losses. Basically, this "bottom-up" approach develops line loadings by first determining loads and losses at each level beginning at a customer's meter and service entrance and then going through secondary lines, line transformers, primary lines and finally distribution substation. These distribution system loads and associated losses are then compared to the initial calculated input into Distribution Substation loadings for reasonableness prior to finalizing the loss factors. An overview of the loss study is shown on Figure 1 on the next page.

Table 1, below, provides the final results from Appendix A for the 2006 calendar year. Exhibit 8 of Appendix A presents a more detailed analysis of the final calculated summary results of losses by segments of the power system. These Table 1 cumulative loss expansion factors are applicable only to metered sales at the point of receipt for adjustment to the power system's input level.



Kentucky Power Company 2006 Analysis of System Losses

TABLE 1
 Loss Factors at Sales Level, Calendar Year 2006

<u>Voltage Level of Service</u>	<u>Total KPCO</u>	<u>Distribution Only</u>
<u>Demand (kW)</u>		
Transmission ¹	1.03935	—
Subtransmission	1.05210	1.01227
Primary Lines	1.07402	1.03336
Secondary	1.10790	1.06595
<u>Energy (kWh)</u>		
Transmission ¹	1.02781	—
Subtransmission	1.03780	1.00972
Primary Lines	1.05205	1.02358
Secondary	1.08674	1.05734
Losses – Net System Input ²	5.91%	
Losses – Net System Output	6.29%	

The loss factors presented in the Distribution Only column of Table 1 are the Total KPCO loss factors divided by the transmission loss factor in order to remove these losses from each service level loss factor. For example, the secondary distribution demand loss factor of 1.06595 includes the recovery of all remaining non-transmission losses from the subtransmission, distribution substation, primary lines, line transformers, secondary conductors and services.

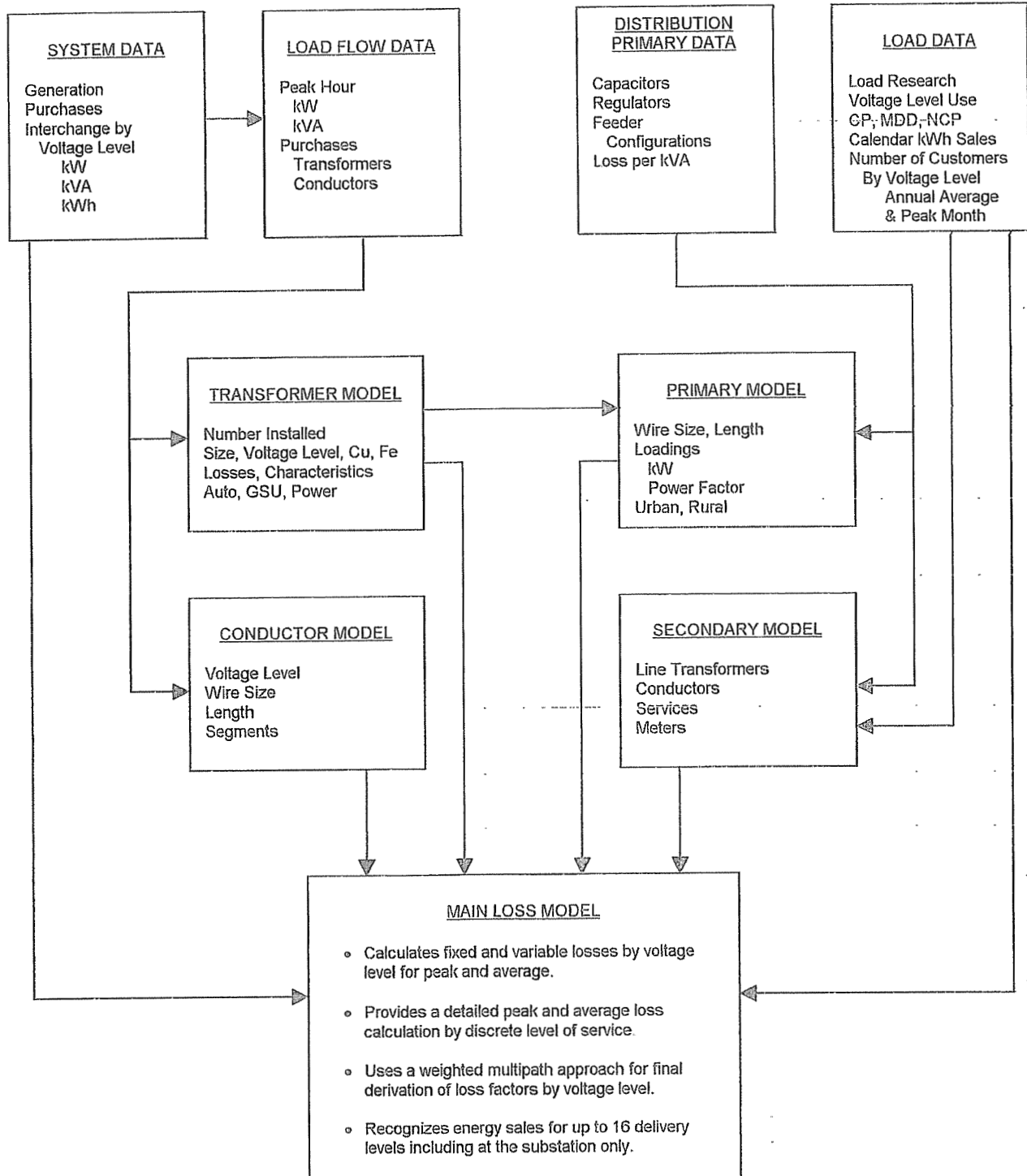
The net system input shown in Table 1 represents percent losses of 5.91% for the total KPCO load using calculated losses divided by the associated input energy to the system. The 6.29% represents the same losses using system output instead of input as a reference.

¹ Reflects results for 765 kV, 345 kV 161 kV, and 138 kV.

² Net system input equals firm sales plus losses, Company use less non-requirement sales and related losses. See Appendix A, Exhibit I, for their calculations.



MANAGEMENT APPLICATIONS CONSULTING, INC. ELECTRIC LOSS MODEL OVERVIEW



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Kentucky Power Company 2006 Analysis of System Losses

2.0 INTRODUCTION

This report of the 2006 Analysis of System Losses for the Kentucky Power Company provides a summary of results, conceptual background or methodology, description of the analyses, and input information related to the study.

2.1 Conduct of Study

Typically, between five to ten percent of the total kWh requirements of an electric utility is lost or unaccounted for in the delivery of power to customers. Investments must be made in facilities which support the total load which includes losses or unaccounted for load. Revenue requirements associated with load losses are an important concern to utilities and regulators in that customers must equitably share in all of these cost responsibilities. Loss expansion factors are the mechanism by which customers' metered demand and energy data are mathematically adjusted to the generation or input level (point of reference) when performing cost and revenue calculations.

An acceptable accounting of losses can be determined for any given time period using available engineering, system, and customer data along with empirical relationships. This loss analysis for the delivery of demand and energy utilizes such an approach. A microcomputer loss model³ is utilized as the vehicle to organize the available data, develop the relationships, calculate the losses, and provide an efficient and timely avenue for future updates and sensitivity analyses. Our procedures and calculations are similar with prior loss studies, and they rely on numerous databases that include customer statistics and power system investments.

Company personnel performed most of the data gathering and data processing efforts and checked for reasonableness. MAC provided assistance as necessary to construct databases, transfer files, perform calculations, and check the reasonableness of results. A review of the preliminary results provided for additions to the database and modifications to certain initial assumptions based on available data. Efforts in determining the data required to perform the loss analysis centered on information which was available from existing studies or reports within the Company. From an overall perspective, our efforts concentrated on five major areas:

1. System information concerning peak demand and annual energy requirements by voltage level of service using metered data and load research,
2. High voltage power system power flow data and associated loss calculations,
3. Distribution system primary and secondary loss calculations,
4. Derivation of fixed and variable losses by voltage level, and
5. Development of final cumulative expansion factors at each voltage for peak demand (kW) and annual energy (kWh) requirements at the point of delivery (meter).

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Kentucky Power Company 2006 Analysis of System Losses

2.2 Description of Model

The loss model is a customized applications model, constructed using the Excel software program. Documentation consists primarily of the model equations at each cell location. A significant advantage of such a model is that the actual formulas and their corresponding computed values at each cell of the model are immediately available to the analyst.

A brief description of the three (3) major categories of effort for the preparation of each loss model is as follows:

- Main sheet which contains calculations for all primary and secondary losses, summaries of all conductor and transformer calculations from other sheets discussed below, output reports and supporting results.
- Transformer sheet which contains data input and loss calculations for each distribution substation and high voltage transformer. Separate iron and copper losses are calculated for each transformer by identified type.
- Conductor sheet containing summary data by major voltage level as to circuit miles, loading assumptions, and kW and kWh loss calculations. Separate loss calculations for each line segment were made using the Company's power flow data by line segment and summarized by voltage level in this model.

Appendix A presents a detailed loss study result which derives the loss factors for the Company's system-wide power system. Appendix A, Exhibit 8, presents the final detailed summary results of the demand and energy losses for each major portion of the total KPCO power system.



Kentucky Power Company 2006 Analysis of System Losses

3.0 METHODOLOGY

3.1 Background

The objective of a Loss Study is to provide a reasonable set of energy (average) and demand (peak) loss expansion factors which account for system losses associated with the transmission and delivery of power to each voltage level over a designated period of time. The focus of this study is to identify the difference between total energy inputs and the associated sales with the difference being equitably allocated to all delivery levels. Several key elements are important in establishing the methodology for calculating and reporting the Company's losses. These elements are:

- Selection of voltage level of services,
- Recognition of losses associated with conductors, transformations, and other electrical equipment/components within voltage levels,
- Identification of customers and loads at various voltage levels of service,
- Review of generation or net power supply input at each level for the test period studied, and
- Analysis of kW and kWh sales by voltage levels within the test period.

The three major areas of data gathering and calculations in the loss analysis were as follows:

1. System Information (monthly and annual)
 - MWH generation and MWH sales.
 - Coincident peak estimates and net power supply input from all sources and voltage levels.
 - Customer load data estimates from available load research information, adjusted MWH sales, and number of customers in the customer groupings and voltage levels identified in the model.
 - System default values, such as power factor, loading factors, and load factors by voltage level.



Kentucky Power Company 2006 Analysis of System Losses

2. High Voltage System

- Conductor information was summarized from a database by the Company which reflects the transmission system by voltage level. Extensive use was made of the Company's power flow data with the losses calculated and incorporated into the final loss calculations.
- Transformer information was developed in a database to model transformation at each voltage level. Substation power, step-up, and auto transformers were individually identified along with any operating data related to loads and losses.
- Power flow data of peak condition was the primary source of equipment loadings and derivation of load losses in the high voltage loss calculations.

3. Distribution System

- Distribution Substations – Data was developed for modeling each substation as to its size and loading. Loss calculations were performed from this data to determine load and no load losses separately for each transformer.
- Primary lines – Line loading and loss characteristics for several representative primary circuits were obtained from the Company. These loss results developed kW loss per MW of load and a composite average was calculated to derive the primary loss estimate.
- Line transformers – Losses in line transformers were based on each customer service group's size, as well as the number of customers per transformer. Accounting and load data provided the foundation with which to model the transformer loadings and to calculate load and no load losses.
- Secondary network – Typical secondary networks were estimated for conductor sizes, lengths, loadings, and customer penetration for residential and small general service customers based on data provided by the Company.
- Services – Typical services were estimated for each secondary service class of customers identified in the study with respect to type, length, and loading.



Kentucky Power Company 2006 Analysis of System Losses

The loss analysis was thus performed by constructing the model in segments and subsequently calculating the composite until the constraints of peak demand and energy were met:

- Information as to the physical characteristics and loading of each transformer and conductor segment was modeled.
- Conductors, transformers, and distribution were grouped by voltage level, and unadjusted losses were calculated.
- The loss factors calculated at each voltage level were determined by "compounding" the per-unit losses. Equivalent sales at the supply point were obtained by dividing sales at a specific level by the compounded loss factor to determine losses by voltage level.
- The resulting demand and energy loss expansion factors were then used to adjust all sales to the generation or input level in order to estimate the difference.
- Reconciliation of kW and kWh sales by voltage level using the reported system kW and kWh was accomplished by adjusting the initial loss factor estimates until the mismatch or difference was eliminated.

3.2 Calculations and Analysis

This section provides a discussion of the input data, assumptions, and calculations performed in the loss analysis. Specific appendices have been included in order to provide documentation of the input data utilized in the model.

3.2.1 Bulk, Transmission and Subtransmission Lines

The transmission and subtransmission line losses were calculated based on a modeling of unique voltage levels identified by the Company's power flow data and configuration for the entire integrated KPCO Power System. Specific information as to length of line, type of conductor, voltage level, peak load, maximum load, etc., were provided based on Company records and utilized as data input in the loss model.

Actual MW and MVA line loadings were based on KPCO's peak loading conditions. Calculations of line losses were performed for each line segment separately and combined by voltage levels for reporting purposes as shown in the Discussion of Results (Section 4.0) of this report. The loss calculations consisted of determining a circuit current value based on MVA line loadings and evaluating the I^2R results for each line segment.



Kentucky Power Company 2006 Analysis of System Losses

After system coincident peak hour losses were identified for each voltage level, a separate calculation was then made to develop annual average energy losses based on a loss factor approach. Load factors were determined for each voltage level based on system and customer load information. An estimate of the Hoebel coefficient (see Appendix B) was then used to calculate energy losses for the entire period being analyzed. The results are presented in Section 4.0 of this report.

3.2.2 Transformers

The transformer loss analysis required several steps in order to properly consider the characteristics associated with various transformer types; such as, step-up, auto transformers, distribution substations, and line transformers. In addition, further efforts were required to identify both iron and copper losses within each of these transformer types in order to obtain reasonable peak (kW) and average energy (kWh) losses. While iron losses were considered essentially constant for each hour, recognition had to be made for the varying degree of copper losses due to hourly equipment loadings.

Standardized test data tables were used to represent no load (fixed) and full load losses for different types and sizes of transformers. This test data was incorporated into the loss model to develop relationships representing copper and iron losses for the transformer loss calculation. These results were then totaled by various groups, as identified and discussed in Section 4.0.

The remaining miscellaneous losses considered in the loss study consisted of several areas which do not lend themselves to any reasonable level of modeling for estimating their respective losses and were therefore lumped together into a single loss factor of 0.10%. The typical range of values for these losses is from 0.10% to 0.25%, and we have assumed the lower value to be conservative at this time. The losses associated with this loss factor include bus bars, unmetered station use, and grounding transformers.

Kentucky Power Company 2006 Analysis of System Losses

3.2.3 Distribution System

The load data at the substation and customer level, coupled with primary and secondary network information, was sufficient to model the distribution system in adequate detail to calculate losses.

Primary Lines

Primary line loadings take into consideration the available distribution load along with the actual customer loads including losses. Primary line loss estimates were prepared by the Company for use in this loss study. These estimates considered loads per substation, voltage levels, loadings, total circuit miles, wire size, and single- to three-phase investment estimates. All of these factors were considered in calculating the actual demand (kW) and energy (kWh) for the primary system.

Line Transformers

Losses in line transformers were determined based on typical transformer sizes for each secondary customer service group and an estimated or calculated number of customers per transformer. Accounting records and estimates of load data provided the necessary database with which to model the loadings. These calculations also made it possible to determine separate copper and iron losses for distribution line transformers, based on a table of representative losses for various transformer sizes.

Secondary Line Circuits

A calculation of secondary line circuit losses was performed for loads served through these secondary line investments. Estimates of typical conductor sizes, lengths, loadings and customer class penetrations were made to obtain total circuit miles and losses for the secondary network. Customer loads which do not have secondary line requirements were also identified so that a reasonable estimate of losses and circuit miles of these investments could be made.

Service Drops and Meters

Service drops were estimated for each secondary customer reflecting conductor size, length and loadings to obtain demand losses. A separate calculation was also performed using customer maximum demands to obtain kWh losses. Meter loss estimates were also made for each customer and incorporated into the calculations of kW and kWh losses included in the Summary Results.



Kentucky Power Company 2006 Analysis of System Losses

4.0 DISCUSSION OF RESULTS

A brief description of each Exhibit provided in Appendix A follows:

Exhibit 1 - Summary of Company Data

This exhibit reflects system information used to determine percent losses and a detailed summary of kW and kWh losses by voltage level. The loss factors developed in Exhibit 7 are also summarized by voltage level.

Exhibit 2 - Summary of Conductor Information

A summary of MW and MWH load and no load losses for conductors by voltage levels is presented. The sum of all calculated losses by voltage level is based on input data information provided in Appendix A. Percent losses are based on equipment loadings.

Exhibit 3 - Summary of Transformer Information

This exhibit summarizes transformer losses by various types and voltage levels throughout the system. Load losses reflect the copper portion of transformer losses while iron losses reflect the no load or constant losses. MWH losses are estimated using a calculated loss factor for copper and the test year hours times no load losses.

Exhibit 4 - Summary of Losses Diagram (2 Pages)

This loss diagram represents the inputs and output of power at system peak conditions. Page 1 details information from all points of the power system and what is provided to the distribution system for primary loads. This portion of the summary can be viewed as a "top down" summary into the distribution system.

Page 2 represents a summary of the development of primary line loads and distribution substations based on a "bottom up" approach. Basically, loadings are developed from the customer meter through the Company's physical investments based on load research and other metered information by voltage level to arrive at MW and MVA requirements during peak load conditions by voltage levels.

Exhibit 5 - Summary of Sales and Calculated Losses

Summary of Calculated Losses represents a tabular summary of MW and MWH load and no load losses by discrete areas of delivery within each voltage level. Losses have been identified and are derived based on summaries obtained from Exhibits 2 and 3 and losses associated with meters, capacitors and regulators.



Kentucky Power Company 2006 Analysis of System Losses

Exhibit 6 - Development of Loss Factors, Unadjusted

This exhibit calculates demand and energy losses and loss factors by specific voltage levels based on sales level requirements. The actual results reflect loads by level and summary totals of losses at that level, or up to that level, based on the results as shown in Exhibit 5. Finally, the estimated values at generation are developed and compared to actual generation to obtain any difference or mismatch.

Exhibit 7 - Development of Loss Factors, Adjusted

The adjusted loss factors are the results of adjusting Exhibit 6 for any difference. All differences between estimated and actual are prorated to each level based on the ratio of each level's total load plus losses to the system total. These new loss factors reflect an adjustment in losses due only to the kW and kWh mismatch.

Exhibit 8 - Adjusted Losses and Loss Factors by Facility

These calculations present an expanded summary detail of Exhibit 7 for each segment of the power system with respect to the flow of power and associated losses from the receipt of energy at the meter to the generation for the KPCO power system.

**Kentucky Power Company
2006 Analysis of System Losses**

Appendix A

**Results of 2006 KPCO Integrated
Power System Loss Analysis**



SUMMARY OF COMPANY DATA

ANNUAL PEAK	1,539 MW
ANNUAL SYSTEM INPUT	7,750,202 MWH
ANNUAL SALES OUTPUT	7,291,865 MWH
SYSTEM LOSSES @ INPUT	458,337 or 5.91%
SYSTEM LOSSES @ OUTPUT	458,337 or 6.29%
SYSTEM LOAD FACTOR	57.5%

SUMMARY OF LOSSES - OUTPUT RESULTS

SERVICE	KV	--- MW ---	% TOTAL	--- MWH ---	% TOTAL
		Input		Input	
TRANS	765,345 161,138	50.9	40.31%	181,171	39.53%
		3.31%		2.34%	
SUBTRANS	69,46,34	13.7	10.87%	58,146	12.69%
		0.89%		0.75%	
PRIMARY	34,12,1	30.0	23.73%	87,695	19.13%
		1.95%		1.13%	
SECONDARY	120/240, to, 477	31.7	25.09%	131,324	28.65%
		2.06%		1.69%	
TOTAL		126.3	100.00%	458,337	100.00%
		8.21%		5.91%	

SUMMARY OF LOSS FACTORS

SERVICE	KV	CUMMULATIVE SALES EXPANSION FACTORS			
		DEMAND (Peak)		ENERGY (Annual)	
		d	1/d	e	1/e
TOT TRANS	765,345 161,138	1.03935	0.96214	1.02781	0.97294
SUBTRAN	69,46,34	1.05210	0.95048	1.03780	0.96358
PRIMARY	34,12,1	1.07402	0.93108	1.05205	0.95053
SECONDARY	120/240, to, 477	1.10790	0.90261	1.08674	0.92018

SUMMARY OF CONDUCTOR INFORMATION

EXHIBIT 2

DESCRIPTION	CIRCUIT MILES	LOADING % RATING	MW LOSSES		TOTAL
			LOAD	NO LOAD	
765 KV OR GREATER					
--- BULK ---					
TIE LINES	0.0	0.00%	0.000	0.000	0.000
BULK TRANS	183.5	0.00%	0.566	0.014	0.580
SUBTOT	183.5		0.566	0.014	0.580
138 KV TO 765.00 KV					
--- TRANS ---					
TIE LINES	0	0.00%	0.000	0.000	0.000
TRANS1	56.5	0.00%	1.149	0.040	1.189
TRANS2	328.1	0.00%	41.861	0.135	41.996
SUBTOT	384.7		43.010	0.175	43.185
35 KV TO 138 KV					
--- SUBTRANS ---					
TIE LINES	0	0.00%	0.000	0.000	0.000
SUBTRANS1	997.5	0.00%	7.066	0.489	7.556
SUBTRANS2	169.2	0.00%	1.879	0.000	1.879
SUBTRANS3	3.2	0.00%	0.071	0.008	0.079
SUBTOT	1,169.8		9.017	0.497	9.514
PRIMARY LINES	8,089		15.358	1.287	16.645
SECONDARY LINES	2,632		6.249	0.000	6.249
SERVICES	3,175		5.420	0.366	5.786
TOTAL	15,634		79.619	2.339	81,959

DESCRIPTION	LOAD	MWH LOSSES		TOTAL
		NO LOAD	---	
---	0	0	0	0
	1,568	12,700	14,268	14,268
	1,568	12,700	14,268	14,268
	0	0	0	0
	2,973	352	3,325	3,325
	124,032	1,182	125,214	125,214
	127,006	1,533	128,539	128,539
	0	0	0	0
	21,629	2,431	24,060	24,060
	5,753	0	5,753	5,753
	210	73	283	283
	27,592	2,504	30,097	30,097
	30,565	11,273	41,838	41,838
	13,182	0	13,182	13,182
	12,575	3,207	15,781	15,781
TOTAL	212,488	31,217	243,705	243,705

KENTUCKY POWER 2006 LOSS ANALYSIS
SUMMARY OF TRANSFORMER INFORMATION

EXHIBIT 3

DESCRIPTION	KV CAPACITY VOLTAGE	MVA	NUMBER TRANSFMR	AVERAGE SIZE	LOADING %	MVA LOAD	MW LOSSES		MWH LOSSES	
							LOAD	NO LOAD	LOAD	NO LOAD
							TOTAL		TOTAL	
BULK STEP-UP	765	0.0	0	0.0	0.00%	0	0.000	0	0	0
BULK - BULK		0.0	0	0.0	0.00%	0	0.000	0	0	0
BULK - TRANS1	161	1,500.0	3	500.0	22.56%	338	0.418	1,082	11,941	13,022
BULK - TRANS2	138	0.0	0	0.0	0.00%	0	0.000	0	0	0
TRANS1 STEP-UP	161	950.0	1	950.0	61.01%	580	0.970	2,257	6,448	8,705
TRANS1 - TRANS2	138	735.0	4	183.8	86.06%	633	0.785	2,326	8,498	10,824
TRANS1-SUBTRANS1	69	54.0	1	54.0	104.12%	56	0.098	596	770	1,366
TRANS1-SUBTRANS2	46	0.0	0	0.0	0.00%	0	0.000	0	0	0
TRANS1-SUBTRANS3	35	0.0	0	0.0	0.00%	0	0.000	0	0	0
TRANS2 STEP-UP	138	354.0	3	118.0	62.61%	222	0.656	1,906	3,907	5,813
TRANS2-SUBTRANS1	69	826.5	15	55.1	109.65%	906	1.555	11,277	12,181	23,459
TRANS2-SUBTRANS2	46	75.0	2	37.5	92.79%	70	0.269	785	1,059	1,843
TRANS2-SUBTRANS3	35	57.0	2	28.5	32.40%	18	0.036	75	637	711
SUBTRAN1 STEP-UP	69	0.0	0	0.0	0.00%	0	0.000	0	0	0
SUBTRAN2 STEP-UP	46	0.0	0	0.0	0.00%	0	0.000	0	0	0
SUBTRAN3 STEP-UP	35	0.0	0	0.0	0.00%	0	0.000	0	0	0
SUBTRAN1-SUBTRANS	46	24.0	2	12.0	91.84%	22	0.082	283	386	670
SUBTRAN1-SUBTRANS3	35	0.0	0	0.0	0.00%	0	0.000	0	0	0
SUBTRAN2-SUBTRANS	35	0.0	0	0.0	0.00%	0	0.000	0	0	0
DISTRIBUTION SUBSTATIONS										
TRANS1 -	161	22.0	2	11.0	86.73%	19	0.080	173	356	529
TRANS1 -	161	0.0	0	0.0	0.00%	0	0.000	0	0	0
TRANS1 -	161	0.0	0	0.0	0.00%	0	0.000	0	0	0
TRANS2 -	138	183.0	9	20.3	96.56%	177	0.850	1,837	2,806	4,643
TRANS2 -	138	43.5	4	10.9	103.30%	45	0.247	533	744	1,277
TRANS2 -	138	0.0	0	0.0	0.00%	0	0.000	0	0	0
SUBTRAN1-	69	147.5	12	12.3	120.83%	178	1.143	2,471	2,595	5,067
SUBTRAN1-	69	448.5	54	8.3	107.07%	480	2.861	6,184	8,164	14,348
SUBTRAN1-	69	25.0	4	6.3	44.27%	11	0.035	77	419	495
SUBTRAN2-	46	63.0	4	15.8	104.95%	66	0.378	817	1,034	1,851
SUBTRAN2-	46	121.3	15	8.1	75.22%	91	0.680	1,469	1,995	3,464
SUBTRAN2-	46	0.7	1	0.7	28.61%	0	0.000	0	13	14
SUBTRAN3-	35	0.0	0	0.0	0.00%	0	0.000	0	0	0
SUBTRAN3-	35	5.0	1	5.0	135.48%	7	0.057	123	111	235
SUBTRAN3-	35	0.0	0	0.0	0.00%	0	0.000	0	0	0
PRIMARY - PRIMARY		21.3	4	5.3	63.76%	14	0.055	119	321	440
LINE TRANSFMR		2,982.7	95,534	31.2	34.92%	1,041	5.012	11,054	87,498	98,553
TOTAL		8,639	95,677			16,267	19,059	45,446	151,883	197,329

SUMMARY OF LOSSES DIAGRAM - DEMAND MODEL - SYSTEM PEAK

1539 MW

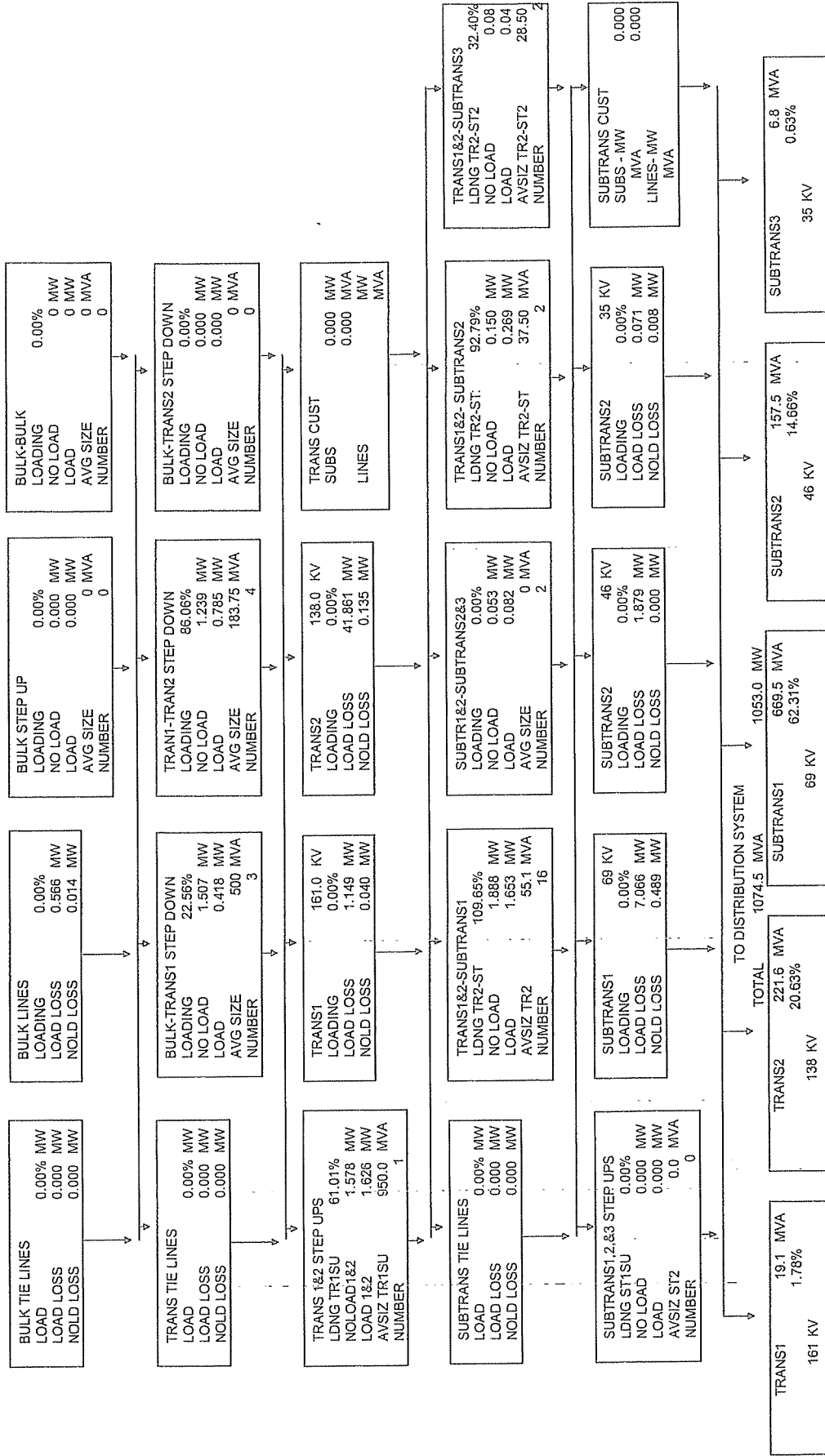


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KENTUCKY POWER 2006 LOSS ANALYSIS

FROM HIGH VOLTAGE SYSTEM

VOLTAGE LOAD MVA % SYS TOT NOLD LOSS LOAD LOSS AVG SIZE NUMBER DIVERSITY RATIO	TRANS1			TRANS2			SUBTRANS1			SUBTRANS2			SUBTRANS3			TOTAL		
	PRIM1	PRIM2	PRIM3	PRIM1	PRIM2	PRIM3	PRIM1	PRIM2	PRIM3	PRIM1	PRIM2	PRIM3	PRIM1	PRIM2	PRIM3	PRIM1	PRIM2	PRIM3
	33	12	0	33	12	0	1	12	0	33	12	1	33	12	1	33	12	1
	19	0	0	177	45	0	178	480	11	66	91	66	66	91	66	66	91	66
	1.78%	0.00%	0.00%	16.44%	4.18%	0.00%	16.59%	44.69%	1.03%	6.15%	8.49%	6.15%	6.15%	8.49%	6.15%	6.15%	8.49%	6.15%
	0.049	0.000	0.000	0.395	0.104	0.000	0.372	1.136	0.053	0.146	0.267	0.146	0.146	0.267	0.146	0.146	0.267	0.146
	0.080	0.000	0.000	0.850	0.247	0.000	1.143	2.861	0.035	0.378	0.680	0.378	0.378	0.680	0.378	0.378	0.680	0.378
	11.0	0.0	0.0	20.3	10.9	0.0	12.3	8.3	6.3	15.8	8.1	15.8	15.8	8.1	15.8	15.8	8.1	15.8
	2	0	0	9	4	0	12	54	4	4	15	4	4	15	4	4	15	4
	1.000	0.000	0.000	1.000	1.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

PRIMARY LINES

LOADING	1042.772 MW
@ SYS PF	1064.053 MVA
LOAD LOSS	15.358 MW
NOLD LOSS	1.287 MW
TOT LOSS	16.645 MW

PRIM/PRIM TRANSF

LOADING	13.548 MW
NOLD LOSS	0.037 MW
LOAD LOSS	0.055 MW
AVG SIZE	5.31
NUMBER	4

PRIM CUST LOADS

NO LINES	0.000 MVA
CUST SUB	0.000 MVA
NO LINES	0.000 MVA
CO. SUB	0.000 MVA
PRIM WITH	72.200 MVA
LINES	78.478 MVA

LINE TRANSFORMERS

LOADING	953.835 MW	MVA	1056.447
NOLD LOSS	9.988 MW	MW	
LOAD LOSS	5.012 MW	MW	
AVG SIZE	31.2	KVA	
NUMBER	95534		

SECONDARY LINES

LOAD	412.036 MW
LOAD LOSS	6.249 MW
NOLD LOSS	0.000 MW
TOT LOSS	6.249 MW

NO SECONDARY LINES

LOAD	526.798 MW
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SERVICES

LOAD	932.586 MW
LOAD LOSS	5.420 MW
NOLD LOSS	0.366 MW
TOT LOSS	5.786 MW

CUSTOMER SECONDARY LOAD

LOAD	926.800 MW
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SUMMARY of SALES and CALCULATED LOSSES

