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November 8, 2012

Mark R. Overstreet  
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**HAND DELIVERED**

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

RECEIVED

NOV 08 2012

PUBLIC SERVICE  
COMMISSION

RE: Case No. 2012-00367

Dear Mr. Derouen:

Enclosed please find and accept for filing the original and ten copies each of Kentucky Power Company's Responses to the Second Data Requests of Staff and the Attorney General. By copy of this letter, the Responses are being served on counsel for the Attorney General and Kentucky Industrial Utility Customers, Inc.

Please do not hesitate to contact me if with any questions.

Very truly yours,

  
Mark R. Overstreet

MRO

Enclosures

cc: Jennifer Black Hans  
Michael L. Kurtz

COMMONWEALTH OF KENTUCKY

BEFORE THE

PUBLIC SERVICE COMMISSION OF KENTUCKY

RECEIVED

NOV 08 2012

PUBLIC SERVICE  
COMMISSION

IN THE MATTER OF

APPLICATION OF KENTUCKY POWER COMPANY )  
TO AMEND ITS DEMAND-SIDE MANAGEMENT )  
PROGRAM AND FOR AUTHORITY TO IMPLEMENT )  
A TARIFF TO RECOVER COSTS AND NET LOST )  
REVENUES AND TO RECEIVE INCENTIVES )  
ASSOCIATED WITH THE IMPLEMENTATION OF )  
THE PROGRAMS )

Case No. 2012-00367

KENTUCKY POWER COMPANY RESPONSES TO COMMISSION  
STAFF'S SET OF DATA REQUESTS

November 8, 2012

**VERIFICATION**

The undersigned, Edgar J. Clayton, being duly sworn, deposes and says he is the Manager, Energy Efficiency & Consumer Programs for Kentucky Power, that he has personal knowledge of the matters set forth in the forgoing responses for which he is the identified witness and that the information contained therein is true and correct to the best of his information, knowledge, and belief

Edgar J Clayton

Edgar J. Clayton

COMMONWEALTH OF KENTUCKY     )  
  ) CASE NO. 2012-00367  
COUNTY OF BOYD   )

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Edgar J. Clayton, this the 30<sup>th</sup> day of October 2012.

Debra Leigh Jones

Notary Public

#462811

My Commission Expires: 3-20-2016

**VERIFICATION**

The undersigned, Lila P. Munsey, being duly sworn, deposes and says she is the Manager, Regulatory Services for Kentucky Power, that she has personal knowledge of the matters set forth in the forgoing responses for which she is the identified witness and that the information contained therein is true and correct to the best of her information, knowledge, and belief

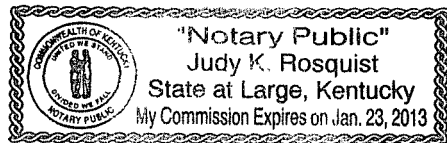
*Lila P. Munsey*  
\_\_\_\_\_  
Lila P. Munsey

COMMONWEALTH OF KENTUCKY    )  
  ) Case No. 2012-00367  
COUNTY OF FRANKLIN                    )

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Lila P. Munsey, this 1<sup>st</sup> day of November 2012.

*Judy K. Rosquist*  
\_\_\_\_\_  
Notary Public

My Commission Expires: January 23, 2013





## Kentucky Power Company

### REQUEST

Refer to the Joint Application (“Application”) cover letter (“Letter”), page 2, which states, “If the extension is granted, the Company will consider implementing various improvements in these programs as described in the section of the program evaluation reports labeled ‘Key Findings and Recommendations’.” By program, provide, with explanation, the various improvements that Kentucky Power is considering implementing and requesting the Commission to approve.

### RESPONSE

The Company is considering various improvements described in the section of the evaluation reports labeled "Key Findings and Recommendations" as an integral part of the Company's request that the Commission approve the extension of these programs. Listed below is a summary of those improvements:

#### **Residential Efficient Products Program**

Remove incentive for LED holiday lights due to the market already being transformed and mature.

Remove incentive for LED nightlights due to the market already being transformed and mature.

Remove incentive for ENERGY STAR ceiling fans. The purchase of this product is based primarily on aesthetic preference versus energy consumption standards.

Establish separate goals for standard CFL bulbs and non-standard CFL bulbs. These bulbs have different incentive amounts and separation will better allow Kentucky Power to determine the progress of the program and remain with budget.

Add incentive for LED bulbs. The LED bulb market is maturing and costs are decreasing and LEDs are the next step in efficient lighting. EM&V contractor and implementation contractor to evaluate new measure saving impact based on proposed product offering.

#### **Small Commercial Heat Pump/Air Conditioner Incentive Program**

Utilize an implementation contractor if determined to be cost effective based on vendor proposals. Please see KPSC 2-6 regarding status of vendor proposal.

**HVAC Diagnostic and Tune-Up Program**

Utilize an implementation contractor if determined to be cost effective based on vendor proposals. Please see KPSC 2-6 regarding status of vendor proposal.

Remove the incentive for Residential Central Air Conditioners to improve program cost effectiveness.

Remove incentive for Commercial Central Air Conditioners to improve program cost effectiveness.

Reduce the contractor incentive to \$25 and the customer incentive to \$30.

Although not specifically defined in the original filing the company also plans to implement the evaluation recommendation to extend customer eligibility to every five years (the measure life) and require the customer to submit the incentive rebate form. Having the customer submit the form rather than the dealer should reduce the program free ridership.

**Commercial Incentive Program**

Use an incentive reservation period from 90 to 180 days based on the project type rather than a fixed 180 day reservation of incentive funds pending customer project completion. The option for limited time extension included with the original filing would still apply.

Use minimum random inspections of 15 to 20 percent of pre- and post-installation projects with option for potential adjustment based on inspection results.

Provide incentives of 60 to 70 percent of the installed equipment cost for the Direct Install program targeting small commercial customers (less than 100 kW peak demand).

**Residential and Small Commercial Pilot Load Management Program**

KPCo will promote the program through the program implementation contractor.

KPCo will develop marketing materials and activities in conjunction with the program implementation contractor and will emphasize, per the evaluation recommendation, the customer enrollment through the on-line process.

**WITNESS:** E J Clayton





**Kentucky Power Company**

**REQUEST**

Refer to the Application Letter, page 3, which states, "The Company also proposes to extend the Pilot Residential and Small Commercial Load Management Program through 2013. Extending the program will allow the Company to evaluate the program using more participants through a full winter and summer season. The complete evaluation report will be subsequently filed with the Commission along with recommendations for this pilot program." Provide a status of the program as of the date of this response.

**RESPONSE**

Fifty residential customers are participating in this program. Revised contracts for both the evaluation contractor (AEG) and the program implementation contractor (Consert Inc.) are being developed for final Company approvals. Following execution of the contract, Consert Inc. is prepared to launch a new marketing campaign to secure the maximum participant levels included with the revised R.C.L.M. Tariff.

**WITNESS:** E J Clayton



## Kentucky Power Company

### REQUEST

Refer to Section 3, Residential and Small Commercial Heating Ventilation/Air Conditioning Diagnostic and Tune-up Program ("HVAC Diagnostic and Tune-up Program") Evaluation, page 12. It states the following:

Kentucky Power rebated 29 residential and small commercial diagnostic and tune-up services in 2010, achieving 22 percent of the 130 participant goal. This was likely due the fact that the program was approved by the Kentucky PSC in August 2010 but the participation goals were based on an approval date of February 2010. There were 1,114 participants in 2011, exceeding the 700 participant goal by approximately 60 percent.

Refer to Section 3, HVAC Diagnostic and Tune-up Program Evaluation, page 13. It states the following:

Actual 2010 expenditures and cost per participant were lower than originally budgeted, but the 2011 expenditures exceeded the original budget. The actual 2011 residential expenditures were \$100,224 compared to the original approved budget of \$63,780 and actual 2011 small commercial expenditures were \$27,093 compared to the original approved budget of \$24,120. However, the 2011 residential cost per participant was lower than budgeted while the small commercial cost per participant was higher than budgeted.

Also, refer to Section 3, HVAC Diagnostic and Tune-up Program, page 32. It states, "Although the HVAC Diagnostics and Tune-up Program did not have a cost effectiveness ratio greater than 1.0, the entire portfolio being evaluated is cost-effective in 2011."

- a. Explain, if at the time that the HVAC Diagnostic and Tune-up Program was evaluated for Commission approval the program was cost effective<sup>1</sup> and the number of actual participants and related direct program costs were proportional to the 2011 budget goals, what has changed in evaluating the cost effectiveness in this filing versus the initial evaluation of the approval of the program.
- b. Explain at what level of participation and direct program cost this program would be cost effective.

- c. Explain why, if a program that is not cost effective and the number of participants and direct program costs exceed the approved budget, the ratepayers should bear the cost that exceeds the approved budget amount.

**RESPONSE**

- a. When originally filed in 2010, the program was predicted to be cost effective. The cost-effectiveness determination was premised in part on assumptions concerning savings by measure and participant levels. Although these assumptions were based upon the best information available at that time, they were not realized. When the program was subsequently evaluated by Applied Energy Group, Inc., the 2010 assumptions regarding savings by measure were found to be higher than the actual savings following implementation. In addition, the 2010 estimate of participants in the air conditioning programs was higher than actual results. Conversely, the 2010 estimates of participation in the heat pump programs were below the Company's actual results. Both of these deviations from the estimates contributed to the change in cost-effectiveness.
- b. The program would be cost effective when Total Benefits equal or exceed Total Costs of the program. The evaluation report and the EM&V contractor did not provide a participation level where the program becomes cost effective.
- c. Kentucky Power believes the costs in excess of the budgeted amount were prudently incurred and hence are recoverable. At the time the program were implemented it was believed to be cost-effective. The cost-effectiveness of the programs is not evaluated until at least some operational experience is obtained. The alternative to incurring costs in excess of the approved budget as a result of enrolling the additional participants would be to refuse enrollment to interested customers. This would have a significant detrimental effect on the programs in the long-run by discouraging participation in demand-side management.

**WITNESS:** E J Clayton

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<sup>1</sup>Case No. 2010-00095, Joint Application Pursuant to 1994 House Bill No. 501 for the Approval of Kentucky Power Company Collaborative Demand-Side Management Programs, and for Authority to Recover Costs, Net Lost Revenues and Receive Incentives Associated with the Implementation of One New Residential, One Combined Residential/Commercial, and One Commercial Demand-Side Management Program Beginning January 1, 2010 (Ky. PSC Aug 10, 2010)



**Kentucky Power Company**

**REQUEST**

Refer to Section 6, Small Commercial Heat Pump/Air Conditioner (“HP/AC”) Incentive Program Evaluation, page 24, Table 13. The net demand and energy savings per unit for heat pumps (“HP”) is 23,912 kWh, and for central air conditioners (“AC”) it is 722 kWh. The actual 2011 participants for HP were 21, and for AC it was 3. This gives an average annual kWh impact of 1,139 for the HP and 241 for the AC per participant. On Exhibit C, the 2012 annual kWh impact per participant for HP is 1,188 and for AC it is 251. Explain the difference.

**RESPONSE**

The program assumption sheet provided by the EM&V contractor included a 19% free rider value. The free rider value should have been 22%. A revised program assumption sheet is included having the correct free rider value and the correct participant impact of 1,139 kWh and 241 kWh for the HP and AC respectively, participant impact measures. Please see Attachment 1 for an updated assumption sheet.

The change to the kWh for the Small Commercial Heat Pump/Air Conditioner Incentive Program did result in a change to the Schedule C, but the change was immaterial and therefore had no effect on the commercial surcharge. Please see Attachment 2 for an updated Schedule C and Attachment 3 for an updated Status Report.

A copy of the updated Schedule C is also being provided in electronic format on the enclosed CD.

**WITNESS:** E J Clayton

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 2010 3-Year Prospective	Commercial Central A/C 2010 3-Year Prospective	Program Total 2010 3-Year Prospective	Commercial Heat-Pump 2011 Retrospective	Commercial Central A/C 2011 Retrospective	Program Total 2011 Retrospective
1	Per Participant Energy Impact (kWh)	-1240.0	-313.0	-467.5	1459.8	308.6	1315.9
2	Per Participant Demand Impact (kW)	0.350	0.000	0.1	0.532	0.000	0.5
3	Winter Peak Coincident	0.164	-0.164	-0.1	0.090	0.130	0.1
4	Summer Peak Coincident	50	250	300	21	3	24
5	Total No. of Participants	10%	10%	10%	22%	22%	22%
6	Freerider Percentage	15	15	15	0%	0%	0%
7	Spillover Percentage	\$900.00	\$800.00	816.7	\$304.76	\$556.00	336.2
8	Equipment Life			5%			5%
9	Incremental Equipment Cost	\$450.00	\$400.00	408.3	\$350.00	\$350.00	350.0
10	Evaluation Cost / Percent	\$50.00	\$50.00	50.0	\$0.00	\$0.00	0.0
11	Rebates / Incentives To Customer						
12	Rebates / Incentives To Vendor						
13	Total Incentives	\$25,000	\$112,500	\$137,500	\$7,350	\$1,050	\$8,400
14	Administration & Promotion Cost	\$8,940	\$35,760	\$44,700	\$10,507	\$279	\$10,786
15	Evaluation Cost	\$2,000	\$8,000	\$10,000	\$4,603	\$177	\$4,780
16	Total Expected Cost	\$35,940	\$156,260	\$192,200	\$22,460	\$1,506	\$23,966
17	Total Energy Impact (MWh)	-60	-76	-136	26	1	27
18	Total Winter Demand Impact (MW)	0.0	0.0	0.02	0.0	0.0	0.01
19	Total Summer Demand Impact (MW)	0.0	0.0	-0.03	0.0	0.0	0.00
20	NPV Benefit - TRC Test	\$34,050	\$73,838	\$107,889	\$17,650	\$381	\$18,032
21	NPV Cost - TRC Test	\$14,683	\$72,295	\$86,979	\$21,510	\$2,124	\$23,634
22	NPV Net Benefit - TRC Test	\$19,367	\$1,543	\$20,910	-\$3,860	-\$1,743	-\$5,602
23	TRC Ratio	2.32	1.02	1.24	0.82	0.18	0.76
	Efficiency Incentive						
	If TRC > 1 (Ln 22/Ln 5 X 0.15)						
24	If TRC < 1 (Ln 22/Ln 5 X 0.05)	\$58.10	\$0.93	\$10.46	(\$9.19)	(\$29.05)	(\$11.67)
25	Net Average Annual kWh/Participant (Ln 1 (1-Ln 6+Ln 7))	-1,116	-282	-421	1,139	241	1,026
26	(Energy Impact x (1-Freerider %)+Spillover %)						
27	Number of Units per Participant	1	1	1.0	1	1	1.0
28	Net Average Annual kWh/Participant	-1,116	-282	-421	1,139	241	1,026