LOSS # AND LEVEL	MW LOAD	NO LOAD +	LOAD =	TOT LOSS	EXP FACTOR	CUM EXP FAC	MWH LOAD	NO LOAD +	LOAD =	TOT LOSS	EXP FACTOR	CUM EXP FAC
1 BULK XFMR	0.0	0.00	0.00	0.00	0.000000	0.000000	0	0	0	0	0	0
2 BULK LINES	350.0	0.01	0.57	0.58	1.001659	1.001659	1,600,000	12,700	1,568	14,268	1.008978	1.008978
3 TRANS1 XFMR	331.7	1.51	0.42	1.92	1.005837	1.007506	1,510,960	11,941	1,082	13,022	1.008693	1.0177694
4 TRANS1 LINES	899.7	1.07	2.12	3.19	1.003555	1.006332	6,943,169	6,800	5,230	12,030	1.0017357	1.0056093
5 TRANS2TR1 SD	619.9	1.24	0.79	2.02	1.003276	1.009628	3,040,981	8,498	2,326	10,824	1.0035721	1.0092014
6 TRANS2BLK SD	0.0	0.00	0.00	0.00	0.000000	0.000000	0	0	0	0	0.0000000	0.0000000
7 TRANS2 LINES	1,257.1	0.68	42.52	43.20	1.035589	1.040506	6,174,465	5,089	125,938	131,027	1.0216809	1.0263109
TOTAL TRAN	1,345.0	4.51	46.40	50.92	1.039346	1.039346	6,696,350	45,027	136,145	181,171	1.0278076	1.0278076
8 STR1BLK SD	55.1	0.11	0.10	0.21	1.003823	1.043319	275,125	770	596	1,366	1.0049913	1.0329377
9 STR1T1 SD	888.1	1.78	1.55	3.33	1.003765	1.043259	4,434,461	12,181	11,277	23,459	1.0053182	1.0332737
10 SRT1T2 SD	1,108.2	0.49	7.07	7.56	1.006865	1.046481	5,559,224	2,431	21,629	24,060	1.0043468	1.0322753
11 SUBTRANS1 LINES	0.0	0.00	0.00	0.00	0.000000	0.000000	0	0	0	0	0.0000000	0.0000000
12 STR2T1 SD	68.2	0.15	0.27	0.42	1.006188	1.045778	340,536	1,059	785	1,843	1.0054429	1.0334018
13 STR2T2 SD	21.6	0.05	0.08	0.14	1.006312	1.053086	107,853	386	283	670	1.0062500	1.0387270
14 STR2S1 SD	118.8	0.00	1.88	1.88	1.016075	1.056053	569,792	0	5,753	5,753	1.0101992	1.038290
15 SUBTRANS2 LINES	0.0	0.00	0.00	0.00	0.000000	0.000000	0	0	0	0	0.0000000	0.0000000
16 STR3T1 SD	18.1	0.08	0.04	0.12	1.006480	1.046081	88,791	637	75	711	1.0060774	1.0361086
17 STR3T2 SD	0.0	0.00	0.00	0.00	0.000000	0.000000	0	0	0	0	0.0000000	0.0000000
18 STR3S1 SD	0.0	0.00	0.00	0.00	0.000000	0.000000	0	0	0	0	0.0000000	0.0000000
19 STR3S2 SD	18.1	0.01	0.07	0.08	1.004403	1.043922	88,791	73	210	283	1.0032023	1.0310990
20 SUBTRANS3 LINES	1,132.0	2.67	11.06	13.73	1.012275	1.052104	6,041,339	17,538	40,609	58,146	1.0097183	1.037796
DISTRIBUTION SUBST												
TRANS1	18.7	0.05	0.08	0.13	1.006936	1.046555	77,155	356	173	529	1.0068999	1.0348993
TRANS2	217.2	0.50	1.10	1.60	1.007402	1.047039	896,161	3,550	2,370	5,920	1.0066500	1.0346425
SUBTR1	656.1	1.56	4.04	5.60	1.008609	1.055490	2,706,999	11,178	8,732	19,910	1.0074094	1.0399238
SUBTR2	154.4	0.41	1.06	1.47	1.009630	1.066223	636,918	3,042	2,287	5,329	1.0084378	1.0470513
SUBTR3	6.6	0.02	0.06	0.07	1.011066	1.055474	27,390	111	123	235	1.0086388	1.0400064
WEIGHTED AVERAGE	1,053.0	2.54	6.33	8.87	1.008495	1.055162	4,344,624	18,236	13,686	31,922	1.0074019	1.0397906
PRIMARY INTRCHGE	0.0	0.00	0.00	0.00	0.000000	0.000000	0	0	0	0	0.0000000	0.0000000
PRIMARY LINES	1,042.7	1.29	15.41	16.70	1.016277	1.072336	4,315,778	22,547	30,684	53,230	1.0124879	1.0527754
LINE TRANSF	953.8	9.99	5.01	15.00	1.015978	1.089469	3,808,609	87,498	11,054	98,553	1.0265636	1.0807410
SECONDARY	938.8	0.00	6.25	6.25	1.006700	1.096769	3,710,057	0	13,182	13,182	1.0035658	1.0845946
SERVICES	932.6	0.37	5.42	5.79	1.006243	1.103616	3,696,874	3,207	12,575	15,781	1.0042872	1.0892445
TOTAL SYSTEM		21.36	95.89	117.25				194,053	257,934	451,987		

KENTUCKY POWER 2006 LOSS ANALYSIS
DEVELOPMENT of LOSS FACTORS
 UNADJUSTED
 DEMAND

EXHIBIT 6

LOSS FACTOR LEVEL	CUSTOMER SALES MW	CALC LOSS TO LEVEL	SALES MW @ GEN	CUM PEAK EXPANSION FACTORS	
	a	b	c	d	1/d
BULK LINES	0.0	0.0	0.0	0.00000	0.00000
TRANS SUBS	0.0	0.0	0.0	0.00000	0.00000
TRANS LINES	46.8	1.8	48.6	1.03935	0.96214
TOTAL TRANS	0.0	0.0	0.0	0.00000	0.00000
SUBTRANS	366.9	19.1	386.0	1.05210	0.95048
PRIM SUBS	0.0	0.0	0.0	0.00000	0.00000
PRIM LINES	72.2	5.2	77.4	1.07234	0.93254
SECONDARY	<u>926.8</u>	<u>96.0</u>	<u>1,022.8</u>	1.10362	0.90611
TOTALS	1,412.7	122.2	1,534.9		

DEVELOPMENT of LOSS FACTORS
 UNADJUSTED
 ENERGY

LOSS FACTOR LEVEL	CUSTOMER SALES MWH	CALC LOSS TO LEVEL	SALES MWH @ GEN	CUM ANNUAL EXPANSION FACTORS	
	a	b	c	d	1/d
BULK LINES	0	0	0	0.00000	0.00000
TRANS SUBS	0	0	0	0.00000	0.00000
TRANS LINES	390,468	10,858	401,326	1.02781	0.97294
TOTAL TRANS	0	0	0	0.00000	0.00000
SUBTRANS	2,766,366	104,558	2,870,924	1.03780	0.96358
PRIM SUBS	0	0	0	0.00000	0.00000
PRIM LINES	453,938	23,957	477,895	1.05278	0.94987
SECONDARY	<u>3,681,093</u>	<u>328,517</u>	<u>4,009,610</u>	1.08924	0.91807
TOTALS	7,291,865	467,890	7,759,755		

ESTIMATED VALUES AT GENERATION

LOSS FACTOR AT VOLTAGE LEVEL	MW	MWH
BULK LINES	0.00	0
TRANS SUBS	0.00	0
TRANS LINES	48.64	401,326
SUBTRANS SUBS	0.00	0
SUBTRANS LINES	386.02	2,870,924
PRIM SUBS	0.00	0
PRIM LINES	77.42	477,895
SECONDARY	1,022.83	4,009,610
SUBTOTAL	1,534.91	7,759,755
ACTUAL ENERGY	1,539.00	7,750,202
MISSMATCH	(4.09)	9,553
% MISSMATCH	-0.27%	0.12%

KENTUCKY POWER 2006 LOSS ANALYSIS

DEVELOPMENT of LOSS FACTORS
 ADJUSTED
 DEMAND

EXHIBIT 7

LOSS FACTOR LEVEL	CUSTOMER SALES MW a	SALES ADJUST b	CALC LOSS TO LEVEL c	SALES MW @ GEN d	CUM PEAK EXPANSION FACTORS e	f=1/e
BULK LINES	0.0	0.0	0.0	0.0	0.00000	0.00000
TRANS SUBS	0.0	0.0	0.0	0.0	0.00000	0.00000
TRANS LINES	46.8	0.0	1.8	48.6	1.03935	0.96214
TOTAL TRANS	0.0	0.0	0.0	0.0	0.00000	0.00000
SUBTRANS	366.9	0.0	19.1	386.0	1.05210	0.95048
PRIM SUBS	0.0	0.0	0.0	0.0	0.00000	0.00000
PRIM LINES	72.2	0.0	5.3	77.5	1.07402	0.93108
SECONDARY	<u>926.8</u>	<u>0.0</u>	100.0	<u>1,026.8</u>	1.10790	0.90261
TOTALS	1,412.7	0.0	126.3	1,539.0		

DEVELOPMENT of LOSS FACTORS
 ADJUSTED
 ENERGY

LOSS FACTOR LEVEL	CUSTOMER SALES MWH a	SALES ADJUST b	CALC LOSS TO LEVEL c	SALES MWH @ GEN d	CUM ANNUAL EXPANSION FACTORS e	f=1/e
BULK LINES	0	0	0	0	0.00000	0.00000
TRANS SUBS	0	0	0	0	0.00000	0.00000
TRANS LINES	390,468	0	10,858	401,326	1.02781	0.97294
TOTAL TRANS	0	0	0	0	0.00000	0.00000
SUBTRANS	2,766,366	0	104,558	2,870,924	1.03780	0.96358
PRIM SUBS	0	0	0	0	0.00000	0.00000
PRIM LINES	453,938	0	23,626	477,564	1.05205	0.95053
SECONDARY	<u>3,681,093</u>	<u>0</u>	319,295	<u>4,000,388</u>	1.08674	0.92018
TOTALS	7,291,865	0	458,337	7,750,202		

ESTIMATED VALUES AT GENERATION

LOSS FACTOR AT VOLTAGE LEVEL

	MW	MWH
BULK LINES	0.00	0
TRANS SUBS	0.00	0
TRANS LINES	48.64	401,326
SUBTRANS SUBS	0.00	0
SUBTRANS LINES	386.02	2,870,924
PRIM SUBS	0.00	0
PRIM LINES	77.54	477,564
SECONDARY	1,026.80	4,000,388
	1,539.00	7,750,202
ACTUAL ENERGY	1,539.00	7,750,202
MISSMATCH	0.00	0
% MISSMATCH	0.00%	0.00%

Adjusted Losses and Loss Factors by Facility

EXHIBIT 8 Page 26 of 29

Unadjusted Losses by Segment				
	MW	Unadjusted	MWH	Unadjusted
Service Drop Losses	5.79	6.33	15,781	16,962
Secondary Losses	6.25	6.84	13,182	14,168
Line Transformer Losses	15.00	16.42	98,553	105,922
Primary Line Losses	16.70	18.28	53,230	57,211
Distribution Substation Losses	8.87	9.71	31,922	34,309
Subtransmission Losses	13.73	13.73	58,146	58,146
Transmission System Losses	50.92	50.92	181,171	181,171
Total	117.25	122.21	451,987	467,890

Mismatch Allocation by Segment		
	MW	MWH
Service Drop Losses	-0.45	709
Secondary Losses	-0.49	592
Line Transformer Losses	-1.17	4,427
Primary Line Losses	-1.30	2,391
Distribution Substation Losses	-0.69	1,434
Subtransmission Losses	0.00	0
Transmission System Losses	0.00	0
Total	-4.09	9,553

Adjusted Losses by Segment				
	MW	% of Total	MWH	% of Total
Service Drop Losses	6.78	5.4%	16,253	3.5%
Secondary Losses	7.32	5.8%	13,576	3.0%
Line Transformer Losses	17.58	13.9%	101,495	22.1%
Primary Line Losses	19.57	15.5%	54,820	12.0%
Distribution Substation Losses	10.40	8.2%	32,875	7.2%
Subtransmission Losses	13.73	10.9%	58,146	12.7%
Transmission System Losses	50.92	40.3%	181,171	39.5%
Total	126.30	100.0%	458,337	100.0%

Loss Factors by Segment		
	MW	MWH
Retail Sales from Service Drops	926.80	3,681,093
<u>Adjusted Service Drop Losses</u>	<u>6.78</u>	<u>16,253</u>
Input to Service Drops	933.58	3,697,346
Service Drop Loss Factor	1.00732	1.00442
Output from Secondary	933.58	3,697,346
<u>Adjusted Secondary Losses</u>	<u>7.32</u>	<u>13,576</u>
Input to Secondary	940.91	3,710,922
Secondary Conductor Loss Factor	1.00784	1.00367
Output from Line Transformers	940.91	3,710,922
<u>Adjusted Line Transformer Losses</u>	<u>17.58</u>	<u>101,495</u>
Input to Line Transformers	958.49	3,812,417
Line Transformer Loss Factor	1.01069	1.02735
Secondary Composite	1.03419	1.03568
Retail Sales from Primary	69.20	432,151
Req. Whls Sales from Primary	3.00	21,787
<u>Input to Line Transformers</u>	<u>958.49</u>	<u>3,812,417</u>
Output from Primary Lines	1030.69	4,266,355
<u>Adjusted Primary Line Losses</u>	<u>19.57</u>	<u>54,820</u>
Input to Primary Lines	1050.26	4,321,175
Primary Line Loss Factor	1.01899	1.01285
Output PI from Distribution Substations	1050.26	4,321,175
Req. Whls Sales from Substations	0.00	0
Retail Sales from Substations	0.00	0
Total Output from Distribution Substations	1050.26	4,321,175
<u>Adjusted Distribution Substation Losses</u>	<u>10.40</u>	<u>32,875</u>
Input to Distribution Substations	1060.66	4,354,050
Distribution Substation Loss Factor	1.00990	1.00761
Retail Sales at from SubTransmission	351.90	2,695,544
Req. Whls Sales from SubTransmission	15.00	70,822
<u>Input to Distribution Substations</u>	<u>751.37</u>	<u>3,216,827</u>
Output from SubTransmission	1118.27	5,983,193
<u>Adjusted SubTransmission System Losses</u>	<u>13.73</u>	<u>58,146</u>
Input to SubTransmission	1132.00	6,041,339
SubTransmission Loss Factor	1.01227	1.00972
Retail Sales at from Transmission	32.80	320,160
Req. Whls Sales from Transmission	14.00	70,308
<u>Input Subtransmission</u>	<u>1247.28</u>	<u>6,041,339</u>
Output from Transmission	1294.08	6,515,179
<u>Adjusted Transmission System Losses</u>	<u>50.92</u>	<u>181,171</u>
Input to Transmission	1345.00	6,696,350
Transmission Loss Factor	1.03935	1.02781

**Kentucky Power Company
2006 Analysis of System Losses**

Appendix B

Discussion of Hoebel Coefficient



COMMENTS ON THE HOEBEL COEFFICIENT

The Hoebel coefficient represents an established industry standard relationship between peak losses and average losses and is used in a loss study to estimate energy losses from peak demand losses. H. F. Hoebel described this relationship in his article, "Cost of Electric Distribution Losses," Electric Light and Power, March 15, 1959. A copy of this article is attached.

Within any loss evaluation study, peak demand losses can readily be calculated given equipment resistance and approximate loading. Energy losses, however, are much more difficult to determine given their time-varying nature. This difficulty can be reduced by the use of an equation which relates peak load losses (demand) to average losses (energy). Once the relationship between peak and average losses is known, average losses can be estimated from the known peak load losses.

Within the electric utility industry, the relationship between peak and average losses is known as the loss factor. For definitional purposes, loss factor is the ratio of the average power loss to the peak load power loss, during a specified period of time. This relationship is expressed mathematically as follows:

$$\underline{\underline{(1) F_{LS} \approx A_{LS} \div P_{LS}}}$$

where: F_{LS} = Loss Factor
 A_{LS} = Average Losses
 P_{LS} = Peak Losses

The loss factor provides an estimate of the degree to which the load loss is maintained throughout the period in which the loss is being considered. In other words, loss factor is the ratio of the actual kWh losses incurred to the kWh losses which would have occurred if full load had continued throughout the period under study.

Examining the loss factor expression in light of a similar expression for load factor indicates a high degree of similarity. The mathematical expression for load factor is as follows:

$$\underline{\underline{(2) F_{LD} \approx A_{LD} \div P_{LD}}}$$

where: F_{LD} = Load Factor
 A_{LD} = Average Load
 P_{LD} = Peak Load

This load factor result provides an estimate of the degree to which the load loss is maintained throughout the period in which the load is being considered. Because of the similarities in definition, the loss factor is sometimes called the "load factor of losses." While the definitions are similar, a strict equating of the two factors cannot be made. There does exist, however, a relationship between these two factors which is dependent upon the shape of the load duration curve. Since resistive losses vary as the square of the load, it can be shown mathematically that the loss factor can vary between the extreme limits of load factor and load factor squared. The relationship between load factor and loss factor has become an industry standard and is as follows:



$$(3) F_{LS} \approx H * F_{LD}^2 + (1-H) * F_{LD}$$

where: F_{LS} = Loss Factor
 F_{LD} = Load Factor
H = Hoebel Coeff

As noted in the attached article, the suggested value for H (the Hoebel coefficient) is 0.7. The exact value of H will vary as a function of the shape of the utility's load duration curve. In recent years, values of H have been computed directly for a number of utilities based on EEI load data. It appears on this basis, the suggested value of 0.7 should be considered a lower bound and that values approaching unity may be considered a reasonable upper bound. Based on experience, values of H have ranged from approximately 0.85 to 0.95. The standard default value of 0.9 is generally used.

Inserting the Hoebel coefficient estimate gives the following loss factor relationship using Equation (3):

$$(4) F_{LS} \approx 0.90 * F_{LD}^2 + 0.10 * F_{LD}$$

Once the Hoebel constant has been estimated and the load factor and peak losses associated with a piece of equipment have been estimated, one can calculate the average, or energy losses as follows:

$$(5) A_{LS} \approx P_{LS} * [H * F_{LD}^2 + (1-H) * F_{LD}]$$

where: A_{LS} = Average Losses
 P_{LS} = Peak Losses
H = Hoebel Coefficient
 F_{LD} = Load Factor

Loss studies use this equation to calculate energy losses at each major voltage level in the analysis.



Kentucky Power Company

REQUEST

Refer to page 1 of the DSM Report regarding the estimated anticipated peak demand reduction, which includes an 11 percent T&D loss savings. Provide the basis for the 11 percent T&D loss savings.

RESPONSE

Please see Item No. 1 response and attachment.

WITNESS: Lila P Munsey

Kentucky Power Company

REQUEST

Refer to pages 8-11 of the DSM Report, which provide information concerning the Targeted Energy Fitness program. For the reporting period January 2010 through December 2010, the Targeted Energy Fitness program had 346 all-electric home participants and 54 non all-electric home participants. For 2010, the total costs for the program were \$347,248. The projected participants for this program for 2011 are 350 all-electric homes and 55 non all-electric homes, with a budgetary level of \$400,000.

- a. Explain why the program cost is projected to increase by over 15 percent when the participation level is expected to remain nearly the same.
- b. Explain the statement on page 2 of the cover letter regarding the change in balance between Kentucky Power DSM funding versus Federal Stimulus Funding related to the Targeted Energy Efficiency Program. Additionally, provide the changes in the amount of Federal Stimulus Funding.

RESPONSE

- a. The 2011 budget estimate includes a \$16,320.51 invoice received in 2011 from one Community Action Agency representing work performed in 2010 (expense was not booked in 2010). The budget estimate also includes \$30,000 for a program evaluation report scheduled to be filed on or before August 15, 2011. The 2011 budget funding for the Community Action Agencies is \$370,000 and the total 2011 budget of \$400,000 includes the \$30,000 for the evaluation report cost.
- b. The Kentucky Power DSM TEE program provides supplemental funding to the Community Action Agencies operating in the utility service area, for weatherization and auditing energy efficiency measures. This DSM funding is supplemental to the funding used by the agencies for their weatherization programs. The ARRA (American Recovery and Reinvestment Act) Federal Stimulus funding provided additional resources for 2010 not previously available to the Community Action Agencies energy efficiency and weatherization programs.

A statement from Community Action Kentucky addressing changes in stimulus funding is as follows:

The Weatherization Program in Kentucky changed dramatically from the 2008-09 year to the 2009-2010 when states were provided with American Reinvestment and Recovery Act (ARRA) funding. This funding is slated to expire March of 2012 and the state will likely return to a much lower funding level from the U.S. Department of Energy.

In the 2008-09 year, the five agencies within the AEP service area received total funding in the amount of \$3,187,743.

In the 2009-10 year, those five agencies received funding in the amount of \$6,389,279.

In 2010-2011, the agencies have been funded with \$5,023,941 to date.

The significant increase from 08-09 to 09-10 required a substantial "ramp-up" on the part of agencies. With prior years funding, they were operating with modest crew, equipment and resources. With the ARRA funding, agencies were required to add staff, equipment for crews and major training to meet the production expectations for the new funds. Consequently, agencies were limited in how much they could partner with the AEP DSM program as the new demands required their focus.

With the end of ARRA funding coming in March 2012, agencies will once again look to our DSM partnership with AEP to assist the Weatherization program with helping the people. An advantage for the post ARRA period will be a better trained, better equipped crew to serve the disadvantaged with weatherization services.

WITNESS: E J Clayton

Kentucky Power Company

REQUEST

Refer to pages 23-25 of the DSM Report, which provide information concerning the Modified Energy Fitness program. For the reporting period January 2010 through December 2010, the Modified Energy Fitness program had 1,200 new participants. For 2010, the total costs for the program were \$418,693. The projected participants for this program for 2011 are 1,200, with a budgetary level of \$455,000. Explain why the program cost is projected to increase by almost 9 percent when the participation level is expected to remain the same.

RESPONSE

The estimated 2011 program budget includes a 3.5% (\$15,225) increase for vendor contract pricing and a \$20,000 estimated cost for a planned program evaluation report to be filed on or before August 15, 2011.

WITNESS: E J Clayton



Kentucky Power Company

REQUEST

In Kentucky Power's most recent DSM filing, Case No 2010-00333, Tab No. 2, Exhibit C, page 16C-1 of 18, under Residential Efficient Products - Ceiling Fan w/Energy Star Light Fixture, there were 50 projected new participants for this particular program with an estimated total cost of \$326 for the fourth quarter of 2010. Explain why the Ceiling Fan w/Energy Star Light Fixture program is not listed on Schedule C, pages 16B-1, 17A-1 and 17B-1 of 19, of the current application under the Residential Efficient Products heading.

RESPONSE

As conceived at the time of the program filing, KPCo separated energy efficiency lighting measures into four categories within the Residential Efficient Products program; CFLs, Ceiling Fan w/Energy Star® Light Fixture, LED Holiday Lights and LED Night Lights. The selected program implementation contractor grouped the individual energy efficiency measures into three primary categories; CFLs, Specialty, and LED lighting. The Specialty Bulbs category can include Ceiling Fan w/Energy Star® Light fixtures as well as any other products not referenced in the CFL or LED category. The LED Lights category will include measures such as LED Holiday Lights and can also include LED Night Lights.

WITNESS: E J Clayton



Kentucky Power Company

REQUEST

In Case No. 2010-00333, Exhibit C, page 16C-1 of 18, under the heading "Program Descriptions," estimates were listed under Residential Efficient Products-LED Holiday Lights. In the current application, on Schedule C, pages 16B-I, 17A-1, and 17B-1 of 19, estimates were listed under Residential Efficient Products-Specialty Bulbs.

- a. Is Residential Efficient Products-LED Holiday Lights and Residential Efficient Products-Specialty Products the same program? Explain.
- b. If the answer to 6.a. is yes, why was there a change in the name of the program? Explain.

RESPONSE

- a. Yes, please refer to the Company's response to item no. 5.
- b. Please refer to the Company's response to item no. 5.

WITNESS: E J Clayton



Kentucky Power Company

REQUEST

Provide in an electronic format with formulas intact, the calculations to determine the Lost Revenue Factors for the following programs:

Residential Efficient Products

- Compact Fluorescent Lamp
- Specialty Bulbs
- LED Night Light

Residential HVAC Diagnostic & Tune Up

- Air Conditioner
- Heat Pump

Residential Load Management

- Air Conditioner
- Water Heating

Commercial A/C & Heat Pump Program

- Air Conditioner Replacement
- Heat Pump Replacement

Commercial HVAC Diagnostic & Tune-up

- Air Conditioner
- Heat Pump

Commercial Load Management

- Air Conditioner
- Water Heating

Commercial Incentive

RESPONSE

A copy of the lost revenue factors work file is attached. Please see the CD for excel file with formulas intact.

WITNESS: Lila P Munsey

Targeted Energy Efficiency - All Electric

Kentucky Power Company
 Twelve Months Ended 12/31/2010
 Demand Side Management Program - Lost Revenue

TARGETED ENERGY EFFICIENCY - ALL ELECTRIC

Tariff	Billed & Accrued KWH	Average No. of Customers	Average Monthly KWH	KWh Excl. Storage KWH	Average Monthly Reduction	Applicable Energy Rate 3/	KWH Consumption	Monthly Lost Revenue
<u>Heat</u>								
011 RSW-LMWH 1/	2,197,588	76	2,410	2,160	169.3333	\$0.05750	169.3333	\$739.99
012 RSW-A 1/	447,647	15	2,487	2,187	169.3333	\$0.05750	169.3333	\$146.05
013 RSW-B 1/	133,109	4	2,773	2,373	169.3333	\$0.05750	169.3333	\$38.95
014 RSW-C 1/	19,910	1	1,659	1,159	169.3333	\$0.05750	169.3333	\$9.74
015 RS	429,957,290	21,007	1,706	1,706	169.3333	\$0.05750	169.3333	\$204,538.12
017 RS EMP	13,034,876	548	1,982	1,982	169.3333	\$0.05750	169.3333	\$5,335.69
022 RSW-RS	1,318,744,228	63,665	1,726	1,726	169.3333	\$0.05750	169.3333	\$619,884.76
028 AORH-W ON/OFF 2/	123,874	7	1,475	1,475	169.3333	\$0.04806	169.3333	\$56.97
030 RSW-ON/OFF 2/	1,889,694	70	2,250	2,250	169.3333	\$0.05281	169.3333	\$625.95
032 RS LM-ON/OFF 2/	3,257,238	103	2,635	2,635	169.3333	\$0.04570	169.3333	\$797.12
034 AORH-ON/OFF 2/	29,189	2	1,216	1,216	169.3333	\$0.04798	169.3333	\$16.25
036 RS-TOD-ON/OFF 2/	7,100	1	592	592	169.3333	\$0.06296	169.3333	\$10.66
	1,769,841,743	85,499						\$832,200.25

Monthly Per Customer
 Annual Per Customer

Realization

- 1/ Storage Water Heating KWh fixed block
 LM - 250 KWh
 A - 300 KWh
 B - 400 KWh
 C - 500 KWh
- 2/ Rate is weighted average of peak/off peak.
- 3/ Tariff Rates excluding base fuel of \$0.02840/KWh.

2,032
 \$9.73
 \$116.76
 \$0.05746

Targeted Energy Efficiency - Non All Electric

Kentucky Power Company
 Twelve Months Ended 12/31/2010
 Demand Side Management Program - Lost Revenue

TARGETED ENERGY EFFICIENCY - NON ALL ELECTRIC

Tariff	Billed & Accrued KWH	Average No. of Customers	Average Monthly KWH	KWh Excl. Storage KWH	Average Monthly Reduction	Applicable Energy Rate 2/	KWH Consumption	Monthly Lost Revenue
Non-Heat								
011 RSW-LMWH 1/	752,010	41	1,528	1,278	94.6667	\$0.05750	94.6667	\$223.18
014 RSW-C 1/	33,126	2	1,380	880	94.6667	\$0.05750	94.6667	\$10.89
015 RS	575,408,983	42,026	1,141	1,141	94.6667	\$0.05750	94.6667	\$228,761.61
022 RSW-RS	240,075,090	15,400	1,299	1,299	94.6667	\$0.05750	94.6667	\$83,827.36
Total	816,269,209	57,469						\$312,823.04
Monthly Per Customer								\$5.44
Annual Per Customer					1,136			\$65.28
Realization								\$0.05746

1/ Storage Water Heating KWh fixed block
 LM - 250 KWh
 A - 300 KWh
 B - 400 KWh
 C - 500 KWh

2/ Tariff Rates excluding base fuel of \$0.02840/KWh.

High Efficiency Heat Pump - Mobile Home

Kentucky Power Company
 Twelve Months Ended 12/31/2010
 Demand Side Management Program - Lost Revenue

HIGH EFFICIENCY HEAT PUMP - MOBILE HOME

Tariff	Billed & Accrued KWH	Average No. of Customers	Average Monthly KWH	KWh Excl. Storage KWH	Average Monthly Reduction	Applicable Energy Rate 3/	KWH Consumption	Monthly Lost Revenue
Heat								
011 RSW-LMWH 1/	2,197,588	76	2,410	2,160	145.7500	\$0.05750	145.7500	\$636.93
012 RSW-A 1/	447,647	15	2,487	2,187	145.7500	\$0.05750	145.7500	\$125.71
013 RSW-B 1/	133,109	4	2,773	2,373	145.7500	\$0.05750	145.7500	\$33.52
014 RSW-C 1/	19,910	1	1,659	1,159	145.7500	\$0.05750	145.7500	\$8.38
015 RS	429,957,290	21,007	1,706	1,706	145.7500	\$0.05750	145.7500	\$176,051.79
017 RS EMP	13,034,876	548	1,982	1,982	145.7500	\$0.05750	145.7500	\$4,592.58
022 RSW-RS	1,318,744,228	63,665	1,726	1,726	145.7500	\$0.05750	145.7500	\$533,552.49
028 AORH-W ON/OFF 2/	123,874	7	1,475	1,475	145.7500	\$0.04806	145.7500	\$49.03
030 RSW-ON/OFF 2/	1,889,694	70	2,250	2,250	145.7500	\$0.05281	145.7500	\$538.77
032 RS LM-ON/OFF 2/	3,257,238	103	2,635	2,635	145.7500	\$0.04570	145.7500	\$686.10
034 AORH-ON/OFF 2/	29,189	2	1,216	1,216	145.7500	\$0.04798	145.7500	\$13.99
036 RS-TOD-ON/OFF 2/	7,100	1	592	592	145.7500	\$0.06296	145.7500	\$9.18
	1,769,841,743	85,499						\$716,298.47

Monthly Per Customer
 Annual Per Customer

Realization

1,749

\$8.38
 \$100.56
 \$0.05750

- 1/ Storage Water Heating KWh fixed block
 - LM - 250 KWh
 - A - 300 KWh
 - B - 400 KWh
 - C - 500 KWh

- 2/ Rate is weighted average of peak/off peak.
- 3/ Tariff Rates excluding base fuel of \$0.02840/KWh.

Mobile Home New Construction - Heat Pump

Kentucky Power Company
 Twelve Months Ended 12/31/2010
 Demand Side Management Program - Lost Revenue

MOBILE HOME NEW CONSTRUCTION - HEAT PUMP

Tariff	Billed & Accrued KWH	Average No. of Customers	Average Monthly KWH	KWh Excl. Storage KWH	Average Monthly Reduction	Applicable Energy Rate 3/	KWH Consumption	Monthly Lost Revenue
<u>Heat</u>								
011 RSW-LMWH 1/	2,197,588	76	2,410	2,160	143.4167	\$0.05750	143.4167	\$626.73
012 RSW-A 1/	447,647	15	2,487	2,187	143.4167	\$0.05750	143.4167	\$123.70
013 RSW-B 1/	133,109	4	2,773	2,373	143.4167	\$0.05750	143.4167	\$32.99
014 RSW-C 1/	19,910	1	1,659	1,159	143.4167	\$0.05750	143.4167	\$8.25
015 RS	429,957,290	21,007	1,706	1,706	143.4167	\$0.05750	143.4167	\$173,233.39
017 RSEMP	13,034,876	548	1,982	1,982	143.4167	\$0.05750	143.4167	\$4,519.06
022 RSW-RS	1,318,744,228	63,665	1,726	1,726	143.4167	\$0.05750	143.4167	\$525,010.89
028 AORH-WON/OFF 2/	123,874	7	1,475	1,475	143.4167	\$0.04806	143.4167	\$48.25
030 RSW-ON/OFF 2/	1,889,694	70	2,250	2,250	143.4167	\$0.05281	143.4167	\$530.15
032 RSLM-ON/OFF 2/	3,257,238	103	2,635	2,635	143.4167	\$0.04570	143.4167	\$675.12
034 AORH-ON/OFF 2/	29,189	2	1,216	1,216	143.4167	\$0.04798	143.4167	\$13.76
036 RS-TOD-ON/OFF 2/	7,100	1	592	592	143.4167	\$0.06296	143.4167	\$9.03
	1,769,841,743	85,499						\$704,831.32

Monthly Per Customer
 Annual Per Customer

\$8.24
 \$98.88

1,721

Realization

\$0.05745

- 1/ Storage Water Heating KWh fixed block
 LM - 250 KWh
 A - 300 KWh
 B - 400 KWh
 C - 500 KWh
- 2/ Rate is weighted average of peak/off peak.
- 3/ Tariff Rates excluding base fuel of \$0.02840/KWh.

Mobile Home New Construction - Air Conditioner

Kentucky Power Company
 Twelve Months Ended 12/31/2010
 Demand Side Management Program - Lost Revenue

MOBILE HOME NEW CONSTRUCTION - AIR CONDITIONER

Tariff	Billed & Accrued KWH	Average No. of Customers	Average Monthly KWH	KWh Excl. Storage KWH	Average Monthly Reduction	Applicable Energy Rate 2/ Consumption	KWH Consumption	Monthly Lost Revenue
<u>Non-Heat</u>								
011 RSW-LMWH 1/	752,010	41	1,528	1,278	0.0000	\$0.05750	0.0000	\$0.00
014 RSW-C 1/	33,126	2	1,380	880	0.0000	\$0.05750	0.0000	\$0.00
015 RS	575,408,983	42,026	1,141	1,141	0.0000	\$0.05750	0.0000	\$0.00
022 RSW-RS	240,075,090	15,400	1,299	1,299	0.0000	\$0.05750	0.0000	\$0.00
Total	816,269,209	57,469						\$0.00
Monthly Per Customer								\$0.00
Annual Per Customer								\$0.00
Realization								\$0.00000

- 1/ Storage Water Heating KWh fixed block
 LM - 250 KWh
 A - 300 KWh
 B - 400 KWh
 C - 500 KWh

2/ Tariff Rates excluding base fuel of \$0.02840/kWh.

High Efficiency Heat Pump - Resistance Heat

Kentucky Power Company
 Twelve Months Ended 12/31/2010
 Demand Side Management Program - Lost Revenue

HIGH EFFICIENCY HEAT PUMP - RESISTANCE HEAT

Tariff	Billed & Accrued KWH	Average No. of Customers	Average Monthly KWH	KWh Excl. Storage KWH	Average Monthly Reduction	Applicable Energy Rate 3/	KWH Consumption	Monthly Lost Revenue
011 RSW-LMWH 1/	2,197,588	76	2,410	2,160	313.1667	\$0.05750	313.1667	\$1,368.54
012 RSW-A 1/	447,647	15	2,487	2,187	313.1667	\$0.05750	313.1667	\$270.11
013 RSW-B 1/	133,109	4	2,773	2,373	313.1667	\$0.05750	313.1667	\$72.03
014 RSW-C 1/	19,910	1	1,659	1,159	313.1667	\$0.05750	313.1667	\$18.01
015 RS	429,957,290	21,007	1,706	1,706	313.1667	\$0.05750	313.1667	\$378,274.84
017 RS EMP	13,034,876	548	1,982	1,982	313.1667	\$0.05750	313.1667	\$9,867.88
022 RSW-RS	1,318,744,228	63,665	1,726	1,726	313.1667	\$0.05750	313.1667	\$1,146,421.08
028 AORH-W ON/OFF 2/	123,874	7	1,475	1,475	313.1667	\$0.04806	313.1667	\$105.36
030 RSW-ON/OFF 2/	1,889,694	70	2,250	2,250	313.1667	\$0.05281	313.1667	\$1,157.64
032 RS LM-ON/OFF 2/	3,257,238	103	2,635	2,635	313.1667	\$0.04570	313.1667	\$1,474.20
034 AORH-ON/OFF 2/	29,189	2	1,216	1,216	313.1667	\$0.04798	313.1667	\$30.05
036 RS-TOD-ON/OFF 2/	7,100	1	592	592	313.1667	\$0.06296	313.1667	\$19.72
	1,769,841,743	85,499						\$1,539,079.46

Monthly Per Customer
 Annual Per Customer

\$18.00
 \$216.00

Realization

\$0.05748

- 1/ Storage Water Heating KWh fixed block
- LM - 250 KWh
- A - 300 KWh
- B - 400 KWh
- C - 500 KWh
- 2/ Rate is weighted average of peak/off peak.
- 3/ Tariff Rates excluding base fuel of \$0.02840/KWh.

3,758

Modified Energy Fitness

Kentucky Power Company
 Twelve Months Ended 12/31/2010
 Demand Side Management Program - Lost Revenue

MODIFIED ENERGY FITNESS

Tariff	Billed & Accrued KWH	Average No. of Customers	Average Monthly KWH	KWh Excl. Storage KWH	Average Monthly Reduction	Applicable Energy Rate 3/	KWH Consumption	Monthly Lost Revenue
<u>Non-Heat</u>								
011 RSW-LMWH 1/	752,010	41	1,528	1,278	72,5000	\$0.05750	72,5000	\$170.92
014 RSW-C 1/	33,126	2	1,380	880	72,5000	\$0.05750	72,5000	\$8.34
015 RS	575,408,983	42,026	1,141	1,141	72,5000	\$0.05750	72,5000	\$175,195.89
022 RSW-RS	240,075,090	15,400	1,299	1,299	72,5000	\$0.05750	72,5000	\$64,198.75
<u>Heat</u>								
011 RSW-LMWH 1/	2,197,588	76	2,410	2,160	72,5000	\$0.05750	72,5000	\$316.83
012 RSW-A 1/	447,647	15	2,487	2,187	72,5000	\$0.05750	72,5000	\$62.53
013 RSW-B 1/	133,109	4	2,773	2,373	72,5000	\$0.05750	72,5000	\$16.68
014 RSW-C 1/	19,910	1	1,659	1,159	72,5000	\$0.05750	72,5000	\$4.17
015 RS	429,957,290	21,007	1,706	1,706	72,5000	\$0.05750	72,5000	\$87,572.93
017 RS EMP	13,034,876	548	1,982	1,982	72,5000	\$0.05750	72,5000	\$2,284.48
022 RSW-RS	1,318,744,228	63,665	1,726	1,726	72,5000	\$0.05750	72,5000	\$265,403.47
028 ACRH-W ON/OFF 2/	123,874	7	1,475	1,475	72,5000	\$0.04806	72,5000	\$24.39
030 RSM-ON/OFF 2/	1,889,694	70	2,250	2,250	72,5000	\$0.05281	72,5000	\$268.00
032 RS LM-ON/OFF 2/	3,257,238	103	2,635	2,635	72,5000	\$0.04570	72,5000	\$341.29
034 ACRH-ON/OFF 2/	29,189	2	1,216	1,216	72,5000	\$0.04798	72,5000	\$6.96
036 RS-TOD-ON/OFF 2/	7,100	1	592	592	72,5000	\$0.06296	72,5000	\$4.56
	2,586,110,952	142,968						\$595,880.19
Monthly Per Customer								\$4.17
Annual Per Customer								\$50.04
Realization								\$0.05752

1/ Storage Water Heating KWh fixed block
 LM - 250 KWh
 A - 300 KWh
 B - 400 KWh
 C - 500 KWh

2/ Rate is weighted average of peak/off peak.

3/ Tariff Rates excluding base fuel of \$0.02840/KWh.

High Efficiency Heat Pump - Replacement

Kentucky Power Company
 Twelve Months Ended 12/31/2010
 Demand Side Management Program - Lost Revenue

HIGH EFFICIENCY HEAT PUMP - REPLACEMENT

<u>Tariff</u>	<u>Billed & Accrued KWH</u>	<u>Average No. of Customers</u>	<u>Average Monthly KWH</u>	<u>KWh Excl. Storage KWH</u>	<u>Average Monthly Reduction</u>	<u>Applicable Energy Rate 3/</u>	<u>KWH Consumption</u>	<u>Monthly Lost Revenue</u>
011 RSW-LMWH 1/	2,197,588	76	2,410	2,160	50,0833	\$0.05750	50,0833	\$218.86
012 RSW-A 1/	447,647	15	2,487	2,187	50,0833	\$0.05750	50,0833	\$43.20
013 RSW-B 1/	133,109	4	2,773	2,373	50,0833	\$0.05750	50,0833	\$11.52
014 RSW-C 1/	19,910	1	1,659	1,159	50,0833	\$0.05750	50,0833	\$2.88
015 RS	429,957,290	21,007	1,706	1,706	50,0833	\$0.05750	50,0833	\$60,495.74
017 RS EMP	13,034,876	548	1,982	1,982	50,0833	\$0.05750	50,0833	\$1,578.12
022 RSW-RS	1,318,744,228	63,665	1,726	1,726	50,0833	\$0.05750	50,0833	\$183,341.81
028 AORH-W ON/OFF 2/	123,874	7	1,475	1,475	50,0833	\$0.04806	50,0833	\$16.85
030 RSW-ON/OFF 2/	1,889,694	70	2,250	2,250	50,0833	\$0.05281	50,0833	\$185.14
032 RS LM-ON/OFF 2/	3,257,238	103	2,635	2,635	50,0833	\$0.04570	50,0833	\$235.76
034 AORH-ON/OFF 2/	29,189	2	1,216	1,216	50,0833	\$0.04798	50,0833	\$4.81
036 RS-TOD-ON/OFF 2/	7,100	1	592	592	50,0833	\$0.06296	50,0833	\$3.15
	1,769,841,743	85,499						\$246,137.84

Monthly Per Customer
 Annual Per Customer

\$2.88
 \$34.56
 \$0.05750

Realization

601

- 1/ Storage Water Heating KWh fixed block
 LM - 250 KWh
 A - 300 KWh
 B - 400 KWh
 C - 500 KWh
- 2/ Rate is weighted average of peak/off peak.
- 3/ Tariff Rates excluding base fuel of \$0.02840/KWh.

Community Outreach Compact Fluorescent Lighting (CFL) Program

Kentucky Power Company
 Twelve Months Ended 12/31/2010
 Demand Side Management Program - Lost Revenue

COMMUNITY OUTREACH COMPACT FLUORESCENT LIGHTING (CFL) PROGRAM

Tariff	Billed & Accrued KWH	Average No. of Customers	Average Monthly KWH	KWh Excl. Storage WH	Average Monthly Reduction	Applicable Energy Rate 3/	KWH Consumption	Monthly Lost Revenue
Non-Heat								
011 RSW-LMWH 1/	752,010	41	1,528	1,278	15,0833	\$0.05750	15,0833	\$35.56
014 RSW-C 1/	33,126	2	1,380	880	15,0833	\$0.05750	15,0833	\$1.73
015 RS	575,408,983	42,026	1,141	1,141	15,0833	\$0.05750	15,0833	\$36,448.72
022 RSW-RS	240,075,090	15,400	1,299	1,299	15,0833	\$0.05750	15,0833	\$13,356.26
Heat								
011 RSW-LMWH 1/	2,197,588	76	2,410	2,160	15,0833	\$0.05750	15,0833	\$65.91
012 RSW-A 1/	447,647	15	2,487	2,187	15,0833	\$0.05750	15,0833	\$13.01
013 RSW-B 1/	133,109	4	2,773	2,373	15,0833	\$0.05750	15,0833	\$3.47
014 RSW-C 1/	19,910	1	1,659	1,159	15,0833	\$0.05750	15,0833	\$0.87
015 RS	429,957,290	21,007	1,706	1,706	15,0833	\$0.05750	15,0833	\$18,219.16
017 RS EMP	13,034,876	548	1,982	1,982	15,0833	\$0.05750	15,0833	\$475.27
022 RSW-RS	1,318,744,228	63,665	1,726	1,726	15,0833	\$0.05750	15,0833	\$55,216.00
028 AORH-WON/OFF 2/	123,874	7	1,475	1,475	15,0833	\$0.04806	15,0833	\$5.07
030 RSW-ON/OFF 2/	1,889,694	70	2,250	2,250	15,0833	\$0.05281	15,0833	\$55.76
032 RS LM-ON/OFF 2/	3,257,238	103	2,635	2,635	15,0833	\$0.04570	15,0833	\$71.00
034 AORH-ON/OFF 2/	29,189	2	1,216	1,216	15,0833	\$0.04798	15,0833	\$1.45
036 RS-TOD-ON/OFF 2/	7,100	1	592	592	15,0833	\$0.06296	15,0833	\$0.95
	2,586,110,952	142,968						\$123,970.19

Monthly Per Customer
 Annual Per Customer

181 4/

\$0.87
 \$10.44
 \$0.05768

Realization

- 1/ Storage Water Heating KWh fixed block
 LM - 250 KWh
 A - 300 KWh
 B - 400 KWh
 C - 500 KWh
- 2/ Rate is weighted average of peak/off peak.
- 3/ Tariff Rates excluding base fuel of \$0.02840/KWh.
- 4/ 4 CFL Bulbs X 45.25 KWH per Bulb = 181 KWH

Kentucky Power Company
 Twelve Months Ended 12/31/2010
 Demand Side Management Program - Lost Revenue

RESIDENTIAL EFFICIENT PRODUCTS PROGRAM - CFL (PROPOSED)

Tariff	Billed & Accrued KWH	Average No. of Customers	Average Monthly KWH	KWh Excl. Storage WH KWH	Average Monthly Reduction	Applicable Energy Rate \$/KWH	KWH Consumption	Monthly Lost Revenue
<u>Non-Heat</u>								
011 RSW-LMWH 1/	752,010	41	1,528	1,278	2,7500	\$0.05750	2,7500	\$6.48
014 RSW-C 1/	33,126	2	1,380	880	2,7500	\$0.05750	2,7500	\$0.32
015 RS	575,408,983	42,026	1,141	1,141	2,7500	\$0.05750	2,7500	\$6,645.36
022 RSW-RS	240,075,090	15,400	1,299	1,299	2,7500	\$0.05750	2,7500	\$2,435.13
<u>Heat</u>								
011 RSW-LMWH 1/	2,197,588	76	2,410	2,160	2,7500	\$0.05750	2,7500	\$12.02
012 RSW-A 1/	447,647	15	2,487	2,187	2,7500	\$0.05750	2,7500	\$2.37
013 RSW-B 1/	133,109	4	2,773	2,373	2,7500	\$0.05750	2,7500	\$0.63
014 RSW-C 1/	19,910	1	1,659	1,159	2,7500	\$0.05750	2,7500	\$0.16
015 RS	429,957,290	21,007	1,706	1,706	2,7500	\$0.05750	2,7500	\$3,321.73
017 RS EMP	13,034,876	548	1,982	1,982	2,7500	\$0.05750	2,7500	\$86.65
022 RSW-RS	1,318,744,228	63,665	1,726	1,726	2,7500	\$0.05750	2,7500	\$10,067.03
028 ACRH-W ON/OFF 2/	123,874	7	1,475	1,475	2,7500	\$0.04806	2,7500	\$0.93
030 RSW-ON/OFF 2/	1,889,694	70	2,250	2,250	2,7500	\$0.05281	2,7500	\$10.17
032 RS LM-ON/OFF 2/	3,257,238	103	2,635	2,635	2,7500	\$0.04570	2,7500	\$12.95
034 ACRH-ON/OFF 2/	29,189	2	1,216	1,216	2,7500	\$0.04798	2,7500	\$0.26
036 RS-TOD-ON/OFF 2/	7,100	1	592	592	2,7500	\$0.06296	2,7500	\$0.17
	2,586,110,952	142,968						\$22,602.36

Monthly Per Customer
 Annual Per Customer

33

Realization

- 1/ Storage Water Heating KWh fixed block
 LM - 250 KWh
 A - 300 KWh
 B - 400 KWh
 C - 500 KWh

2/ Rate is weighted average of peak/off peak.

3/ Tariff Rates excluding base fuel of \$0.02840/KWh.

\$0.16
 \$1.92
 \$0.05818

Kentucky Power Company
 Twelve Months Ended 12/31/2010
 Demand Side Management Program - Lost Revenue

RESIDENTIAL EFFICIENT PRODUCTS PROGRAM - Specialty Bulbs

<u>Tariff</u>	<u>Billed & Accrued KWH</u>	<u>Average No. of Customers</u>	<u>Average Monthly KWH</u>	<u>KWh Excl. Storage KWH</u>	<u>Average Monthly Reduction</u>	<u>Applicable Energy Rate 3/</u>	<u>KWH Consumption</u>	<u>Monthly Lost Revenue</u>
<u>Non-Heat</u>								
011 RSW-LMWH 1/	752,010	41	1,528	1,278	2,4167	\$0.05750	2,4167	\$5.70
014 RSW-C 1/	33,126	2	1,380	880	2,4167	\$0.05750	2,4167	\$0.28
015 RS	575,408,983	42,026	1,141	1,141	2,4167	\$0.05750	2,4167	\$5,839.94
022 RSW-RS	240,075,090	15,400	1,299	1,299	2,4167	\$0.05750	2,4167	\$2,139.99
<u>Heat</u>								
011 RSW-LMWH 1/	2,197,588	76	2,410	2,160	2,4167	\$0.05750	2,4167	\$10.56
012 RSW-A 1/	447,647	15	2,487	2,187	2,4167	\$0.05750	2,4167	\$2.08
013 RSW-B 1/	133,109	4	2,773	2,373	2,4167	\$0.05750	2,4167	\$0.56
014 RSW-C 1/	19,910	1	1,659	1,159	2,4167	\$0.05750	2,4167	\$0.14
015 RS	429,957,290	21,007	1,706	1,706	2,4167	\$0.05750	2,4167	\$2,919.14
017 RS EMP	13,034,876	548	1,982	1,982	2,4167	\$0.05750	2,4167	\$76.15
022 RSW-RS	1,318,744,228	63,665	1,726	1,726	2,4167	\$0.05750	2,4167	\$8,846.90
028 AORH-W ON/OFF 2/	123,874	7	1,475	1,475	2,4167	\$0.04806	2,4167	\$0.81
030 RSW-ON/OFF 2/	1,889,694	70	2,250	2,250	2,4167	\$0.05281	2,4167	\$8.93
032 RS LM-ON/OFF 2/	3,257,238	103	2,635	2,635	2,4167	\$0.04570	2,4167	\$11.38
034 AORH-ON/OFF 2/	29,189	2	1,216	1,216	2,4167	\$0.04798	2,4167	\$0.23
036 RS-TOD-ON/OFF 2/	7,100	1	592	592	2,4167	\$0.06296	2,4167	\$0.15
	2,586,110,952	142,968						\$19,862.94

Monthly Per Customer
 Annual Per Customer

29

Realization

\$0.14
 \$1.68

\$0.05793

- 1/ Storage Water Heating KWh fixed block
 LM - 250 KWh
 A - 300 KWh
 B - 400 KWh
 C - 500 KWh
- 2/ Rate is weighted average of peak/off peak.
- 3/ Tariff Rates excluding base fuel of \$0.02840/KWh.

Kentucky Power Company
 Twelve Months Ended 12/31/2010
 Demand Side Management Program - Lost Revenue

RESIDENTIAL EFFICIENT PRODUCTS PROGRAM - LED LIGHTS (PROPOSED)

<u>Tariff</u>	<u>Billed & Accrued KWH</u>	<u>Average No. of Customers</u>	<u>Average Monthly KWH</u>	<u>KWh Excl. Storage WH KWH</u>	<u>Average Monthly Reduction</u>	<u>Applicable Energy Rate 3/</u>	<u>KWH Consumption</u>	<u>Monthly Lost Revenue</u>
<u>Non-Heat</u>								
011 RSW-LMWH 1/	752,010	41	1,528	1,278	3,4167	\$0.05750	3,4167	\$8.05
014 RSW-C 1/	33,126	2	1,380	880	3,4167	\$0.05750	3,4167	\$0.39
015 RS	575,408,983	42,026	1,141	1,141	3,4167	\$0.05750	3,4167	\$8,256.44
022 RSW-RS	240,075,090	15,400	1,299	1,299	3,4167	\$0.05750	3,4167	\$3,025.49
<u>Heat</u>								
011 RSW-LMWH 1/	2,197,588	76	2,410	2,160	3,4167	\$0.05750	3,4167	\$14.93
012 RSW-A 1/	447,647	15	2,487	2,187	3,4167	\$0.05750	3,4167	\$2.95
013 RSW-B 1/	133,109	4	2,773	2,373	3,4167	\$0.05750	3,4167	\$0.79
014 RSW-C 1/	19,910	1	1,659	1,159	3,4167	\$0.05750	3,4167	\$0.20
015 RS	429,957,290	21,007	1,706	1,706	3,4167	\$0.05750	3,4167	\$4,127.04
017 RS EMP	13,034,876	548	1,982	1,982	3,4167	\$0.05750	3,4167	\$107.66
022 RSW-RS	1,318,744,228	63,665	1,726	1,726	3,4167	\$0.05750	3,4167	\$12,507.64
028 AORH-W ON/OFF 2/	123,874	7	1,475	1,475	3,4167	\$0.04806	3,4167	\$1.15
030 RSW-ON/OFF 2/	1,889,694	70	2,250	2,250	3,4167	\$0.05281	3,4167	\$12.63
032 RS LM-ON/OFF 2/	3,257,238	103	2,635	2,635	3,4167	\$0.04570	3,4167	\$16.08
034 AORH-ON/OFF 2/	29,189	2	1,216	1,216	3,4167	\$0.04798	3,4167	\$0.33
036 RS-TOD-ON/OFF 2/	7,100	1	592	592	3,4167	\$0.06296	3,4167	\$0.22
	2,586,110,952	142,968						\$28,081.99

Monthly Per Customer
 Annual Per Customer

41

Realization

\$0.20
 \$2.40

\$0.05854

- 1/ Storage Water Heating KWh fixed block
 LM - 250 KWh
 A - 300 KWh
 B - 400 KWh
 C - 500 KWh

- 2/ Rate is weighted average of peak/off peak.
- 3/ Tariff Rates excluding base fuel of \$0.02840/KWh.

Kentucky Power Company
 Twelve Months Ended 12/31/2010
 Demand Side Management Program - Lost Revenue

HVAC DIAGNOSTIC & TUNE-UP PROGRAM - AIR CONDITIONER (PROPOSED)

Tariff	Billed & Accrued KWH	Average No. of Customers	Average Monthly KWH	KWh Excl. Storage KWH	Average Monthly Reduction	Applicable Energy Rate 3/	KWH Consumption	Monthly Lost Revenue
<u>Heat</u>								
011 RSW-LMWH 1/	2,197,588	76	2,410	2,160	25.9167	\$0.05750	25.9167	\$113.26
012 RSW-A 1/	447,647	15	2,487	2,187	25.9167	\$0.05750	25.9167	\$22.35
013 RSW-B 1/	133,109	4	2,773	2,373	25.9167	\$0.05750	25.9167	\$5.96
014 RSW-C 1/	19,910	1	1,659	1,159	25.9167	\$0.05750	25.9167	\$1.49
015 RS	429,957,290	21,007	1,706	1,706	25.9167	\$0.05750	25.9167	\$31,304.85
017 RS EMP	13,034,876	548	1,982	1,982	25.9167	\$0.05750	25.9167	\$816.64
022 RSW-RS	1,318,744,228	63,665	1,726	1,726	25.9167	\$0.05750	25.9167	\$94,874.24
028 AORH-W ON/OFF 2/	123,874	7	1,475	1,475	25.9167	\$0.04806	25.9167	\$8.72
030 RSW-ON/OFF 2/	1,889,694	70	2,250	2,250	25.9167	\$0.05281	25.9167	\$95.80
032 RS LM-ON/OFF 2/	3,257,238	103	2,635	2,635	25.9167	\$0.04570	25.9167	\$122.00
034 AORH-ON/OFF 2/	29,189	2	1,216	1,216	25.9167	\$0.04798	25.9167	\$2.49
036 RS-TOD-ON/OFF 2/	7,100	1	592	592	25.9167	\$0.06296	25.9167	\$1.63
	1,769,841,743	85,499						\$127,369.43

Monthly Per Customer
 Annual Per Customer

311

\$1.49
 \$17.88

Realization

\$0.05749

- 1/ Storage Water Heating KWh fixed block
 LM - 250 KWh
 A - 300 KWh
 B - 400 KWh
 C - 500 KWh

- 2/ Rate is weighted average of peak/off peak.
 3/ Tariff Rates excluding base fuel of \$0.02840/KWh.

Kentucky Power Company
 Twelve Months Ended 12/31/2010
 Demand Side Management Program - Lost Revenue

RESIDENTIAL EFFICIENT PRODUCTS PROGRAM - LED HOLIDAY LIGHTS (PROPOSED)

Tariff	Billed & Accrued KWH	Average No. of Customers	Average Monthly KWH	KWh Excl. Storage KWH	Average Monthly Reduction	Applicable Energy Rate 3/	KWH Consumption	Monthly Lost Revenue
<u>Non-Heat</u>								
011 RSW-LMWH 1/	752,010	41	1,528	1,278	1,5000	\$0.05750	1,5000	\$3.54
014 RSW-C 1/	33,126	2	1,380	880	1,5000	\$0.05750	1,5000	\$0.17
015 RS	575,408,983	42,026	1,141	1,141	1,5000	\$0.05750	1,5000	\$3,624.74
022 RSW-RS	240,075,090	15,400	1,299	1,299	1,5000	\$0.05750	1,5000	\$1,328.25
<u>Heat</u>								
011 RSW-LMWH 1/	2,197,588	76	2,410	2,160	1,5000	\$0.05750	1,5000	\$6.56
012 RSW-A 1/	447,647	15	2,487	2,187	1,5000	\$0.05750	1,5000	\$1.29
013 RSW-B 1/	133,109	4	2,773	2,373	1,5000	\$0.05750	1,5000	\$0.35
014 RSW-C 1/	19,910	1	1,659	1,159	1,5000	\$0.05750	1,5000	\$0.09
015 RS	429,957,290	21,007	1,706	1,706	1,5000	\$0.05750	1,5000	\$1,811.85
017 RS EMP	13,034,876	548	1,982	1,982	1,5000	\$0.05750	1,5000	\$47.27
022 RSW-RS	1,318,744,228	63,665	1,726	1,726	1,5000	\$0.05750	1,5000	\$5,491.11
028 AORH-W ON/OFF 2/	123,874	7	1,475	1,475	1,5000	\$0.04806	1,5000	\$0.50
030 RSW-ON/OFF 2/	1,889,694	70	2,250	2,250	1,5000	\$0.05281	1,5000	\$5.54
032 RS LM-ON/OFF 2/	3,257,238	103	2,635	2,635	1,5000	\$0.04570	1,5000	\$7.06
034 AORH-ON/OFF 2/	29,189	2	1,216	1,216	1,5000	\$0.04798	1,5000	\$0.14
036 RS-TOD-ON/OFF 2/	7,100	1	592	592	1,5000	\$0.06296	1,5000	\$0.09
Monthly Per Customer	2,586,110,952	142,968						\$12,328.55
Annual Per Customer								\$0.09
Realization								\$1.08

Monthly Per Customer
 Annual Per Customer

18

Realization

\$0.06000

- 1/ Storage Water Heating KWh fixed block
 LM - 250 KWh
 A - 300 KWh
 B - 400 KWh
 C - 500 KWh
- 2/ Rate is weighted average of peak/off peak.
- 3/ Tariff Rates excluding base fuel of \$0.02840/KWh.

Kentucky Power Company
 Twelve Months Ended 12/31/2010
 Demand Side Management Program - Lost Revenue

HVAC DIAGNOSTIC & TUNE-UP PROGRAM - HEAT PUMP (PROPOSED)

<u>Tariff</u>	<u>Billed & Accrued KWH</u>	<u>Average No. of Customers</u>	<u>Average Monthly KWH</u>	<u>KWh Excl. Storage WH KWH</u>	<u>Average Monthly Reduction</u>	<u>Applicable Energy Rate 3/</u>	<u>KWH Consumption</u>	<u>Monthly Lost Revenue</u>
<u>Heat</u>								
011 RSW-LMWH 1/	2,197,588	76	2,410	2,160	61,7500	\$0.05750	61,7500	\$269.85
012 RSW-A 1/	447,647	15	2,487	2,187	61,7500	\$0.05750	61,7500	\$53.26
013 RSW-B 1/	133,109	4	2,773	2,373	61,7500	\$0.05750	61,7500	\$14.20
014 RSW-C 1/	19,910	1	1,659	1,159	61,7500	\$0.05750	61,7500	\$3.55
015 RS	429,957,290	21,007	1,706	1,706	61,7500	\$0.05750	61,7500	\$74,587.98
017 RS EMP	13,034,876	548	1,982	1,982	61,7500	\$0.05750	61,7500	\$1,945.74
022 RSW-RS	1,318,744,228	63,665	1,726	1,726	61,7500	\$0.05750	61,7500	\$226,050.54
028 AORH-W ON/OFF 2/	123,874	7	1,475	1,475	61,7500	\$0.04806	61,7500	\$20.77
030 RSW-ON/OFF 2/	1,889,694	70	2,250	2,250	61,7500	\$0.05281	61,7500	\$228.26
032 RS LM-ON/OFF 2/	3,257,238	103	2,635	2,635	61,7500	\$0.04570	61,7500	\$290.68
034 AORH-ON/OFF 2/	29,189	2	1,216	1,216	61,7500	\$0.04798	61,7500	\$5.93
036 RS-TOD-ON/OFF 2/	7,100	1	592	592	61,7500	\$0.06296	61,7500	\$3.89
	1,769,841,743	85,499						\$303,474.65

Monthly Per Customer
 Annual Per Customer

\$3.55
 \$42.60

741

Realization

\$0.05749

- 1/ Storage Water Heating KWh fixed block
- LM - 250 KWh
- A - 300 KWh
- B - 400 KWh
- C - 500 KWh

- 2/ Rate is weighted average of peak/off peak.
- 3/ Tariff Rates excluding base fuel of \$0.02840/KWh.



Kentucky Power Company

REQUEST

Provide in an electronic format with formulas intact, the calculations and assumptions to determine the kWh impacts and efficiency incentives for the following programs:

Residential Efficient Products

- Compact Fluorescent Lamp
- Specialty Bulbs
- LED Night Light

Residential HVAC Diagnostic & Tune Up

- Air Conditioner
- Heat Pump

Residential Load Management

- Air Conditioner
- Water Heating

Commercial A/C & Heat Pump Program

- Air Conditioner Replacement
- Heat Pump Replacement

Commercial HVAC Diagnostic & Tune-up

- Air Conditioner
- Heat Pump

Commercial Load Management

- Air Conditioner
- Water Heating

Commercial Incentive

RESPONSE

Please see the following attachments:

Attachment 1: Updated Schedule C File - "DSM 180 Month - Year 2010 - 1st Qtr + 2nd, 3rd & 4th Qtrs_Revised.pdf

Attachment 2: Assumption Sheet Residential Efficient Products.pdf

Attachment 3: Assumption Sheet HVAC Tune-Up.pdf

Attachment 4: Assumption Sheet Small Commercial HP AC.pdf

Residential and Commercial Load Management are pilot programs; therefore no incentives are requested at this time. The goal of the pilot programs are to quantify savings. Energy savings were assumed to be zero for the initial filing, as this is a demand reduction program.

Please see the CD for excel file with formulas intact.