Note: Impacts are NET

KENTUCKY POWER COMPANY		Exhibit C				
DERIVATION OF 3 SECTOR SURCHARGES FOR 3 YR EXPERIMENT					PAGE 1 of	22
RESIDENTIAL SECTOR	TOTAL YEARS 1 thru 16	YEAR 17 (2012) 1st HALF	YEAR 17 (2012) 3rd QTR	YEAR 17 (2012) 4th QTR	TOTAL	
	(1)	(2)	(3)	(4)	(5)	
1	CURRENT PERIOD AMOUNT TO BE RECOVERED	\$16,909,146	\$1,418,175	\$798,837	\$795,064	\$19,922,222
2	CUMULATIVE (OVER)/UNDER COLLECTION	0	20,161	508,711	864,987	-
3	18 MOS. RETROACTIVE(OVER)/UNDER ADJUSTMENT	(41,824)	0	0	0	(41,824)
4	TOTAL TO BE RECOVERED	16,867,322	1,438,336	1,307,548	1,661,051	19,890,398
5	TOTAL AMOUNT RECOVERED	16,846,815	929,625	0	0	17,776,440
6	EXPECTED FUTURE RECOVERIES	0	0	442,561	1,263,159	1,705,720
7	TRANSFER PORTION OF BALANCE FROM INDUSTRIAL	(9,833)	0	0	0	(9,833)
8	TRANSFER PORTION OF BALANCE FROM COMMERCIAL	9,487	0	0	0	9,487
9	(OVER)/UNDER COLLECTION TO BE REFUNDED	\$20,161	\$508,711	\$864,987	\$397,892	\$397,892
10	AMOUNT TO BE RECOVERED				\$1,661,051	
11	ADJ. ESTIMATED SECTOR KWH - YEAR 17			535,788,000	620,412,000	
SURCHARGE RANGE (\$ PER KWH)						
12	FLOOR (CARRYOVER)	COL. 4, L 2 / COL. 4, L 11			0.001394	
13	MIDPOINT - proposed rate			0.000826	0.002036	
14	CEILING (TOTAL COST)	COL. 4, L 4 / COL. 4, L 11			0.002677	
COMMERCIAL SECTOR	TOTAL YEARS 1 thru 16	YEAR 17 (2012) 1st HALF	YEAR 17 (2012) 3rd QTR	YEAR 17 (2012) 4th QTR	TOTAL	
	(1)	(2)	(3)	(4)	(5)	
15	CURRENT PERIOD AMOUNT TO BE RECOVERED	\$3,267,224	\$405,547	\$503,139	\$959,268	\$5,135,178
16	CUMULATIVE (OVER)/UNDER COLLECTION	0	(100,405)	(466,394)	(161,242)	0
17	18 MOS. RETROACTIVE(OVER)/UNDER ADJUSTMENT	1,520	0	0	0	1,520
18	TOTAL TO BE RECOVERED	3,268,744	305,142	36,745	798,026	5,136,698
19	TOTAL AMOUNT RECOVERED	3,356,384	771,536	0	0	4,127,920
20	EXPECTED FUTURE RECOVERIES	0	0	197,987	318,523	516,510
21	TRANSFER PORTION OF BALANCE FROM INDUSTRIAL	(3,278)	0	0	0	(3,278)
22	TRANSFER BALANCE TO RESIDENTIAL	(9,487)	0	0	0	(9,487)
22	(OVER)/UNDER COLLECTION TO BE REFUNDED	(\$100,405)	(\$466,394)	(\$161,242)	\$479,503	\$479,503
23	AMOUNT TO BE RECOVERED				\$798,026	
24	ADJ. ESTIMATED SECTOR KWH - YEAR 17			368,005,800	355,891,200	
SURCHARGE RANGE (\$ PER KWH)						
25	FLOOR (CARRYOVER)				(0.000453)	
26	MIDPOINT - proposed rate			0.000538	0.000895	
27	CEILING (TOTAL COST)				0.002242	
INDUSTRIAL SECTOR	TOTAL YEARS 1 thru 16	YEAR 17 (2012) 1st HALF	YEAR 17 (2012) 3rd QTR	YEAR 17 (2012) 4th QTR	TOTAL	
	(1)	(2)	(3)	(4)	(5)	
28	CURRENT PERIOD AMOUNT TO BE RECOVERED	\$79,026	\$0	\$0	\$0	\$79,026
29	CUMULATIVE (OVER)/UNDER COLLECTION	0	0	0	0	0
30	18 MOS. RETROACTIVE(OVER)/UNDER ADJUSTMENT	0	0	0	0	0
31	TOTAL TO BE RECOVERED	79,026	0	0	0	79,026
32	TOTAL AMOUNT RECOVERED	92,137	0	0	0	92,137
33	EXPECTED FUTURE RECOVERIES	0	0	0	0	0
34	TRANSFER BALANCE TO RESIDENTIAL & COMMERCIAL	13,111	0	0	0	13,111
35	(OVER)/UNDER COLLECTION TO BE REFUNDED	\$0	\$0	\$0	\$0	\$0
36	AMOUNT TO BE RECOVERED				\$0	
37	ADJ. ESTIMATED SECTOR KWH - YEAR 17			776,910,400	836,948,000	
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 REV/YR (5)	NET LOST ENERGY SAVINGS (KWH/YR) (2)(X5) (6)	NET LOST REVENUE (KWH) (7)	TOTAL NET * REVENUES (8)	EFFICIENCY INCENTIVE (EX. C. PG.19C) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL * INCENTIVE (11)	TOTAL EST. COSTS TO BE RECOVERED (12)
PROGRAM DESCRIPTIONS	NUMBER (1)	NUMBER (2)	PER PARTICIPANT (3)	(1)(X2) COSTS (4)	(5)	(2)(X5) (6)	(7)	(8)	(9)	(10)	(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	\$226,984	5,570	952,370	\$0.03	\$17,513	\$0	\$11,450	\$11,450	\$297,957
- Non-All Electric	74	35	\$372.19	\$27,542	600	23,800	\$0.03	\$744	\$719	\$719	\$719	\$29,005
Compact Fluorescent Bulb	269	73	\$86.06	\$15,081	62	4,326	\$0.03	\$140	\$425		\$425	\$15,646
High - Efficiency Heat Pump - Resistance Heat	539	216	\$73.49	\$39,611	2,275	491,400	\$0.03	\$15,292	\$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	\$46,321
High - Efficiency Heat Pump - Mobile Home	356	150	\$496.95	\$176,914	2,160	341,280	\$0.03	\$10,617	\$13,834		\$13,834	\$201,365
Mobile Home New Construction	70	22	\$292.69	\$20,488	0	0				\$1,024	\$1,024	\$21,512
TOTAL RESIDENTIAL PROGRAMS	2,610	959		\$663,291		1,999,174		\$61,918	\$77,595	\$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	\$5,794.00	\$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		\$0	\$506	\$6,195	\$6,701	\$136,396
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	15	1	\$149.40	\$2,241	0	0			\$0	\$112	\$112	\$2,353
Smart Audit - Class 2	2	1	\$8,980.00	\$17,960	0	0			\$0	\$898	\$898	\$18,858
Smart Financing - General	0	0		\$3,919	28,200	0	\$0.04	\$0	\$0	\$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		\$0	\$0	\$1,206	\$1,206	\$25,326
TOTAL COMPANY	2,724	981		\$817,106		1,999,174		\$61,918	\$78,091	\$19,875	\$97,966	\$976,990
* Lost revenue and efficiency incentives are based on initial values per the settlement agreement.												

1997												
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 1997												
YEAR 2 ( 1st HALF )												
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (1)(X3)	NET LOST REV/6 MOS (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/6 MOS (2)(X5)	NET LOST REVENUE (S/KWH) (7)	TOTAL NET * LOST REVENUES (6)(X7)	EFFICIENCY INCENTIVE (EX. C, PG.19C) (9)	MAXIMIZING INCENTIVE (% of COSTS) (10) (4)(X)(5%)	TOTAL * INCENTIVE (9)+(10) (11)	TOTAL EST. COSTS TO BE RECOVERED (4)+(9)+(11) (12)
RESIDENTIAL PROGRAMS												
Energy Fitness	273	651	\$260.68	\$71,167	1,345	875,595	\$0.03	\$27,265	\$21,354	n/a	\$21,354	\$119,787
Targeted Energy Efficiency - All Electric	118	279	\$818.97	\$99,638	2,765	777,015	\$0.03	\$84,188	\$0	\$4,832	\$4,832	\$125,658
- Non-All Electric	26	88	\$88.23	\$2,294	340	29,920	\$0.03	\$935	\$252	n/a	\$252	\$3,481
Compact Fluorescent Bulb	0	269		\$0	31	8,338	\$0.03	\$258	\$0	n/a	\$0	\$258
High - Efficiency Heat Pump - Resistance Heat	123	590	\$2.58	\$317	1,138	671,420	\$0.03	\$20,895	\$2,427	n/a	\$2,427	\$23,639
- Non Resistance Heat	124	581	\$2.56	\$318	407	236,467	\$0.03	\$7,364	\$2,070	n/a	\$2,070	\$8,732
High - Efficiency Heat Pump - Mobile Home	109	403	\$157.87	\$17,208	1,080	435,240	\$0.03	\$13,540	\$4,236	n/a	\$4,236	\$34,984
Mobile Home New Construction	12	78	\$635.17	\$7,622	0	0	n/a	n/a	\$0	\$381	\$381	\$8,003
TOTAL RESIDENTIAL PROGRAMS	765	2,939		\$195,564		3,033,996		\$84,446	\$30,339	\$5,213	\$35,552	\$325,562
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	243	207	\$264.00	\$64,192	0	0	n/a	n/a	\$0	\$3,208	\$3,208	\$67,360
- Class 2	11	9	\$2,705.00	\$29,755	0	0	n/a	n/a	\$0	\$1,488	\$1,488	\$31,243
Smart Financing - Existing Building	0	1	n/a	\$5,629	11,000	11,000	\$0.04	\$469	\$0	\$281	\$281	\$6,379
Smart Financing - New Building	1	0	\$4,692.00	\$4,692	15,300	0	\$0.04	\$0	\$50	n/a	\$50	\$4,742
TOTAL COMMERCIAL PROGRAMS	255	217		\$104,228		11,000		\$469	\$50	\$4,977	\$5,027	\$109,724
INDUSTRIAL PROGRAMS - (w/Est. Opt/OuIs Removed)												
Smart Audit - Class 1	9	20	\$279.56	\$2,516	0	0	n/a	n/a	\$0	\$126	\$126	\$2,642
Smart Audit - Class 2	1	2	\$1,133.00	\$1,133	0	0	n/a	n/a	\$0	\$57	\$57	\$1,190
Smart Financing - General	0	0	n/a	\$7,840	14,100	0	\$0.04	\$0	\$0	\$382	\$382	\$8,232
Smart Financing - Compressed Air System	0	0		\$0	82,400	0	\$0.03	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	10	22		\$11,489		0		\$0	\$0	\$575	\$575	\$12,064
TOTAL COMPANY	1,080	3,178		\$311,281		3,044,996		\$84,915	\$30,369	\$10,765	\$41,194	\$447,350
* Lost revenue and efficiency incentives are based on initial values per the settlement agreement.												

Exhibit C  
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1997												
KENTLUCKY 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 (1)(X)(4)	NET LOST REV/GTR (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/GTR (2)(X)(5)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * LOST REVENUES (6)(X)(7)	EFFICIENCY INCENTIVE (EX. C. PG.19C) (9)	MAXIMIZING INCENTIVE (% of COSTS) (10)	INCENTIVE (9)+(10) (11)	TOTAL EST. COSTS TO BE RECOVERED (4)+(8)+(11) (12)
RESIDENTIAL PROGRAMS												
Energy Fitness	432	1,287	\$269.53	\$112,115	341	438,867	\$0.03	\$13,658	\$8,977	n/a	\$8,977	\$134,750
Targeted Energy Efficiency - All Electric	124	443	\$924.15	\$114,595	1,393	617,099	\$0.03	\$19,198	\$0	\$5,730	\$5,730	\$139,523
- Non-All Electric	78	146	\$103.55	\$8,977	170	24,820	\$0.03	\$775	\$129	n/a	\$129	\$6,981
Compact Fluorescent Bulb	0	269	n/a	\$0	17	4,572	\$0.03	\$141	\$0	\$0	\$0	\$141
High - Efficiency Heat Pump - Resistance Heat	111	823	\$106.90	\$11,866	547	450,181	\$0.03	\$14,019	\$801	n/a	\$801	\$26,686
- Non Resistance Heat	102	792	\$142.21	\$14,505	221	172,822	\$0.03	\$5,385	\$2,969	n/a	\$2,969	\$22,859
High - Efficiency Heat Pump - Mobile Home	50	565	\$406.70	\$20,335	625	353,125	\$0.03	\$10,982	\$1,625	n/a	\$1,625	\$32,942
Mobile Home New Construction	0	82	n/a	(\$749)	0	0				(\$37)	(\$37)	(\$706)
TOTAL RESIDENTIAL PROGRAMS	887	4,397		\$280,744		2,061,487		\$64,156	\$14,501	\$5,693	\$20,194	\$565,096
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	71	473	\$230.92	\$16,395	0	0			\$0	\$820	\$820	\$17,215
- Class 2	21	33	\$2,705.00	\$56,805	0	0			\$0	\$2,840	\$2,840	\$59,645
Smart Financing - Existing Building	91	81	\$2,282.56	\$20,543	11,100	88,800	\$0.04	\$3,761	\$7,320	n/a	\$7,320	\$31,624
Smart Financing - New Building	0	1	n/a	\$0	7,650	7,650	\$0.04	\$327	\$0	n/a	\$0	\$327
TOTAL COMMERCIAL PROGRAMS	101	515		\$83,743		96,450		\$4,088	\$7,320	\$3,660	\$10,980	\$108,811
INDUSTRIAL PROGRAMS - (w/Est. Op-Cons Removed)												
Smart Audit - Class 1	18	37	\$524.22	\$9,436	0	0			\$0	\$472	\$472	\$9,908
- Class 2	0	3	n/a	\$1,994	0	0			\$0	\$55	\$55	\$1,149
Smart Financing - General	0	0	n/a	\$11,802	14,625	0	\$0.04	\$0	\$0	n/a	\$0	\$11,802
Smart Financing - Compressed Air System	0	0	n/a	\$0	4,120	0	\$0.04	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	18	40		\$22,332		0		\$0	\$0	\$527	\$527	\$22,859
TOTAL COMPANY	1,016	4,952		\$396,919		2,157,937		\$68,246	\$21,821	\$9,860	\$31,701	\$485,766
* Lost revenue and efficiency incentives are based on prospective values.												

Exhibit C  
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PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	TOTAL ESTIMATED PROGRAM COSTS (3)	TOTAL ACT. PROGRAM COSTS (4)	NET LOST REV/6 MOS (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/6 MOS (6)	NET LOST REVENUE (SKWH) (7)	TOTAL NET * LOST REVENUES (8)	EFFICIENCY INCENTIVE (EX. C. PG. 19C) (9)	MAXIMIZING INCENTIVE (% of COSTS) (10)	TOTAL * INCENTIVE (9)+(10) (11)	TOTAL EST. COSTS TO BE RECOVERED (12)
1998												
KENTUCKY POWER COMPANY												
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM												
YEAR 3(1st HALF)												
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	TOTAL ESTIMATED PROGRAM COSTS (3)	TOTAL ACT. PROGRAM COSTS (4)	NET LOST REV/6 MOS (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/6 MOS (6)	NET LOST REVENUE (SKWH) (7)	TOTAL NET * LOST REVENUES (8)	EFFICIENCY INCENTIVE (EX. C. PG. 19C) (9)	MAXIMIZING INCENTIVE (% of COSTS) (10)	TOTAL * INCENTIVE (9)+(10) (11)	TOTAL EST. COSTS TO BE RECOVERED (12)
RESIDENTIAL PROGRAMS												
Energy Fitness	544	1,768	\$184.44	\$100,334	682	1,205,776	\$0.03	\$37,524	\$11,304	n/a	\$11,304	\$149,162
Targeled Energy Efficiency - All Electric	122	565	\$1,132.92	\$138,216	2,784	1,572,960	\$0.03	\$48,935	\$0	\$8,911	\$8,911	\$194,062
- Non-All Electric	24	203	\$112.92	\$2,710	340	69,020	\$0.03	\$2,156	\$40	n/a	\$40	\$4,905
Compact Fluorescent Bulb	0	269	\$0.00	\$0	32	8,608	\$0.03	\$266	\$0	\$0	\$0	\$266
High - Efficiency Heat Pump - Resistance Heat	21	687	\$70.10	\$1,472	1,094	970,378	\$0.03	\$30,218	\$152	n/a	\$152	\$31,642
- Non Resistance Heat	26	848	\$70.00	\$1,920	442	374,816	\$0.03	\$11,679	\$757	n/a	\$757	\$14,255
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	5,236		\$279,882		4,971,558		\$154,725	\$14,398	\$6,911	\$21,309	\$455,916
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	204	597	\$194.13	\$39,602	0	0	n/a	\$0	\$1,980	\$1,980	\$1,980	\$41,582
- Class 2	28	60	\$1,600.00	\$44,800	0	0	n/a	\$0	\$0	\$2,240	\$2,240	\$47,040
Smart Financing - Existing Building	8	16	\$5,581.50	\$44,652	22,200	355,200	\$0.04	\$15,043	\$6,505	n/a	\$6,505	\$66,201
Smart Financing - New Building	1	1	\$4,564.00	\$4,564	15,300	15,300	\$0.04	\$654	\$29	\$0	\$29	\$5,247
TOTAL COMMERCIAL PROGRAMS	241	674		\$133,618		370,500		\$15,697	\$6,535	\$4,220	\$10,755	\$160,070
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	12	51	\$246.08	\$2,953	0	0	n/a	\$0	\$148	\$148	\$148	\$3,101
Smart Audit - Class 2	1	3	\$1,600.00	\$1,600	0	0	n/a	\$0	\$80	\$80	\$80	\$1,680
Smart Financing - General	0	0	\$0.00	\$1,338	29,250	0	\$0.04	\$0	\$0	\$67	\$67	\$1,405
Smart Financing - Compressor Air System	0	0	\$0.00	\$0	82,400	0	\$0.04	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	13	54		\$6,091		0		\$0	\$305	\$305	\$305	\$6,396
TOTAL COMPANY	1,057	5,966		\$419,591		5,342,058		\$170,422	\$20,933	\$11,436	\$32,369	\$622,362
* Lost revenue and efficiency incentives are based on prospective values.												

Exhibit C  
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1990	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (1)(X)(3)	NET LOST REVS/MOS (KWH-HPARTIC) (5)	TOTAL ENERGY SAVINGS KWH/MOS (2)(X)(5)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * REVENUES LOST (6)(X)(7)	EFFICIENCY INCENTIVE (EX. C. PG.19C) (9)	MAXIMIZING INCENTIVE (5% OF COSTS) (10)	TOTAL * INCENTIVE (9)+(10)	TOTAL EST. COSTS TO BE RECOVERED (12)
KENTUCKY POWER COMPANY												
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM												
YEAR 3(2nd Half)												
PROGRAM DESCRIPTIONS												
RESIDENTIAL PROGRAMS												
	448	2,277	\$301.30	\$134,982	682	1,552,914	\$0.03	\$48,327	\$9,309	\$0	\$9,309	\$192,618
	131	697	\$1,187.51	\$155,564	2,784	1,940,448	\$0.03	\$60,367	\$0	\$7,778	\$7,778	\$23,709
	42	238	\$139.62	\$5,864	340	80,920	\$0.03	\$2,528	\$70	\$0	\$70	\$8,462
	0	269	\$0.00	\$0	32	8,608	\$0.03	\$266	\$0	\$0	\$0	\$266
	108	940	\$147.45	\$15,925	1,094	1,028,360	\$0.03	\$32,023	\$760	\$0	\$760	\$48,728
	64	894	\$72.27	\$4,625	442	395,148	\$0.03	\$12,313	\$1,663	\$0	\$1,663	\$18,001
	173	764	\$514.50	\$89,009	1,250	955,000	\$0.03	\$25,701	\$5,623	\$0	\$5,623	\$124,333
	33	11	\$949.45	\$18,132	0	0	n/a	0	\$0	\$907	\$907	\$19,039
	899	6,090		\$424,101		5,961,398		\$185,525	\$17,845	\$8,685	\$26,530	\$635,956
TOTAL RESIDENTIAL PROGRAMS												
COMMERCIAL PROGRAMS												
	178	795	\$534.85	\$95,203	0	0	n/a	0	\$0	\$4,760	\$4,760	\$99,963
	9	73	\$2,900.00	\$25,200	0	0	n/a	0	\$0	\$1,260	\$1,260	\$26,460
	29	32	\$1,976.86	\$54,467	22,200	710,400	\$0.04	\$30,085	\$23,985	\$0	\$23,985	\$108,157
	5	6	\$1,529.20	\$7,646	15,300	91,800	\$0.04	\$3,926	\$144	\$0	\$144	\$11,716
	221	906		\$187,536		802,200		\$34,011	\$23,729	\$6,020	\$29,749	\$246,286
TOTAL COMMERCIAL PROGRAMS												
INDUSTRIAL PROGRAMS - (W/Est. Opt-Out Remove)												
	3	59	\$852.33	\$2,557	0	0	n/a	0	\$0	\$128	\$128	\$2,685
	0	4	\$0.00	\$0	0	0	n/a	0	\$0	\$0	\$0	\$0
	1	0	\$0.00	\$2,430	29,250	0	\$0.04	\$0	\$383	\$0	\$383	\$2,813
	0	0	\$0.00	\$0	82,400	0	\$0.04	\$0	\$0	\$0	\$0	\$0
	4	63	\$4,987		0	0		\$0	\$383	\$128	\$511	\$5,498
	1,224	7,059		\$811,624		6,703,598		\$219,536	\$41,757	\$14,833	\$56,590	\$687,750
TOTAL COMPANY												
* Lost revenue and efficiency incentives are based on prospective values.												

Exhibit C  
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1999												
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM												
YEAR 4 (1st HALF)												
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS (3)	TOTAL ACT. PROGRAM COSTS (4)	NET LOST REV/HALF (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/HALF (2)X(5) (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * REVENUES (6)X(7) (8)	EFFICIENCY INCENTIVE (EX. C. PG.19C) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (4)X(5) (10)	TOTAL * INCENTIVE (9)+(10) (11)	TOTAL EST. COSTS TO BE RECOVERED (4)+(8)+(11) (12)
RESIDENTIAL PROGRAMS												
Energy Fitness	306	2,694	\$312.50	\$95,650	707	1,904,658	\$0.03	\$59,273	\$10,370	\$0	\$10,370	\$165,293
Targeted Energy Efficiency - All Electric	75	773	\$1,907.41	\$143,056	630	486,990	\$0.03	\$15,150	\$0	\$7,153	\$7,153	\$165,359
- Non-All Electric	12	249	\$112.00	\$1,344	306	76,184	\$0.03	\$2,380	\$60	\$0	\$60	\$3,784
Compact Fluorescent Bulb	0	269	\$0.00	\$0	31	6,339	\$0.03	\$258	\$0	\$0	\$0	\$258
High - Efficiency Heat Pump - Resistance Heat	99	1,002	\$273.74	\$27,100	1,200	1,202,400	\$0.03	\$37,443	\$4,375	\$0	\$4,375	\$68,918
- Non Resistance Heat	2	853	\$50.00	\$100	442	371,926	\$0.03	\$11,748	\$0	\$5	\$5	\$11,853
High - Efficiency Heat Pump - Mobile Home	101	826	\$545.89	\$55,145	1,475	1,218,350	\$0.03	\$37,891	\$8,505	\$0	\$8,505	\$101,541
Mobile Home New Construction ***	98	45	\$587.20	\$57,546	1,756	79,020	\$0.03	\$2,458	\$4,353	\$0	\$4,353	\$84,357
TOTAL RESIDENTIAL PROGRAMS	693	6,711	\$379,941	\$579,941		5,352,977		\$166,601	\$27,663	\$7,158	\$34,821	\$581,363
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	186	964	\$204.71	\$38,076	0	0	n/a	0	\$0	\$1,904	\$1,904	\$39,980
- Class 2	16	87	\$2,705.00	\$43,260	0	0	n/a	0	\$0	\$2,164	\$2,164	\$45,444
Smart Financing - Existing Building	6	51	\$5,109.67	\$30,658	13,282	677,982	\$0.04	\$28,687	\$1,395	\$0	\$1,395	\$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
TOTAL COMMERCIAL PROGRAMS	211	1,111	\$114,384	\$114,384		804,291		\$34,115	\$2,182	\$4,068	\$6,250	\$154,729
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	0	60	\$0.00	\$0	0	0	n/a	0	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	4	\$0.00	\$0	0	0	n/a	0	\$0	\$0	\$0	\$0
Smart Financing - General	0	1	\$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	0	65	\$0	\$0		0		\$0	\$0	\$0	\$0	\$0
TOTAL COMPANY	904	7,920	\$494,305	\$494,305		6,215,216		\$200,716	\$29,845	\$11,226	\$41,071	\$736,082

\* 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 09/01/98.

Exhibit C  
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PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS	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 * REVENUES (6)(7)	EFFICIENCY INCENTIVE (EX. C. PG.19C) (9)	MAXIMIZING INCENTIVE (% of COSTS) (10)	TOTAL * INCENTIVE (9)+(10)	TOTAL EST. COSTS TO BE RECOVERED (12) (4)+(9)+(11)
1999												
KENTUCKY POWER COMPANY												
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM												
YEAR 4 (2nd HALF)												
PROGRAM DESCRIPTIONS	NUMBER (1)	NUMBER ** (2)	PER PARTICIPANT (3)	COSTS (4)	NET LOST REV/HALF (5)	TOTAL ENERGY SAVINGS KWH/HALF (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * REVENUES (8)	EFFICIENCY INCENTIVE (EX. C. PG.19C) (9)	MAXIMIZING INCENTIVE (% of COSTS) (10)	TOTAL * INCENTIVE (9)+(10)	TOTAL EST. COSTS TO BE RECOVERED (12) (4)+(9)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	0	2,519	\$0.00	\$972	707	1,780,933	\$0.03	\$55,423	\$0	\$0	\$0	\$56,395
Targeted Energy Efficiency - All Electric	66	700	\$1,222.76	\$80,702	630	441,000	\$0.03	\$13,720	\$4,035	\$4,035	\$4,035	\$96,457
- Non-All Electric	8	220	\$57.50	\$540	306	67,320	\$0.03	\$2,103	\$40	\$40	\$40	\$2,663
Compact Fluorescent Bulb	0	123	\$0.00	\$0	31	3,813	\$0.03	\$118	\$0	\$0	\$0	\$118
High - Efficiency Heat Pump - Resistance Heat - Non Resistance Heat	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 - Mobile Home	0	593	\$0.00	\$0	447	265,071	\$0.03	\$6,260	\$0	\$0	\$0	\$6,260
Mobile Home New Construction ***	134	739	\$539.07	\$72,236	1,475	1,090,025	\$0.03	\$33,900	\$11,284	\$0	\$11,284	\$117,420
TOTAL RESIDENTIAL PROGRAMS	123	196	\$581.42	\$71,515	1,755	343,980	\$0.03	\$10,688	\$5,464	\$0	\$5,464	\$87,677
	471	5,900		\$255,525		4,964,142		\$154,490	\$22,975	\$4,035	\$27,010	\$437,025
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	188	1,129	\$356.11	\$66,948	0	0	n/a	\$0	\$3,347	\$3,347	\$3,347	\$70,295
- Class 2	21	103	\$2,705.00	\$56,005	0	0	n/a	\$0	\$2,840	\$2,840	\$2,840	\$59,645
Smart Financing - Existing Building	25	66	\$2,726.04	\$68,151	13,282	876,612	\$0.04	\$37,125	\$5,814	\$0	\$5,814	\$111,090
Smart Financing - New Building	8	13	\$3,087.00	\$24,696	14,101	183,313	\$0.04	\$7,840	\$2,099	\$0	\$2,099	\$34,635
TOTAL COMMERCIAL PROGRAMS	242	1,311		\$216,000		1,059,925		\$44,965	\$7,913	\$6,187	\$14,100	\$275,665
INDUSTRIAL PROGRAMS (West. Opt-Outs Removed)												
Smart Audit - Class 1	0	57	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	4	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	0	1	\$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	0	62		\$0				\$0	\$0	\$0	\$0	\$0
TOTAL COMPANY	713	7,273		\$472,125		6,024,067		\$199,455	\$30,888	\$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 09/01/98.												