WITNESS: E J Clayton

KENTUCKY POWER COMPANY		Exhibit C					PAGE 1 of 19	
DERIVATION OF 3 SECTOR SURCHARGES FOR 3 YR EXPERIMENT								
RESIDENTIAL SECTOR	TOTAL YEARS 1 thru 14	YEAR 15 (2010) 1st HALF	YEAR 15 (2010) 2nd HALF	YEAR 16 (2011) 1st QTR	YEAR 16 (2011) 2nd, 3rd & 4th QTRs	TOTAL		
	(1)	(2)	(3)	(4)	(5)	(6)		
1	CURRENT PERIOD AMOUNT TO BE RECOVERED	\$12,267,626	\$1,021,058	\$1,125,058	\$632,073	\$3,033,587	\$18,079,402	
2	CUMULATIVE (OVER)/UNDER COLLECTION	0	519,414	631,736	427,163	(260,977)	-	
3	18 MOS. RETROACTIVE(OVER)/UNDER ADJUSTMENT	(41,824)	0	0	0	0	(41,824)	
4	TOTAL TO BE RECOVERED	12,225,802	1,540,472	1,756,794	1,059,236	2,772,610	18,037,578	
5	TOTAL AMOUNT RECOVERED	11,706,042	908,736	1,329,631	0	0	13,944,409	
6	EXPECTED FUTURE RECOVERIES	0	0	0	1,320,213	1,256,009	2,576,222	
7	TRANSFER PORTION OF BALANCE FROM INDUSTRIAL	(9,833)	0	0	0	0	(9,833)	
8	TRANSFER PORTION OF BALANCE FROM COMMERCIAL	9,487	0	0	0	0	9,487	
9	(OVER)/UNDER COLLECTION TO BE REFUNDED	\$519,414	\$631,736	\$427,163	(\$260,977)	\$1,516,601	\$1,516,601	
10	AMOUNT TO BE RECOVERED					\$2,772,610		
11	ADJ. ESTIMATED SECTOR KWH - YEAR 16				818,990,900	1,622,751,200		
	SURCHARGE RANGE (\$ PER KWH)							
12	FLOOR (CARRYOVER)	COL. 5, L 2 / COL. 5, L 11				(0.000161)		
13	MIDPOINT - proposed rate				0.001612	0.000774		
14	CEILING (TOTAL COST)	COL. 5, L 4 / COL. 5, L 11				0.001709		
COMMERCIAL SECTOR	TOTAL YEARS 1 thru 14	YEAR 15 (2010) 1st HALF	YEAR 15 (2010) 2nd HALF	YEAR 16 (2011) 1st QTR	YEAR 16 (2011) 2nd, 3rd & 4th QTRs	TOTAL		
	(1)	(2)	(3)	(3)	(4)	(5)		
15	CURRENT PERIOD AMOUNT TO BE RECOVERED	\$2,899,298	\$0	\$155	\$165,825	\$1,057,115	\$4,122,393	
16	CUMULATIVE (OVER)/UNDER COLLECTION	0	0	0	(20,360)	122,681	0	
17	18 MOS. RETROACTIVE(OVER)/UNDER ADJUSTMENT	1,520	0	0	0	0	1,520	
18	TOTAL TO BE RECOVERED	2,900,818	0	155	145,465	1,179,796	4,123,913	
19	TOTAL AMOUNT RECOVERED	2,888,053	0	20,515	0	0	2,908,568	
20	EXPECTED FUTURE RECOVERIES	0	0	0	22,784	651,936	674,720	
21	TRANSFER PORTION OF BALANCE FROM INDUSTRIAL	(3,278)	0	0	0	0	(3,278)	
22	TRANSFER BALANCE TO RESIDENTIAL	(9,487)	0	0	0	0	(9,487)	
22	(OVER)/UNDER COLLECTION TO BE REFUNDED	\$0	\$0	(\$20,360)	\$122,681	\$527,860	\$527,860	
23	AMOUNT TO BE RECOVERED					\$1,179,796		
24	ADJ. ESTIMATED SECTOR KWH - YEAR 16				367,481,800	1,056,622,000		
	SURCHARGE RANGE (\$ PER KWH)							
25	FLOOR (CARRYOVER)					0.000116		
26	MIDPOINT - proposed rate				0.000062	0.000617		
27	CEILING (TOTAL COST)					0.001117		
INDUSTRIAL SECTOR	TOTAL YEARS 1 thru 14	YEAR 15 (2010) 1st HALF	YEAR 15 (2010) 2nd HALF	YEAR 16 (2011) 1st QTR	YEAR 16 (2011) 2nd, 3rd & 4th QTRs	TOTAL		
	(1)	(2)	(3)	(3)	(4)	(5)		
28	CURRENT PERIOD AMOUNT TO BE RECOVERED	\$79,026	\$0	\$0	\$0	\$0	\$79,026	
29	CUMULATIVE (OVER)/UNDER COLLECTION	0	0	0	0	0	0	
30	18 MOS. RETROACTIVE(OVER)/UNDER ADJUSTMENT	0	0	0	0	0	0	
31	TOTAL TO BE RECOVERED	79,026	0	0	0	0	79,026	
32	TOTAL AMOUNT RECOVERED	92,137	0	0	0	0	92,137	
33	EXPECTED FUTURE RECOVERIES	0	0	0	0	0	0	
34	TRANSFER BALANCE TO RESIDENTIAL & COMMERCIAL	13,111	0	0	0	0	13,111	
35	(OVER)/UNDER COLLECTION TO BE REFUNDED	\$0	\$0	\$0	\$0	\$0	\$0	
36	AMOUNT TO BE RECOVERED					\$0		
37	ADJ. ESTIMATED SECTOR KWH - YEAR 16				835,059,400	2,454,683,000		
	SURCHARGE RANGE (\$ PER KWH)							
38	FLOOR (CARRYOVER)					0.000000		
39	MIDPOINT				0.000000	0.000000		
40	CEILING (TOTAL COST) - proposed rate					0.000000		

1996												
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YR PROGRAM												
YEAR 1	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (4)	NET LOST REVENUE (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/YR (6)	NET LOST REVENUE (S/KWH) (7)	TOTAL NET * REVENUES LOST (6)X(7) (8)	EFFICIENCY INCENTIVE (EX. C, PG.18B) (9)	MAXIMIZING INCENTIVE (% of COSTS) (10)	TOTAL * INCENTIVE (9)X(10) (11)	TOTAL EST. COSTS TO BE RECOVERED (4)X(9)X(11) (12)
RESIDENTIAL PROGRAMS												
Energy Fitness	552	148	\$221.65	\$122,351	2,690	398,120	\$0.03	\$12,397	\$43,177	\$11,450	\$43,177	\$177,925
Targeted Energy Efficiency - All Electric	223	101	\$1,026.88	\$226,994	5,570	562,970	\$0.03	\$17,513	\$0	\$0	\$17,513	\$257,957
- Non-All Electric	74	35	\$372.19	\$27,542	680	23,800	\$0.03	\$744	\$719	\$719	\$719	\$29,005
Compact Fluorescent Bulb	269	73	\$56.06	\$15,081	62	4,526	\$0.03	\$140	\$425	\$425	\$425	\$15,646
High - Efficiency Heat Pump - Resistance Heat	539	216	\$73.49	\$9,611	2,275	491,400	\$0.03	\$15,292	\$10,634	\$10,634	\$10,634	\$65,537
- Non Resistance Heat	527	206	\$61.31	\$32,310	813	167,478	\$0.03	\$5,215	\$8,796	\$8,796	\$8,796	\$46,321
High - Efficiency Heat Pump - Mobile Home	356	158	\$486.95	\$176,914	2,160	341,280	\$0.03	\$10,617	\$13,834	\$13,834	\$13,834	\$201,365
Mobile Home New Construction	70	22	\$292.69	\$20,488	0	0			\$1,024	\$1,024	\$1,024	\$21,512
TOTAL RESIDENTIAL PROGRAMS	2,610	959		\$663,291		1,989,174		\$61,918	\$77,585	\$12,474	\$90,059	\$815,268
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	91	19	\$1,258.51	\$114,524	0	0			\$0	\$5,726	\$5,726	\$120,250
- Class 2	5	1	\$1,875.40	\$9,377	0	0			\$0	\$469	\$469	\$9,846
Smart Financing - Existing Building	1	0	\$5,734.00	\$5,794	22,000	0	\$0.04	\$0	\$506	\$0	\$506	\$6,300
Smart Financing - New Building	0	0		\$0	30,600	0	\$0.04	\$0	\$0	\$0	\$0	\$0
TOTAL COMMERCIAL PROGRAMS	97	20		\$129,695		0		\$0	\$506	\$6,195	\$6,701	\$136,396
INDUSTRIAL PROGRAMS												
Smart Audit - Class 1 (West. Opt-Outs Removed)	15	1	\$149.40	\$2,241	0	0			\$0	\$12	\$12	\$2,353
Smart Audit - Class 2	2	1	\$8,980.00	\$17,960	0	0			\$0	\$698	\$698	\$18,658
Smart Financing - General	0	0		\$3,919	28,200	0	\$0.04	\$0	\$196	\$196	\$196	\$4,115
Smart Financing - Compressed Air System	0	0		\$0	164,800	0	\$0.03	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	17	2		\$24,120		0		\$0	\$1,206	\$1,206	\$1,206	\$26,326
TOTAL COMPANY	2,724	981		\$817,106		1,989,174		\$61,918	\$78,091	\$19,875	\$97,966	\$876,990
* Lost revenue and efficiency incentives are based on initial values per the settlement agreement.												

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1997												
KENTUCKY POWER COMPANY												
ESTIMATED SECTOR SURCHARGES FOR 1997												
Exhibit C												
PAGE 3A of 19												
YEAR 2 (1st HALF)	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (4)	NET LOST REV# MOS (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH# MOS (2)X(5) (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET* LOST REVENUES (6)X(7) (8)	EFFICIENCY INCENTIVE (EX, C, PG.18B) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL* INCENTIVE (9)+(10) (11)	TOTAL EST. COSTS TO BE RECOVERED (4)+(10)+(11) (12)
PROGRAM DESCRIPTIONS												
RESIDENTIAL PROGRAMS												
Energy Fitness	273	651	\$260.68	\$71,167	1,345	875,585	\$0.03	\$27,266	n/a	\$21,354	\$119,787	
Targated Energy Efficiency - All Electric	116	279	\$818.97	\$96,638	2,785	777,015	\$0.03	\$24,188	\$4,832	\$4,832	\$125,658	
- Non-All Electric	26	88	\$88.23	\$2,294	340	28,920	\$0.03	\$955	n/a	\$252	\$3,461	
Compact Fluorescent Bulb	0	289		\$0	31	8,339	\$0.03	\$258	n/a	\$0	\$258	
High - Efficiency Heat Pump - Resistance Heat	123	590	\$2.58	\$317	1,138	671,420	\$0.03	\$20,895	n/a	\$2,427	\$23,639	
- Non Resistance Heat	124	581	\$2.96	\$318	407	236,467	\$0.03	\$7,364	n/a	\$2,070	\$9,752	
High - Efficiency Heat Pump - Mobile Home	109	403	\$157.87	\$17,208	1,080	435,240	\$0.03	\$13,540	n/a	\$4,236	\$34,984	
Mobile Home New Construction	12	78	\$635.17	\$7,622	0	0	n/a	n/a	\$381	\$381	\$8,003	
TOTAL RESIDENTIAL PROGRAMS	765	2,939		\$195,564		3,033,996		\$94,446	\$5,213	\$35,532	\$325,562	
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	243	207	\$264.00	\$64,182	0	0	n/a	n/a	\$3,208	\$3,208	\$67,360	
Smart Audit - Class 2	11	9	\$2,705.00	\$29,755	0	0	n/a	n/a	\$1,488	\$1,488	\$31,243	
Smart Financing - Existing Building	0	1	n/a	\$5,629	11,000	11,000	\$0.04	\$469	\$281	\$281	\$5,379	
Smart Financing - New Building	1	0	\$4,692.00	\$4,692	15,300	0	\$0.04	\$50	n/a	\$50	\$4,742	
TOTAL COMMERCIAL PROGRAMS	255	217		\$104,228		11,000		\$469	\$4,977	\$5,027	\$109,724	
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	9	20	\$279.56	\$2,516	0	0	n/a	n/a	\$126	\$126	\$2,642	
Smart Audit - Class 2	1	2	\$1,133.00	\$1,133	0	0	n/a	n/a	\$57	\$57	\$1,190	
Smart Financing - General	0	0	n/a	\$7,840	14,100	0	\$0.04	\$0	\$392	\$392	\$8,232	
Smart Financing - Compressed Air System	0	0		\$0	62,400	0	\$0.03	\$0	\$0	\$0	\$0	
TOTAL INDUSTRIAL PROGRAMS	10	22		\$11,489	0	0		\$0	\$575	\$575	\$12,064	
TOTAL COMPANY	1,050	3,178		\$311,281		3,044,996		\$94,915	\$10,765	\$41,154	\$447,350	
* Lost revenue and efficiency incentives are based on initial values per the settlement agreement.												

1997												
KENTUCKY POWER COMPANY												
ESTIMATED SECTOR SURCHARGES FOR 3 YR PROGRAM												
YEAR 2 (3rd QTR)	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (4)	NET LOST REV/QTR (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/QTR (2)X(5)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET* LOST REVENUES (6)X(7)	EFFICIENCY INCENTIVE (EX. C. PG.18B) (9)	MAXIMIZING INCENTIVE (10)	TOTAL* INCENTIVE (9)+(10)	TOTAL EST. COSTS TO BE RECOVERED (12)
PROGRAM DESCRIPTIONS										(5% of COSTS) (4)X(9)+(11)		
RESIDENTIAL PROGRAMS												
Energy Fitness	257	957	\$184.99	\$47,542	341	326,337	\$0.03	\$10,156	\$5,340	n/a	\$5,340	\$63,038
Targeted Energy Efficiency - All Electric	51	369	\$1,090.08	\$55,594	1,392	513,648	\$0.03	\$15,960	\$0	\$2,780	\$2,780	\$74,354
- Non-All Electric	15	108	\$193.33	\$2,900	170	18,360	\$0.03	\$574	\$25	n/a	\$25	\$3,499
Compact Fluorescent Bulb	0	269	n/a	\$0	16	4,304	\$0.03	\$133	\$0	\$0	\$0	\$133
High - Efficiency Heat Pump - Resistance Heat	109	717	\$65.05	\$5,000	547	392,199	\$0.03	\$12,213	\$787	n/a	\$787	\$19,000
- Non Resistance Heat	84	695	\$66.18	\$5,559	221	153,595	\$0.03	\$4,786	\$2,445	n/a	\$2,445	\$12,790
High - Efficiency Heat Pump - Mobile Home	77	509	\$689.62	\$53,101	625	318,125	\$0.03	\$9,894	\$2,503	n/a	\$2,503	\$65,498
Mobile Home New Construction	0	82	n/a	\$6,092	0	0			\$0	\$305	\$305	\$6,397
TOTAL RESIDENTIAL PROGRAMS	593	3,706		\$176,788		1,726,568		\$53,736	\$11,100	\$3,085	\$14,185	\$244,705
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	98	383	\$413.13	\$40,467	0	0			\$0	\$2,024	\$2,024	\$42,511
- Class 2	5	19	\$2,705.00	\$13,525	0	0			\$0	\$676	\$676	\$14,201
Smart Financing - Existing Building	2	2	\$5,087.00	\$6,134	11,100	22,200	\$0.04	\$940	\$1,627	n/a	\$1,627	\$8,701
Smart Financing - New Building	0	1	n/a	\$0	7,650	7,650	\$0.04	\$327	\$0	\$0	\$0	\$327
TOTAL COMMERCIAL PROGRAMS	105	405		\$60,146		29,850		\$1,267	\$1,627	\$2,700	\$4,327	\$65,740
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	3	26	\$666.00	\$1,998	0	0			\$0	\$100	\$100	\$2,098
Smart Audit - Class 2	0	3	n/a	\$0	0	0			\$0	n/a	\$0	\$4,785
Smart Financing - General	0	0	\$4,785	\$4,785	14,625	14,625	\$0.04	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0		\$0	41,200	41,200	\$0.04	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	3	29		\$6,783		0		\$0	\$0	\$100	\$100	\$6,883
TOTAL COMPANY	701	4,140		\$243,717		1,756,418		\$55,003	\$12,727	\$5,885	\$18,612	\$317,332

* Lost revenue and efficiency incentives are based on prospective values.

1997												
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YR PROGRAM												
YEAR 2 (4th QTR)												
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (4)	NET LOST REV/IQTR (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/IQTR (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * LOST REVENUES (8)	EFFICIENCY INCENTIVE (EX. C. PG. 18B) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL * INCENTIVE (9)+(10)+(11)	TOTAL EST. COSTS TO BE RECOVERED (12)
RESIDENTIAL PROGRAMS	432	1,287	\$259.53	\$112,115	341	438,867	\$0.03	\$13,658	\$8,977	n/a	\$8,977	\$134,750
Energy Fitness	124	443	\$924.15	\$114,595	1,383	617,099	\$0.03	\$19,198	\$0	\$5,730	\$5,730	\$139,523
Targeted Energy Efficiency - All Electric	78	146	\$103.55	\$8,077	170	24,820	\$0.03	\$775	\$129	n/a	\$129	\$8,981
- Non-All Electric	0	0	n/a	\$0	17	4,573	\$0.03	\$141	\$0	\$0	\$0	\$141
Compact Fluorescent Bulb	111	823	\$105.90	\$11,866	547	450,181	\$0.03	\$14,019	\$801	n/a	\$801	\$26,865
High - Efficiency Heat Pump - Resistance Heat	102	782	\$142.21	\$14,505	221	172,822	\$0.03	\$5,385	\$2,969	n/a	\$2,969	\$22,859
- Non Resistance Heat	50	565	\$406.70	\$20,335	625	353,125	\$0.03	\$10,982	\$1,625	n/a	\$1,625	\$32,942
High - Efficiency Heat Pump - Mobile Home	0	82	n/a	(\$749)	0	0	0	0	0	(\$37)	(\$37)	(\$786)
Mobile Home New Construction	897	4,397		\$280,744		2,051,487		\$64,138	\$14,501	\$5,693	\$20,194	\$365,096
TOTAL RESIDENTIAL PROGRAMS												
COMMERCIAL PROGRAMS	71	473	\$230.92	\$16,395	0	0	0	0	\$820	\$820	\$820	\$17,215
Smart Audit - Class 1	21	33	\$2,705.00	\$55,805	0	0	0	0	\$0	\$0	\$0	\$59,649
- Class 2	9	8	\$2,282.56	\$20,543	11,100	88,800	\$0.04	\$4,761	n/a	n/a	\$7,320	\$31,624
Smart Financing - Existing Building	0	1	n/a	\$0	7,650	7,650	\$0.04	\$327	\$0	\$0	\$0	\$327
Smart Financing - New Building	101	515		\$93,743		95,450		\$4,088	\$3,320	\$3,320	\$10,860	\$108,811
TOTAL COMMERCIAL PROGRAMS												
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)	18	37	\$524.22	\$9,436	0	0	0	0	\$472	\$472	\$472	\$9,908
Smart Audit - Class 1	0	3	n/a	\$1,094	0	0	0	0	\$55	\$55	\$55	\$1,149
Smart Audit - Class 2	0	0	n/a	\$11,802	14,625	0	\$0.04	\$0	\$0	\$0	\$0	\$11,802
Smart Financing - General	0	0	n/a	\$0	41,200	0	\$0.04	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	n/a	\$0	0	0	\$0.04	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	18	40		\$22,332	0	0	0	0	\$527	\$527	\$527	\$22,859
TOTAL COMPANY	1,016	4,952		\$396,819	2,157,937			\$68,246	\$21,821	\$9,860	\$31,701	\$496,766

* Lost revenue and efficiency incentives are based on prospective values.

1998

KENTUCKY POWER COMPANY
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM

Exhibit C
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PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (4)	NET LOST REV/6 MOS (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/6 MOS (2)X(5) (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET* REVENUES (8)X(7) (8)	EFFICIENCY INCENTIVE (EX. C, PG.18B) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL* INCENTIVE (9)+(10) (11)	TOTAL EST. COSTS TO BE RECOVERED (12)
RESIDENTIAL PROGRAMS	544	1,768	\$184.44	\$100,334	682	1,205,776	\$0.03	\$37,624	\$11,304	n/a	\$11,304	\$149,162
Energy Fitness	122	565	\$1,132.92	\$138,216	2,784	1,572,960	\$0.03	\$49,935	\$0	\$6,911	\$6,911	\$194,062
Targeted Energy Efficiency - All Electric	24	203	\$112.92	\$2,710	340	69,020	\$0.03	\$2,155	\$40	n/a	\$40	\$4,906
Targeted Energy Efficiency - Non-All Electric	0	0	\$0.00	\$0	32	8,608	\$0.03	\$266	\$0	\$0	\$0	\$266
Compact Fluorescent Bulb	21	887	\$70.10	\$1,472	1,094	970,376	\$0.03	\$30,218	\$152	n/a	\$152	\$31,842
High - Efficiency Heat Pump - Resistance Heat	26	848	\$70.00	\$1,820	442	374,816	\$0.03	\$11,679	\$757	n/a	\$757	\$14,286
High - Efficiency Heat Pump - Mobile Home	66	616	\$535.30	\$35,330	1,250	770,000	\$0.03	\$23,947	\$2,145	n/a	\$2,145	\$61,422
Mobile Home New Construction	0	82	n/a	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
TOTAL RESIDENTIAL PROGRAMS	803	5,238		\$279,882		4,971,556		\$154,725	\$14,388	\$6,911	\$21,309	\$455,916
COMMERCIAL PROGRAMS	204	597	\$194.13	\$39,602	0	0	n/a	\$0	\$1,980	\$1,980	\$1,980	\$41,582
Smart Audit - Class 1	28	60	\$1,600.00	\$44,800	0	0	n/a	\$0	\$2,240	\$2,240	\$2,240	\$66,201
Smart Financing - Existing Building	8	16	\$4,564.00	\$44,552	22,200	355,200	\$0.04	\$15,043	\$6,506	n/a	\$6,506	\$5,247
Smart Financing - New Building	1	1	\$4,564.00	\$4,564	15,300	15,300	\$0.04	\$654	\$29	\$0	\$29	\$160,070
TOTAL COMMERCIAL PROGRAMS	241	674		\$133,518		370,500		\$15,697	\$6,535	\$4,220	\$10,755	\$160,070
INDUSTRIAL PROGRAMS - (w/est. Opt-Outs Removed)	12	51	\$246.03	\$2,953	0	0	n/a	\$0	\$148	\$148	\$148	\$3,101
Smart Audit - Class 1	1	3	\$1,800.00	\$1,800	0	0	n/a	\$0	\$90	\$90	\$90	\$1,890
Smart Audit - Class 2	0	0	\$0.00	\$1,338	29,250	0	\$0.04	\$0	\$0	\$0	\$0	\$1,405
Smart Financing - General	0	0	\$0.00	\$0	82,400	0	\$0.04	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	13	54		\$6,091	0	0		\$0	\$305	\$305	\$305	\$6,396
TOTAL INDUSTRIAL PROGRAMS	1,057	5,966		\$419,591		5,342,056		\$170,422	\$20,933	\$11,436	\$32,369	\$622,382
TOTAL COMPANY												
* Lost revenue and efficiency incentives are based on prospective values.												

1998

KENTUCKY POWER COMPANY
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM

Exhibit C
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PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (4)	NET LOST REV/6 MOS (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS (KWH/6 MOS) (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * LOST REVENUES (8)	EFFICIENCY INCENTIVE (EX. C. PG.18B) (9)	MAXIMIZING INCENTIVE (10)	TOTAL * INCENTIVE (11)	TOTAL EST. COSTS TO BE RECOVERED (12)
										(4)X(5%)	(9)X(10)	(4)X(8)X(11)
RESIDENTIAL PROGRAMS	448	2,277	\$301.30	\$134,982	682	1,592,914	\$0.03	\$48,327	\$9,309	\$0	\$9,309	\$192,618
Energy Fitness	131	597	\$1,187.51	\$155,564	2,784	1,940,448	\$0.03	\$50,367	\$0	\$7,778	\$7,778	\$223,709
Targeted Energy Efficiency - All Electric	42	238	\$139.82	\$5,864	340	80,920	\$0.03	\$2,528	\$70	\$0	\$70	\$8,462
- Non-All Electric	0	269	\$0.00	\$0	32	8,608	\$0.03	\$266	\$0	\$0	\$0	\$266
Compact Fluorescent Bulb	108	940	\$147.45	\$15,925	1,094	1,028,360	\$0.03	\$32,023	\$780	\$0	\$780	\$48,720
High - Efficiency Heat Pump - Resistance Heat	64	894	\$72.27	\$4,625	442	355,148	\$0.03	\$12,313	\$1,863	\$0	\$1,863	\$18,601
- Non Resistance Heat	173	764	\$514.50	\$89,009	1,250	955,000	\$0.03	\$29,701	\$5,623	\$0	\$5,623	\$124,333
High - Efficiency Heat Pump - Mobile Home	33	11	\$549.45	\$18,132	0	0	n/a		\$0	\$907	\$907	\$19,039
Mobile Home New Construction	999	6,090	\$424.10	\$256,398		5,961,398		\$185,625	\$17,645	\$8,665	\$26,330	\$635,956
TOTAL RESIDENTIAL PROGRAMS												
COMMERCIAL PROGRAMS	178	795	\$534.85	\$95,203	0	0	n/a		\$0	\$4,760	\$4,760	\$99,963
Smart Audit - Class 1	9	73	\$2,800.00	\$25,200	0	0	n/a		\$0	\$1,260	\$1,260	\$26,460
- Class 2	29	32	\$1,878.86	\$54,487	22,200	710,400	\$0.04	\$30,085	\$23,985	\$0	\$23,985	\$108,157
Smart Financing - Existing Building	5	6	\$1,529.20	\$7,646	15,300	91,600	\$0.04	\$3,926	\$144	\$0	\$144	\$11,716
Smart Financing - New Building	221	906	\$182.536	\$182,536		802,200		\$34,011	\$23,729	\$6,020	\$29,749	\$246,296
TOTAL COMMERCIAL PROGRAMS												
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)	3	59	\$852.33	\$2,557	0	0	n/a		\$0	\$128	\$128	\$2,685
Smart Audit - Class 1	0	4	\$0.00	\$0	29,250	0	\$0.04	\$0	\$383	\$0	\$383	\$2,813
Smart Audit - Class 2	1	0	\$0.00	\$0	82,400	0	\$0.04	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0					\$0	\$128	\$128	\$5,499
Smart Financing - Compressed Air System	4	63	\$4,967	\$248,680					\$41,757	\$14,833	\$56,590	\$687,750
TOTAL INDUSTRIAL PROGRAMS	1,224	7,059	\$611.624	\$737,867		6,763,596		\$719,536	\$41,757	\$14,833	\$56,590	\$687,750
TOTAL COMPANY												

* Lost revenue and efficiency incentives are based on prospective values.

1999													
KENTUCKY POWER COMPANY													
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM													
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS	TOTAL ACT. PROGRAM COSTS (1)X(3)	NET LOST REVENUE (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS (KWH/HALF) (6)	NET LOST REVENUE (KWH/HALF) (7)	TOTAL NET* REVENUES (6)X(7)	EFFICIENCY INCENTIVE (EX. C, PG.18B) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL* INCENTIVE (9)+(10)	TOTAL EST. COSTS TO BE RECOVERED (4)+(9)+(11)	TOTAL EST. COSTS TO BE RECOVERED (12)
RESIDENTIAL PROGRAMS	366	2,694	\$312.58	\$95,650	707	1,904,656	\$0.03	\$59,273	\$10,370	\$0	\$10,370	\$165,293	\$165,293
Energy Fitness	75	773	\$1,907.41	\$143,055	630	486,990	\$0.03	\$15,150	\$0	\$7,153	\$7,153	\$165,359	\$165,359
Targeted Energy Efficiency - All Electric - Non-All Electric	12	249	\$112.00	\$1,344	305	76,194	\$0.03	\$2,380	\$60	\$0	\$60	\$3,784	\$3,784
Compact Fluorescent Bulb	0	289	\$0.00	\$0	31	8,339	\$0.03	\$258	\$0	\$0	\$0	\$258	\$258
High - Efficiency Heat Pump - Resistance Heat - Non Resistance Heat	99	1,022	\$273.74	\$27,100	1,200	1,202,400	\$0.03	\$37,443	\$4,375	\$0	\$4,375	\$68,918	\$68,918
High - Efficiency Heat Pump - Mobile Home	2	853	\$50.00	\$100	442	377,026	\$0.03	\$11,748	\$0	\$5	\$5	\$11,853	\$11,853
Mobile Home New Construction ***	101	826	\$545.99	\$55,145	1,475	1,218,350	\$0.03	\$37,691	\$8,505	\$0	\$8,505	\$101,541	\$101,541
TOTAL RESIDENTIAL PROGRAMS	98	45	\$567.20	\$57,546	1,756	79,020	\$0.03	\$2,458	\$4,353	\$0	\$4,353	\$64,357	\$64,357
COMMERCIAL PROGRAMS	693	6,711		\$379,941		5,352,977		\$186,601	\$27,663	\$7,158	\$34,821	\$81,363	\$81,363
Smart Audit - Class 1	186	964	\$204.71	\$38,076	0	0	n/a	0	\$0	\$1,904	\$1,904	\$39,980	\$39,980
Smart Audit - Class 2	16	87	\$2,705.00	\$43,280	0	0	n/a	0	\$0	\$2,164	\$2,164	\$45,444	\$45,444
Smart Financing - Existing Building	51	51	\$5,109.67	\$2,656	13,282	677,382	\$0.04	\$28,687	\$1,395	\$0	\$1,395	\$60,740	\$60,740
Smart Financing - New Building	3	9	\$0.00	\$2,350	14,101	126,909	\$0.04	\$5,428	\$787	\$0	\$787	\$8,565	\$8,565
TOTAL COMMERCIAL PROGRAMS	211	1,111		\$114,364		804,291		\$34,115	\$2,182	\$4,068	\$6,250	\$154,729	\$154,729
INDUSTRIAL PROGRAMS - (W/Est. Opt-Outs Removed)	0	60	\$0.00	\$0	0	0	n/a	0	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 1	0	4	\$0.00	\$0	0	0	n/a	0	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	1	\$0.00	\$0	0	0	\$0.04	\$0	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.04	\$0	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	65	\$0	\$0	0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	0	7,920		\$494,305		6,215,216		\$200,716	\$29,845	\$11,226	\$41,071	\$795,082	\$795,082
TOTAL COMPANY	904	15,346		\$944,305		12,570,217		\$335,531	\$34,013	\$15,384	\$57,321	\$1,154,158	\$1,154,158

* Lost revenue and efficiency incentives are based on prospective values.
 ** Cumulative participants include a reduction for the cumulative participants as of 06/30/96.
 *** Participants since 09/01/96.

1999												
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM YEAR 4 (2nd HALF)												
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (4)	NET LOST REV/HALF (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS (KWH/HALF) (6)	NET LOST REVENUE (SKWH) (7)	TOTAL NET * LOST REVENUES (8)	EFFICIENCY INCENTIVE (EX. C. PG.18B) (9)	MAXIMIZING INCENTIVE (% of COSTS) (10)	TOTAL * INCENTIVE (9)+(10) (11)	TOTAL EST. COSTS TO BE RECOVERED (12)
RESIDENTIAL PROGRAMS	0	2,519	\$0.00	\$972	707	1,780,933	\$0.03	\$55,423	\$0	\$0	\$0	\$56,396
Energy Fitness	68	700	\$1,222.76	\$80,702	630	441,000	\$0.03	\$13,720	\$0	\$4,035	\$4,035	\$99,457
Targeted Energy Efficiency - All Electric	8	220	\$67.50	\$540	306	67,320	\$0.03	\$2,103	\$40	\$0	\$40	\$2,683
Targeted Energy Efficiency - Non-All Electric	0	123	\$0.00	\$0	31	3,813	\$0.03	\$118	\$0	\$0	\$0	\$118
Compact Fluorescent Bulb	140	810	\$211.14	\$29,560	1,200	972,000	\$0.03	\$30,268	\$6,187	\$0	\$6,187	\$66,015
High - Efficiency Heat Pump - Resistance Heat	0	593	\$0.00	\$0	447	265,071	\$0.03	\$8,260	\$0	\$0	\$0	\$8,260
High - Efficiency Heat Pump - Non Resistance Heat	134	739	\$439.07	\$72,236	1,475	1,090,025	\$0.03	\$33,900	\$11,284	\$0	\$11,284	\$117,420
High - Efficiency Heat Pump - Mobile Home	123	195	\$681.42	\$71,515	1,755	343,960	\$0.03	\$10,698	\$5,464	\$0	\$5,464	\$97,677
Mobile Home New Construction ***	471	5,900	\$255.525	\$255,525		4,964,142		\$154,490	\$22,975	\$4,035	\$27,010	\$437,025
TOTAL RESIDENTIAL PROGRAMS												
COMMERCIAL PROGRAMS	188	1,129	\$356.11	\$66,948	0	0	n/a	\$0	\$0	\$3,347	\$3,347	\$70,295
Smart Audit - Class 1	21	103	\$2,705.00	\$56,805	0	0	n/a	\$0	\$0	\$2,840	\$2,840	\$99,645
Smart Audit - Class 2	25	66	\$2,726.04	\$68,151	13,282	876,612	\$0.04	\$37,125	\$5,814	\$0	\$5,814	\$111,090
Smart Financing - Existing Building	8	13	\$3,087.00	\$24,696	14,101	183,313	\$0.04	\$7,840	\$2,099	\$0	\$2,099	\$34,635
Smart Financing - New Building	242	1,311	\$216.600	\$216,600		1,059,925		\$44,965	\$7,913	\$6,187	\$14,100	\$275,865
TOTAL COMMERCIAL PROGRAMS												
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)	0	57	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 1	0	4	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	1	\$0.00	\$0	0	0	\$0.04	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.04	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.04	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS												
TOTAL COMPANY	713	7,273	\$472,125	\$472,125		6,024,067		\$199,455	\$30,868	\$10,222	\$41,110	\$712,690

* Lost revenue and efficiency incentives are based on prospective values.
 ** Cumulative participants include a reduction for the cumulative participants as of 12/31/96.
 *** Participants since 09/01/99.