Exhibit C  
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Year 2000												
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM												
YEAR 5 (1st half)												
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (1X)(4)	NET LOST REV/HALF (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/HALF (2X)(6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET* REVENUES (8)(X)(7)	EFFICIENCY INCENTIVE (EX. C. PG. 1)(9)	MAXIMIZING INCENTIVE (% of COSTS) (10)(4)(X)(5)	TOTAL* INCENTIVE (11)(9)+(10)	TOTAL EST. COSTS TO BE RECOVERED (12)(4)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	0	2,161	\$0.00	\$0	707	1,527,827	\$0.03	\$47,546	\$0	\$0	\$0	\$47,546
Targeted Energy Efficiency - All Electric	66	659	\$1,272.61	\$83,992	630	415,170	\$0.03	\$12,916	\$0	\$4,200	\$4,200	\$101,108
- Non-All Electric	28	202	\$90.82	\$2,543	305	61,812	\$0.03	\$1,931	\$141	\$0	\$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	819,600	\$0.03	\$25,522	\$1,679	\$0	\$1,679	\$34,801
High - Efficiency Heat Pump - Mobile Home	0	348	\$0.00	\$0	447	155,556	\$0.03	\$4,847	\$0	\$0	\$0	\$4,847
Mobile Home New Construction ***	45	663	\$500.00	\$22,500	1,475	1,007,425	\$0.03	\$31,331	\$3,789	\$0	\$3,789	\$57,620
TOTAL RESIDENTIAL PROGRAMS	101	302	\$630.20	\$53,550	1,755	590,010	\$0.03	\$16,483	\$4,486	\$0	\$4,486	\$74,519
COMMERCIAL PROGRAMS	278	5,038		\$170,195		4,517,400		\$140,576	\$10,095	\$4,200	\$14,295	\$325,056
Smart Audit - Class 1	144	1,126	\$397.19	\$57,195	0	0	n/a	0	\$0	\$2,660	\$2,660	\$60,055
Smart Audit - Class 2	8	112	\$2,705.00	\$21,640	0	0	n/a	0	\$0	\$1,082	\$1,082	\$22,722
Smart Financing - Existing Building	16	86	\$1,307.31	\$20,917	13,282	1,142,252	\$0.04	\$48,374	\$3,721	\$0	\$3,721	\$73,072
Smart Financing - New Building	4	20	\$5,298.75	\$25,195	14,101	282,020	\$0.04	\$12,062	\$1,049	\$0	\$1,049	\$38,306
TOTAL COMMERCIAL PROGRAMS	172	1,344	\$124,947	\$124,947		1,424,272		\$80,436	\$4,770	\$3,942	\$8,712	\$194,095
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	\$0.00	\$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
TOTAL COMPANY	450	6,382	\$295,132	\$295,132		5,941,672		\$281,012	\$14,665	\$8,142	\$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												
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 (4)	NET LOST REV/HALF (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH-HALF (2)X(5) (6)	NET LOST REVENUE (SAKWH) (7)	TOTAL NET * REVENUES (8)	EFFICIENCY INCENTIVE (EX. C. PG.19C) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL * INCENTIVE (9)X(10) (11)	TOTAL EST. COSTS TO BE RECOVERED (4)X(8)+(11) (12)
RESIDENTIAL PROGRAMS												
Energy Fitness	0	1,525	\$0.00	\$0	706	1,076,650	\$0.03	\$33,505	\$0	\$0	\$0	\$33,505
Targeted Energy Efficiency - All Electric	99	563	\$1,113.41	\$110,426	630	367,290	\$0.03	\$11,426	\$0	\$5,521	\$5,521	\$127,373
- Non-All Electric	21	170	\$94.67	\$1,968	306	\$2,020	\$0.03	\$1,625	\$105	\$0	\$105	\$3,718
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump - Resistance Heat	25	481	\$200.00	\$5,000	1,200	\$77,200	\$0.03	\$17,974	\$1,105	\$0	\$1,105	\$24,079
- Non Resistance Heat	0	147	\$0.00	\$0	446	65,562	\$0.03	\$2,043	\$0	\$0	\$0	\$2,043
High - Efficiency Heat Pump - Mobile Home	43	572	\$495.35	\$21,300	1,476	844,272	\$0.03	\$26,257	\$3,621	\$0	\$3,621	\$51,178
Mobile Home New Construction ***	94	403	\$875.00	\$54,050	1,755	707,265	\$0.03	\$21,996	\$4,175	\$0	\$4,175	\$80,221
TOTAL RESIDENTIAL PROGRAMS	282	3,861		\$192,764		3,690,259		\$114,826	\$8,006	\$5,521	\$14,527	\$322,117
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	159	1,026	\$165.24	\$26,273	0	0	n/a	\$0	\$0	\$1,314	\$1,314	\$27,587
- Class 2	29	98	\$2,705.00	\$78,445	0	0	n/a	\$0	\$0	\$3,922	\$3,922	\$82,367
Smart Financing - Existing Building	24	97	\$914.54	\$21,949	13,282	1,288,354	\$0.04	\$54,562	\$5,581	\$0	\$5,581	\$82,092
Smart Financing - New Building	0	21	\$0.00	\$7,269	14,102	296,142	\$0.04	\$12,666	\$0	\$0	\$0	\$19,955
TOTAL COMMERCIAL PROGRAMS	212	1,242		\$133,936		1,584,456		\$67,228	\$5,581	\$5,236	\$10,817	\$211,961
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	\$0.00	\$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
TOTAL COMPANY	494	5,123		\$326,700		5,274,755		\$192,054	\$14,587	\$10,757	\$25,344	\$534,086

\* 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.

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Year 2001												
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM												
YEAR 6 (1st Half)	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (1)(X)(3)	NET LOST REV/OTR (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/HALF (2)(X)(5)	NET LOST REVENUE (SI/KWH) (7)	TOTAL NET * REVENUES (8)	EFFICIENCY INCENTIVE (EX. C. PG.18C) (9)	MAXIMIZING INCENTIVE (% of COSTS) (10)	TOTAL * INCENTIVE (9)+(10)-(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	535	\$1,276.94	\$79,170	630	337,050	\$0.03111	\$10,466	\$3,959	\$3,959	\$3,959	\$63,615
Targeted Energy Efficiency - All Electric	18	137	\$67.89	\$1,562	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	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump - Resistance Heat	23	438	\$201.04	\$4,624	1200	525,600	\$0.03114	\$16,367	\$1,016	\$0	\$1,016	\$22,007
- Non-Resistance Heat	0	81	\$0.00	\$0	447	35,207	\$0.03116	\$1,128	\$0	\$0	\$0	\$1,128
High - Efficiency Heat Pump - Mobile Home	53	558	\$472.15	\$25,024	1475	823,050	\$0.03110	\$25,597	\$4,463	\$0	\$4,463	\$55,084
Mobile Home New Construction **	83	488	\$537.04	\$44,574	1755	855,440	\$0.03110*	\$25,635	\$3,687	\$0	\$3,687	\$74,895
TOTAL RESIDENTIAL PROGRAMS	239	3,281	\$154.974	\$154,974		3,358,377		\$104,463	\$9,256	\$3,959	\$13,215	\$272,682
COMMERCIAL PROGRAMS	134	1,017	\$321.82	\$43,124	0	0	n/a	\$0	\$0	\$2,156	\$2,156	\$45,280
Smart Audit - Class 1	28	105	\$1,510.00	\$42,280	0	0	n/a	\$0	\$0	\$2,114	\$2,114	\$44,394
- Class 2	15	112	\$2,309.00	\$34,635	13,282	1,487,584	\$0.04235	\$52,889	\$3,468	\$0	\$3,468	\$101,122
Smart Financing - Existing Building	8	25	\$4,016.13	\$32,129	14,101	352,525	\$0.04277	\$15,077	\$2,089	\$0	\$2,089	\$48,305
Smart Financing - New Building	165	1,259		\$152,168		1,840,109		\$78,076	\$5,687	\$4,270	\$9,857	\$240,101
TOTAL COMMERCIAL PROGRAMS	165	1,259		\$152,168		1,840,109		\$78,076	\$5,687	\$4,270	\$9,857	\$240,101
INDUSTRIAL PROGRAMS - (WEST. 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	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
TOTAL COMPANY	424	4,540	\$307.142	\$307,142		5,198,466		\$182,569	\$14,843	\$8,229	\$23,072	\$512,783

\* Lost revenue and efficiency incentives are based on prospective values  
 \*\* Cumulative participants include a reduction for the cumulative participants as of 06/30/08.  
 \*\*\* Participants since 01/01/98.

Exhibit C  
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Year 2001	NEW PARTICIPANT NUMBER	CUMULATIVE PARTICIPANT NUMBER **	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (1)(X)(3)	NET LOST REV/OTR (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/HALF (6)	NET LOST REVENUE (KWH) (7)	TOTAL NET * REVENUES (8)(X)(7)	EFFICIENCY INCENTIVE (EX C PG. 19C) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL * INCENTIVE (9)+(10)	TOTAL EST. COSTS TO BE RECOVERED (12)
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM												
YEAR 6 (2nd Half)												
PROGRAM DESCRIPTIONS												
RESIDENTIAL PROGRAMS												
Energy Fitness	0	535	\$0.00	\$0	706	377,710	\$0.03112	\$11,754	\$0	\$0	\$0	\$11,754
Targeted Energy Efficiency - All Electric	66	486	\$1,018.86	\$69,650	630	305,180	\$0.03111	\$9,525	\$0	\$4,483	\$4,483	\$103,668
- Non-All Electric	46	122	\$81.46	\$3,747	366	37,332	\$0.03124	\$1,166	\$231	\$0	\$231	\$5,144
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump - Resistance Heat	30	412	\$173.33	\$5,200	1,209	484,400	\$0.03114	\$15,366	\$1,206	\$0	\$1,206	\$21,822
- Non Resistance Heat	0	35	\$0.00	\$0	446	15,510	\$0.03116	\$466	\$0	\$0	\$0	\$466
High - Efficiency Heat Pump - Mobile Home	47	469	\$510.64	\$24,000	1,476	682,244	\$0.03110	\$71,529	\$3,958	\$0	\$3,958	\$49,487
Mobile Home New Construction **	92	568	\$555.43	\$51,100	1,755	965,840	\$0.03110	\$31,022	\$4,087	\$0	\$4,087	\$86,189
TOTAL RESIDENTIAL PROGRAMS	302	2,697		\$173,707		2,920,916		\$90,858	\$9,602	\$4,483	\$14,085	\$278,650
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	131	966	\$454.04	\$59,470	0	0	n/a	\$0	\$0	\$2,974	\$2,974	\$62,453
- Class 2	15	11	\$9,817.20	\$49,086	0	0	n/a	\$0	\$0	\$2,164	\$2,164	\$15,500
Smart Financing - Existing Building	18	103	\$1,694.27	\$24,984	13,262	1,447,738	\$0.04233	\$51,312	\$3,483	\$0	\$3,483	\$89,764
Smart Financing - New Building	10	34	\$1,799.28	\$32,387	14,102	479,468	\$0.04277	\$20,907	\$4,722	\$0	\$4,722	\$37,616
TOTAL COMMERCIAL PROGRAMS	169	1,220		\$165,916		1,927,206		\$81,819	\$8,210	\$5,428	\$13,638	\$261,373
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	472	3,917		\$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 12/31/09												
*** Participants since 07/01/06.												