Year 2000												
KENTUCKY POWER COMPANY												
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM												
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (1)(3)	NET LOST REV/HALF (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS (KWH/HALF) (2)(5)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET* LOST REVENUES (6)	EFFICIENCY INCENTIVE (EX. C. PG.18B) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL* INCENTIVE (11)	TOTAL EST. COSTS TO BE RECOVERED (12)
RESIDENTIAL PROGRAMS	0	2,161	\$0.00	\$0	707	1,527,827	\$0.03	\$47,546	\$0	\$0	\$0	\$47,546
Energy Fitness	650	659	\$1,272.51	\$83,992	630	415,170	\$0.03	\$12,916	\$4,200	\$4,200	\$4,200	\$101,108
Targeted Energy Efficiency - All Electric - Non-All Electric	28	202	\$90.82	\$2,543	306	61,812	\$0.03	\$1,931	\$141	\$141	\$141	\$4,615
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump - Resistance Heat - Non Resistance Heat	38	663	\$200.00	\$7,600	1,200	619,600	\$0.03	\$25,522	\$1,679	\$0	\$1,679	\$34,801
High - Efficiency Heat Pump - Mobile Home	45	348	\$0.00	\$0	447	155,556	\$0.03	\$4,847	\$0	\$0	\$0	\$4,847
Mobile Home New Construction **	101	683	\$500.00	\$22,500	1,475	1,007,425	\$0.03	\$31,331	\$3,789	\$0	\$3,789	\$57,620
TOTAL RESIDENTIAL PROGRAMS	278	5,038	\$530.20	\$53,550	1,755	530,010	\$0.03	\$16,463	\$4,486	\$0	\$4,486	\$74,519
COMMERCIAL PROGRAMS	144	1,126	\$397.19	\$57,195	0	0	n/a	n/a	\$0	\$2,860	\$2,860	\$60,055
Smart Audit - Class 1	8	112	\$2,705.00	\$21,640	0	0	n/a	n/a	\$0	\$1,082	\$1,082	\$22,722
Smart Audit - Class 2	16	86	\$1,307.31	\$20,917	13,282	1,142,252	\$0.04	\$48,374	\$3,721	\$3,721	\$3,721	\$73,012
Smart Financing - Existing Building	4	20	\$6,288.75	\$25,195	14,101	282,020	\$0.04	\$12,052	\$1,049	\$0	\$1,049	\$38,305
Smart Financing - New Building	172	1,344	\$124,947	\$124,947	0	0	\$0.00	\$00,436	\$4,770	\$3,942	\$8,712	\$194,095
TOTAL COMMERCIAL PROGRAMS	172	1,344	\$124,947	\$124,947	0	0	\$0.00	\$00,436	\$4,770	\$3,942	\$8,712	\$194,095
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)	0	0	\$0.00	\$0	0	0	n/a	n/a	\$0	\$0	\$0	\$0
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	\$0.00	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	0	\$0.00	\$0	0	0	\$0.00	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.00	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	0	0	\$0.00	\$0	0	0	\$0.00	\$0	\$0	\$0	\$0	\$0
TOTAL COMPANY	450	6,382	\$295.132	\$295,132	0	0	\$0.00	\$201,012	\$14,865	\$6,142	\$23,007	\$519,151

* Lost revenue and efficiency incentives are based on prospective values.
 ** Cumulative participants include a reduction for the cumulative participants as of 06/30/97.
 *** Participants since 09/01/98

Year 2000													Exhibit C	PAGE 66 of 19
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM													TOTAL *	TOTAL EST.
YEAR 5 (2nd half)													INCENTIVE (11)	RECOVERED (12)
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (4)	NET LOST REV/HALF (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS (KWH/HALF) (6)	NET LOST REVENUE (S/KWH) (7)	TOTAL NET * LOST REVENUES (8)	EFFICIENCY INCENTIVE (EX. C. PG. 18E) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	INCENTIVE (9)+(10)	TOTAL COSTS TO BE RECOVERED (4)+(9)+(11)		
RESIDENTIAL PROGRAMS	0	1,525	\$0.00	\$0	706	1,875,650	\$0.03	\$33,505	\$0	\$0	\$0	\$33,505		
Energy Fitness	99	583	\$1,115.41	\$110,426	630	387,290	\$0.03	\$11,426	\$0	\$5,521	\$5,521	\$127,373		
Targeted Energy Efficiency - All Electric	21	170	\$94.67	\$1,988	306	52,020	\$0.03	\$1,625	\$105	\$0	\$105	\$3,718		
- Non-All Electric	0	0	\$0.00	\$0	0	0	\$0.00	\$0	\$0	\$0	\$0	\$0		
Compact Fluorescent Bulb	25	481	\$200.00	\$5,000	1,200	577,200	\$0.03	\$17,974	\$1,105	\$0	\$1,105	\$24,079		
High - Efficiency Heat Pump - Resistance Heat	0	147	\$0.00	\$0	446	65,962	\$0.03	\$2,043	\$0	\$0	\$0	\$2,043		
- Non Resistance Heat	43	572	\$495.35	\$21,300	1,476	844,272	\$0.03	\$25,257	\$3,621	\$0	\$3,621	\$51,178		
High - Efficiency Heat Pump - Mobile Home	94	403	\$575.00	\$54,050	1,755	707,265	\$0.03	\$21,996	\$4,175	\$0	\$4,175	\$80,221		
Mobile Home New Construction ***	282	3,881	\$192,764	\$192,764	3,690,259	3,690,259	\$114,626	\$9,005	\$5,521	\$14,527	\$14,527	\$322,117		
TOTAL RESIDENTIAL PROGRAMS														
COMMERCIAL PROGRAMS	159	1,026	\$165.24	\$26,273	0	0	n/a	0	\$0	\$1,314	\$1,314	\$27,587		
Smart Audit - Class 1	29	98	\$2,705.00	\$78,445	0	0	0	0	\$0	\$3,922	\$3,922	\$82,367		
- Class 2	24	97	\$974.54	\$21,949	13,282	1,286,354	\$0.04	\$54,562	\$5,581	\$0	\$5,581	\$62,092		
Smart Financing - Existing Building	0	21	\$0.00	\$7,269	14,102	295,142	\$0.04	\$12,666	\$0	\$0	\$0	\$19,935		
Smart Financing - New Building	212	1,242	\$133,936	\$133,936	1,584,496	1,584,496	\$87,228	\$5,581	\$5,236	\$10,817	\$10,817	\$211,981		
TOTAL COMMERCIAL PROGRAMS														
INDUSTRIAL PROGRAMS - (W/Est. Opt-Outs Removed)	0	0	\$0.00	\$0	0	0	n/a	0	\$0	\$0	\$0	\$0		
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	0	0	\$0	\$0	\$0	\$0		
Smart Audit - Class 2	0	0	\$0.00	\$0	0	0	\$0.00	\$0	\$0	\$0	\$0	\$0		
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00	\$0	\$0	\$0	\$0	\$0		
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.00	\$0	\$0	\$0	\$0	\$0		
TOTAL INDUSTRIAL PROGRAMS	0	0	\$0	\$0	0	0	\$0	\$0	\$0	\$0	\$0	\$0		
TOTAL COMPANY	494	5,123	\$325,700	\$325,700	5,274,755	5,274,755	\$182,054	\$14,587	\$10,757	\$25,344	\$25,344	\$534,098		

* Lost revenue and efficiency incentives are based on prospective values.
 ** Cumulative participants include a reduction for the cumulative participants as of 12/31/97
 *** Participants since 09/01/98.

Year 2001

KENTUCKY POWER COMPANY
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM

Exhibit C
PAGE 7A of 19

PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (4)	NET LOST REV/OTR (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS (KWH/HALF) (6)	NET LOST REVENUE (S/KWH) (7)	TOTAL NET * LOST REVENUES (8)	EFFICIENCY INCENTIVE (EX. C. PG. 18B) (9)	MAXIMIZING INCENTIVE (6% of COSTS) (10)	TOTAL * INCENTIVE (11)	TOTAL EST. COSTS TO BE RECOVERED (12)
RESIDENTIAL PROGRAMS	0	1,044	\$0.00	\$0	707	738,108	\$0.03112	\$22,970	\$0	\$0	\$0	\$22,970
Energy Fitness	62	935	\$1,275.94	\$79,170	630	337,050	\$0.03111	\$10,486	\$0	\$3,959	\$3,959	\$93,615
Targeted Energy Efficiency - All Electric	18	137	\$87.89	\$1,582	306	41,922	\$0.03124	\$1,310	\$90	\$0	\$90	\$2,982
- Non-All Electric	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Compact Fluorescent Bulb	23	438	\$201.04	\$4,624	1200	525,600	\$0.03114	\$16,367	\$1,016	\$0	\$1,016	\$22,007
High - Efficiency Heat Pump - Resistance Heat	0	81	\$0.00	\$0	447	36,207	\$0.03116	\$1,128	\$0	\$0	\$0	\$1,128
- Non Resistance Heat	53	588	\$472.15	\$25,024	1475	823,050	\$0.03110	\$25,597	\$4,463	\$0	\$4,463	\$55,084
High - Efficiency Heat Pump - Mobile Home	83	488	\$537.04	\$44,574	1755	855,440	\$0.03110	\$26,635	\$3,667	\$0	\$3,667	\$74,866
Mobile Home New Construction **	239	3,281	\$154.974	\$3,687		3,358,377		\$104,483	\$9,236	\$3,959	\$13,215	\$272,682
TOTAL RESIDENTIAL PROGRAMS												
COMMERCIAL PROGRAMS	134	1,017	\$321.82	\$43,124	0	0	n/a	\$0	\$0	\$2,165	\$2,165	\$45,280
Smart Audit - Class 1	26	105	\$1,510.00	\$42,280	0	0	n/a	\$0	\$0	\$2,114	\$2,114	\$43,394
- Class 2	15	112	\$2,309.00	\$34,635	13,282	1,487,584	\$0.04235	\$62,939	\$3,488	\$0	\$3,488	\$101,122
Smart Financing - Existing Building	8	25	\$4,016.13	\$32,129	14,101	352,525	\$0.04277	\$15,077	\$2,099	\$0	\$2,099	\$49,005
Smart Financing - New Building	185	1,299	\$152.168	\$28,116		1,840,109		\$76,076	\$5,587	\$4,270	\$9,857	\$240,101
TOTAL COMMERCIAL PROGRAMS												
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	0	0	\$0	\$0	0	0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL COMPANY	424	4,540	\$307.142	\$129,328		\$5,196,486		\$182,569	\$14,843	\$8,229	\$23,072	\$512,763

* Lost revenue and efficiency incentives are based on prospective values.
 ** Cumulative participants include a reduction for the cumulative participants as of 06/30/98.
 *** Participants since 01/07/98.

Year 2001												
KENTUCKY POWER COMPANY												
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM												
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS (3)	TOTAL ACT. PROGRAM COSTS (4)	NET LOST REV/QTR (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/HALF (2)X(5) (6)	NET LOST REVENUE (KWH) (7)	TOTAL NET * LOST REVENUES (8)X(7) (8)	EFFICIENCY INCENTIVE (EX. C. PG.18B) (9)	MAXIMIZING INCENTIVE (5% OF COSTS) (10)	TOTAL * INCENTIVE (9)+(10)+(11) (11)	TOTAL EST. COSTS TO BE RECOVERED (4)X(8)+(11) (12)
RESIDENTIAL PROGRAMS	0	535	\$0.00	\$0	706	377,710	\$0.03112	\$11,754	\$0	\$0	\$0	\$11,754
Energy Fitness	88	486	\$1,018.86	\$95,650	630	306,180	\$0.03111	\$9,525	\$4,483	\$4,483	\$4,483	\$103,668
Targeted Energy Efficiency - All Electric	46	122	\$61.46	\$3,747	306	37,332	\$0.03124	\$1,166	\$231	\$231	\$231	\$5,144
- Non-All Electric	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Compact Fluorescent Bulb	30	412	\$173.33	\$5,200	1,200	494,400	\$0.03114	\$1,326	\$0	\$0	\$1,326	\$21,922
High - Efficiency Heat Pump - Resistance Heat	0	35	\$0.00	\$0	446	15,610	\$0.03116	\$486	\$0	\$0	\$0	\$486
- Non Resistance Heat	47	469	\$510.64	\$24,000	1,476	692,244	\$0.03110	\$21,529	\$3,958	\$0	\$3,958	\$49,487
High - Efficiency Heat Pump - Mobile Home	92	568	\$555.43	\$51,100	1,755	996,840	\$0.03110	\$31,002	\$4,087	\$0	\$4,087	\$86,189
Mobile Home New Construction ***	303	2,827	\$173,707	\$173,707		2,920,316		\$90,856	\$9,602	\$4,483	\$14,085	\$276,650
TOTAL RESIDENTIAL PROGRAMS												
COMMERCIAL PROGRAMS	131	966	\$454.04	\$59,479	0	0	n/a	\$0	\$0	\$2,974	\$2,974	\$62,453
Smart Audit - Class 1	5	111	\$9,817.20	\$49,086	0	0	n/a	\$0	\$0	\$2,454	\$2,454	\$51,540
- Class 2	15	109	\$1,664.27	\$24,964	13,282	1,447,738	\$0.04235	\$61,312	\$3,488	\$0	\$3,488	\$86,764
Smart Financing - Existing Building	18	34	\$1,799.28	\$32,387	14,102	479,468	\$0.04277	\$20,507	\$4,722	\$0	\$4,722	\$57,616
Smart Financing - New Building	169	1,220	\$165,916	\$165,916		1,927,206		\$81,819	\$8,210	\$5,428	\$13,638	\$261,373
TOTAL COMMERCIAL PROGRAMS												
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS												
TOTAL COMPANY	472	3,847	\$339,623	\$339,623		4,847,522		\$172,677	\$17,812	\$9,911	\$27,723	\$540,023

* Lost revenue and efficiency incentives are based on prospective values.
 ** Cumulative participants include a reduction for the cumulative participants as of 12/31/98
 *** Participants since 07/01/98.

Year 2002												
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM												
YEAR 7 (1st Half)												
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACTUAL PROGRAM COSTS (4)	NET LOST REV/HALF (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS (KWH/HALF) (6)	NET LOST REVENUE (S/KWH) (7)	TOTAL NET * LOSS REVENUES (8)	EFFICIENCY INCENTIVE (EX. C, PG.18B) (9)	MAXIMIZING INCENTIVE (5% OF COSTS) (10)	TOTAL * INCENTIVE (9)+(10) (11)	TOTAL ACTUAL COSTS TO BE RECOVERED (12)
RESIDENTIAL PROGRAMS	0	116	\$0.00	\$0	707	82,012	\$0.03112	\$2,552	\$0	\$0	\$0	\$2,552
Energy Fitness	63	442	\$1,752.40	\$110,401	1,028	454,376	\$0.03111	\$14,136	\$0	\$5,520	\$5,520	\$130,057
Targeted Energy Efficiency - All Electric	32	135	\$65.47	\$2,095	315	42,525	\$0.03124	\$1,328	\$137	\$0	\$137	\$3,560
- Non-All Electric	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Compact Fluorescent Bulb	1	314	\$1,152.00	\$1,152	1,200	376,800	\$0.03114	\$11,734	\$44	\$0	\$44	\$12,930
High - Efficiency Heat Pump - Resistance Heat	0	0	\$0.00	\$0	447	0	\$0.03116	\$0	\$0	\$0	\$0	\$0
- Non Resistance Heat	43	414	\$619.77	\$26,650	1,144	473,616	\$0.03110	\$14,729	\$1,244	\$0	\$1,244	\$42,623
High - Efficiency Heat Pump - Mobile Home	57	568	\$641.77	\$36,561	1,809	1,027,512	\$0.03110	\$31,956	\$231	\$0	\$231	\$68,768
Mobile Home New Construction ***	196	1,989		\$176,879		2,456,841		\$76,435	\$1,656	\$5,520	\$7,176	\$260,490
TOTAL RESIDENTIAL PROGRAMS												
COMMERCIAL PROGRAMS	125	923	\$432.92	\$54,115	0	0	n/a	\$0	\$0	\$2,705	\$2,705	\$56,821
Smart Audit - Class 1	8	104	\$3,711.00	\$29,688	0	0	n/a	\$0	\$0	\$1,484	\$1,484	\$76,309
- Class 2	7	101	\$2,552.71	\$17,669	13,282	1,341,482	\$0.04235	\$56,812	\$1,628	\$0	\$1,628	\$33,615
Smart Financing - Existing Building	5	42	\$1,394.60	\$6,973	14,101	592,242	\$0.04277	\$25,330	\$1,312	\$0	\$1,312	\$33,615
Smart Financing - New Building	145	1,170		\$108,645		1,933,724		\$62,142	\$2,940	\$4,190	\$7,130	\$197,917
TOTAL COMMERCIAL PROGRAMS												
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	0	0	\$0	\$0	0	0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL COMPANY	341	3,159		\$285,524		4,390,565		\$158,577	\$4,596	\$9,710	\$14,306	\$458,407

* Lost revenue and efficiency incentives are based on prospective values.
 ** Cumulative participants include a reduction for the cumulative participants as of 06/30/1999.
 *** Participants since 01/01/1999.

Exhibit C

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Year 2002												
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM												
YEAR 7 (2nd Half)												
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACTUAL PROGRAM COSTS (4)	NET COST REV/QTR (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/HALF (2)X(5) (6)	NET LOSS REVENUE (S/KWH) (7)	TOTAL NET * LOSS REVENUES (6)X(7) (8)	EFFICIENCY INCENTIVE (EX. C. PG-18B) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10) (4)X(5)	TOTAL * INCENTIVE (9)+(10) (11)	TOTAL ACTUAL COSTS TO BE RECOVERED (12) (4)+(10)+(11)
RESIDENTIAL PROGRAMS	0	0	\$0.00	\$0	706	0	\$0.03112	\$0	\$0	\$0	\$0	\$0
Energy Fitness	76	457	\$1,039.33	\$79,989	1,028	468,796	\$0.03111	\$14,615	\$3,949	\$3,949	\$3,949	\$97,553
Targeted Energy Efficiency - All Electric	13	156	\$65.92	\$1,117	315	49,140	\$0.03124	\$1,535	\$56	\$0	\$56	\$2,708
- Non-All Electric	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Compact Fluorescent Bulb	0	177	\$0.00	(\$352)	1,200	212,400	\$0.03114	\$6,614	\$0	\$0	\$0	\$6,262
High - Efficiency Heat Pump - Resistance Heat	0	0	\$0.00	\$0	446	0	\$0.03116	\$0	\$0	\$0	\$0	\$0
- Non Resistance Heat	43	308	\$603.84	\$25,965	1,144	352,352	\$0.03110	\$10,958	\$1,244	\$0	\$1,244	\$38,167
High - Efficiency Heat Pump - Mobile Home	61	519	\$644.46	\$39,312	1,809	938,871	\$0.03110	\$28,199	\$248	\$0	\$248	\$68,759
Mobile Home New Construction **	193	1,617	\$145.031	\$145,031	2,022,559	2,022,559	\$62,921	\$62,921	\$1,548	\$3,949	\$5,497	\$213,449
TOTAL RESIDENTIAL PROGRAMS												
COMMERCIAL PROGRAMS	0	786	\$0.00	\$74,422	0	0	n/a	\$0	\$0	\$3,721	\$3,721	\$78,143
Smart Audit - Class 1	0	90	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
- Class 2	25	97	\$809.76	\$22,744	13,282	1,288,354	\$0.04235	\$54,562	\$5,814	\$0	\$5,814	\$83,120
Smart Financing - Existing Building	16	44	\$2,424.94	\$38,799	14,102	620,488	\$0.04277	\$26,536	\$4,197	\$0	\$4,197	\$69,534
Smart Financing - New Building	41	1,017	\$135.965	\$135,965	1,908,842	1,908,842	\$81,100	\$81,100	\$10,011	\$3,721	\$13,732	\$230,797
TOTAL COMMERCIAL PROGRAMS												
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS												
TOTAL COMPANY	234	2,634	\$280.996	\$280,996	3,931,401	3,931,401	\$144,021	\$144,021	\$11,559	\$7,670	\$19,229	\$444,246

* Lost revenue and efficiency incentives are based on prospective values.
 ** Cumulative participants include a reduction for the cumulative participants as of 12/31/1999.
 *** Participants since 07/01/1999.

Exhibit C
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Year 2003													Exhibit C
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM													PAGE
													9A of
													19
													TOTAL
													ACTUAL
													COSTS TO BE
NEW PARTICIPANT	CUMULATIVE PARTICIPANT	TOTAL ESTIMATED PROGRAM COSTS	TOTAL ACTUAL PROGRAM COSTS	NET LOST REV/HALF (KWH/PARTICIPANT)	TOTAL ENERGY SAVINGS (KWH-HALF)	NET LOST REVENUE (\$/KWH)	TOTAL NET REVENUES (6)X(7)	EFFICIENCY INCENTIVE (EX. C. PG.18B) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL * (9)+(10)	INCENTIVE (11)	RECOVERED (12)	
NUMBER (1)	NUMBER ** (2)	PER PARTICIPANT (3)	(1)X(3)	(5)	(2)X(5)	(7)	(6)X(7)	(9)	(4)X(5%)	(9)+(10)	(11)	(4)+(8)+(11)	
RESIDENTIAL PROGRAMS	0	0	\$0.00	707	0	\$0.03112	\$0	\$0	\$0	\$0	\$0	\$0	
Energy Fitness													
Targeted Energy Efficiency	100	467	\$849.84	1,028	480,076	\$0.03111	\$14,935	\$0	\$4,249	\$4,249	\$4,249	\$104,168	
- All Electric	7	151	\$79.29	314	47,414	\$0.03124	\$1,481	\$30	\$0	\$30	\$30	\$2,066	
- Non-All Electric	0	0	\$0.00	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0	
Compact Fluorescent Bulb	0	0	\$0.00	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0	
High - Efficiency Heat Pump	0	94	\$0.00	1,200	112,800	\$0.03114	\$3,513	\$0	\$0	\$0	\$0	\$3,513	
- Resistance Heat	0	0	\$0.00	447	0	\$0.03116	\$0	\$0	\$0	\$0	\$0	\$0	
- Non Resistance Heat	0	0	\$0.00	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0	
High - Efficiency Heat Pump	34	268	\$379.41	1,144	306,592	\$0.03110	\$9,555	\$983	\$0	\$983	\$983	\$23,418	
- Mobile Home													
Mobile Home New Construction ***	46	460	\$482.61	1,808	851,680	\$0.03110	\$25,665	\$187	\$0	\$187	\$187	\$48,252	
- Heat Pump	0	0	\$0.00	157	0	\$0.03124	\$0	\$0	\$0	\$0	\$0	\$0	
- Air Conditioner	0	0	\$0.00	0	0	\$0.03116	\$0	\$0	\$0	\$0	\$0	\$0	
Modified Energy Fitness	101	23	\$142.72	1,194	27,462	\$0.03116	\$856	\$2,127	\$0	\$2,127	\$2,127	\$17,398	
TOTAL RESIDENTIAL PROGRAMS	288	1,463	\$135,054		1,806,024		\$56,185	\$3,327	\$4,249	\$7,576	\$7,576	\$198,815	
COMMERCIAL PROGRAMS	0	620	\$0.00	0	0	n/a	\$0	\$0	\$0	\$0	\$0	\$0	
Smart Audit - Class 1	0	73	\$0.00	0	0	n/a	\$0	\$0	\$0	\$0	\$0	\$0	
- Class 2	0	0	\$0.00	13,282	1,461,020	\$0.04235	\$61,874	\$0	\$0	\$0	\$0	\$61,874	
Smart Financing - Existing Building	0	110	\$0.00	14,101	690,949	\$0.04277	\$29,552	\$0	\$0	\$0	\$0	\$29,552	
Smart Financing - New Building	0	49	\$0.00	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0	
TOTAL COMMERCIAL PROGRAMS	0	852	\$0		2,151,969		\$91,426	\$0	\$0	\$0	\$0	\$91,426	
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)	0	0	\$0.00	0	0	n/a	\$0	\$0	\$0	\$0	\$0	\$0	
Smart Audit - Class 1	0	0	\$0.00	0	0	n/a	\$0	\$0	\$0	\$0	\$0	\$0	
Smart Audit - Class 2	0	0	\$0.00	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0	
Smart Financing - General	0	0	\$0.00	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0	
Smart Financing - Compressed Air System	0	0	\$0.00	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0	
TOTAL INDUSTRIAL PROGRAMS	0	0	\$0		0		\$0	\$0	\$0	\$0	\$0	\$0	
TOTAL COMPANY	288	2,315	\$135,054		3,957,993		\$147,611	\$3,327	\$4,249	\$7,576	\$7,576	\$290,241	

* Lost revenue and efficiency incentives are based on prospective values.
 ** Cumulative participants include a reduction for the cumulative participants as of 06/30/2000.
 *** Participants since 01/01/2000.

Year 2003													Exhibit C
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM													PAGE
YEAR 8 (2nd HALF)													9B of
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS (3)	TOTAL ACTUAL PROGRAM COSTS (4)	NET LOST REV/HALF (KWH/ PARTICIPANT) (5)	TOTAL ENERGY SAVINGS (KWH-HALF (6) (2)X(5)	NET LOST REVENUE (S/KWH) (7)	TOTAL NET * LOSS (8) (6)X(7)	EFFICIENCY INCENTIVE (EX. C. PG.18B) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10) (4)X(5)	TOTAL * INCENTIVE (11) (9)+(10)	TOTAL ACTUAL COSTS TO BE RECOVERED (12) (4)+(8)+(11)	
RESIDENTIAL PROGRAMS	0	0	\$0.00	\$0	706	0	\$0.03112	\$0	\$0	\$0	\$0	\$0	
Energy Fitness	0	0	\$0.00	\$0	706	0	\$0.03112	\$0	\$0	\$0	\$0	\$0	
Targeted Energy Efficiency	69	473	\$974.94	\$67,271	1,028	486,244	\$0.03111	\$15,127	\$0	\$3,364	\$3,364	\$85,762	
- All Electric	69	167	\$76.10	\$5,251	316	\$2,772	\$0.03124	\$1,649	\$295	\$0	\$295	\$7,185	
- Non-All Electric	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
High - Efficiency Heat Pump	0	63	\$0.00	\$0	1,200	75,600	\$0.03114	\$2,354	\$0	\$0	\$0	\$2,354	
- Resistance Heat	0	0	\$0.00	\$0	446	0	\$0.03116	\$0	\$0	\$0	\$0	\$0	
- Non Resistance Heat	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
High - Efficiency Heat Pump	29	256	\$453.45	\$13,150	1,144	292,864	\$0.03110	\$9,108	\$839	\$0	\$839	\$23,097	
- Mobile Home	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
Mobile Home New Construction **	64	419	\$646.59	\$41,574	1,810	758,390	\$0.03110	\$23,585	\$260	\$0	\$260	\$65,420	
- Heat Pump	1	0	\$150.00	\$150	188	0	\$0.03124	\$0	\$0	\$0	\$0	\$150	
- Air Conditioner	441	324	\$431.43	\$190,262	1,194	386,856	\$0.03116	\$12,054	\$8,287	\$0	\$8,287	\$211,603	
Modified Energy Fitness	673	1,702		\$317,658		2,052,726		\$53,878	\$10,681	\$3,364	\$14,045	\$395,581	
TOTAL RESIDENTIAL PROGRAMS													
COMMERCIAL PROGRAMS	0	453	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	
Smart Audit - Class 1	0	63	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	
- Class 2	0	77	\$0.00	\$0	13,282	1,022,714	\$0.04235	\$43,312	\$0	\$0	\$0	\$43,312	
Smart Financing - Existing Building	0	47	\$0.00	\$0	14,102	662,794	\$0.04277	\$28,348	\$0	\$0	\$0	\$28,348	
Smart Financing - New Building	0	640	\$0	\$0	0	1,685,508		\$71,660	\$0	\$0	\$0	\$71,660	
TOTAL COMMERCIAL PROGRAMS													
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	
Smart Audit - Class 2	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
TOTAL INDUSTRIAL PROGRAMS													
TOTAL COMPANY	673	2,342		\$317,658		3,798,234		\$135,538	\$10,681	\$3,364	\$14,045	\$467,241	

* Lost revenue and efficiency incentives are based on prospective values.
 ** Cumulative participants include a reduction for the cumulative participants as of 12/31/2000.
 *** Participants since 07/01/2000.

Year 2004													Exhibit C
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM													PAGE 10A of 19
YEAR 9 (1st HALF)													TOTAL ACTUAL COSTS TO BE
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS (3)	TOTAL ACTUAL PROGRAM COSTS (4)	NET LOST REV/QTR (5)	TOTAL ENERGY SAVINGS (6)	NET LOST REVENUE (7)	NET REVENUES (8)	EFFICIENCY INCENTIVE (EX. C. PG.18B) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL * (11)	RECOVERED COSTS TO BE (12)	
			PER PARTICIPANT (3)	(1)X(3)	(KWH/PARTIC) (5)	KWH/ HALF (6)	(KWH) (7)	REVENUES (8)	(9)	(4)X(5%) (10)	(9)+(10)	(4)+(8)+(11)	
RESIDENTIAL PROGRAMS	0	0	\$0.00	\$0	707	0	\$0.03112	\$0	\$0	\$0	\$0	\$0	
Energy Fitness													
Targeted Energy Efficiency	72	463	\$751.54	\$54,111	1,028	475,964	\$0.03111	\$14,807	\$0	\$2,706	\$2,706	\$71,824	
- All Electric	10	179	\$78.60	\$786	314	56,206	\$0.03124	\$1,756	\$43	\$0	\$43	\$2,585	
- Non-All Electric	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
Compact Fluorescent Bulb													
High - Efficiency Heat Pump	0	42	\$0.00	\$0	1,200	50,400	\$0.03114	\$1,569	\$0	\$0	\$0	\$1,569	
- Resistance Heat	0	0	\$0.00	\$0	447	0	\$0.03116	\$0	\$0	\$0	\$0	\$0	
- Non Resistance Heat													
High - Efficiency Heat Pump	41	247	\$428.05	\$17,550	1,144	282,568	\$0.03110	\$8,788	\$1,186	\$0	\$1,186	\$27,524	
- Mobile Home													
Mobile Home New Construction ***													
- Heat Pump	68	384	\$503.68	\$34,250	1,808	712,352	\$0.03110	\$22,154	\$276	\$0	\$276	\$56,660	
- Air Conditioner	1	1	\$150.00	\$150	157	157	\$0.03124	\$5	\$0	\$0	\$0	\$155	
Modified Energy Fitness	394	735	\$417.76	\$139,531	1,194	877,590	\$0.03116	\$27,346	\$7,034	\$0	\$7,034	\$173,911	
TOTAL RESIDENTIAL PROGRAMS	526	2,081		\$246,378		2,455,237		\$76,425	\$8,539	\$2,706	\$11,245	\$334,048	
COMMERCIAL PROGRAMS													
Smart Audit - Class 1	0	338	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	
- Class 2	0	30	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	
Smart Financing - Existing Building	0	54	\$0.00	\$0	13,282	717,228	\$0.04235	\$30,375	\$0	\$0	\$0	\$30,375	
Smart Financing - New Building	0	43	\$0.00	\$0	14,101	606,843	\$0.04277	\$25,933	\$0	\$0	\$0	\$25,933	
TOTAL COMMERCIAL PROGRAMS	0	465		\$0		1,323,571		\$56,308	\$0	\$0	\$0	\$56,308	
INDUSTRIAL PROGRAMS - (West, Opt-Outs Removed)													
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	
Smart Audit - Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
TOTAL INDUSTRIAL PROGRAMS	0	0		\$0		0		\$0	\$0	\$0	\$0	\$0	
TOTAL COMPANY	526	2,526		\$246,378		3,778,808		\$132,733	\$8,539	\$2,706	\$11,245	\$390,356	

* Lost revenue and efficiency incentives are based on prospective values.
 ** Cumulative participants include a reduction for the cumulative participants as of 06/30/2001.
 *** Participants since 01/01/2001.

Year 2004													Exhibit C
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM													PAGE 10B of 19
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACTUAL PROGRAM COSTS (4)	NET LOST REV/QTR (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS (KWH/ HALF (6)	NET LOST REVENUE (9/KWH) (7)	TOTAL NET * LOSS (8)	EFFICIENCY INCENTIVE (EX. C, PG. 10B) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL * COSTS TO BE RECOVERED (11)	TOTAL ACTUAL COSTS TO BE RECOVERED (12)	
										(4)X (5%)	(9)H+(10)	(4)H-(8)+(11)	
RESIDENTIAL PROGRAMS													
Energy Fitness	0	0	\$0.00	\$0	708	0	\$0.03112	\$0	\$0	\$0	\$0	\$0	
Targeted Energy Efficiency - All Electric	89	462	\$1,118.43	\$99,540	1,028	474,936	\$0.03111	\$14,775	\$0	\$4,977	\$4,977	\$119,282	
- Non-All Electric	72	205	\$60.60	\$4,363	316	64,760	\$0.03124	\$2,024	\$308	\$0	\$308	\$6,695	
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
High - Efficiency Heat Pump - Resistance Heat	0	15	\$0.00	\$0	1,200	18,000	\$0.03114	\$561	\$0	\$0	\$0	\$561	
- Non Resistance Heat	0	0	\$0.00	\$0	448	0	\$0.03116	\$0	\$0	\$0	\$0	\$0	
High - Efficiency Heat Pump - Mobile Home	46	239	\$469.57	\$21,600	1,144	273,416	\$0.03110	\$8,503	\$1,330	\$0	\$1,330	\$31,433	
Mobile Home New Construction ***	70	379	\$597.14	\$41,800	1,810	685,990	\$0.03110	\$21,334	\$284	\$0	\$284	\$63,418	
- Heat Pump	0	2	#DIV/0!	\$0	158	316	\$0.03124	\$10	\$0	\$0	\$0	\$10	
- Air Conditioner	381	1,070	\$347.20	\$135,756	1,194	1,277,690	\$0.03116	\$39,809	\$8,234	\$0	\$8,234	\$163,799	
Modified Energy Fitness	668	2,372		\$303,059		2,795,018		\$87,016	\$10,156	\$4,977	\$15,133	\$405,208	
TOTAL RESIDENTIAL PROGRAMS													
COMMERCIAL PROGRAMS													
Smart Audit - Class 1	0	191	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	
- Class 2	0	10	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	
Smart Financing - Existing Building	0	41	\$0.00	\$0	13,282	544,562	\$0.04235	\$23,062	\$0	\$0	\$0	\$23,062	
Smart Financing - New Building	0	30	\$0.00	\$0	14,102	423,050	\$0.04277	\$18,084	\$0	\$0	\$0	\$18,084	
TOTAL COMMERCIAL PROGRAMS													
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)													
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	
Smart Audit - Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
TOTAL INDUSTRIAL PROGRAMS													
TOTAL COMPANY	668	2,644		\$303,059		3,762,640		\$128,172	\$10,156	\$4,977	\$15,133	\$446,364	

* Lost revenue and efficiency incentives are based on prospective values.
 ** Cumulative participants include a reduction for the cumulative participants as of 12/31/2001.
 *** Participants since 07/07/2001.