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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 (\$/KWH) (7)	TOTAL NET* REVENUES (8)	EFFICIENCY INCENTIVE (EX. C. PG.19C) (9)	MAXIMIZING INCENTIVE (5% OF COSTS) (10)	TOTAL* INCENTIVE (11)	TOTAL ACTUAL COSTS TO BE RECOVERED (12)
		NUMBER			REV/HALF	SAVINGS	REVENUE	LOST	(9)	(4)X(5)	(9)X(10)	(4)X(9)X(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	0	116	\$0.00	\$0	707	82,012	\$0.03112	\$2,552	\$0	\$0	\$0	\$2,552
Targeted Energy Efficiency - All Electric	63	442	\$1,752.40	\$110,401	1,028	454,376	\$0.03111	\$14,136	\$0	\$5,520	\$5,520	\$130,057
- Non-All Electric	32	135	\$65.47	\$2,095	315	42,525	\$0.03124	\$1,328	\$137	\$0	\$137	\$3,560
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump - Resistance Heat - Non Resistance Heat	1	314	\$1,152.00	\$1,152	1,200	376,800	\$0.03114	\$11,734	\$44	\$0	\$44	\$12,930
High - Efficiency Heat Pump - Mobile Home	43	414	\$619.77	\$26,650	1,144	473,616	\$0.03110	\$14,729	\$1,244	\$0	\$1,244	\$42,623
Mobile Home New Construction ***	57	568	\$641.77	\$36,581	1,809	1,027,512	\$0.03110	\$31,955	\$231	\$0	\$231	\$68,768
TOTAL RESIDENTIAL PROGRAMS	196	1,969		\$176,879		2,456,841		\$76,435	\$1,656	\$5,520	\$7,176	\$260,490
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	125	923	\$432.92	\$54,115	0	0	n/a	\$0	\$0	\$2,705	\$2,705	\$56,821
- Class 2	6	104	\$3,711.00	\$29,688	0	0	n/a	\$0	\$0	\$1,484	\$1,484	\$31,172
Smart Financing - Existing Building	7	101	\$2,552.71	\$17,869	13,282	1,341,482	\$0.04235	\$56,812	\$1,628	\$0	\$1,628	\$76,309
Smart Financing - New Building	5	42	\$1,394.60	\$6,973	14,101	592,242	\$0.04277	\$25,350	\$1,312	\$0	\$1,312	\$33,615
TOTAL COMMERCIAL PROGRAMS	145	1,170		\$108,645		1,933,724		\$82,142	\$2,940	\$4,190	\$7,130	\$197,917
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	341	3,159		\$285,524		4,390,565		\$158,577	\$4,596	\$9,710	\$14,305	\$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 LOST REV/QTR (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS (KWH/HALF) (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * LOST REVENUES (8)	EFFICIENCY INCENTIVE (EX. C. PG.19C) (9)	MAXIMIZING INCENTIVE (9% of COSTS) (10)	TOTAL * INCENTIVE (9)+(10) (11)	TOTAL ACTUAL COSTS TO BE RECOVERED (12)
RESIDENTIAL PROGRAMS												
Energy Fitness	0	0	\$0.00	\$0	706	0	\$0.03112	\$0	\$0	\$0	\$0	\$0
Targeted Energy Efficiency - All Electric	76	457	\$1,039.33	\$79,989	1,028	469,796	\$0.03111	\$14,615	\$0	\$3,949	\$3,949	\$97,553
Targeted Energy Efficiency - Non-All Electric	13	166	\$85.92	\$1,117	315	49,140	\$0.03124	\$1,355	\$56	\$0	\$56	\$2,708
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump - Resistance Heat	0	177	\$0.00	(\$352)	1,200	212,400	\$0.03114	\$6,614	\$0	\$0	\$0	\$6,262
High - Efficiency Heat Pump - Non Resistance Heat	0	0	\$0.00	\$0	446	0	\$0.03116	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump - Mobile Home	43	308	\$603.84	\$25,965	1,144	352,352	\$0.03110	\$10,956	\$1,244	\$0	\$1,244	\$38,167
Mobile Home New Construction ***	61	519	\$644.46	\$39,312	1,809	938,871	\$0.03110	\$29,199	\$248	\$0	\$248	\$68,759
TOTAL RESIDENTIAL PROGRAMS	193	1,617		\$145,031		2,022,559		\$62,921	\$1,548	\$3,949	\$5,497	\$213,449
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	0	786	\$0.00	\$74,422	0	0	n/a	\$0	\$0	\$3,721	\$3,721	\$78,143
Smart Audit - Class 2	0	80	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - Existing Building	29	97	\$909.76	\$22,744	13,282	1,288,354	\$0.04235	\$64,562	\$5,814	\$0	\$5,814	\$83,120
Smart Financing - New Building	16	44	\$2,424.94	\$39,799	14,102	620,488	\$0.04277	\$26,538	\$4,197	\$0	\$4,197	\$69,534
TOTAL COMMERCIAL PROGRAMS	41	1,017		\$135,965		1,808,842		\$81,100	\$10,011	\$3,721	\$13,732	\$230,797
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
TOTAL COMPANY	234	2,634		\$280,996		3,831,401		\$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.

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Year 2003												Exhibit C
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM												PAGE 9A of
YEAR 8 (1st HALF)												22
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 (2)X(5)) (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET* LOSS (6)X(7) (8)	EFFICIENCY INCENTIVE (EX. C. PG.19C) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	INCENTIVE TOTAL* (9)+(10) (11)	TOTAL ACTUAL COSTS TO BE RECOVERED (12)
			PER PARTICIPANT (3)	(1)X(3)						(4)X(5)	(9)+(10)	(4)+(8)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	0	0	\$0.00	\$0	707	0	\$0.03112	\$0	\$0	\$0	\$0	\$0
Targeted Energy Efficiency	100	467	\$849.84	\$84,984	1,028	480,076	\$0.03111	\$14,935	\$0	\$4,249	\$4,249	\$104,168
- All Electric	7	151	\$79.29	\$555	314	47,414	\$0.03124	\$1,481	\$30	\$30	\$30	\$2,056
- 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	94	\$0.00	\$0	1,200	112,800	\$0.03114	\$3,513	\$0	\$0	\$0	\$3,513
- 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	34	268	\$379.41	\$12,900	1,144	306,592	\$0.03110	\$9,535	\$993	\$0	\$993	\$23,418
- Mobile Home												
Mobile Home New Construction ***	46	460	\$482.61	\$22,200	1,808	831,680	\$0.03110	\$25,865	\$187	\$0	\$187	\$48,252
- Heat Pump	0	0	\$0.00	\$0	157	0	\$0.03124	\$0	\$0	\$0	\$0	\$0
- Air Conditioner	101	23	\$142.72	\$14,415	1,194	27,462	\$0.03116	\$956	\$2,127	\$0	\$2,127	\$17,398
Modified Energy Fitness	288	1,463		\$135,054		1,806,024		\$56,185	\$3,327	\$4,249	\$7,576	\$198,815
TOTAL RESIDENTIAL PROGRAMS												
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	0	620	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
- Class 2	0	73	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - Existing Building	0	110	\$0.00	\$0	13,282	1,461,020	\$0.04235	\$61,874	\$0	\$0	\$0	\$61,874
Smart Financing - New Building	0	49	\$0.00	\$0	14,101	690,949	\$0.04277	\$29,552	\$0	\$0	\$0	\$29,552
TOTAL COMMERCIAL PROGRAMS	0	852		\$0		2,151,969		\$91,426	\$0	\$0	\$0	\$91,426
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	288	2,315		\$135,054		3,957,993		\$147,611	\$3,327	\$4,249	\$7,576	\$230,241
* Last revenue and efficiency incentives are based on prospective values.												
** Cumulative participants include a reduction for the cumulative participants as of 08/30/2000.												
*** Participants since 07/01/2000.												

Year 2003													Exhibit C
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM													PAGE
YEAR 8 (204 HALF)													9B of
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACTUAL PROGRAM COSTS (1)X(3)	NET LOSS REV/HALF (KWH/PARTICIPANT) (5)	TOTAL ENERGY SAVINGS KWH/HALF (2)X(5)	REVENUE (S/KWH) (7)	NET LOSS REVENUES (8) (6)X(7)	EFFICIENCY INCENTIVE (EX. C, PG.19C) (9)	MAXIMIZING INCENTIVE (4)X(5%) (10)	TOTAL * (9)+(10)	RECOVERED COSTS TO BE (12)	
RESIDENTIAL PROGRAMS													
Energy Fitness	0	0	\$0.00	\$0	706	0	\$0.03112	\$0	\$0	\$0	\$0	\$0	
Targeted Energy Efficiency													
- All Electric	69	473	\$974.94	\$67,271	1,028	486,244	\$0.03111	\$15,127	\$0	\$3,364	\$3,364	\$95,762	
- Non-All Electric	69	167	\$76.10	\$5,251	316	\$2,772	\$0.03124	\$1,649	\$295	\$0	\$295	\$7,195	
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
High - Efficiency Heat Pump													
- Resistance Heat	0	63	\$0.00	\$0	1,200	75,600	\$0.03114	\$2,354	\$0	\$0	\$0	\$2,354	
- Non Resistance Heat	0	0	\$0.00	\$0	446	0	\$0.03116	\$0	\$0	\$0	\$0	\$0	
High - Efficiency Heat Pump													
- Mobile Home	29	256	\$463.45	\$13,150	1,144	292,864	\$0.03110	\$9,108	\$639	\$0	\$639	\$23,097	
Mobile Home New Construction ***													
- Heat Pump	64	419	\$649.59	\$41,574	1,810	758,390	\$0.03110	\$23,566	\$260	\$0	\$260	\$65,420	
- Air Conditioner	1	0	\$150.00	\$150	168	0	\$0.03124	\$0	\$0	\$0	\$0	\$150	
Modified Energy Fitness	441	324	\$431.43	\$190,262	1,194	366,856	\$0.03116	\$12,054	\$9,287	\$0	\$9,287	\$211,503	
TOTAL RESIDENTIAL PROGRAMS	673	1,702		\$317,658		2,052,726		\$63,878	\$10,681	\$3,364	\$14,045	\$395,661	
COMMERCIAL PROGRAMS													
Smart Audit - Class 1	0	453	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	
- Class 2	0	63	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	
Smart Financing - Existing Building	0	77	\$0.00	\$0	13,282	1,022,714	\$0.04235	\$43,312	\$0	\$0	\$0	\$43,312	
Smart Financing - New Building	0	47	\$0.00	\$0	14,102	662,784	\$0.04277	\$28,348	\$0	\$0	\$0	\$28,348	
TOTAL COMMERCIAL PROGRAMS	0	640		\$0		1,685,508		\$71,660	\$0	\$0	\$0	\$71,660	
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	673	2,342		\$317,658		3,738,234		\$105,538	\$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 122
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)	TOTAL NET * LOSS (8)	EFFICIENCY INCENTIVE (EX. C. PG. 19C) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL * INCENTIVE (9)+(10)	TOTAL ACTUAL COSTS TO BE RECOVERED (12)	
			PER PARTICIPANT (3)	(1)X(3)	(KWH/PARTIC)	KWH/ HALF (6)	(\$/KWH) (7)	(6)	(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	\$71,624	
- All Electric	10	179	\$78.60	\$786	314	56,208	\$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 ***	68	394	\$503.68	\$34,250	1,808	712,952	\$0.03110	\$22,154	\$276	\$0	\$276	\$56,680	
- Heat Pump	1	1	\$150.00	\$150	157	157	\$0.03124	\$5	\$0	\$0	\$0	\$155	
- Air Conditioner													
Modified Energy Fitness	334	735	\$417.76	\$139,531	1,194	877,590	\$0.03116	\$27,346	\$7,034	\$0	\$7,034	\$173,911	
TOTAL RESIDENTIAL PROGRAMS	526	2,061		\$246,376		2,455,237		\$76,425	\$8,539	\$2,706	\$11,245	\$334,046	
COMMERCIAL PROGRAMS	0	338	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	
Smart Audit - Class 1	0	30	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	
- Class 2	0	54	\$0.00	\$0	13,282	717,228	\$0.04235	\$30,375	\$0	\$0	\$0	\$30,375	
Smart Financing - Existing Building	0	43	\$0.00	\$0	14,101	606,343	\$0.04277	\$25,933	\$0	\$0	\$0	\$25,933	
Smart Financing - New Building	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
TOTAL COMMERCIAL PROGRAMS	0	465		\$0		1,323,571		\$56,308	\$0	\$0	\$0	\$56,308	
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	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	NEW PARTICIPANT	CUMULATIVE PARTICIPANT	TOTAL ESTIMATED PROGRAM COSTS	TOTAL ACTUAL PROGRAM COSTS	NET LOST REV/QTR	TOTAL ENERGY SAVINGS	NET LOST REVENUE	TOTAL NET * LOSS	EFFICIENCY INCENTIVE	MAXIMIZING INCENTIVE	TOTAL * INCENTIVE	TOTAL ACTUAL COSTS TO BE RECOVERED
PROGRAM DESCRIPTIONS	NUMBER (1)	NUMBER ** (2)	PER PARTICIPANT COSTS (3)	(4) (1)X(3)	(KWH/PARTIC) (5)	KWH/ HALF (6) (2)X(5)	(\$/KWH) (7) (6)X(7)	REVENUES (8) (6)X(7)	(EX. C, PG.19C) (9) (9)	(5% of COSTS) (10) (4)X(5)	(11) (9)+(10)	(12) (4)+(9)+(11)
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM											Exhibit C	
YEAR 9 (2nd HALF)											PAGE 10B of 22	
RESIDENTIAL PROGRAMS												
Energy Fitness	0	0	\$0.00	\$0	706	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	\$119,292
- Non-All Electric	72	205	\$60.60	\$4,363	316	64,780	\$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	0	15	\$0.00	\$0	1,200	18,000	\$0.03114	-\$561	\$0	\$0	\$0	\$561
- 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	46	239	\$469.57	\$21,600	1,144	273,416	\$0.03110	\$8,503	\$1,330	\$0	\$1,330	\$31,433
- Mobile Home												
Mobile Home New Construction ***												
- Heat Pump	70	379	\$597.14	\$41,800	1,810	665,990	\$0.03110	\$21,334	\$284	\$0	\$284	\$63,418
- Air Conditioner	0	2	#DIV/0!	\$0	156	316	\$0.03124	\$10	\$0	\$0	\$0	\$10
Modified Energy Fitness	391	1,070	\$347.20	\$135,756	1,194	1,277,580	\$0.03116	\$39,809	\$8,234	\$0	\$8,234	\$183,799
TOTAL RESIDENTIAL PROGRAMS	686	2,372		\$303,059		2,795,018		\$87,016	\$10,156	\$4,977	\$15,133	\$405,208
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	\$23,082	\$0	\$0	\$0	\$23,082
Smart Financing - New Building	0	30	\$0.00	\$0	14,102	423,060	\$0.04277	\$18,094	\$0	\$0	\$0	\$18,094
TOTAL COMMERCIAL PROGRAMS	0	272		\$0		967,622		\$41,156	\$0	\$0	\$0	\$41,156
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	666	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 07/01/2001.

Year 2005													Exhibit C PAGE 11A of	22
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM														
YEAR 10 (1st Half)	NEW PARTICIPANT	CUMULATIVE PARTICIPANT	TOTAL ESTIMATED PROGRAM COSTS	TOTAL ACTUAL PROGRAM COSTS	NET LOST REV/QTR	TOTAL ENERGY SAVINGS	NET LOST REVENUE	TOTAL NET * REVENUES	EFFICIENCY INCENTIVE	MAXIMIZING INCENTIVE	TOTAL * INCENTIVE	TOTAL ACTUAL COSTS TO BE		
PROGRAM DESCRIPTIONS	NUMBER (1)	NUMBER ** (2)	PER PARTICIPANT (3)	(4)	(KWH/ PARTICIPANT) (5)	(KWH/ HALF) (6)	(\$/KWH) (7)	(6)X(7)	(EX. C. PG.19C) (9)	(5% of COSTS) (10)	(11)	(12)		
RESIDENTIAL PROGRAMS				(1)X(3)		(2)X(5)				(4)X(5%)	(9)X(10)	(4)X(8)X(11)		
Energy Fitness	0	0	\$0.00	\$0	707	0	\$0.03112	\$0	\$0	\$0	\$0	\$0		
Targeted Energy Efficiency	88	477	\$1,109.22	\$97,611	896	427,392	\$0.03111	\$13,296	\$0	\$4,881	\$4,881	\$115,788		
- All Electric	57	218	\$52.47	\$3,551	267	58,206	\$0.03124	\$1,818	\$1,125	\$0	\$1,125	\$6,504		
- 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	34	231	\$650.21	\$19,047	1,145	264,495	\$0.03110	\$8,226	\$2,593	\$0	\$2,593	\$29,966		
- Mobile Home	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0		
Mobile Home New Construction ***	67	371	\$614.65	\$41,195	1,808	670,768	\$0.03110	\$20,861	\$8,372	\$0	\$8,372	\$70,428		
- Heat Pump	0	2	\$0.00	\$0	157	314	\$0.03124	\$10	\$0	\$0	\$0	\$10		
- Air Conditioner	371	1,479	\$400.87	\$148,723	613	906,627	\$0.03116	\$28,250	\$15,612	\$0	\$15,612	\$192,595		
Modified Energy Fitness	617	2,778		\$310,137	2,327,802			\$72,461	\$27,802	\$4,881	\$32,683	\$415,281		
TOTAL RESIDENTIAL PROGRAMS														
COMMERCIAL PROGRAMS														
Smart Audit - Class 1	0	64	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0		
- Class 2	0	3	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0		
Smart Financing - Existing Building	0	29	\$0.00	\$0	13,282	385,178	\$0.04235	\$16,312	\$0	\$0	\$0	\$16,312		
Smart Financing - New Building	0	18	\$0.00	\$0	14,101	253,818	\$0.04277	\$10,856	\$0	\$0	\$0	\$10,856		
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	617	2,892		\$310,137		2,965,798		\$99,629	\$27,802	\$4,881	\$32,683	\$442,149		

\* Lost revenue and efficiency incentives are based on prospective values.  
 \*\* Cumulative participants include a reduction for the cumulative participants as of 06/30/2002.  
 \*\*\* Participants since 01/01/2002.

Year 2005													Exhibit C PAGE 11B of 22
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM													
YEAR 10 (2nd HALF)	NEW PARTICIPANT	CUMULATIVE PARTICIPANT	TOTAL ESTIMATED PROGRAM COSTS	TOTAL ACTUAL PROGRAM COSTS	TOTAL ACTUAL PROGRAM COSTS	NET LOST REVENUE	NET LOST REVENUE	EFFICIENCY INCENTIVE (EX. C, PG.19C)	MAXIMIZING INCENTIVE	TOTAL *	INCENTIVE TOTAL *	TOTAL ACTUAL COSTS TO BE	
PROGRAM DESCRIPTIONS	NUMBER (1)	NUMBER ** (2)	PER PARTICIPANT COSTS (3)	TOTAL ACTUAL PROGRAM COSTS (4)	REVENUE (KWH/ PARTICIPANT) (5)	REVENUE (KWH/ PARTICIPANT) (6)	REVENUES (8)	INCENTIVE (9)	INCENTIVE (9% of COSTS) (10)	INCENTIVE (11)	RECOVERED (12)		
				(1)X(3)		(2)X(6)	(6)X(7)	(9)	(4)X(5%)	(9)X(10)	(4)X(8)X(11)		
RESIDENTIAL PROGRAMS													
Energy Fitness	0	0	\$0.00	\$0	706	0	\$0.03112	\$0	\$0	\$0	\$0	\$0	
Targeted Energy Efficiency													
- All Electric	85	492	\$1,207.52	\$102,639	866	440,832	\$13,714	\$0	\$5,132	\$5,132	\$121,485	\$121,485	
- Non-All Electric	26	233	\$66.85	\$1,712	286	61,976	\$1,936	\$513	\$0	\$513	\$4,161	\$4,161	
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
High - Efficiency Heat Pump													
- 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													
- Mobile Home	40	225	\$476.78	\$19,071	1,144	257,400	\$0.03110	\$3,166	\$0	\$3,166	\$30,244	\$30,244	
Mobile Home New Construction ***													
- Heat Pump	83	385	\$544.23	\$45,171	1,810	696,850	\$0.03110	\$10,372	\$0	\$10,372	\$77,215	\$77,215	
- Air Conditioner	0	2	\$0.00	\$0	158	316	\$0.03124	\$0	\$0	\$0	\$10	\$10	
Modified Energy Fitness	351	1,826	\$373.12	\$130,965	612	1,117,512	\$0.03116	\$4,822	\$0	\$4,770	\$180,557	\$180,557	
TOTAL RESIDENTIAL PROGRAMS	585	3,163		\$299,558	2,574,868		\$80,159	\$28,823	\$5,132	\$33,955	\$413,672	\$413,672	
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	20	\$0.00	\$0	13,282	265,640	\$0.04235	\$11,250	\$0	\$0	\$11,250	\$11,250	
Smart Financing - New Building	0	11	\$0.00	\$0	14,102	155,122	\$0.04277	\$6,635	\$0	\$0	\$6,635	\$6,635	
TOTAL COMMERCIAL PROGRAMS	0	31		\$0	420,762		\$17,885	\$0	\$0	\$0	\$17,885	\$17,885	
INDUSTRIAL PROGRAMS - (West. 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	\$0	\$0	\$0	\$0	
TOTAL COMPANY	585	3,194		\$299,558	2,995,630	2,995,630	\$98,044	\$28,823	\$5,132	\$33,955	\$431,457	\$431,457	
* 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 ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM													PAGE 12A of
YEAR 11 (1st HALF)													22
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS (3)	TOTAL ACTUAL PROGRAM COSTS (4)	NET LOSS REV/QTRS (KWH/PARTICIPANT) (5)	TOTAL ENERGY SAVINGS KWH/HALF (2)X(5) (6)	NET REVENUE (\$/KWH) (7)	TOTAL NET * REVENUES (8) (6)X(7) (8)	EFFICIENCY INCENTIVE (EX. C. PG.19C) (9)	MAXIMIZING INCENTIVE (9% of COSTS) (10) (4)X(5%) (10)	INCENTIVE TOTAL * (11) (9)+(10)	TOTAL ACTUAL COSTS TO BE RECOVERED (12) (4)+(8)+(11)	
RESIDENTIAL PROGRAMS													
Energy Fitness	0	0	\$0.00	\$0	707	0	\$0.03112	\$0	\$0	\$0	\$0	\$0	
Targeted Energy Efficiency													
- All Electric	75	486	\$974.31	\$73,073	896	444,416	\$0.03111	\$13,826	\$0	\$3,654	\$3,654	\$80,553	
- Non-All Electric	34	249	\$84.56	\$2,875	267	66,483	\$0.03124	\$2,077	\$671	\$0	\$671	\$5,623	
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
High - Efficiency Heat Pump													
- 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	447	0	\$0.03116	\$0	\$0	\$0	\$0	\$0	
High - Efficiency Heat Pump													
- Mobile Home	48	230	\$446.06	\$21,411	1,145	263,350	\$0.03110	\$8,190	\$3,802	\$0	\$3,802	\$33,403	
Mobile Home New Construction ***													
- Heat Pump	90	425	\$561.21	\$50,509	1,810	769,250	\$0.03110	\$23,924	\$11,246	\$0	\$11,246	\$65,679	
- Air Conditioner	0	2	\$0.00	\$0	157	314	\$0.03124	\$10	\$0	\$0	\$0	\$10	
Modified Energy Fitness	440	2,165	\$275.33	\$121,144	613	1,339,405	\$0.03116	\$41,736	\$18,515	\$0	\$18,515	\$181,395	
TOTAL RESIDENTIAL PROGRAMS	687	3,587		\$269,012		2,869,218		\$89,763	\$34,234	\$3,654	\$37,888	\$396,663	
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	
- 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	687	3,587		\$269,012		2,869,218		\$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 2006													Exhibit C
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM													PAGE
YEAR 11 (2nd HALF)													12B of
PROGRAM DESCRIPTIONS													22
NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACTUAL PROGRAM COSTS (4)	NET LOST REV/QTRS (KWH/ PARTICIPANT) (5)	TOTAL ENERGY SAVINGS KWH/ HALF (6)	NET LOST REVENUE (KWH) (S/KWH) (7)	TOTAL NET * LOSSES (8)	EFFICIENCY INCENTIVE (EX. C, PG.19C) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL * INCENTIVE (11)	TOTAL ACTUAL COSTS TO BE RECOVERED (12)	(9)+(10)-(11)	
RESIDENTIAL PROGRAMS													\$0
Energy Fitness													\$0
87	481	\$1,147.46	\$99,629	896	430,976	\$0.03111	\$13,408	\$0	\$4,991	\$4,991	\$118,228	\$118,228	
- All Electric													\$0
46	254	\$84.00	\$3,964	266	67,564	\$0.03124	\$2,111	\$908	\$0	\$908	\$6,863	\$6,863	
- Non-All Electric													\$0
0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0	
Compact Fluorescent Bulb													\$0
0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0	
High - Efficiency Heat Pump													\$0
0	0	\$0.00	\$0	1,200	0	\$0.03114	\$0	\$0	\$0	\$0	\$0	\$0	
- Resistance Heat													\$0
0	0	\$0.00	\$0	446	0	\$0.03116	\$0	\$0	\$0	\$0	\$0	\$0	
- Non Resistance Heat													\$0
45	245	\$460.00	\$20,700	1,144	280,280	\$0.03110	\$8,717	\$3,564	\$0	\$3,564	\$32,991	\$32,991	
- Mobile Home													\$0
Mobile Home New Construction ***													\$0
94	460	\$644.15	\$51,150	1,808	831,660	\$0.03110	\$25,865	\$11,746	\$0	\$11,746	\$86,761	\$86,761	
- Heat Pump													\$0
0	2	\$0.00	\$0	158	316	\$0.03124	\$10	\$0	\$0	\$0	\$10	\$10	
- Air Conditioner													\$0
560	2,391	\$427.85	\$239,596	612	1,463,282	\$0.03116	\$45,596	\$23,565	\$0	\$23,565	\$308,757	\$308,757	
Modified Energy Fitness													\$0
832	3,833	\$415.139	\$415,139	3,074	3,074,108	\$0.03116	\$95,707	\$39,783	\$4,991	\$44,774	\$555,620	\$555,620	
TOTAL RESIDENTIAL PROGRAMS													\$0
COMMERCIAL PROGRAMS													\$0
Smart Audit - Class 1													\$0
0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	\$0	
- Class 2													\$0
0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	\$0	
Smart Financing - Existing Building													\$0
0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0	
Smart Financing - New Building													\$0
0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0	
TOTAL COMMERCIAL PROGRAMS													\$0
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)													\$0
0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	\$0	
Smart Audit - Class 1													\$0
0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	\$0	
Smart Audit - Class 2													\$0
0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0	
Smart Financing - General													\$0
0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$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	\$0	
TOTAL INDUSTRIAL PROGRAMS													\$0
832	3,833	\$415.139	\$415,139	3,074	3,074,108	\$0.03116	\$95,707	\$39,783	\$4,991	\$44,774	\$555,620	\$555,620	
TOTAL COMPANY													\$0

\* Lost revenue and efficiency incentives are based on prospective values.  
 \*\* Cumulative participants include a reduction for the cumulative participants as of 12/31/2003.  
 \*\*\* Participants since 07/01/2003.