Year 2005												Exhibit C
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM												PAGE
YEAR 10 (2nd HALF)												19
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS (3)	TOTAL ACTUAL PROGRAM COSTS (4)	NET LOST REV/QTRS (KWH/ PARTICIPANT) (5)	TOTAL ENERGY SAVINGS (KWH/ HALF (6)	NET REVENUE (\$/KWH) (7)	NET REVENUES (8)	EFFICIENCY INCENTIVE (EX. C. PG.18B) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL * (9)+(10)	TOTAL ACTUAL COSTS TO BE RECOVERED (12)
			PER PARTICIPANT COSTS (3)	TOTAL ACTUAL PROGRAM COSTS (4)	NET LOST REV/QTRS (KWH/ PARTICIPANT) (5)	TOTAL ENERGY SAVINGS (KWH/ HALF (6)	NET REVENUE (\$/KWH) (7)	NET REVENUES (8)	EFFICIENCY INCENTIVE (EX. C. PG.18B) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL * (9)+(10)	TOTAL ACTUAL COSTS TO BE RECOVERED (12)
				(1)X(3)	(5)	(2)X(6)	(7)	(8)X(7)	(9)	(4)X(5%)	(9)+(10)	(4)+(8)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	0	0	\$0.00	\$0	706	0	\$0.03112	\$0	\$0	\$0	\$0	\$0
Targeted Energy Efficiency	85	492	\$1,207.52	\$102,639	896	440,832	\$0.03111	\$13,714	\$5,132	\$5,132	\$5,132	\$121,485
- All Electric	26	233	\$65.85	\$1,712	266	61,978	\$0.03124	\$1,936	\$513	\$0	\$513	\$4,161
- Non-All Electric	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Compact Fluorescent Bulb												
High - Efficiency Heat Pump	0	0	\$0.00	\$0	1,200	0	\$0.03114	\$0	\$0	\$0	\$0	\$0
- Resistance Heat	0	0	\$0.00	\$0	446	0	\$0.03116	\$0	\$0	\$0	\$0	\$0
- Non Resistance Heat												
High - Efficiency Heat Pump	40	225	\$476.78	\$19,071	1,144	257,400	\$0.03110	\$8,005	\$3,168	\$0	\$3,168	\$30,244
- Mobile Home												
Mobile Home New Construction ***												
- Heat Pump	83	385	\$544.23	\$45,171	1,810	698,850	\$0.03110	\$21,672	\$10,372	\$0	\$10,372	\$77,215
- Air Conditioner	0	2	\$0.00	\$0	158	316	\$0.03124	\$10	\$0	\$0	\$0	\$10
Modified Energy Fitness	351	1,826	\$373.12	\$130,965	612	1,117,512	\$0.03116	\$34,822	\$14,770	\$0	\$14,770	\$180,557
TOTAL RESIDENTIAL PROGRAMS	565	3,163		\$299,558		2,574,868		\$80,159	\$28,823	\$5,132	\$33,955	\$413,572
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
- Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - Existing Building	0	20	\$0.00	\$0	13,282	265,640	\$0.04235	\$11,250	\$0	\$0	\$0	\$11,250
Smart Financing - New Building	0	11	\$0.00	\$0	14,102	155,122	\$0.04277	\$6,635	\$0	\$0	\$0	\$6,635
TOTAL COMMERCIAL PROGRAMS	0	31		\$0		420,762		\$17,885	\$0	\$0	\$0	\$17,885
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	0	0		\$0				\$0	\$0	\$0	\$0	\$0
TOTAL COMPANY	565	3,194		\$299,558		2,995,650		\$98,044	\$28,823	\$5,132	\$33,955	\$431,557

* Lost revenue and efficiency incentives are based on prospective values.
 ** Cumulative participants include a reduction for the cumulative participants as of 12/31/2002.
 *** Participants since 07/01/2002.

Year 2006		Exhibit C										
KENTUCKY POWER COMPANY		PAGE										
ESTIMATED SECTOR SURCHARGES FOR 3		12A of										
YEAR PROGRAM		19										
YEAR 11 (1st HALF)	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	TOTAL ESTIMATED PROGRAM COSTS (3)	TOTAL PROGRAM ACTUAL COSTS (4)	NET LOST REV/QTRS (KWH/PARTICIPANT) (5)	TOTAL ENERGY SAVINGS (KWH/HALF) (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET REVENUES (8)	EFFICIENCY INCENTIVE (EX. C, PG.19B) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL INCENTIVE (11)	TOTAL ACTUAL COSTS TO BE RECOVERED (12)
PROGRAM DESCRIPTIONS			PER PARTICIPANT (3)	PROGRAM COSTS (4)	(KWH/PARTICIPANT) (5)	KWH/HALF (6)	(\$/KWH) (7)	REVENUES (8)	(EX. C, PG.19B) (9)	(5% of COSTS) (10)	(9)*(10)	(4)+(8)+(11)
RESIDENTIAL PROGRAMS				(1)*(3)		(2)*(6)	(6)*(7)			(4)*(5)		
Energy Fitness	0	0	\$0.00	\$0	707	0	\$0.03112	\$0	\$0	\$0	\$0	\$0
Targeted Energy Efficiency	75	496	\$974.31	\$73,073	896	444,416	\$0.03111	\$13,826	\$0	\$3,654	\$3,654	\$90,553
- All Electric	34	249	\$84.96	\$2,875	267	66,463	\$0.03124	\$2,077	\$671	\$0	\$671	\$5,623
- Non-All Electric	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump	0	0	\$0.00	\$0	1,200	0	\$0.03114	\$0	\$0	\$0	\$0	\$0
- Resistance Heat	0	0	\$0.00	\$0	447	0	\$0.03116	\$0	\$0	\$0	\$0	\$0
- Non Resistance Heat	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump	48	230	\$446.06	\$21,411	1,145	263,350	\$0.03110	\$8,190	\$3,802	\$0	\$3,802	\$33,403
- Mobile Home	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Mobile Home New Construction ***	90	425	\$561.21	\$50,509	1,810	769,250	\$0.03110	\$23,924	\$11,246	\$0	\$11,246	\$65,679
- Heat Pump	0	2	\$0.00	\$0	157	314	\$0.03124	\$10	\$0	\$0	\$0	\$10
- Air Conditioner	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Modified Energy Fitness	440	2,185	\$275.33	\$121,144	613	1,339,405	\$0.03116	\$41,736	\$18,515	\$0	\$18,515	\$191,995
TOTAL RESIDENTIAL PROGRAMS	667	3,587	\$269,012	\$269,012		2,883,218		\$89,763	\$34,234	\$3,654	\$37,888	\$396,663
COMMERCIAL PROGRAMS	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
- Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - Existing Building	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Smart Financing - New Building	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
TOTAL COMMERCIAL PROGRAMS	0	0	\$0	\$0	0	0	\$0	\$0	\$0	\$0	\$0	\$0
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	0	0	\$0	\$0	0	0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL COMPANY	667	3,587	\$269,012	\$269,012		2,883,218		\$89,763	\$34,234	\$3,654	\$37,888	\$396,663

* Lost revenue and efficiency incentives are based on prospective values.
 ** Cumulative participants include a reduction for the cumulative participants as of 06/30/2003.
 *** Participants since 01/01/2003.

Year 2007													Exhibit C
KENTUCKY POWER COMPANY													PAGE
ESTIMATED SECTOR SURCHARGES FOR 3													13B of
YEAR PROGRAM													19
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	TOTAL ESTIMATED PROGRAM COSTS (3)	TOTAL ACTUAL PROGRAM COSTS (4)	NET LOST REV/OTRS (KWH/PARTICIPANT) (5)	TOTAL ENERGY SAVINGS (KWH/HALF (6)	NET LOST REVENUE (SIKWH) (7)	TOTAL NET* LOSS (8)	EFFICIENCY INCENTIVE (EX. C, PG.18B) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL* COSTS TO BE RECOVERED (11)	TOTAL ACTUAL COSTS TO BE RECOVERED (12)	
RESIDENTIAL PROGRAMS			PER PARTICIPANT (3)	PROGRAM COSTS (4)	(KWH/PARTICIPANT) (5)	(KWH/HALF (6)	(SIKWH) (7)	REVENUES (8)	(EX. C, PG.18B) (9)	(5% of COSTS) (10)	INCENTIVE (11)	RECOVERED (12)	
Energy Fitness	0	0	\$0.00	\$0	706	0	\$0.03112	\$0	\$0	(\$4)(.5%) (10)	(\$9)(10)	(\$4)+(8)*(11)	
Targeted Energy Efficiency													
- All Electric	100	421	\$879.82	\$87,982	896	377,216	\$0.04346	\$16,394	\$0	\$4,399	\$4,399	\$108,775	
- Non-All Electric	50	151	\$89.58	\$4,479	276	41,676	\$0.04362	\$1,818	\$987	\$0	\$987	\$7,284	
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
High - Efficiency Heat Pump	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
- Resistance Heat	0	0	\$0.00	\$0	1,200	0	\$0.03114	\$0	\$0	\$0	\$0	\$0	
- Non Resistance Heat	0	0	\$0.00	\$0	446	0	\$0.03116	\$0	\$0	\$0	\$0	\$0	
High - Efficiency Heat Pump	45	209	\$450.00	\$20,250	1,144	239,096	\$0.04346	\$10,391	\$3,564	\$0	\$3,564	\$34,205	
- Mobile Home													
Mobile Home New Construction ***													
- Heat Pump	129	426	\$551.94	\$71,200	1,808	770,208	\$0.04348	\$33,489	\$16,120	\$0	\$16,120	\$120,809	
- Air Conditioner	0	0	\$0.00	\$0	158	0	\$0.04343	\$0	\$0	\$0	\$0	\$0	
Modified Energy Fitness	485	2,113	\$353.79	\$171,590	612	1,293,156	\$0.04349	\$56,239	\$20,409	\$0	\$20,409	\$248,238	
TOTAL RESIDENTIAL PROGRAMS	809	3,320		\$355,501		2,721,352		\$118,331	\$41,060	\$4,399	\$45,479	\$519,311	
COMMERCIAL PROGRAMS													
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	
- Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	
Smart Financing - Existing Building	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
Smart Financing - New Building	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
TOTAL COMMERCIAL PROGRAMS	0	0		\$0				\$0	\$0	\$0	\$0	\$0	
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)													
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	
Smart Audit - Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
TOTAL INDUSTRIAL PROGRAMS	0	0		\$0				\$0	\$0	\$0	\$0	\$0	
TOTAL COMPANY	809	3,320		\$355,501		2,721,352		\$118,331	\$41,060	\$4,399	\$45,479	\$519,311	

* Lost revenue and efficiency incentives are based on prospective values.
 ** Cumulative participants include a reduction for the cumulative participants as of 06/30/2005.
 *** Participants since 07/01/2005.

Year 2008													Exhibit C PAGE 14A of 19	
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM														
YEAR 13 (1st HALF)														
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS (3)	TOTAL ACTUAL PROGRAM COSTS (4)	NET LOST REV/QTRS (KWH/ PARTICIPANT) (5)	TOTAL ENERGY SAVINGS (KWH/ HALF (2)X(5)) (6)	NET LOST REVENUE (9/KWH) (7)	TOTAL NET REVENUES (6)X(7) (8)	EFFICIENCY INCENTIVE (EX. C. PG.18B) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL * (9)H(10) (11)	TOTAL ACTUAL COSTS TO BE RECOVERED (4)H(8)F(11) (12)		
RESIDENTIAL PROGRAMS														
Energy Fitness	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Targeted Energy Efficiency														
- All Electric	119	521	\$1,358.15	\$167,620	1,016	529,336	\$0.04346	\$23,005	\$9,189	\$0	\$9,189	\$193,814	\$0	\$0
- Not-All Electric	56	196	\$83.11	\$4,654	568	111,328	\$0.04345	\$4,837	\$3,454	\$0	\$3,454	\$12,945	\$0	\$0
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Resistance Heat	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Non Resistance Heat	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump	61	252	\$457.36	\$27,900	875	220,500	\$0.04346	\$9,583	\$8,539	\$0	\$8,539	\$46,022	\$0	\$0
- Mobile Home														
Mobile Home New Construction ***														
- Heat Pump	95	520	\$552.63	\$52,500	861	447,720	\$0.04348	\$19,467	\$10,597	\$0	\$10,597	\$62,564	\$0	\$0
- Air Conditioner	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Modified Energy Fitness	560	2,612	\$361.32	\$202,339	495	1,136,220	\$0.04349	\$49,414	\$27,871	\$0	\$27,871	\$279,624	\$0	\$0
TOTAL RESIDENTIAL PROGRAMS	891	4,101		\$449,013		2,445,104		\$105,306	\$59,650	\$0	\$59,650	\$614,969	\$0	\$0
COMMERCIAL PROGRAMS														
Smart Audit - Class 1	0	0	\$0.00	\$0	0	n/a	n/a	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Class 2	0	0	\$0.00	\$0	0	n/a	n/a	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Smart Financing - Existing Building	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Smart Financing - New Building	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL COMMERCIAL PROGRAMS	0	0		\$0		0		\$0	\$0	\$0	\$0	\$0	\$0	\$0
INDUSTRIAL PROGRAMS - (West OptOuts Removed)														
Smart Audit - Class 1	0	0	\$0.00	\$0	0	n/a	n/a	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	0	\$0.00	\$0	0	n/a	n/a	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	0	0		\$0		0		\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL COMPANY	891	4,101		\$449,013		2,445,104		\$105,306	\$59,650	\$0	\$59,650	\$614,969	\$0	\$0

* Lost revenue and efficiency incentives are based on prospective values.
 ** Cumulative participants include a reduction for the cumulative participants as of 06/30/2005.
 *** Participants since 07/01/2005.

Year 2008													Exhibit C
KENTUCKY POWER COMPANY													PAGE
ESTIMATED SECTOR SURCHARGES FOR 3													14B of
YEAR PROGRAM													19
YEAR 13 (2nd HALF)	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	TOTAL ESTIMATED PROGRAM COSTS (3)	TOTAL ACTUAL PROGRAM COSTS (4)	NET LOST REV/QTRS (KWH/PARTICIPANT) (5)	TOTAL ENERGY SAVINGS (KWH/HALF) (6)	NET LOST REVENUE (S/KWH) (7)	TOTAL NET REVENUES (6)X(7) (8)	EFFICIENCY INCENTIVE (EX. C. PG.18B) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL * (9)+(10)	TOTAL ACTUAL COSTS TO BE RECOVERED (12)	
PROGRAM DESCRIPTIONS			PER PARTICIPANT (3)	(1)X(3)	(KWH/PARTICIPANT) (5)	(2)X(6)	(S/KWH) (7)	(6)X(7)	(9)	(4)X(5%) (10)	(9)+(10)	(4)+(8)+(11)	
RESIDENTIAL PROGRAMS	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
Energy Fitness													
Targeted Energy Efficiency	89	545	\$991.21	\$88,218	1,016	553,720	\$0.04346	\$24,065	\$6,873	\$0	\$6,873	\$119,156	
- All Electric	20	223	\$87.50	\$1,750	568	128,664	\$0.04345	\$5,504	\$1,234	\$0	\$1,234	\$8,488	
- Non-All Electric	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
Compact Fluorescent Bulb													
High - Efficiency Heat Pump	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
- Resistance Heat	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
- Non Resistance Heat	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
High - Efficiency Heat Pump	74	269	\$442.57	\$32,750	874	252,866	\$0.04346	\$10,977	\$10,359	\$0	\$10,359	\$54,066	
- Mobile Home													
Mobile Home New Construction	108	548	\$550.00	\$59,400	860	471,280	\$0.04348	\$20,491	\$12,047	\$0	\$12,047	\$91,938	
- Heat Pump	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
- Air Conditioner	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
Modified Energy Fitness	440	2,793	\$356.35	\$156,792	435	1,214,955	\$0.04349	\$52,858	\$21,899	\$0	\$21,899	\$231,529	
TOTAL RESIDENTIAL PROGRAMS	731	4,398		\$338,910		2,619,205		\$113,875	\$52,412	\$0	\$52,412	\$505,197	
COMMERCIAL PROGRAMS													
Smart Audit - Class 1	0	0	\$0.00	\$0	0	n/a	n/a	\$0	\$0	\$0	\$0	\$0	
- Class 2	0	0	\$0.00	\$0	0	n/a	n/a	\$0	\$0	\$0	\$0	\$0	
Smart Financing - Existing Building	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
Smart Financing - New Building	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
TOTAL COMMERCIAL PROGRAMS	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)													
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
Smart Audit - Class 2	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
TOTAL INDUSTRIAL PROGRAMS	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
TOTAL COMPANY	731	4,398		\$338,910		2,619,205		\$113,875	\$52,412	\$0	\$52,412	\$505,197	

* Lost revenue and efficiency incentives are based on prospective values.
 ** Cumulative participants include a reduction for the cumulative participants as of 01/01/2006.

Year	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	AVERAGE ACTUAL PROGRAM COSTS (3) (4)/(1)	TOTAL ACTUAL PROGRAM COSTS (4)	NET LOSS REV/CTRS (KWH/ PARTICIPANT) (5)	TOTAL ENERGY SAVINGS (KWH/ HALF (6) (2)X(5)	NET LOSS REVENUE (SIKWH) (7)	TOTAL NET * LOSS REVENUES (8) (6)X(7)	EFFICIENCY INCENTIVE (EX. C, PG.188) (9)	MAXIMIZING INCENTIVE (9% of COSTS) (10) (4)X(5%)	TOTAL * INCENTIVE (11) (9)+(10)	TOTAL ACTUAL COSTS TO BE RECOVERED (12) (4)+(8)+(11)
Year 2009												
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM												
PROGRAM DESCRIPTIONS												
RESIDENTIAL PROGRAMS												
Energy Fitness	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Targeted Energy Efficiency												
- All Electric	119	575	\$1,050.16	\$126,159	1,016	584,200	\$0.04346	\$25,389	\$9,189	\$0	\$9,189	\$160,737
- Non-All Electric	22	210	\$93.27	\$2,052	568	119,280	\$0.04352	\$5,191	\$1,357	\$0	\$1,357	\$8,500
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
- Resistance Heat	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
- Non Resistance Heat	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump	61	299	\$449.18	\$27,400	875	261,625	\$0.04350	\$11,381	\$8,539	\$0	\$8,539	\$47,320
- Mobile Home												
Mobile Home New Construction												
- Heat Pump	88	562	\$552.84	\$48,650	861	475,272	\$0.04351	\$20,679	\$9,816	\$0	\$9,816	\$79,145
- Air Conditioner	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Modified Energy Fitness	425	2,775	\$383.51	\$162,993	435	1,207,125	\$0.04345	\$52,450	\$21,152	\$0	\$21,152	\$236,595
High Efficiency Heat Pump												
- Resistance Heat Replacement	28	7	\$305.36	\$8,550	1,879	13,153	\$0.04349	\$572	\$13,387	\$0	\$13,387	\$22,509
- Heat Pump Replacement	61	16	\$442.62	\$27,000	301	4,816	\$0.04353	\$210	\$0	\$1,350	\$1,350	\$28,560
Energy Education for Student Program (NEED)	0	0	\$0.00	\$8,139	92	0	\$0.04370	\$0	\$0	\$0	\$0	\$8,139
Community Outreach Program (CFL)	926	149	\$5.64	\$5,404	92	13,708	\$0.04370	\$599	\$4,621	\$0	\$4,621	\$10,624
TOTAL RESIDENTIAL PROGRAMS	1,730	4,583		\$416,947	2,679,179			\$116,471	\$68,061	\$1,350	\$69,411	\$602,229
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
- Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - Existing Building	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Smart Financing - New Building	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
TOTAL COMMERCIAL PROGRAMS	0	0		\$0	0	0		\$0	\$0	\$0	\$0	\$0
INDUSTRIAL PROGRAMS												
(West OptOuts Removed)												
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	0	0		\$0	0	0		\$0	\$0	\$0	\$0	\$0
TOTAL COMPANY	1,730	4,583		\$416,947	2,679,179			\$116,471	\$68,061	\$1,350	\$69,411	\$602,229

* Lost revenue and efficiency incentives are based on prospective values.
 ** Cumulative participants include a reduction for the cumulative participants as of 07/01/2006.
 *** Cumulative participants include a reduction for the cumulative participants as of 07/01/2009 (High Efficiency Heat Pump, Energy Education for Students and Community Outreach Program (CFL)).

Year 2009													Exhibit C
KENTUCKY POWER COMPANY													PAGE
ESTIMATED SECTOR SURCHARGES FOR 3													19
YEAR PROGRAM													
YEAR 14 (2nd HALF)													
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	AVERAGE ACTUAL PROGRAM COSTS (3)	TOTAL ACTUAL PROGRAM COSTS (4)	NET LOST REV/QTRS (KWH/PARTICIPANT) (5)	TOTAL ENERGY SAVINGS (KWH/ HALF (6)	NET LOST REVENUE (S/KWH) (7)	TOTAL NET * LOSSES (8)	EFFICIENCY INCENTIVE (EX. C, PG.18B) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL * INCENTIVE (11)	COSTS TO BE RECOVERED (12)	
			PER PARTICIPANT (4)/(1)			(2)/(5)	(6)/(7)	(9)/(8)	(10)/(9)	(11)/(10)	(12)/(11)		
RESIDENTIAL PROGRAMS	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
Energy Fitness													
Targeted Energy Efficiency	140	620	\$993.48	\$139,087	1,016	629,920	\$0.04346	\$27,376	\$10,811	\$0	\$10,811	\$177,274	
- All Electric	61	200	\$101.34	\$6,182	568	113,600	\$0.04352	\$4,944	\$3,762	\$0	\$3,762	\$14,888	
- Non-All Electric	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
High - Efficiency Heat Pump	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
- Resistance Heat	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
- Non Resistance Heat	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
High - Efficiency Heat Pump	99	342	\$449.49	\$44,500	874	298,908	\$0.04350	\$13,002	\$13,859	\$0	\$13,859	\$71,361	
- Mobile Home													
Mobile Home New Construction	103	556	\$544.17	\$56,050	860	478,160	\$0.04351	\$20,805	\$11,490	\$0	\$11,490	\$68,345	
- Heat Pump	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
- Air Conditioner	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
Modified Energy Fitness	375	2,631	\$372.99	\$139,871	435	1,144,465	\$0.04345	\$49,728	\$18,664	\$0	\$18,664	\$208,263	
High Efficiency Heat Pump	63	60	\$514.29	\$32,400	1,879	112,740	\$0.04349	\$4,903	\$30,120	\$0	\$30,120	\$67,423	
- Resistance Heat Replacement	156	144	\$451.92	\$70,500	300	43,200	\$0.04353	\$1,880	\$3,525	\$0	\$3,525	\$75,905	
- Heat Pump Replacement	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
Energy Education for Student Program (NEED)	1,130	558	\$8.00	\$9,045	92	51,356	\$0.04370	\$2,243	\$5,627	\$0	\$5,627	\$16,915	
Community Outreach Program (CFL)	2,818	2,501	\$10.19	\$28,715	92	230,092	\$0.04370	\$10,055	\$14,062	\$0	\$14,062	\$52,832	
TOTAL RESIDENTIAL PROGRAMS	4,945	7,612	\$526.550	\$526,550	3,102,441	13,024,411	\$0.04350	\$134,936	\$108,395	\$3,525	\$111,920	\$773,205	
COMMERCIAL PROGRAMS	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
- Class 2	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
Smart Financing - Existing Building	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
Smart Financing - New Building	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
TOTAL COMMERCIAL PROGRAMS	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
INDUSTRIAL PROGRAMS	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
(w/Est. Opt-Outs Removed)													
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
Smart Audit - Class 2	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
TOTAL INDUSTRIAL PROGRAMS	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
TOTAL COMPANY	4,945	7,612	\$526.350	\$526,350	3,102,441	13,024,411	\$0.04350	\$134,936	\$108,395	\$3,525	\$111,920	\$773,205	
* Lost revenue and efficiency incentives are based on prospective values. ** Cumulative participants include a reduction for the cumulative participants as of 01/01/2007. *** Cumulative participants include a reduction for the cumulative participants as of 01/01/2009 (High Efficiency Heat Pump, Energy Education for Students and Community Outreach Program (CFL)).													

Year 2010	NEW PARTICIPANT	CUMULATIVE PARTICIPANT	AVERAGE ACTUAL PROGRAM COSTS	TOTAL ACTUAL PROGRAM COSTS	NET LOST REVENUE	TOTAL ENERGY SAVINGS	NET LOST REVENUE	TOTAL NET * REVENUES	EFFICIENCY INCENTIVE	MAXIMIZING INCENTIVE	INCENTIVE TOTAL *	RECOVERED COSTS TO BE
PROGRAM DESCRIPTIONS	NUMBER (1)	NUMBER (2)	PER PARTICIPANT (3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
RESIDENTIAL PROGRAMS			(4)/(1)			(2)/(5)		(6)/(7)	(EX. C. PG.18B)	(4)/(5)	(9)/(10)	(4)+(8)+(11)
Energy Fitness	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Targeted Energy Efficiency	174	720	\$1,161.51	\$202,103	1,016	731,520	\$0.04346	\$31,792	\$13,436	\$0	\$13,436	\$247,331
- All Electric	31	237	\$114.10	\$3,937	568	134,616	\$0.04352	\$5,658	\$1,912	\$0	\$1,912	\$11,307
- Non-All Electric	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
- Resistance Heat	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
- Non Resistance Heat	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump	97	416	\$422.16	\$40,950	875	364,000	\$0.04350	\$15,834	\$13,579	\$0	\$13,579	\$70,363
- Mobile Home												
Mobile Home New Construction	115	621	\$527.83	\$60,700	861	534,681	\$0.04351	\$23,264	\$4,462	\$0	\$4,462	\$88,426
- Heat Pump	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
- Air Conditioner	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Modified Energy Fitness	501	2,762	\$392.89	\$196,836	435	1,201,470	\$0.04345	\$52,204	\$24,935	\$0	\$24,935	\$273,975
High Efficiency Heat Pump	97	135	\$450.00	\$43,650	1,879	259,685	\$0.04349	\$11,032	\$46,376	\$0	\$46,376	\$101,058
- Resistance Heat Replacement	272	348	\$416.73	\$113,350	301	104,748	\$0.04353	\$4,560	\$0	\$5,668	\$5,668	\$123,578
- Heat Pump Replacement												
Energy Education for Student Program (NEED)	488	1,299	\$50.99	\$24,881	73	94,827	\$0.04327	\$4,103	\$2,430	\$0	\$2,430	\$31,414
Community Outreach Program (CFL)	2,644	4,482	\$16.10	\$42,564	91	407,862	\$0.04376	\$17,848	\$13,194	\$0	\$13,194	\$73,606
TOTAL RESIDENTIAL PROGRAMS	4,419	11,020		\$728,571		3,827,369		\$166,495	\$120,324	\$5,668	\$125,992	\$1,021,058
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
- Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - Existing Building	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Smart Financing - New Building	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
TOTAL COMMERCIAL PROGRAMS	0	0		\$0		0		\$0	\$0	\$0	\$0	\$0
INDUSTRIAL PROGRAMS												
(w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	0	0		\$0		0		\$0	\$0	\$0	\$0	\$0
TOTAL COMPANY	4,419	11,020		\$728,571		3,827,369		\$166,495	\$120,324	\$5,668	\$125,992	\$1,021,058

* Lost revenue and efficiency incentives are based on prospective values.
 ** Cumulative participants include a reduction for the cumulative participants as of 01/01/2007.
 *** Cumulative participants include a reduction for the cumulative participants as of 01/01/2009 (High Efficiency Heat Pump, Energy Education for Students and Community Outreach Program (CFL)).

Year 2010	KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	AVERAGE ACTUAL PROGRAM COSTS (3)	TOTAL ACTUAL PROGRAM COSTS (4)	NET LOST REVENUE (KWH/ QTRS) (5)	TOTAL ENERGY SAVINGS (KWH/ QTRS) (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET REVENUES (8)	EFFICIENCY INCENTIVE (9)	MAXIMIZING INCENTIVE (10)	TOTAL * INCENTIVE (9)+(10)	TOTAL ACTUAL COSTS TO BE RECOVERED (12)
	PROGRAM DESCRIPTIONS												
	COMMERCIAL PROGRAMS												
	Smart Audit - Class 1	0	0	\$0.00	\$0	0	n/a	0	\$0	0	\$0	\$0	\$0
	- Class 2	0	0	\$0.00	\$0	0	n/a	0	\$0	0	\$0	\$0	\$0
	Smart Financing - Existing Building	0	0	\$0.00	\$0	0	\$0.00000	0	\$0	0	\$0	\$0	\$0
	Smart Financing - New Building	0	0	\$0.00	\$0	0	\$0.00000	0	\$0	0	\$0	\$0	\$0
	Commercial A/C & Heat Pump Program												
	- Air Conditioner Replacement	0	0	\$0.00	\$0	0	\$0.14803	0	\$0	0	\$0	\$0	\$0
	- Heat Pump Replacement	0	0	\$0.00	\$0	0	\$0.58598	0	\$0	0	\$0	\$0	\$0
	HVAC Diagnostic & Tune-Up	0	0	\$0.00	\$0	0	\$0.06460	0	\$0	0	\$0	\$0	\$0
	- Air Conditioner	1	0	\$125.00	\$125	819	\$0.06476	0	\$0	0	\$0	\$30	\$155
	- Heat Pump												
	Commercial Load Management												
	- Air Conditioner	0	0	\$0.00	\$0	0	\$0.00000	0	\$0	0	\$0	\$0	\$0
	- Water Heating	0	0	\$0.00	\$0	0	\$0.00000	0	\$0	0	\$0	\$0	\$0
	Commercial Incentive	0	0	\$0.00	\$0	0	\$0.25657	0	\$0	0	\$0	\$0	\$0
	TOTAL COMMERCIAL PROGRAMS	1	0		\$125			0	\$0			\$30	\$155
	INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												
	Smart Audit - Class 1	0	0	\$0.00	\$0	0	n/a	0	\$0	0	\$0	\$0	\$0
	Smart Audit - Class 2	0	0	\$0.00	\$0	0	n/a	0	\$0	0	\$0	\$0	\$0
	Smart Financing - General	0	0	\$0.00	\$0	0	\$0.00000	0	\$0	0	\$0	\$0	\$0
	Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	\$0.00000	0	\$0	0	\$0	\$0	\$0
	TOTAL INDUSTRIAL PROGRAMS	0	0		\$0			0	\$0			\$0	\$0
	TOTAL COMPANY	4,796	10,705		\$700.440	4,275.076		\$245,794	\$172,345	\$5,634	\$178,979	\$1,125,213	

* Lost revenue and efficiency incentives are based on prospective values.
 ** Cumulative participants include a reduction for the cumulative participants as of 04/01/2007.
 *** Cumulative participants include a reduction for the cumulative participants as of 01/01/2009 (High Efficiency Heat Pump, Energy Education for Students and Community Outreach Program (CFI)).