Year 2007													Exhibit C PAGE 13A of	22
KENTUCKY POWER COMPANY ESTIMATED SECTOR BURCHARGES FOR 3 YEAR PROGRAM													TOTAL ACTUAL COSTS TO BE	RECOVERED (12) (9)+(10)+(11)
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS (3)	PER PARTICIPANT COSTS (3)	TOTAL ACTUAL PROGRAM COSTS (4)	NET LOST REV/QTRS (KWH/ PARTICIPANT) (5)	TOTAL ENERGY SAVINGS KWH/ HALF (6)	NET LOST REVENUE (KWH) (7)	TOTAL NET * LOST REVENUES (6)+(7)	EFFICIENCY INCENTIVE (EX. C. PG.19C) (8)	MAXIMIZING INCENTIVE (5% of COSTS) (10) (9)*(5)	TOTAL * INCENTIVE (11) (9)+(10)	TOTAL ACTUAL COSTS TO BE	RECOVERED (12) (9)+(10)+(11)
RESIDENTIAL PROGRAMS														
Energy Fitness	0	0	\$0.00		\$0	707	(2)*(5)	\$0.03112	\$0	\$0	\$0	\$0	\$0	\$0
Targeted Energy Efficiency	128	295	\$1,022.27		\$130,851	886	284,320	\$0.04346	\$11,487	\$0	\$6,543	\$6,543	\$148,881	\$148,881
- All Electric	29	115	\$66.48		\$2,508	277	-1,855	\$0.04362	\$1,390	\$372	\$0	\$572	\$4,470	\$4,470
- Non-All Electric	0	0	\$0.00		\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0
Compact Fluorescent Bulb	0	0	\$0.00		\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump	0	0	\$0.00		\$0	1,200	0	\$0.03114	\$0	\$0	\$0	\$0	\$0	\$0
- Resistance Heat	0	0	\$0.00		\$0	447	0	\$0.03116	\$0	\$0	\$0	\$0	\$0	\$0
- Non-Resistance Heat	0	0	\$0.00		\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump	50	153	\$450.00		\$22,500	1,145	175,185	\$0.04346	\$7,614	\$3,960	\$0	\$3,960	\$34,074	\$34,074
- Mobile Home	0	0	\$0.00		\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0
Mobile Home New Construction ***	84	304	\$563.10		\$47,300	1,810	550,240	\$0.04348	\$23,924	\$10,497	\$0	\$10,497	\$81,721	\$81,721
- Heat Pump	0	0	\$0.00		\$0	187	0	\$0.04343	\$0	\$0	\$0	\$0	\$0	\$0
- Air Conditioner	0	0	\$0.00		\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0
Modified Energy Fitness	515	1,605	\$381.00		\$196,214	613	983,855	\$0.04349	\$42,788	\$21,671	\$0	\$21,671	\$260,673	\$260,673
Case No 2005 - 00373, Dated December 14, 2006:														
- HEAP - Kentucky Power Company's Information Technology Implementation Costs					\$59,968									\$59,968
- HEAP - KACA's Information Technology Implementation Costs					\$15,700									\$15,700
TOTAL RESIDENTIAL PROGRAMS	808	2,472			\$474,041	2,005,465		\$87,203	\$36,700	\$6,543	\$43,243	\$604,487	\$604,487	
COMMERCIAL PROGRAMS														
Smart Audit - Class 1	0	0	\$0.00		\$0	0	n/a	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Class 2	0	0	\$0.00		\$0	0	n/a	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Smart Financing - Existing Building	0	0	\$0.00		\$0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Smart Financing - New Building	0	0	\$0.00		\$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	\$0	\$0
INDUSTRIAL PROGRAMS - (WEST, OPH-OUTS Removed)														
Smart Audit - Class 1	0	0	\$0.00		\$0	0	n/a	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	0	\$0.00		\$0	0	n/a	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00		\$0	0	\$0.00000	\$0	\$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	\$0
TOTAL INDUSTRIAL PROGRAMS	0	0	\$0		\$0	0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL COMPANY	808	2,472			\$474,041	2,005,465		\$87,203	\$36,700	\$6,543	\$43,243	\$604,487	\$604,487	
* 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 2007												
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM												
YEAR 12 (2nd Half)	NEW PARTICIPANT	CUMULATIVE PARTICIPANT	TOTAL ESTIMATED PROGRAM COSTS	TOTAL ACTUAL PROGRAM COSTS	NET LOST REVQTRS	TOTAL ENERGY SAVINGS	NET LOST REVENUE	TOTAL NET* LOSST	EFFICIENCY INCENTIVE	MAXIMIZING INCENTIVE	INCENTIVE TOTAL*	TOTAL ACTUAL COSTS TO BE RECOVERED
PROGRAM DESCRIPTIONS	NUMBER (1)	NUMBER ** (2)	PER PARTICIPANT COSTS (3)	(4)	(KWH/ PARTICIPANT) (5)	KWH/ HALF (6)	(\$/KWH) (7)	REVENUES (8)	(EX. C. PG.19C) (9)	(5% of COSTS) (10)	(9)+(10) (11)	(12)
RESIDENTIAL PROGRAMS			(1)X(3)		(2)X(5)		(6)X(7)			(4)X(5%) (10)	(9)+(10) (11)	(4)+(9)+(11) (12)
Energy Fitness	0	0	\$0.00	\$0	706	0	\$0.03112	\$0	\$0	\$0	\$0	\$0
Targeted Energy Efficiency	100	421	\$879.82	\$87,982	886	377,216	\$0.04346	\$16,394	\$0	\$4,399	\$4,399	\$108,775
- All Electric	50	151	\$89.58	\$4,479	276	41,676	\$0.04362	\$1,818	\$987	\$0	\$987	\$7,284
- 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	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	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	128	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	\$355,501	2,721,352			\$118,331	\$41,080	\$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	\$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	\$0	\$0	\$0
TOTAL COMPANY	809	3,320	\$355.501	\$355,501	2,721,352			\$118,331	\$41,080	\$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		NEW PARTICIPANT	CUMULATIVE PARTICIPANT	TOTAL ESTIMATED PROGRAM COSTS	TOTAL ACTUAL PROGRAM COSTS	NET LOST	TOTAL ENERGY SAVINGS	REVENUE	NET LOSS	REVENUES	INCENTIVE	MAXIMIZING INCENTIVE	INCENTIVE TOTAL*	TOTAL COSTS TO BE
PROGRAM DESCRIPTIONS	NUMBER (1)	NUMBER ** (2)	PER PARTICIPANT COSTS (3)	(1)X(3)	(4)	(KWH/PARTICIPANT) (5)	(KWH/ HALF (6)	(S/KWH) (7)	(8)	(9)	(10)	(11)	(12)	
				(1)X(3)			(2)X(6)		(6)X(7)	(9)X(10)	(4)X(5%)	(9)X(10)	(4)X(10)X(11)	
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM														22
YEAR 13 (1st HALF)														
RESIDENTIAL PROGRAMS														
Energy Fitness	0	0	\$0.00	\$0	0	0	0	\$0.00000	0	\$0	\$0	\$0	\$0	
Targeted Energy Efficiency	119	521	\$1,358.15	\$161,520	1,016	529,336	\$0.04346	\$9,189	\$9,189	\$0	\$0	\$9,189	\$193,814	
- All Electric	56	196	\$63.11	\$4,654	568	111,328	\$0.04345	\$4,637	\$4,637	\$0	\$0	\$3,454	\$12,945	
- Non-All Electric	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$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	\$0	
- Resistance Heat	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0	
- Non-Resistance Heat	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0	
High - Efficiency Heat Pump	61	252	\$457.38	\$27,900	875	220,500	\$0.04346	\$9,583	\$9,583	\$0	\$0	\$8,539	\$46,022	
- Mobile Home														
Mobile Home New Construction ***	95	520	\$552.63	\$52,500	861	447,720	\$0.04346	\$19,467	\$19,467	\$0	\$0	\$10,597	\$82,564	
- Heat Pump	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0	
- Air Conditioner	560	2,612	\$361.32	\$202,339	435	1,186,220	\$0.04349	\$49,414	\$49,414	\$0	\$0	\$27,871	\$279,624	
Modified Energy Fitness	891	4,101		\$449,013			2,445,104	\$106,306	\$106,306	\$99,650	\$0	\$59,650	\$614,969	
TOTAL RESIDENTIAL PROGRAMS														
COMMERCIAL PROGRAMS														
Smart Audit - Class 1	0	0	\$0.00	\$0	0	n/a	n/a	\$0	\$0	\$0	\$0	\$0	\$0	
- Class 2	0	0	\$0.00	\$0	0	n/a	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	\$0	
Smart Financing - New Building	0	0	\$0.00	\$0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
TOTAL COMMERCIAL PROGRAMS														
INDUSTRIAL PROGRAMS														
(w/Est. Opt-Outs Removed)														
Smart Audit - Class 1	0	0	\$0.00	\$0	0	n/a	n/a	\$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	
Smart Financing - General	0	0	\$0.00	\$0	0	\$0.00000	\$0	\$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	\$0	
TOTAL INDUSTRIAL PROGRAMS														
TOTAL COMPANY	891	4,101		\$449,013			2,445,104	\$106,306	\$106,306	\$59,650	\$0	\$59,650	\$614,969	
* 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												
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM												
YEAR 13 (2nd HALF)												
PROGRAM DESCRIPTIONS	NEW PARTICIPANT	CUMULATIVE PARTICIPANT	TOTAL ESTIMATED PROGRAM COSTS	TOTAL ACTUAL PROGRAM COSTS	NET LOST REV/QTRS	TOTAL ENERGY SAVINGS	NET LOST REVENUE	EFFICIENCY INCENTIVE	MAXIMIZING INCENTIVE	INCENTIVE TOTAL *	TOTAL ACTUAL COSTS TO BE	RECOVERED
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	NUMBER	NUMBER	PER PARTICIPANT	TOTAL ACTUAL PROGRAM COSTS	(KWH/ PARTICIPANT)	KWH/ HALF	(\$/KWH)	REVENUES	(EX. C. PG.19C)	(5% of COSTS)	INCENTIVE	(4)+(9)+(11)
				(1)X(3)	(5)	(2)X(6)	(7)	(8)X(7)		(9)X(10)		
RESIDENTIAL PROGRAMS												
Energy Fitness	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Targeted Energy Efficiency												
- All Electric	89	545	\$891.21	\$88,218	1,016	553,720	\$0.04346	\$24,065	\$6,873	\$0	\$6,873	\$19,156
- Non-All Electric	20	223	\$97.50	\$1,750	568	126,664	\$0.04346	\$5,504	\$1,234	\$0	\$1,234	\$6,488
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	74	289	\$442.57	\$32,750	874	252,566	\$0.04346	\$10,977	\$10,359	\$0	\$10,359	\$54,086
- Mobile Home												
Mobile Home New Construction	108	548	\$550.00	\$59,400	860	471,280	\$0.04346	\$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	\$0.04346	\$52,838	\$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	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	\$0.00	\$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	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	\$0.00	\$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 2009		KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM		Exhibit C PAGE 15A of 22						
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	AVERAGE PROGRAM COSTS PER PARTICIPANT (3) (4)/(1)	TOTAL ACTUAL PROGRAM COSTS (4)	NET REVENUE (7) (8)/(7)	TOTAL NET REVENUES (8) (9)/(7)	EFFICIENCY INCENTIVE (EX. C, PG.19C) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10) (4)X(.5%)	TOTAL INCENTIVE (11) (9)+(10)	TOTAL ACTUAL COSTS TO BE RECOVERED (12) (4)+(9)+(11)
RESIDENTIAL PROGRAMS										
Energy Fitness	0	0	\$0.00	\$0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Targeted Energy Efficiency	119	575	\$1,060.16	\$126,159	564,200	\$25,389	\$9,189	\$0	\$9,189	\$160,737
- All Electric	22	210	\$93.27	\$2,052	119,200	\$5,191	\$1,357	\$0	\$1,357	\$8,600
- Non-All Electric	0	0	\$0.00	\$0	0	\$0	\$0	\$0	\$0	\$0
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump	0	0	\$0.00	\$0	0	\$0	\$0	\$0	\$0	\$0
- Resistance Heat	0	0	\$0.00	\$0	0	\$0	\$0	\$0	\$0	\$0
- Non Resistance Heat	0	0	\$0.00	\$0	0	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump	61	299	\$449.18	\$27,400	261,625	\$11,381	\$8,539	\$0	\$8,539	\$47,320
- Mobile Home										
Mobile Home New Construction										
- Heat Pump	88	562	\$552.84	\$48,650	475,272	\$20,679	\$9,816	\$0	\$9,816	\$79,145
- Air Conditioner	0	0	\$0.00	\$0	0	\$0	\$0	\$0	\$0	\$0
Modified Energy Fitness	425	2,775	\$383.51	\$162,993	1,207,125	\$52,450	\$21,152	\$0	\$21,152	\$236,595
High Efficiency Heat Pump	28	7	\$305.36	\$8,550	13,153	\$572	\$13,387	\$0	\$13,387	\$22,509
- Resistance Heat Replacement	61	16	\$442.82	\$27,000	301	\$210	\$0	\$1,350	\$1,350	\$28,560
- Heat Pump Replacement	0	0	\$0.00	\$8,139	92	\$0	\$0	\$0	\$0	\$8,139
Energy Education for Student Program (NEED)	926	149	\$5.84	\$5,404	13,708	\$599	\$4,621	\$0	\$4,621	\$10,624
Community Outreach Program (CFL)	1,730	4,583	\$416.347	\$416,347	2,679,179	\$116,471	\$69,061	\$1,350	\$69,411	\$602,229
TOTAL RESIDENTIAL PROGRAMS										
COMMERCIAL PROGRAMS										
Smart Audit - Class 1	0	0	\$0.00	\$0	n/a	\$0	\$0	\$0	\$0	\$0
- Class 2	0	0	\$0.00	\$0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - Existing Building	0	0	\$0.00	\$0	0	\$0	\$0	\$0	\$0	\$0
Smart Financing - New Building	0	0	\$0.00	\$0	0	\$0	\$0	\$0	\$0	\$0
TOTAL COMMERCIAL PROGRAMS	0	0	\$0.00	\$0	0	\$0	\$0	\$0	\$0	\$0
INDUSTRIAL PROGRAMS - (WEST. Opi-Ouis Removed)										
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	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0	0	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	0	0	\$0.00	\$0	0	\$0	\$0	\$0	\$0	\$0
TOTAL COMPANY	1,730	4,583	\$416.347	\$416,347	2,679,179	\$116,471	\$69,061	\$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 07/07/2009.  
 \*\*\* 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 2009	KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	AVERAGE ACTUAL PROGRAM COSTS (3) (4) / (1)	TOTAL ACTUAL PROGRAM COSTS (4)	NET LOST REV/QTRS (KWH/ PARTICIPANT) (5)	TOTAL ENERGY SAVINGS (KWH/ HALF (6) (2)X(5)	NET REVENUE (\$/KWH) (7)	TOTAL NET REVENUES (8) (6)X(7)	EFFICIENCY INCENTIVE (EX. C. PG.19C) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10) (4)X(5)	TOTAL * INCENTIVE (11) (9)+(10)	RECOVERED COSTS TO BE (12) (4)+(9)+(11)
	RESIDENTIAL PROGRAMS												
	Energy Fitness	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
	Targeted Energy Efficiency	140	620	\$993.48	\$139,087	1,016	629,920	\$0.04346	\$27,376	\$10,811	\$0	\$10,811	\$177,974
	- All Electric	61	200	\$101.34	\$6,182	958	113,600	\$0.04352	\$4,944	\$3,762	\$0	\$3,762	\$14,868
	- 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	\$71,351
	- Mobile Home	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
	Mobile Home New Construction	103	556	\$544.17	\$56,050	860	478,160	\$0.04351	\$20,805	\$11,490	\$0	\$11,490	\$88,345
	- 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	1,144,485	\$0.04345	\$49,728	\$18,664	\$0	\$18,664	\$206,263
	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	\$0	\$0	\$0	\$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	51,936	\$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	\$14,092	\$0	\$14,092	\$62,832
	TOTAL RESIDENTIAL PROGRAMS	4,945	7,612	\$526.350	\$526,350	3,102,441	3,102,441	\$134,936	\$134,936	\$108,395	\$9,525	\$111,920	\$773,206
	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	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0
	Smart Financing - New Building	0	0	\$0.00	\$0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL COMMERCIAL PROGRAMS	0	0	\$0	\$0	0	0	\$0	\$0	\$0	\$0	\$0	\$0
	INDUSTRIAL PROGRAMS - (West Opt-Outs Removed)												
	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 - 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	\$0	\$0
	TOTAL COMPANY	4,945	7,612	\$526.350	\$526,350	3,102,441	3,102,441	\$134,936	\$134,936	\$108,395	\$9,525	\$111,920	\$773,206