Year 2011													Exhibit C PAGE 17A-1 of 19
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM													TOTAL ESTIMATED COSTS TO BE RECOVERED (12) (4)+(9)+(11)
YEAR 16 (1st QTR)													TOTAL ESTIMATED COSTS TO BE RECOVERED (12) (4)+(9)+(11)
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	AVERAGE ESTIMATED PROGRAM COSTS PER PARTICIPANT (3) (4)/(1)	TOTAL ESTIMATED PROGRAM COSTS (4)	NET LOST REVENUE (\$/KWH) (7)	NET LOST REVENUES (8) (6)X(7)	EFFICIENCY INCENTIVE (EX. C, PG-18B) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10) (4)X(5)	TOTAL INCENTIVE (11) (9)+(10)	RECOVERED COSTS TO BE (12) (4)+(9)+(11)	REVENUE (7)	LOSSES (8)	NET REVENUE (9)
RESIDENTIAL PROGRAMS	0	0	\$0.00	\$0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Energy Fitness													
Targeted Energy Efficiency	67	824	\$1,104.12	\$73,976	\$0.05746	\$24,052	\$5,174	\$0	\$5,174	\$103,202	\$0.05746	\$3,411	\$5,174
- All Electric	10	209	\$246.80	\$2,468	\$0.05746	\$3,411	\$617	\$0	\$617	\$6,466	\$0.05746	\$0	\$617
- Non-All Electric	0	0	\$0.00	\$0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0.00000	\$0	\$0
Compact Fluorescent Bulb	0	0	\$0.00	\$0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0.00000	\$0	\$0
High - Efficiency Heat Pump	0	0	\$0.00	\$0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0.00000	\$0	\$0
- Resistance Heat	0	0	\$0.00	\$0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0.00000	\$0	\$0
- Non Resistance Heat	0	0	\$0.00	\$0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0.00000	\$0	\$0
High - Efficiency Heat Pump	39	537	\$493.49	\$19,246	\$0.05750	\$13,463	\$5,460	\$0	\$5,460	\$38,199	\$0.05750	\$13,463	\$5,460
- Mobile Home													
Mobile Home New Construction	41	630	\$594.56	\$24,377	\$0.05745	\$15,563	\$4,574	\$0	\$4,574	\$44,514	\$0.05745	\$15,563	\$4,574
- Heat Pump	0	0	\$0.00	\$0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0.00000	\$0	\$0
- Air Conditioner	300	3,026	\$379.17	\$113,750	\$0.05752	\$37,770	\$14,931	\$0	\$14,931	\$166,451	\$0.05752	\$37,770	\$14,931
Modified Energy Fitness													
High Efficiency Heat Pump	55	278	\$509.95	\$28,048	\$0.05748	\$15,005	\$26,296	\$0	\$26,296	\$69,349	\$0.05748	\$15,005	\$26,296
- Resistance Heat Replacement	125	572	\$470.30	\$58,787	\$0.05750	\$4,934	\$0	\$2,939	\$2,939	\$66,660	\$0.05750	\$4,934	\$2,939
- Heat Pump Replacement	501	1,798	\$15.50	\$7,766	\$0.05714	\$3,801	\$2,495	\$0	\$2,495	\$14,062	\$0.05714	\$3,801	\$2,495
Energy Education for Student Program (NEED)	600	4,978	\$12.61	\$7,563	\$0.05768	\$12,921	\$2,994	\$0	\$2,994	\$23,478	\$0.05768	\$12,921	\$2,994
Community Outreach Program (CFL)													
Residential Efficient Products	17,900	4,983	\$3.71	\$66,461	\$0.05818	\$2,319	\$12,351	\$0	\$12,351	\$81,131	\$0.05818	\$2,319	\$12,351
- Compact Fluorescent Lamp (CFL)	80	13	\$5.31	\$425	\$0.05854	\$0	\$0	\$0	\$0	\$514	\$0.05854	\$0	\$0
- Specially Bulbs	0	0	\$0.00	\$0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0.00000	\$0	\$0
- LED Lights	0	0	\$0.00	\$0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0.00000	\$0	\$0
HVAC Diagnostic & Tune-Up	81	41	\$125.57	\$10,171	\$0.05749	\$184	\$105	\$0	\$105	\$10,461	\$0.05749	\$184	\$105
- Air Conditioner	53	28	\$125.57	\$6,655	\$0.05749	\$298	\$603	\$0	\$603	\$7,556	\$0.05749	\$298	\$603
- Heat Pump	0	0	\$0.00	\$0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0.00000	\$0	\$0
Residential Load Management	0	0	\$0.00	\$0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0.00000	\$0	\$0
- Air Conditioner	0	0	\$0.00	\$0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0.00000	\$0	\$0
- Water Heating	0	0	\$0.00	\$0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0.00000	\$0	\$0
TOTAL RESIDENTIAL PROGRAMS	19,852	17,917		\$419,693		\$133,756	\$75,685	\$2,939	\$78,624	\$632,073		\$133,756	\$75,685

Year 2011													Exhibit C
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM													PAGE 17A-2 of 19
YEAR 18 (1st QTR)	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	AVERAGE ESTIMATED PROGRAM COSTS PER PARTICIPANT (3) / (1)	TOTAL ESTIMATED PROGRAM COSTS (4)	NET LOST REV/QTRS (KWH/ PARTICIPANT) (5)	TOTAL ENERGY SAVINGS KWH/ QTR (6) (2X(5))	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET REVENUES (8) (6X(7))	EFFICIENCY INCENTIVE (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10) (4X(5%))	TOTAL * INCENTIVE (11) (9)+(10)	TOTAL ESTIMATED COSTS TO BE RECOVERED (12) (4)+(9)+(11)	
PROGRAM DESCRIPTIONS													
COMMERCIAL PROGRAMS													
Smart Audit - Class 1	0	0	\$0.00	\$0.00	0	n/a	\$0	\$0	\$0	\$0	\$0	\$0	
- Class 2	0	0	\$0.00	\$0.00	0	n/a	\$0	\$0	\$0	\$0	\$0	\$0	
Smart Financing - Existing Building	0	0	\$0.00	\$0.00	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
Smart Financing - New Building	0	0	\$0.00	\$0.00	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
Commercial A/C & Heat Pump Program													
- Air Conditioner Replacement	33	17	\$261.42	\$8,627	34	578	\$0.14803	\$66	\$31	\$31	\$31	\$8,744	
- Heat Pump Replacement	2	0	\$861.50	\$1,723	34	0	\$0.59599	\$0	\$116	\$116	\$116	\$1,839	
HVAC Diagnostic & Tune-Up													
- Air Conditioner	33	17	\$125.58	\$4,144	172	2,924	\$0.06480	\$189	\$239	\$239	\$239	\$4,572	
- Heat Pump	6	3	\$125.67	\$754	410	1,230	\$0.06476	\$80	\$177	\$177	\$177	\$1,011	
Commercial Load Management													
- Air Conditioner	0	0	\$0.00	\$0.00	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
- Water Heating	0	0	\$0.00	\$0.00	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
Commercial Incentive													
	14	5	\$10,347.29	\$144,862	3,739	18,695	\$0.25657	\$4,797	\$0	\$0	\$0	\$149,659	
TOTAL COMMERCIAL PROGRAMS	88	42		\$160,110		23,427		\$5,152	\$563	\$563	\$563	\$165,825	
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)													
Smart Audit - Class 1	0	0	\$0.00	\$0.00	0	0	n/a	\$0	\$0	\$0	\$0	\$0	
Smart Audit - Class 2	0	0	\$0.00	\$0.00	0	0	n/a	\$0	\$0	\$0	\$0	\$0	
Smart Financing - General	0	0	\$0.00	\$0.00	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
Smart Financing - Compressed Air System	0	0	\$0.00	\$0.00	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
TOTAL INDUSTRIAL PROGRAMS	0	0		\$0.00		0		\$0	\$0	\$0	\$0	\$0	
TOTAL COMPANY	19,940	17,959		\$579,603		2,349,297		\$138,908	\$76,248	\$2,939	\$79,187	\$797,898	

* Lost revenue and efficiency incentives are based on prospective values.
 ** Cumulative participants include a reduction for the cumulative participants as of 01/01/2007.
 *** Cumulative participants include a reduction for the cumulative participants as of 01/01/2009 (High Efficiency Heat Pump, Energy Education for Students and Community Outreach Program (CFL)).

Year 2011													Exhibit C
KENTUCKY POWER COMPANY													PAGE
ESTIMATED SECTOR SURCHARGES FOR 3													19
YEAR PROGRAM													TOTAL
YEAR 16 (2nd, 3rd & 4th QTRs)													ESTIMATED
PROGRAM DESCRIPTIONS													COSTS TO BE
NEW PARTICIPANT	CUMULATIVE PARTICIPANT	AVERAGE ESTIMATED PROGRAM COSTS	TOTAL ESTIMATED PROGRAM COSTS	NET LOST REVENUE	TOTAL ENERGY SAVINGS	NET REVENUE	LOST REVENUES	EFFICIENCY INCENTIVE	MAXIMIZING INCENTIVE	TOTAL *	RECOVERED		
NUMBER (1)	NUMBER (2)	PER PARTICIPANT COSTS (3) (4)/(1)	TOTAL COSTS (4)	REVENUE (7)	KWH/ QTRs (6) (2)X(5)	(\$/KWH) (7)	(8) (6)X(7)	(EX. C, PG.18B) (9)	(5% of COSTS) (10) (4)X(5%)	(11) (9)X(10)	(12) (4)X(9)X(11)		
RESIDENTIAL PROGRAMS	0	\$0.00	\$0	\$0.00000	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0	
Energy Fitness													
Targeted Energy Efficiency	283	\$1,104.12	\$312,465	\$0.05746	1,524	\$0.05746	\$79,425	\$21,853	\$0	\$21,853	\$413,743		
- All Electric	45	\$245.53	\$11,094	\$0.05746	852	\$0.05746	\$9,742	\$2,776	\$0	\$2,776	\$23,612		
- Non-Air Electric	0	\$0.00	\$0	\$0.00000	0	\$0.00000	\$0	\$0	\$0	\$0	\$0		
Compact Fluorescent Bulb	0	\$0.00	\$0	\$0.00000	0	\$0.00000	\$0	\$0	\$0	\$0	\$0		
High - Efficiency Heat Pump	0	\$0.00	\$0	\$0.00000	0	\$0.00000	\$0	\$0	\$0	\$0	\$0		
- Resistance Heat	0	\$0.00	\$0	\$0.00000	0	\$0.00000	\$0	\$0	\$0	\$0	\$0		
- Non Resistance Heat	0	\$0.00	\$0	\$0.00000	0	\$0.00000	\$0	\$0	\$0	\$0	\$0		
High - Efficiency Heat Pump	191	\$493.48	\$94,254	\$0.05750	1,312	\$0.05750	\$44,057	\$26,738	\$0	\$26,738	\$165,049		
- Mobile Home													
Mobile Home New Construction	189	\$594.57	\$112,373	\$0.05745	1,291	\$0.05745	\$47,171	\$21,083	\$0	\$21,083	\$180,627		
- Heat Pump	0	\$0.00	\$0	\$0.00000	0	\$0.00000	\$0	\$0	\$0	\$0	\$0		
- Air Conditioner	0	\$0.00	\$0	\$0.00000	0	\$0.00000	\$0	\$0	\$0	\$0	\$0		
Modified Energy Fitness	900	\$379.17	\$341,250	\$0.05752	653	\$0.05752	\$116,062	\$44,793	\$0	\$44,793	\$502,105		
High Efficiency Heat Pump	195	\$457.94	\$89,298	\$0.05748	2,819	\$0.05748	\$65,625	\$93,230	\$0	\$93,230	\$248,153		
- Resistance Heat Replacement	387	\$483.64	\$187,167	\$0.05750	451	\$0.05750	\$21,472	\$0	\$9,358	\$9,358	\$217,997		
- Heat Pump Replacement	1,489	\$15.50	\$23,235	\$0.05714	110	\$0.05714	\$17,241	\$7,465	\$0	\$7,465	\$47,941		
Energy Education for Student Program (NEED)	4,200	\$12.60	\$52,938	\$0.05768	136	\$0.05768	\$59,791	\$20,958	\$0	\$20,958	\$133,687		
Community Outreach Program (CFL)													
Residential Efficient Products	71,450	\$2.79	\$298,075	\$0.05818	25	\$0.05818	\$105,924	\$73,899	\$0	\$73,899	\$476,898		
- Compact Fluorescent Lamp (CFL)	720	\$2.68	\$1,914	\$0.05793	22	\$0.05793	\$551	\$756	\$0	\$756	\$3,231		
- Specialty Bulbs	0	\$0.00	\$0	\$0.05854	0	\$0.05854	\$0	\$0	\$0	\$0	\$0		
- LED Lights	0	\$0.00	\$0	\$0.05854	0	\$0.05854	\$0	\$0	\$0	\$0	\$0		
HVAC Diagnostic & Tune-Up	244	\$125.57	\$30,639	\$0.05748	233	\$0.05748	\$2,719	\$320	\$0	\$320	\$33,678		
- Air Conditioner	162	\$125.57	\$20,343	\$0.05749	556	\$0.05749	\$4,347	\$1,844	\$0	\$1,844	\$26,534		
- Heat Pump													
Residential Load Management	475	\$589.82	\$280,166	\$0.00000	0	\$0.00000	\$0	\$0	\$0	\$0	\$280,166		
- Air Conditioner	475	\$589.82	\$280,166	\$0.00000	0	\$0.00000	\$0	\$0	\$0	\$0	\$280,166		
- Water Heating													
TOTAL RESIDENTIAL PROGRAMS	117,065		\$2,136,977		9,929,160		\$572,137	\$315,715	\$9,358	\$325,073	\$3,033,587		

PROGRAM DESCRIPTIONS	NEW PARTICIPANT		CUMULATIVE PARTICIPANT NUMBER (2)	AVERAGE ESTIMATED PROGRAM COSTS (3)	TOTAL ESTIMATED PROGRAM COSTS (4)	NET LOST REV/QTRS (KWH/PARTICIPANT) (5)	TOTAL ENERGY SAVINGS (KWH/QTRs) (6)	NET REVENUE (\$/KWH) (7)	TOTAL NET REVENUES (8)	EFFICIENCY INCENTIVE (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL INCENTIVE (9)+(10)	TOTAL ESTIMATED COSTS TO BE RECOVERED (12)							
	NUMBER (1)	PARTICIPANT												PER PARTICIPANT COSTS (4)/(1)	TOTAL PROGRAM COSTS (4)	TOTAL NET REVENUES (8)	EFFICIENCY INCENTIVE (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL INCENTIVE (9)+(10)	TOTAL ESTIMATED COSTS TO BE RECOVERED (12)
Year 2011																				
KENTUCKY POWER COMPANY																				
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM																				
YEAR 16 (2nd, 3rd & 4th QTRs)																				
PROGRAM DESCRIPTIONS																				
COMMERCIAL PROGRAMS																				
Smart Audit - Class 1	0	0	0	\$0.00	\$0	0	0	n/a	\$0	0	0	\$0	\$0							
Smart Audit - Class 2	0	0	0	\$0.00	\$0	0	0	n/a	\$0	0	0	\$0	\$0							
Smart Financing - Existing Building	0	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	0	0	\$0	\$0							
Smart Financing - New Building	0	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	0	0	\$0	\$0							
Commercial A/C & Heat Pump Program	103	83	83	\$474.50	\$48,873	103	8,549	\$0.14803	\$1,266	\$96	\$0	\$96	\$50,235							
- Air Conditioner Replacement	26	16	16	\$376.04	\$9,777	103	1,948	\$0.58599	\$866	\$1,511	\$0	\$1,511	\$12,254							
- Heat Pump Replacement																				
HVAC Diagnostic & Tune-Up	103	83	83	\$125.57	\$12,834	515	42,745	\$0.06460	\$2,770	\$746	\$0	\$746	\$16,450							
- Air Conditioner	18	15	15	\$125.56	\$2,260	1,228	18,420	\$0.06476	\$1,193	\$532	\$0	\$532	\$3,985							
- Heat Pump																				
Commercial Load Management	45	34	34	\$589.82	\$26,542	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$26,542							
- Air Conditioner	40	17	17	\$663.55	\$26,542	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$26,542							
- Water Heating																				
Commercial Incentive	74	54	54	\$10,347.27	\$765,688	11,217	605,718	\$0.25657	\$155,409	\$0	\$0	\$0	\$921,107							
TOTAL COMMERCIAL PROGRAMS	409	302	302	\$892.626	\$692,626		677,080		\$161,604	\$2,885	\$0	\$2,885	\$1,057,115							
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)																				
Smart Audit - Class 1	0	0	0	\$0.00	\$0	0	0	n/a	\$0	0	0	\$0	\$0							
Smart Audit - Class 2	0	0	0	\$0.00	\$0	0	0	n/a	\$0	0	0	\$0	\$0							
Smart Financing - General	0	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	0	0	\$0	\$0							
Smart Financing - Compressed Air System	0	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	0	0	\$0	\$0							
TOTAL INDUSTRIAL PROGRAMS	0	0	0	\$0	\$0				\$0	\$0	\$0	\$0	\$0							
TOTAL COMPANY	117,474	90,019	90,019	\$3,029,003	\$3,029,003		10,606,240		\$733,741	\$318,600	\$9,358	\$327,958	\$4,090,702							

* Lost revenue and efficiency incentives are based on prospective values.
 ** Cumulative participants include a reduction for the cumulative participants as of 04/01/2007.
 *** Cumulative participants include a reduction for the cumulative participants as of 01/01/2009 (High Efficiency Heat Pump, Energy Education for Students and Community Outreach Program (CFL)).

PROGRAM DESCRIPTIONS	2007		2008		2009		2010		2011		2012		2013		2014		2015		TOTAL	TOTAL SAVINGS	TOTAL PARTICIPANTS	TOTAL SAVINGS PER PARTICIPANT	
	INITIAL VALUES	FINAL VALUES	INITIAL VALUES	FINAL VALUES	INITIAL VALUES	FINAL VALUES	INITIAL VALUES	FINAL VALUES	INITIAL VALUES	FINAL VALUES	INITIAL VALUES	FINAL VALUES	INITIAL VALUES	FINAL VALUES	INITIAL VALUES	FINAL VALUES	INITIAL VALUES	FINAL VALUES					
RENTISTRY POWER COMPANY 1 YEAR DSM EXPERIMENT CALCULATION OF EFFICIENCY INCENTIVE																							
ENERGY EFFICIENCY																							
- Non-All Electric	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
- Heat Pump	\$0.71	\$1.01	\$4.38	\$10.23	\$11.66	\$11.66	\$11.66	\$11.66	\$11.66	\$11.66	\$11.66	\$11.66	\$11.66	\$11.66	\$11.66	\$11.66	\$11.66	\$11.66	\$11.66	\$11.66	\$11.66	\$11.66	
Compact Fluorescent Bulb	\$1.59	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
High-Efficiency Heat Pump	\$19.73	\$7.23	\$44.19	\$44.19	\$44.19	\$44.19	\$44.19	\$44.19	\$44.19	\$44.19	\$44.19	\$44.19	\$44.19	\$44.19	\$44.19	\$44.19	\$44.19	\$44.19	\$44.19	\$44.19	\$44.19	\$44.19	
- Resistance Heat	\$16.60	\$16.11	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
- Non Resistance Heat	\$3.13	\$1.12	\$44.19	\$44.19	\$44.19	\$44.19	\$44.19	\$44.19	\$44.19	\$44.19	\$44.19	\$44.19	\$44.19	\$44.19	\$44.19	\$44.19	\$44.19	\$44.19	\$44.19	\$44.19	\$44.19	\$44.19	
High-Efficiency Heat Pump	\$38.86	\$32.50	\$84.21	\$79.20	\$139.89	\$139.89	\$139.89	\$139.89	\$139.89	\$139.89	\$139.89	\$139.89	\$139.89	\$139.89	\$139.89	\$139.89	\$139.89	\$139.89	\$139.89	\$139.89	\$139.89	\$139.89	
- Mobile Home																							
Mobile Home New Construction																							
- All Electric	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
- Heat Pump	\$0.41	\$0.41	\$0.41	\$0.41	\$0.41	\$0.41	\$0.41	\$0.41	\$0.41	\$0.41	\$0.41	\$0.41	\$0.41	\$0.41	\$0.41	\$0.41	\$0.41	\$0.41	\$0.41	\$0.41	\$0.41	\$0.41	
- Air Conditioner	\$21.08	\$42.08	\$42.08	\$42.08	\$42.08	\$42.08	\$42.08	\$42.08	\$42.08	\$42.08	\$42.08	\$42.08	\$42.08	\$42.08	\$42.08	\$42.08	\$42.08	\$42.08	\$42.08	\$42.08	\$42.08	\$42.08	
High-Efficiency Heat Pump	\$170.10	\$170.10	\$170.10	\$170.10	\$170.10	\$170.10	\$170.10	\$170.10	\$170.10	\$170.10	\$170.10	\$170.10	\$170.10	\$170.10	\$170.10	\$170.10	\$170.10	\$170.10	\$170.10	\$170.10	\$170.10	\$170.10	
- Heat Pump	\$170.10	\$170.10	\$170.10	\$170.10	\$170.10	\$170.10	\$170.10	\$170.10	\$170.10	\$170.10	\$170.10	\$170.10	\$170.10	\$170.10	\$170.10	\$170.10	\$170.10	\$170.10	\$170.10	\$170.10	\$170.10	\$170.10	
- Heat Pump Replacement	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Energy Education for Student Program (NEED)																							
Community Outreach Program (COP)																							
Residential Efficient Product																							
- Compact Fluorescent Lamp (CFL)																							
- LED Lights																							
RVAC Diagnostic & Tune-Up																							
- Heat Pump																							
Residential Load Management																							
- Air Conditioner																							
- Water Heating																							
TOTAL RESIDENTIAL PROGRAMS																							
** Participants are 60,016																							
COMMERCIAL PROGRAMS																							
Smart Start - Class 2	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Smart Start - Class 2	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Smart Start - Class 2	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Smart Start - General	\$178.05	\$178.05	\$178.05	\$178.05	\$178.05	\$178.05	\$178.05	\$178.05	\$178.05	\$178.05	\$178.05	\$178.05	\$178.05	\$178.05	\$178.05	\$178.05	\$178.05	\$178.05	\$178.05	\$178.05	\$178.05	\$178.05	
Smart Start - Compressed Air System	\$4,850.21	\$4,850.21	\$4,850.21	\$4,850.21	\$4,850.21	\$4,850.21	\$4,850.21	\$4,850.21	\$4,850.21	\$4,850.21	\$4,850.21	\$4,850.21	\$4,850.21	\$4,850.21	\$4,850.21	\$4,850.21	\$4,850.21	\$4,850.21	\$4,850.21	\$4,850.21	\$4,850.21	\$4,850.21	
TOTAL INDUSTRIAL PROGRAMS																							
ANNUAL SHARED SAVINGS (\$)																							

KENTUCKY POWER COMPANY DERIVATION FOR 3-YEAR DSM EXPERIMENT CALCULATION OF EFFICIENCY INCENTIVE	19
PROGRAM DESCRIPTIONS	(68) (70)(96) 2nd, 3rd & 4th quils
RESIDENTIAL PROGRAMS	\$0
Targeted Energy Efficiency	\$21,853
- All Electric	\$2,776
- Non-All Electric	\$0
Compact Fluorescent Bulb	\$0
High - Efficiency Heat Pump	\$0
- Resistance Heat	\$0
- Non Resistance Heat	\$0
High - Efficiency Heat Pump	\$36,728
- Mobile Home	\$0
Mobile Home New Construction ***	\$0
- Heat Pump	\$7,035
- All Conditions	\$0
Modified Energy Filtrist	\$41,783
High Efficiency Heat Pump	\$89,200
- Heat Pump Replacement	\$0
Energy Education for Student Program (NEED)	\$7,465
Community Outreach Program (COP)	\$80,828
Residential Efficient Product	\$73,889
- Compact Fluorescent Lamp (CFL)	\$76
- Specialty Bulbs	\$0
- LED Lights	\$0
HVAC Diagnostic & Tune-Up	\$300
- Air Conditioner	\$1,844
- Heat Pump	\$0
Residential Load Management	\$0
- Air Conditioner	\$0
- Water Heating	\$0
TOTAL RESIDENTIAL PROGRAMS	\$315,575
Participating Area Savings	\$0
COMMERCIAL PROGRAMS	\$0
Smart Audit - Class 1	\$0
- Class 2	\$0
Smart Energy Efficiency Building	\$0
Smart Financing - New Building	\$0
Commercial A/C & Heat Pump Program	\$85
- A/C Conditioner Replacement	\$1,211
- Heat Pump Replacement	\$0
HVAC Diagnostic & Tune-Up	\$746
- Air Conditioner	\$52
- Heat Pump	\$0
Commercial Incentive	\$0
Commercial Load Management	\$0
- Air Conditioner	\$0
- Water Heating	\$0
TOTAL COMMERCIAL PROGRAMS	\$2,265
INDUSTRIAL PROGRAMS	\$0
Heat Pumps (Residential)	\$0
Smart Audit - Class 1	\$0
Smart Audit - Class 2	\$0
Smart Financing - General	\$0
Smart Financing - Compressed Air System	\$0
TOTAL INDUSTRIAL PROGRAMS	\$0
ANNUAL SHARED SAVINGS (9)	\$218,000

KENTUCKY POWER COMPANY		Exhibit C		
FORECAST OF 2011 KENTUCKY RETAIL ENERGY SALES IN KWH FOR RESIDENTIAL, COMMERCIAL AND INDUSTRIAL SECTORS		PAGE 19 of		19
PROGRAM YR 16 - 2011				
LINE NO.	YEAR	RESIDENTIAL SECTOR	COMMERCIAL SECTOR	INDUSTRIAL SECTOR
1	TOTAL ULTIMATE SALES (KWH) *	2,468,900,000	1,432,700,000	3,309,600,000
2	LESS NON-METERED **	14,813,400	8,596,200	19,857,600
3	TOTAL ESTIMATED RETAIL KWH SALES	2,454,086,600	1,424,103,800	3,289,742,400
4	LESS OPT - OUT CUSTOMERS KWH	0	0	0
5	KWH BEFORE LOST REVENUE IMPACTS	2,454,086,600	1,424,103,800	3,289,742,400
6	LESS LOST REVENUE IMPACTS ***	12,255,030	700,507	0
7	ADJUSTED KWH BY SECTOR	2,441,831,570	1,423,403,293	3,289,742,400
8	LINE 7/LINE 1	98.9%	99.4%	99.4%
=====				
LINE NO.	PROGRAM YR 16 (1st QTR)	RESIDENTIAL SECTOR	COMMERCIAL SECTOR	INDUSTRIAL SECTOR
9	TOTAL ULTIMATE SALES (KWH) *	828,100,000	369,700,000	840,100,000
10	LINE 8	98.9%	99.4%	99.4%
11	ADJUSTED KWH BY SECTOR	818,990,900	367,481,800	835,059,400
=====				
LINE NO.	PROGRAM YR 16 (2nd, 3rd & 4th QTR)	RESIDENTIAL SECTOR	COMMERCIAL SECTOR	INDUSTRIAL SECTOR
12	TOTAL ULTIMATE SALES (KWH) *	1,640,800,000	1,063,000,000	2,469,500,000
13	LINE 8	98.9%	99.4%	99.4%
14	ADJUSTED KWH BY SECTOR	1,622,751,200	1,056,622,000	2,454,683,000
=====				
*	SOURCE: 2011 LOAD FORECAST COMPILED BY AEP CORPORATE PLANNING AND BUDGETING DEPT.			
**	.60% ESTIMATED TO BE NON-METERED (OL) DETERMINED FROM BILLED JURISDICTIONAL TARIFF SUMMARY FOR 12 MOS. ENDED DECEMBER 2009.			
***	LOST REVENUE IMPACTS			
	Page 17A of 18, Column 6 - TOTAL RESIDENTIAL PROGRAMS	2,325,870	23,427	-
	Page 17B of 18, Column 6 - TOTAL RESIDENTIAL PROGRAMS	9,929,160	677,080	-
	TOTAL	12,255,030	700,507	-

Residential Efficient Products Measure Assumptions
 Based on APT RFP Response
 Kentucky Power Company
 Schedule of DSM Residential Programs Efficiency Incentives and Net Average kWh/Participant Savings

Line No	Program	Parameters	CFLs		Specialty Bulbs		Holiday Light LED Strings (25 bulb string)		Program Total 2010 3-Year Prospective
			2010 3-Year Prospective	2010 3-Year Prospective	2010 Three Year Prospective	2010 3-Year Prospective	2010 3-Year Prospective		
1	Per Bulb/String Energy Impact (Annual kWh)		-40.8	-36.0	-51.8				-40.5
2	Per Participant Demand Impact (kW)		-0.051	-0.045	-0.115				
3	Winter Peak Coincident		-0.010	-0.009	0.000				-0.010
4	Summer Peak Coincident		-0.001	-0.001	0.000				-0.001
5	Total No. of Participants or CFLs		260,500	21,400	1,800				263,700
6	Freerider Percentage		20%	20%	20%				20%
7	Equipment Life		6	10	10				
8	Incremental Equipment Cost		\$2.15	\$4.00	\$6.00				\$2.31
9	Evaluation Cost / Percent								3%
10	Rebates / Incentives		\$1.08	\$2.00	\$2.00				\$1.15
11	Total Incentives		\$280,038	\$42,800	\$3,600				\$326,438
12	Administration & Promotion Cost		\$401,564	\$61,374	\$5,162				\$468,100
13	Evaluation Cost		\$20,589	\$3,147	\$265				\$24,000
14	Total Expected Cost		\$702,190	\$107,320	\$9,027				\$818,538
15	Total Energy Impact (Annualized MWh at end of year 3)		-9190	-666	-81				-9937
16	Total Winter Demand Impact (MW)		-2.3	-0.2	0.0				-2.5
17	Total Summer Demand Impact (MW)		-0.2	0.0	0.0				-0.3
18	NPV Benefit - TRC Test		\$1,457,618	\$186,821	\$15,258				\$1,659,698
19	NPV Cost - TRC Test		\$811,224	\$138,870	\$24,386				\$1,074,480
20	NPV Net Benefit - TRC Test		\$646,394	\$47,952	-\$9,128				\$585,218
21	TRC Ratio		1.6	1.3	0.6				1.5
22	Efficiency Incentive (Ln 20/Ln 5 X 0.15)		\$0.31	\$0.34	(\$0.76)				\$0.31
23	Net Average kWh/Participant	Annual	-33	-29	-41				-32
24	(Energy Impact x (1-Freerider %))	(1-Ln 6)							
25	Number of Bulbs per Participant		4	1	1				3.8
26	Net Average kWh/Participant	Annual	-131	-29	-41				-122

HVAC Tune-up Program Measure Assumptions

Kentucky Power Company
 Schedule of DSM Programs Efficiency Incentives and Net Average kWh/Participant Savings

Line No	Program Parameters	Residential Heat-Pump		Residential Central A/C		Commercial Heat-Pump		Commercial Central A/C		Program Total	
		2008 3-Year Prospective	2008 3-Year Prospective	2008 3-Year Prospective	2008 3-Year Prospective	2008 3-Year Prospective	2008 3-Year Prospective	2008 3-Year Prospective	2008 3-Year Prospective	2008 3-Year Prospective	2008 3-Year Prospective
1	Per Participant Energy Impact (kWh)	-741.0	-311.0	-1638.0	-887.0	-560.6					
2	Per Participant Demand Impact (kW)										
3	Winter Peak Coincident	-0.219	0.000	-0.507	0.000	-0.085					
4	Summer Peak Coincident	-0.169	-0.169	-0.357	-0.357	-0.211					
5	Total No. of Participants	535	805	58	332	1,730					
6	Freerider Percentage	0%	0%	0%	0%	0%					
7	Equipment Life	5	5	5	5	5					
8	Incremental Equipment Cost	\$90.00	\$90.00	\$120.00	\$120.00	\$96.76					
9	Evaluation Cost / Percent					5%					
10	Rebates / Incentives To Customer	\$50.00	\$50.00	\$75.00	\$75.00	\$55.64					
11	Rebates / Incentives To Vendor	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00					
12	Total Incentives	\$53,500	\$80,500	\$7,250	\$41,500	\$182,750					
13	Administration & Promotion Cost	\$10,950	\$16,430	\$1,760	\$9,970	\$39,110					
14	Evaluation Cost	\$3,400	\$5,100	\$480	\$2,720	\$11,700					
15	Total Expected Cost	\$67,850	\$102,030	\$9,490	\$54,190	\$233,560					
16	Total Energy Impact (MWh)	-428	-271	-103	-247	-1049					
17	Total Winter Demand Impact (MW)	-0.1	0.0	0.0	0.0	-0.16					
18	Total Summer Demand Impact (MW)	-0.1	-0.1	0.0	-0.1	-0.40					
19	NPV Benefit - TRC Test	\$87,205	\$77,090	\$20,625	\$68,556	\$253,476					
20	NPV Cost - TRC Test	\$46,611	\$70,068	\$9,196	\$52,539	\$178,414					
21	NPV Net Benefit - TRC Test	\$40,594	\$7,022	\$11,429	\$16,017	\$75,062					
22	TRC Ratio	1.87	1.10	2.24	1.30	1.42					
23	Efficiency Incentive (Ln 20/Ln 5 X 0.15)	\$11.38	\$1.31	\$29.56	\$7.24	\$6.51					
24	Net Average Annual kWh/Participant (Ln 1 (1-Ln 6))	-741	-311	-1,638	-687	-561					
25	(Energy Impact x (1-Freerider %))										
26	Number of Units per Participant	1	1	1	1	1.0					
27	Net Average Annual kWh/Participant	-741	-311	-1,638	-687	-561					

Small Commercial High-Efficiency HP/AC Program Measure Assumptions

Kentucky Power Company

Schedule of DSM Programs Efficiency Incentives and Net Average kWh/Participant Savings

Line No	Program Parameters	Commercial Heat-Pump	Commercial Central A/C	Program Total
		2008 3-Year Prospective	2008 3-Year Prospective	2008 3-Year Prospective
1	Per Participant Energy Impact (kWh)	-1240.0	-313.0	-467.5
2	Per Participant Demand Impact (kW)			
3	Winter Peak Coincident	0.350	0.000	0.1
4	Summer Peak Coincident	0.164	-0.164	-0.1
5	Total No. of Participants	50	250	300
6	Freerider Percentage	10%	10%	10%
7	Equipment Life	15	15	15
8	Incremental Equipment Cost	\$900.00	\$800.00	816.7
9	Evaluation Cost / Percent			5%
10	Rebates / Incentives To Customer	\$450.00	\$400.00	\$408.33
11	Rebates / Incentives To Vendor	\$0.00	\$0.00	0.0
12	Total Incentives	\$22,500	\$100,000	\$122,500
13	Administration & Promotion Cost	\$8,940	\$35,760	\$44,700
14	Evaluation Cost	\$2,000	\$8,000	\$10,000
15	Total Expected Cost	\$33,440	\$143,760	\$177,200
16	Total Energy Impact (MWh)	-60	-76	-136
17	Total Winter Demand Impact (MW)	0.0	0.0	0.02
18	Total Summer Demand Impact (MW)	0.0	0.0	-0.03
19	NPV Benefit - TRC Test	\$34,050	\$73,838	\$107,889
20	NPV Cost - TRC Test	\$14,683	\$72,295	\$86,979
21	NPV Net Benefit - TRC Test	\$19,367	\$1,543	\$20,910
22	TRC Ratio	2.32	1.02	1.24
23	Efficiency Incentive (Ln 20/Ln 5 X 0.15)	\$58.10	\$0.93	\$10.46
	Net Average Annual kWh/Participant (Ln 1 (1-Ln 6))			
24		-1,116	-282	-421
25	(Energy Impact x (1-Freerider %))			
26	Number of Units per Participant	1	1	1.0
	Net Average Annual kWh/Participant			
27		-1,116	-282	-421



Kentucky Power Company

REQUEST

Refer to Schedule C, pages 16B-2, 17A-2 and 17B-2 of 19 of the DSM Report. Confirm that the lost revenue factor for the Commercial A/C & Heat Pump Program-Air Conditioner Replacement program is \$0.14803 per kWh for the second half of 2010 and for all of 2011.

RESPONSE

The lost revenue factor for the Commercial A/C & Heat Pump Program-Air Conditioner Replacement program for 2010 and 2011 is \$0.14803. The lost revenue factor is reviewed every 6-month review period and is adjusted, if necessary, based on actual Revenues (excluding Fuel Clause), Metered KWH's, and # of Customers for the current 12 months Billed and Accrued. The next review period to potentially result in an adjustment to the 2011 lost revenue factor will be for the period ending June 30, 2011. This practice is consistent with past reporting periods.

WITNESS: Lila P Munsey



Kentucky Power Company

REQUEST

Refer to Schedule C, pages 16B-2, 17A-2 and 17B-2 of 19 of the DSM Report. Confirm that the lost revenue factor for the Commercial Incentive program is \$0.25657 per kWh for the second half of 2010 and for all of 2011.

RESPONSE

The lost revenue factor for the Commercial Incentive Program for 2010 and 2011 is \$0.25657. The lost revenue factor is reviewed every 6-month review period and is adjusted, if necessary, based on actual Revenues (excluding Fuel Clause), Metered KWH's, and # of Customers for the current 12 months Billed and Accrued. The next review period to potentially result in an adjustment to the 2011 lost revenue factor will be for the period ending June 30, 2011. This practice is consistent with past reporting periods.

WITNESS: Lila P Munsey



Kentucky Power Company

REQUEST

Refer to Schedule C, page 17A-1 of 19 of the DSM Report concerning the HVAC Diagnostic & Tune-up - Air Conditioner program. For the first quarter of 2011, the projected number of new participants in this program is 53. The number of cumulative participants for the first quarter of 2011 is projected to be 54.

- a. Given that this is a new program which began implementation in 2011, explain how there can be more cumulative participants than proposed new participants in the first quarter of 2011.
- b. On page 37 of the Status Report under Comments, the projected participant levels for 2011 are 325 central air conditioners and 215 heat pumps. On Schedule C, page 17A-1 of 19, there are 53 projected participants for air conditioners and 81 projected participants for heat pumps. Explain why the projected participants for heat pumps are greater than the air conditioners.

RESPONSE

- a. The cumulative participant count for the Residential HVAC Diagnostic & Tune-up - Air Conditioner program is an error. Schedule C, pages 17A-1 and 17B-1 have both been updated. See the attachment to Item No. 8 for an updated copy of Schedule C, pages 17A-1 and 17B-1 of 19.
- b. On Schedule C, pages 17A-1 and 17B-1 under Residential HVAC Diagnostic & Tune-up - Air Conditioner, the projected participant counts for Air Conditioner and Heat Pump were reversed. Participant count for Air Conditioners should have been 81 and Heat Pump should have been 53 on page 17A-1 of 19. Participant count for Air Conditioner should have been 244 and Heat Pump should have been 162 on page 17B-1 of 19. See the attachment to Item No. 8 for an updated copy of Schedule C, pages 17A-1 and 17B-1 of 19.

WITNESS: Lila P Munsey

KENTUCKY POWER COMPANY DERIVATION OF 3 SECTOR SURCHARGES FOR 3 YR EXPERIMENT		Exhibit C					PAGE 1 of 19
RESIDENTIAL SECTOR		TOTAL YEARS 1 thru 14	YEAR 15 (2010) 1st HALF	YEAR 15 (2010) 2nd HALF	YEAR 16 (2011) 1st QTR	YEAR 16 (2011) 2nd, 3rd & 4th QTRs	TOTAL
		(1)	(2)	(3)	(4)	(5)	(6)
1	CURRENT PERIOD AMOUNT TO BE RECOVERED	\$12,267,626	\$1,021,058	\$1,125,058	\$632,073	\$3,033,587	\$18,079,402
2	CUMULATIVE (OVER)/UNDER COLLECTION	0	519,414	631,736	427,163	(260,977)	-
3	18 MOS. RETROACTIVE(OVER)/UNDER ADJUSTMENT	(41,824)	0	0	0	0	(41,824)
4	TOTAL TO BE RECOVERED	12,225,802	1,540,472	1,756,794	1,059,236	2,772,610	18,037,578
5	TOTAL AMOUNT RECOVERED	11,706,042	908,736	1,329,631	0	0	13,944,409
6	EXPECTED FUTURE RECOVERIES	0	0	0	1,320,213	1,256,009	2,576,222
7	TRANSFER PORTION OF BALANCE FROM INDUSTRIAL	(9,833)	0	0	0	0	(9,833)
8	TRANSFER PORTION OF BALANCE FROM COMMERCIAL	9,487	0	0	0	0	9,487
9	(OVER)/UNDER COLLECTION TO BE REFUNDED	\$519,414	\$631,736	\$427,163	(\$260,977)	\$1,516,601	\$1,516,601
10	AMOUNT TO BE RECOVERED					\$2,772,610	
11	ADJ. ESTIMATED SECTOR KWH - YEAR 16				818,990,900	1,622,751,200	
SURCHARGE RANGE (\$ PER KWH)							
12	FLOOR (CARRYOVER)	COL. 5, L 2 / COL. 5, L 11					(0.000161)
13	MIDPOINT - proposed rate				0.001612	0.000774	
14	CEILING (TOTAL COST)	COL. 5, L 4 / COL. 5, L 11					0.001709
COMMERCIAL SECTOR		TOTAL YEARS 1 thru 14	YEAR 15 (2010) 1st HALF	YEAR 15 (2010) 2nd HALF	YEAR 16 (2011) 1st QTR	YEAR 16 (2011) 2nd, 3rd & 4th QTRs	TOTAL
		(1)	(2)	(3)	(3)	(4)	(5)
15	CURRENT PERIOD AMOUNT TO BE RECOVERED	\$2,899,298	\$0	\$155	\$165,825	\$1,057,115	\$4,122,393
16	CUMULATIVE (OVER)/UNDER COLLECTION	0	0	0	(20,360)	122,681	0
17	18 MOS. RETROACTIVE(OVER)/UNDER ADJUSTMENT	1,520	0	0	0	0	1,520
18	TOTAL TO BE RECOVERED	2,900,818	0	155	145,465	1,179,796	4,123,913
19	TOTAL AMOUNT RECOVERED	2,888,053	0	20,515	0	0	2,908,568
20	EXPECTED FUTURE RECOVERIES	0	0	0	22,784	651,936	674,720
21	TRANSFER PORTION OF BALANCE FROM INDUSTRIAL	(3,278)	0	0	0	0	(3,278)
22	TRANSFER BALANCE TO RESIDENTIAL	(9,487)	0	0	0	0	(9,487)
22	(OVER)/UNDER COLLECTION TO BE REFUNDED	\$0	\$0	(\$20,360)	\$122,681	\$527,860	\$527,860
23	AMOUNT TO BE RECOVERED					\$1,179,796	
24	ADJ. ESTIMATED SECTOR KWH - YEAR 16				367,481,800	1,056,622,000	
SURCHARGE RANGE (\$ PER KWH)							
25	FLOOR (CARRYOVER)					0.000116	
26	MIDPOINT - proposed rate				0.000062	0.000617	
27	CEILING (TOTAL COST)					0.001117	
INDUSTRIAL SECTOR		TOTAL YEARS 1 thru 14	YEAR 15 (2010) 1st HALF	YEAR 15 (2010) 2nd HALF	YEAR 16 (2011) 1st QTR	YEAR 16 (2011) 2nd, 3rd & 4th QTRs	TOTAL
		(1)	(2)	(3)	(3)	(4)	(5)
28	CURRENT PERIOD AMOUNT TO BE RECOVERED	\$79,026	\$0	\$0	\$0	\$0	\$79,026
29	CUMULATIVE (OVER)/UNDER COLLECTION	0	0	0	0	0	0
30	18 MOS. RETROACTIVE(OVER)/UNDER ADJUSTMENT	0	0	0	0	0	0
31	TOTAL TO BE RECOVERED	79,026	0	0	0	0	79,026
32	TOTAL AMOUNT RECOVERED	92,137	0	0	0	0	92,137
33	EXPECTED FUTURE RECOVERIES	0	0	0	0	0	0
34	TRANSFER BALANCE TO RESIDENTIAL & COMMERCIAL	13,111	0	0	0	0	13,111
35	(OVER)/UNDER COLLECTION TO BE REFUNDED	\$0	\$0	\$0	\$0	\$0	\$0
36	AMOUNT TO BE RECOVERED					\$0	
37	ADJ. ESTIMATED SECTOR KWH - YEAR 16				835,059,400	2,454,683,000	
SURCHARGE RANGE (\$ PER KWH)							
38	FLOOR (CARRYOVER)					0.000000	
39	MIDPOINT				0.000000	0.000000	
40	CEILING (TOTAL COST) - proposed rate					0.000000	

Year 2011													Exhibit C
KENTUCKY POWER COMPANY													PAGE
ESTIMATED SECTOR SURCHARGES FOR 3													17A-1 of
YEAR PROGRAM													19
YEAR 16 (1st QTR)	NEW PARTICIPANT	CUMULATIVE PARTICIPANT	AVERAGE ESTIMATED PROGRAM COSTS	TOTAL ESTIMATED PROGRAM COSTS	NET LOST REVENUE	TOTAL ENERGY SAVINGS	NET LOST REVENUE	TOTAL NET * LOSS	EFFICIENCY INCENTIVE	MAXIMIZING INCENTIVE	TOTAL * COSTS TO BE	TOTAL ESTIMATED COSTS TO BE	
PROGRAM DESCRIPTIONS	NUMBER (1)	NUMBER (2)	PER PARTICIPANT COSTS (3)	TOTAL COSTS (4)	(KWH/ PARTICIPANT) REV/QTRS (5)	KWH/ QTR (6)	(\$/KWH) REVENUES (7)	(8)	(EX. C. PG.18B) (9)	(5% of COSTS) (10)	(11)	(12)	
			(4)/(1)			(2)X(5)	(6)X(7)		(9)X(10)	(4)X(5)	(9)X(10)	(4)+(8)+(11)	
RESIDENTIAL PROGRAMS	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
Energy Fitness													
Targeted Energy Efficiency	67	824	\$1,104.12	\$73,976	508	418,592	\$0.05746	\$24,052	\$5,174	\$0	\$5,174	\$103,202	
- All Electric	10	209	\$246.80	\$2,468	284	59,356	\$0.05746	\$3,411	\$617	\$0	\$617	\$6,496	
- Non-All Electric													
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
High - Efficiency Heat Pump	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
- Resistance Heat	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
- Non Resistance Heat													
High - Efficiency Heat Pump	39	537	\$493.49	\$19,246	437	234,669	\$0.05750	\$13,493	\$5,460	\$0	\$5,460	\$38,199	
- Mobile Home													
Mobile Home New Construction	41	630	\$594.56	\$24,377	430	270,900	\$0.05745	\$15,563	\$4,574	\$0	\$4,574	\$44,514	
- Heat Pump	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
- Air Conditioner													
Modified Energy Fitness	300	3,026	\$379.17	\$113,750	217	656,642	\$0.05752	\$37,770	\$14,931	\$0	\$14,931	\$166,451	
High Efficiency Heat Pump	55	278	\$509.96	\$28,048	939	261,042	\$0.05748	\$15,005	\$26,296	\$0	\$26,296	\$69,349	
- Resistance Heat Replacement	125	572	\$470.30	\$58,787	150	85,800	\$0.05750	\$4,934	\$0	\$2,939	\$2,939	\$66,660	
- Heat Pump Replacement													
Energy Education for Student Program (NEED)	501	1,796	\$15.50	\$7,766	37	66,526	\$0.05714	\$3,801	\$2,495	\$0	\$2,495	\$14,062	
Community Outreach Program (CFL)	600	4,978	\$12.61	\$7,563	45	224,010	\$0.05768	\$12,921	\$2,994	\$0	\$2,994	\$23,478	
Residential Efficient Products	17,900	4,963	\$3.71	\$66,461	8	39,864	\$0.05818	\$2,319	\$12,351	\$0	\$12,351	\$81,131	
- Compact Fluorescent Lamp (CFL)	80	13	\$5.31	\$425	7	91	\$0.05793	\$5	\$84	\$0	\$84	\$514	
- Specialty Bulbs	0	0	\$0.00	\$0	0	0	\$0.05654	\$0	\$0	\$0	\$0	\$0	
- LED Lights													
HVAC Diagnostic & Tune-Up	81	41	\$125.57	\$10,171	78	3,198	\$0.05749	\$184	\$106	\$0	\$106	\$10,461	
- Air Conditioner	53	28	\$125.57	\$6,655	185	5,180	\$0.05749	\$298	\$603	\$0	\$603	\$7,556	
- Heat Pump													
Residential Load Management	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
- Air Conditioner	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
- Water Heating													
TOTAL RESIDENTIAL PROGRAMS	19,852	17,917		\$419,693		2,325,870		\$133,756	\$75,685	\$2,939	\$78,624	\$632,073	

Year 2011		Exhibit C	PAGE		19					
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM				17A-2 of		TOTAL ESTIMATED COSTS TO BE				
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	AVERAGE ESTIMATED PROGRAM COSTS (3)	TOTAL ESTIMATED PROGRAM COSTS (4)	NET LOST REVENUE (S/KWH) (7)	TOTAL NET* REVENUES LOST (8)	EFFICIENCY INCENTIVE (9)	MAXIMIZING INCENTIVE (10)	INCENTIVE (11)	RECOVERED (12)
			PER PARTICIPANT (4)/(1)		(S/KWH) (7)	(6)(X7)	0 (9)	(5% of COSTS) (10)	(9)*(10)	(4)+(8)+(11)
COMMERCIAL PROGRAMS	0	0	\$0.00	\$0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 1	0	0	\$0.00	\$0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	0	\$0.00	\$0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Smart Financing - Existing Building	0	0	\$0.00	\$0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Smart Financing - New Building	0	0	\$0.00	\$0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Commercial A/C & Heat Pump Program	33	17	\$261.42	\$8,627	\$0.14803	\$86	\$31	\$0	\$31	\$8,744
- Air Conditioner Replacement	2	0	\$861.50	\$1,723	\$0.58599	\$0	\$116	\$0	\$116	\$1,839
- Heat Pump Replacement	31	17								
HVAC Diagnostic & Tune-Up	33	17	\$125.58	\$4,144	\$0.06480	\$189	\$239	\$0	\$239	\$4,572
- Air Conditioner	6	3	\$125.67	\$754	\$0.06476	\$80	\$177	\$0	\$177	\$1,011
- Heat Pump	27	14								
Commercial Load Management	0	0	\$0.00	\$0	\$0.00000	\$0	\$0	\$0	\$0	\$0
- Air Conditioner	0	0	\$0.00	\$0	\$0.00000	\$0	\$0	\$0	\$0	\$0
- Water Heating	0	0	\$0.00	\$0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Commercial Incentive	14	5	\$10,347.29	\$144,862	\$0.25657	\$4,797	\$0	\$0	\$0	\$149,659
TOTAL COMMERCIAL PROGRAMS	88	42		\$160,110		\$5,152	\$563	\$0	\$563	\$165,825
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)	0	0	\$0.00	\$0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 1	0	0	\$0.00	\$0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	0	\$0.00	\$0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	\$0.00000	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	0	0		\$0		\$0	\$0	\$0	\$0	\$0
TOTAL COMPANY	19,940	17,959		\$579,803		\$138,908	\$76,248	\$2,939	\$79,187	\$797,898

* Lost revenue and efficiency incentives are based on prospective values.
 ** Cumulative participants include a reduction for the cumulative participants as of 01/01/2007.
 *** Cumulative participants include a reduction for the cumulative participants as of 01/01/2009 (High Efficiency Heat Pump, Energy Education for Students and Community Outreach Program (CFL)).

Year 2011													Exhibit C
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM													PAGE
YEAR 16 (2nd, 3rd & 4th QTRS)													17B-1 of
													19
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	AVERAGE ESTIMATED PROGRAM COSTS PER PARTICIPANT (3) (4)/(1)	TOTAL ESTIMATED PROGRAM COSTS (4)	NET LOST REV/QTRS (KWH/ PARTICIPANT) (5)	TOTAL ENERGY SAVINGS KWH/ QTRS (6) (2)(5)	NET LOST REVENUE (S/KWH) (7)	TOTAL NET * LOSS (8) (6)(7)	EFFICIENCY INCENTIVE (Ex. C, PG.18B) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10) (4)(5)	TOTAL * (11) (9)+(10)	TOTAL ESTIMATED COSTS TO BE RECOVERED (12) (4)+(8)+(11)	
RESIDENTIAL PROGRAMS	NUMBER	NUMBER	PER PARTICIPANT (3) (4)/(1)	TOTAL ESTIMATED PROGRAM COSTS (4)	NET LOST REV/QTRS (KWH/ PARTICIPANT) (5)	TOTAL ENERGY SAVINGS KWH/ QTRS (6) (2)(5)	NET LOST REVENUE (S/KWH) (7)	TOTAL NET * LOSS (8) (6)(7)	EFFICIENCY INCENTIVE (Ex. C, PG.18B) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10) (4)(5)	TOTAL * (11) (9)+(10)	TOTAL ESTIMATED COSTS TO BE RECOVERED (12) (4)+(8)+(11)	
Energy Fitness	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
Targeted Energy Efficiency													
- All Electric	283	907	\$1,104.12	\$312,465	1,524	1,382,268	\$0.05746	\$79,425	\$21,853	\$0	\$21,853	\$413,743	
- Non-All Electric	45	199	\$246.53	\$11,094	852	169,548	\$0.05746	\$9,742	\$2,776	\$0	\$2,776	\$23,612	
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
High - Efficiency Heat Pump	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
- Resistance Heat	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
- Non Resistance Heat	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
High - Efficiency Heat Pump	191	584	\$493.48	\$94,254	1,312	766,208	\$0.05750	\$44,057	\$26,738	\$0	\$26,738	\$165,049	
- Mobile Home													
Mobile Home New Construction													
- Heat Pump	189	636	\$594.57	\$112,373	1,291	821,076	\$0.05745	\$47,171	\$21,083	\$0	\$21,083	\$180,627	
- Air Conditioner	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
Modified Energy Fitness	900	3,090	\$379.17	\$341,250	653	2,017,770	\$0.05752	\$116,062	\$44,793	\$0	\$44,793	\$502,105	
High Efficiency Heat Pump													
- Resistance Heat Replacement	195	405	\$437.94	\$86,298	2,819	1,741,695	\$0.05748	\$65,625	\$93,230	\$0	\$93,230	\$248,153	
- Heat Pump Replacement	387	828	\$483.64	\$187,167	451	373,428	\$0.05750	\$21,472	\$9,358	\$0	\$9,358	\$217,997	
Energy Education for Student Program (NEED)	1,499	2,743	\$15.50	\$23,235	110	301,730	\$0.05714	\$17,241	\$7,465	\$0	\$7,465	\$47,941	
Community Outreach Program (CFL)	4,200	7,622	\$12.60	\$52,838	136	1,086,992	\$0.05768	\$59,791	\$20,958	\$0	\$20,958	\$133,687	
Residential Efficient Products													
- Compact Fluorescent Lamp (CFL)	107,100	71,450	\$2.79	\$299,075	25	1,786,250	\$0.05818	\$103,924	\$73,999	\$0	\$73,999	\$476,898	
- Specialty Bulbs	720	440	\$2.66	\$1,914	22	9,680	\$0.05763	\$561	\$756	\$0	\$756	\$3,231	
- LED Lights	0	0	\$0.00	\$0	0	0	\$0.05864	\$0	\$0	\$0	\$0	\$0	
HVAC Diagnostic & Tune-Up													
- Air Conditioner	244	203	\$125.57	\$30,639	233	47,299	\$0.05749	\$2,719	\$320	\$0	\$320	\$33,678	
- Heat Pump	162	136	\$125.57	\$20,343	556	75,616	\$0.05749	\$4,347	\$1,844	\$0	\$1,844	\$26,534	
Residential Load Management													
- Air Conditioner	475	237	\$589.82	\$280,166	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$280,166	
- Water Heating	475	237	\$589.82	\$280,166	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$280,166	
TOTAL RESIDENTIAL PROGRAMS	117,065	89,717		\$2,136,377		9,929,160		\$572,137	\$315,715	\$9,358	\$325,073	\$3,033,567	

Year 2011													Exhibit C	
KENTUCKY POWER COMPANY													PAGE	
ESTIMATED SECTOR SURCHARGES FOR 3													17B-2 of	
YEAR PROGRAM													19	
YEAR 16 (2nd, 3rd & 4th QTRs)													TOTAL	
PROGRAM DESCRIPTIONS													ESTIMATED	
NEW PARTICIPANT													TOTAL *	
PARTICIPANT NUMBER (1)													INCENTIVE (11)	
CUMULATIVE PARTICIPANT NUMBER (2)													(9)+(10)	
AVERAGE ESTIMATED PROGRAM COSTS (3)													(5)	
PER PARTICIPANT COSTS (4)/(1)													(6)	
TOTAL ESTIMATED PROGRAM COSTS (4)													(7)	
NET LOST REVENUE (KWH/ PARTICIPANT) (5)													(8)	
TOTAL ENERGY SAVINGS (KWH/ QTRs) (2)/(5)													(9)	
NET LOST REVENUE (KWH/ QTRs) (7)													(10)	
TOTAL ENERGY SAVINGS (KWH/ QTRs) (6)													(11)	
TOTAL NET * REVENUES (6)/(7)													(12)	
EFFICIENCY INCENTIVE (9)													(4)*(5)	
MAXIMIZING INCENTIVE (5% of COSTS) (10)													(9)+(10)	
TOTAL * COSTS TO BE RECOVERED (12)													(4)+(8)+(11)	
COMMERCIAL PROGRAMS													\$0	\$0
Smart Audit - Class 1													\$0	\$0
- Class 2													\$0	\$0
Smart Financing - Existing Building													\$0	\$0
Smart Financing - New Building													\$0	\$0
Commercial A/C & Heat Pump Program													\$96	\$96
- Air Conditioner Replacement													\$1,511	\$1,511
- Heat Pump Replacement													\$966	\$966
HVAC Diagnostic & Tune-Up													\$746	\$746
- Air Conditioner													\$532	\$532
- Heat Pump													\$0	\$0
Commercial Load Management													\$0	\$0
- Air Conditioner													\$0	\$0
- Water Heating													\$0	\$0
Commercial Incentive													\$155,409	\$155,409
TOTAL COMMERCIAL PROGRAMS													\$161,604	\$1,057,115
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)													\$0	\$0
Smart Audit - Class 1													\$0	\$0
Smart Audit - Class 2													\$0	\$0
Smart Financing - General													\$0	\$0
Smart Financing - Compressed Air System													\$0	\$0
TOTAL INDUSTRIAL PROGRAMS													\$0	\$0
TOTAL COMPANY													\$318,600	\$4,090,702
TOTAL COMPANY													\$733,741	\$9,358

* Lost revenue and efficiency incentives are based on prospective values.
 ** Cumulative participants include a reduction for the cumulative participants as of 04/01/2007.
 *** Cumulative participants include a reduction for the cumulative participants as of 01/01/2009 (High Efficiency Heat Pump, Energy Education for Students and Community Outreach Program (CFL)).

PROGRAM DESCRIPTIONS	YEAR 15		YEAR 16		Exhibit C PAGE 18c of 19
	(65) (7X)(35)	(65) (7X)(35)	(65) (7X)(35)	(65) (7X)(35)	
KENTUCKY POWER COMPANY 3 YEAR DSM EXPERIMENT CALCULATION OF EFFICIENCY INCENTIVE					
RESIDENTIAL PROGRAMS					
Energy Fitness	\$0	\$0	\$0	\$0	
Targeted Energy Efficiency	\$13,493	\$13,782	\$5,174	\$31,653	
- Air Electric	\$1,915	\$1,610	\$0	\$2,776	
- Non-LED Lighting	\$0	\$0	\$0	\$0	
Command Fluorescent Bulb	\$0	\$0	\$0	\$0	
High - Efficiency Heat Pump	\$0	\$0	\$0	\$0	
- Resilience Heat	\$0	\$0	\$0	\$0	
- Non-Resistance Heat	\$0	\$0	\$0	\$0	
High - Efficiency Heat Pump	\$13,579	\$19,039	\$5,460	\$26,736	
- Mobile Home					
Mobile Home New Construction ***					
- Air Conditioning	\$4,462	\$13,274	\$4,574	\$21,033	
Modified Energy Fitness	\$24,935	\$34,789	\$14,931	\$44,793	
High Efficiency Heat Pump	\$46,376	\$74,105	\$26,266	\$81,230	
- Heat Pump Replacement	\$0	\$0	\$0	\$0	
Energy Education for Student Program (NEED)	\$2,430	\$5,274	\$2,495	\$7,465	
Community Outreach Program (CFL)	\$13,194	\$10,813	\$2,694	\$20,666	
Residential Efficient Products					
- Compact Fluorescent Lamps (CFL)	\$0	\$12,351	\$73,699	\$73,699	
- Specialty Bulbs	\$0	\$0	\$0	\$765	
- LED Lights	\$0	\$0	\$0	\$30	
HVAC Diagnostic & Tune-Up	\$0	\$0	\$1,005	\$320	
- Air Conditioner	\$319	\$603	\$1,644	\$1,644	
Residential Lead Management					
- Air Conditioner	\$0	\$0	\$0	\$0	
- Water Heating	\$0	\$0	\$0	\$0	
TOTAL RESIDENTIAL PROGRAMS	\$120,324	\$172,315	\$75,695	\$315,715	
*** Participants since 09/30/09					
COMMERCIAL PROGRAMS					
Smart Audit - Class 1	\$0	\$0	\$0	\$0	
- Class 2	\$0	\$0	\$0	\$0	
Smart Financing - Existing Building	\$0	\$0	\$0	\$0	
Smart Financing - New Building	\$0	\$0	\$0	\$0	
Commercial A/C & Heat Pump Program					
- Air Conditioner Replacement	\$0	\$31	\$31	\$35	
- Heat Pump Replacement	\$0	\$116	\$116	\$151	
HVAC Diagnostic & Tune-Up	\$0	\$239	\$746	\$746	
- Air Conditioner	\$30	\$177	\$532	\$532	
- Heat Pump	\$0	\$0	\$0	\$0	
Commercial Incentive	\$0	\$0	\$0	\$0	
Commercial Lead Management					
- Air Conditioner	\$0	\$0	\$0	\$0	
- Water Heating	\$0	\$0	\$0	\$0	
TOTAL COMMERCIAL PROGRAMS	\$0	\$30	\$563	\$2,085	
INDUSTRIAL PROGRAMS					
Smart Audit - Class 1	\$0	\$0	\$0	\$0	
Smart Audit - Class 2	\$0	\$0	\$0	\$0	
Smart Financing - General	\$0	\$0	\$0	\$0	
Smart Financing - Compressed Air System	\$0	\$0	\$0	\$0	
TOTAL INDUSTRIAL PROGRAMS	\$0	\$0	\$0	\$0	
ANNUAL SHARED SAVINGS (S)	\$130,324	\$172,345	\$76,258	\$316,600	



Kentucky Power Company

REQUEST

In reference to Schedule C, page 18A of 19 of the DSM Report, should the column heading in Column 36 be "1st half" and not "1st qtr"?

RESPONSE

Yes, Schedule C, page 18A of 19 Column 36 heading should be "1st half" and not "1st qtr".

WITNESS: Lila P Munsey



Kentucky Power Company

REQUEST

On Schedule C, page 18B of 19 of the DSM Report, should the column heading in Column 37 be "2nd half " and not "2nd qtrs"?

RESPONSE

Yes, Schedule C, page 18B of 19 Column 37 heading should be "2nd half" and not "2nd qtr".

WITNESS: Lila P Munsey



Kentucky Power Company

REQUEST

On Schedule C, page 18B of 19 of the DSM Report, should the column heading in Column 39 be "2nd, 3rd & 4th qtrs" and not "2nd qtrs"?

RESPONSE

Yes, Schedule C, page 18B of 19 Column 39 heading should be "2nd, 3rd, & 4th qtrs" and not "2nd qtr".

WITNESS: Lila P Munsey



Kentucky Power Company

REQUEST

The final Order in Case No. 2010-00198 noted that the first year projected number of participants for the Commercial Incentive program was seven and the projected budget was \$176,198 for the second half of 2010. On Schedule C, page 16B-2 of 19, of the instant application, there are no participants or program costs recorded for the second half of 2010. Explain why there was no participation in 2010 once the program was approved.

RESPONSE

An implementation contractor was required to administer this program. Contract negotiations were completed and a master agreement was executed February 1, 2011. This program could not begin until this master agreement was completed.

WITNESS: E J Clayton



Kentucky Power Company

REQUEST

The Final Order in Case No. 2010-00198 noted that the projected number of participants for the Commercial Incentive program for the second year was 88 and the projected budget was \$896,152 for year 2011. On Schedule C, pages 17A-2 and 17B-2 of 19, of the instant application, there are a total of 88 participants, as budgeted, but the estimated program costs are \$910,560 for year 2011. Explain the \$14,408 increase in projected program costs.

RESPONSE

KEMA Services Inc. was the low bid contractor for this program and their 2011 budgeted cost for contractor administration and customer incentives was marginally higher (\$14,408) than the estimated program budget filed with Case No. 2010-00198.

WITNESS: E J Clayton



Kentucky Power Company

REQUEST

On page 55 under Comments of the Status Report, it is stated that negotiations are ongoing with the implementation contractor for the Commercial Incentive program.

- a. Has an implementation contractor been selected? Explain.
- b. If the answer to 17.a. is yes, provide the name and background of the implementation contractor.

RESPONSE

- a. Yes. An agreement dated February 1, 2011, has been executed with a nationally-recognized program implementation contractor.
- b. KEMA Services Inc. with principal business located at 67 South Bedford Street, Suite 201E, Burlington, MA 01803.

From KEMA website (www.kema.com):

A global, leading authority in energy consulting and testing & certification, active throughout the entire energy value-chain – in a world of increasing demand for energy, KEMA has a major role to play in ensuring the availability, reliability, sustainability and profitability of energy and related products and processes. With more than 1,700 people and offices and representatives in more than 20 countries around the globe, we are committed to offering reliable, sustainable and practical solutions. We understand and recognize the technical consequences of a business decision, as well as the business consequences of a technical decision. Innovative technology has been our starting point for more than 80 years.

WITNESS: E J Clayton



Kentucky Power Company

REQUEST

The Final Order in Case No. 2010-00198 noted that the first year projected number of participants for the Residential Load Management program was 25 Air Conditioner Switches and 25 Water Heater Switches, and the projected budget was \$149,405 for the second half of 2010.

- a. On Schedule C, page 16B-1 of 19 of the instant DSM Report, there are no participants or program costs for the actual second half of 2010. Explain why there was no participation in 2010 once the program was approved.
- b. Discuss the future plan for promoting and implementing the Residential Load Management program.

RESPONSE

- a. Approval was received from this program on October 15, 2010. An implementation contractor is required for this Residential and Commercial Load Management program. The program has been awarded to a vendor for these services and a contract is pending final vendor equipment testing and mutual agreement of contractual terms. The vendor equipment testing is being conducted at the AEP Dolan laboratory and Canton Meter Laboratory to ensure compliance with applicable codes and standards as well as the program objectives.
- b. Kentucky Power will target program participants based on certain usage patterns and promote the program via direct mail and telemarketing. Kentucky Power plans to track customer response and participation rates. Kentucky Power may test different direct mail formats (standard letter, over-sized postcard and self mailer) to identify and secure program participants.

WITNESS: E J Clayton



Kentucky Power Company

REQUEST

What efforts have there been in the past year to promote and implement all of Kentucky Power's DSM programs and what measures are in place for continued promotion and implementation in the future? Explain.

RESPONSE

Kentucky Power's initiatives to promote the DSM programs over the past year include an updated company website, promotional fact sheets, newspaper advertisement, public/community meetings, direct meetings with trade allies, direct meetings with school superintendents and educators, and mass phone messaging. Future promotion of DSM programs will also include company bill inserts, continued development of program fact sheets and marketing materials, in-store promotions at select retail stores, vendor sponsored trade ally seminars, telemarketing, and targeted direct mail promotion. In addition, a new company webpage specific to energy saving programs is planned for mid-2011.

WITNESS: E J Clayton



Kentucky Power Company

REQUEST

Provide an organization chart of Kentucky Power's DSM organization along with a listing which identifies the individuals responsible for promoting, implementing and supporting the functions of the DSM programs.

RESPONSE

The following information includes the employees of the Energy Delivery DSM Department for Kentucky Power Company. The assigned responsibilities for administration of DSM programs are listed.

E. J. Clayton - Manager EE and Consumer Programs

Programs: Modified Energy Fitness (vendor - Honeywell), Community Outreach CFL, Commercial Incentive (vendor - KEMA), Pilot Residential & Small Commercial Load Management (vendor - TBD)

Scott Bishop - DSM/EE Coordinator

Programs: Targeted Energy Efficiency, High Efficiency Heat Pump, Mobile Home Heat Pump, Mobile Home New Construction, Commercial High Efficiency HP/AC, Residential & Small Commercial HVAC Diagnostic and Tune-Up, Energy Education for Students, Residential Efficient Products (vendor - APT)

Kathy Brandenburg - Administrative Associate

WITNESS: E J Clayton



Kentucky Power Company

REQUEST

The Status Report as of December 31, 2010 includes information as to discontinued programs that are part of historical data.

- a. Does Kentucky Power review these programs for future viability so that these programs may be promoted and implemented again? Explain.
- b. Even though the discontinued programs are part of the Status Report total dollar costs and kWh and kW impacts, should discontinued programs, such as the following, continue to be listed on Exhibit C, pages 17A-1, 17A-2, 17B-1, and 17B-2 of DSM Report once the discontinued programs no longer have any costs that are to recovered? Explain.

RESIDENTIAL PROGRAMS

Energy Fitness
Compact Fluorescent Bulb
High - Efficiency Heat Pump
- Resistance Heat
- Non Resistance Heat

COMMERCIAL PROGRAMS

Smart Audit - Class 1
- Class 2
Smart Financing - Existing Building
Smart Financing - New Building

INDUSTRIAL PROGRAMS -(w/Est. Opt-Outs Removed)

Smart Audit - Class 1
Smart Audit - Class 2
Smart Financing - General
Smart Financing - Compressed Air System

RESPONSE

- a. Kentucky Power continues to review past program concepts for future viability, either to be implemented or used in conjunction with new programs, based on the potential market and success of a program. We do not plan to promote or implement the original programs again.
- b. No, Kentucky Power does not feel that the discontinued programs should be listed on the Schedule C, pages 17A-1, 17A-2, 17B-1, and 17B-2 of the DSM Report. In connection with "Going Green", Kentucky Power would like to reduce the amount of paper provided in the DSM Status Report in regards to discontinued programs, where the data has previously been provided and is not being revised.

WITNESS: Lila P Munsey



Kentucky Power Company

REQUEST

Provide in an electronic format with formulas intact, the calculations performed to determine the proposed DSM factors in Exhibit C of the DSM Report.

RESPONSE

Please see attachment to Item No. 8 labeled "DSM 180 Month - Year 2010 - 1st Qtr + 2nd, 3rd & 4th Qtrs_Revised.pdf" and xls version on CD for intact formulas.

WITNESS: Lila P Munsey