\* Lost revenue and efficiency incentives are based on prospective values.  
 \*\* Cumulative participants include a reduction for the cumulative participants as of 07/01/2007.  
 \*\*\* 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 2010													Exhibit C
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM													PAGE
YEAR 15 (1st HALF)													16A of
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/QTR) (2)(X)(5)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET REVENUES (8)	EFFICIENCY INCENTIVE (EX. C. PG.19C) (9)	MAXIMIZING INCENTIVE (9% of COSTS) (10)	TOTAL INCENTIVE (11)	TOTAL COSTS TO BE RECOVERED (12)	
			PER PARTICIPANT (4)/(1)					(6)		(4)(X)(5)	(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	174	720	\$1,161.51	\$202,103	1,016	731,520	\$0.04346	\$31,792	\$13,436	\$0	\$13,436	\$247,331	
- All Electric													
- Non-All Electric	31	237	\$114.10	\$3,537	568	134,616	\$0.04352	\$5,898	\$1,972	\$0	\$1,972	\$11,307	
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													
- 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													
- Heat Pump	115	621	\$527.83	\$60,700	861	534,691	\$0.04351	\$23,264	\$4,462	\$0	\$4,462	\$88,426	
- 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	\$62,204	\$24,935	\$0	\$24,935	\$273,975	
High Efficiency Heat Pump													
- Resistance Heat Replacement	97	135	\$450.00	\$43,950	1,879	263,665	\$0.04349	\$11,032	\$46,376	\$0	\$46,376	\$101,058	
- Heat Pump Replacement	272	348	\$416.73	\$113,550	301	104,748	\$0.04353	\$4,560	\$0	\$5,668	\$5,668	\$123,578	
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)	2,844	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	3,827,389			\$166,495	\$120,324	\$5,668	\$125,992	\$1,021,058	
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	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	4,419	11,020		\$728,571	3,827,389			\$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 01/01/2008 (High Efficiency Heat Pump, Energy Education for Students and Community Outreach Program (CFL)).

Year 2010														Exhibit C PAGE 16B-1 of 22
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM														
YEAR 15 (2nd HALF)														
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	AVERAGE ACTUAL PROGRAM COSTS PER PARTICIPANT (3) (4)/(1)	TOTAL ACTUAL PROGRAM COSTS (4)	NET LOST REV/QTRS (KWH/PARTICIPANT) (5)	TOTAL ENERGY SAVINGS KWH/ QTRS (6) (2)X(5)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET* LOST REVENUES (8) (6)X(7)	EFFICIENCY INCENTIVE (EX. C, PG.19C) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10) (4)X(5%)	TOTAL* INCENTIVE (11) (9)+(10)	TOTAL COSTS TO BE RECOVERED (12) (4)+(8)+(11)		
RESIDENTIAL PROGRAMS														
Energy Fitness	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0		
Targeted Energy Efficiency														
- All Electric	172	787	\$809.62	\$139,254	1,016	799,592	\$0.05746	\$45,945	\$13,282	\$0	\$13,282	\$198,481		
- Non-All Electric	23	242	\$102.35	\$2,354	568	137,456	\$0.05746	\$7,998	\$1,419	\$0	\$1,419	\$11,671		
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	136	486	\$489.49	\$63,850	875	434,000	\$0.05750	\$24,955	\$19,039	\$0	\$19,039	\$107,844		
- Mobile Home														
Mobile Home New Construction														
- Heat Pump	119	617	\$556.82	\$66,500	861	531,237	\$0.05745	\$30,520	\$13,274	\$0	\$13,274	\$110,294		
- Air Conditioner	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0		
Modified Energy Fitness	699	2,939	\$317.39	\$221,857	435	1,278,465	\$0.05752	\$73,537	\$34,789	\$0	\$34,789	\$330,183		
High Efficiency Heat Pump														
- Resistance Heat Replacement	155	264	\$326.00	\$50,530	1,879	496,056	\$0.05748	\$28,513	\$74,106	\$0	\$74,106	\$153,149		
- Heat Pump Replacement	237	621	\$559.79	\$132,670	301	166,921	\$0.05750	\$10,748	\$0	\$6,634	\$6,634	\$150,052		
Energy Education for Student Program (NEED)	1,059	1,220	\$5.55	\$5,860	74	90,280	\$0.05714	\$5,159	\$5,274	\$0	\$5,274	\$16,313		
Community Outreach Program (CFL)	2,167	3,516	\$6.72	\$14,570	81	319,956	\$0.05768	\$18,455	\$10,813	\$0	\$10,813	\$43,838		
Residential Efficient Products														
- Compact Fluorescent Lamp (CFL)	0	0	\$0.00	\$0	0	0	\$0.05818	\$0	\$0	\$0	\$0	\$0		
- Specialty Bulbs	0	0	\$0.00	\$0	0	0	\$0.05793	\$0	\$0	\$0	\$0	\$0		
- LED Lights	0	0	\$0.00	\$0	0	0	\$0.05634	\$0	\$0	\$0	\$0	\$0		
HVAC Diagnostic & Tune-Up														
- Air Conditioner	0	0	\$0.00	\$0	0	0	\$0.05749	\$0	\$0	\$0	\$0	\$0		
- Heat Pump	28	3	\$101.79	\$2,850	371	1,113	\$0.05749	\$64	\$319	\$0	\$319	\$3,233		
Residential Load Management (Pilot Program)														
- Air Conditioner	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0		
- Water Heating	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0		
TOTAL RESIDENTIAL PROGRAMS	4,795	10,705		\$700,315		4,275,076		\$245,794	\$172,315	\$6,634	\$178,949	\$1,125,058		

Year 2010												
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM												
YEAR 15 (2nd HALF)												
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	AVERAGE ACTUAL PROGRAM COSTS (3)	TOTAL ACTUAL PROGRAM COSTS (4)	NET LOST REVENUE (5)	NET LOST REVENUE (6)	NET LOST REVENUE (7)	TOTAL ENERGY SAVINGS (8)	EFFICIENCY INCENTIVE (9)	MAXIMIZING INCENTIVE (10)	INCENTIVE (11)	TOTAL COSTS TO BE RECOVERED (12)
PROGRAM DESCRIPTIONS	NUMBER (1)	NUMBER (2)	PER PARTICIPANT (3)	PROGRAM COSTS (4)	REV/QTRS (5)	(KWH/ PARTICIPANT) (5)	(\$/KWH) (7)	KWH/ QTRS (6)	(EX. C. PG.19C) (9)	(5% of COSTS) (10)	INCENTIVE (11)	(4)+(9)+(11)
<b>COMMERCIAL PROGRAMS</b>												
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	\$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
<b>Commercial A/C &amp; Heat Pump Program</b>												
- Air Conditioner Replacement	0	0	\$0.00	\$0	0	0	\$0.14803	0	\$0	\$0	\$0	\$0
- Heat Pump Replacement	0	0	\$0.00	\$0	0	0	\$0.56569	0	\$0	\$0	\$0	\$0
<b>HVAC Diagnostic &amp; Tune-Up</b>												
- Air Conditioner	0	0	\$0.00	\$0	0	0	\$0.06480	0	\$0	\$0	\$0	\$0
- Heat Pump	1	0	\$125.00	\$125	819	0	\$0.06476	0	\$0	\$0	\$30	\$155
<b>Commercial Load Management (Pilot Program)</b>												
- Air Conditioner	0	0	\$0.00	\$0	0	0	\$0.00000	0	\$0	\$0	\$0	\$0
- Water Heating	0	0	\$0.00	\$0	0	0	\$0.00000	0	\$0	\$0	\$0	\$0
Commercial Incentive	0	0	\$0.00	\$0	0	0	\$0.25657	0	\$0	\$0	\$0	\$0
<b>TOTAL COMMERCIAL PROGRAMS</b>	<b>1</b>	<b>0</b>		<b>\$125</b>				<b>0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$30</b>	<b>\$155</b>
<b>INDUSTRIAL PROGRAMS - (West Opt-Outs Removed)</b>												
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	\$0.00000	0	\$0	\$0	\$0	\$0
Smart Financing - Compressor Air System	0	0	\$0.00	\$0	0	0	\$0.00000	0	\$0	\$0	\$0	\$0
<b>TOTAL INDUSTRIAL PROGRAMS</b>	<b>0</b>	<b>0</b>		<b>\$0</b>				<b>0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL COMPANY</b>	<b>4,796</b>	<b>10,705</b>		<b>\$700,440</b>				<b>4,275,076</b>	<b>\$172,345</b>	<b>\$6,634</b>	<b>\$178,979</b>	<b>\$1,125,213</b>
* Last 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 07/01/2009 (High Efficiency Heat Pump, Energy Education for Students and Community Outreach Program (CFL)).												

Year 2011		NEW PARTICIPANT		CUMULATIVE PARTICIPANT		AVERAGE ACTUAL PROGRAM COSTS		TOTAL ACTUAL PROGRAM COSTS		NET LOST REVENUE		TOTAL ENERGY SAVINGS		TOTAL NET * LOSS		EFFICIENCY INCENTIVE		MAXIMIZING INCENTIVE		TOTAL * COSTS TO BE	
PROGRAM DESCRIPTIONS	NUMBER (1)	NUMBER (2)	PER PARTICIPANT (3)	TOTAL PROGRAM COSTS (4)	NET LOST (5)	KWH/ QTR (6)	REVENUES (8)	EX. C. PG. 19C (9)	(6% of COSTS) (10)	INCENTIVE (11)	RECOVERED (12)	REVENUES (6)X(7)	INCENTIVE (9)	(6% of COSTS) (10)	INCENTIVE (11)	RECOVERED (12)	INCENTIVE (9)+(10)	(4)X(5)	INCENTIVE (10)	RECOVERED (12)	(4)+(10)+(11)
RESIDENTIAL PROGRAMS	0	0	\$0.00	\$0	0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Targeted Energy Efficiency																					
- All Electric	110	814	\$892.04	\$76,124	1,050	854,700	\$0,05746	\$49,111	\$16,253	\$0	\$16,253	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Non-All Electric	8	208	\$140.17	\$841	448	93,184	\$0,05746	\$5,354	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump	0	0	\$0.00	\$0	0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Resistance Heat	0	0	\$0.00	\$0	0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Non Resistance Heat	0	0	\$0.00	\$0	0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump	94	442	\$502.11	\$47,198	1,403	620,126	\$0,05750	\$35,657	\$27,615	\$0	\$27,615	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Mobile Home																					
Mobile Home New Construction																					
- Heat Pump	68	624	\$880.15	\$46,250	731	456,144	\$0,05745	\$26,205	\$6,393	\$0	\$6,393	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Air Conditioner	0	0	\$0.00	\$0	0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Modified Energy Fitness	645	3,039	\$346.52	\$223,503	283	660,037	\$0,05752	\$49,469	\$9,456	\$0	\$9,456	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
High Efficiency Heat Pump																					
- Resistance Heat Replacement	154	328	\$452.89	\$69,699	728	238,784	\$0,05748	\$13,725	\$12,030	\$0	\$12,030	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Heat Pump Replacement	212	608	\$425.25	\$91,000	923	561,184	\$0,05750	\$32,268	\$25,033	\$0	\$25,033	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Energy Education for Student Program (NEED)	938	2,034	\$12.40	\$11,635	48	97,632	\$0,05714	\$5,579	\$1,613	\$0	\$1,613	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Community Outreach Program (CFL)	2,518	5,442	\$19.93	\$50,179	50	272,100	\$0,05768	\$15,685	\$9,871	\$0	\$9,871	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Residential Efficient Products																					
- Compact Fluorescent Lamp (CFL)	77,764	20,801	\$1.82	\$141,910	17	353,617	\$0,05818	\$20,573	\$24,107	\$0	\$24,107	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Specialty Bulbs	0	0	\$0.00	\$0	15	0	\$0,05793	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- LED Lights	0	0	\$0.00	\$259	21	0	\$0,05854	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HVAC Diagnostic & Tune-Up																					
- Air Conditioner	64	19	\$50.00	\$3,200	155	2,945	\$0,05749	\$169	\$84	\$0	\$84	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Heat Pump	290	148	\$72.24	\$20,950	371	54,908	\$0,05749	\$3,157	\$3,300	\$0	\$3,300	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Residential Load Management (Pilot Program)																					
- Air Conditioner	0	0	\$0.00	\$0	0	0	\$0,00000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Water Heating	0	0	\$0.00	\$0	0	0	\$0,00000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL RESIDENTIAL PROGRAMS	82,863	34,507		\$782,656		4,463,361	\$256,962	\$135,755	\$42	\$135,797	\$1,175,415	\$256,962	\$135,755	\$42	\$135,797	\$1,175,415	\$135,797	\$42	\$135,797	\$1,175,415	\$1,175,415

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Year 2011		NEW PARTICIPANT NUMBER (1)		CUMULATIVE PARTICIPANT NUMBER (2)		AVERAGE ACTUAL PROGRAM COSTS PER PARTICIPANT (3)		TOTAL ACTUAL PROGRAM COSTS (4)		NET LOSS REV/QTRS (KWH/PARTICIPANT) (5)		TOTAL ENERGY SAVINGS KWH/QTR (2)X(5)		NET LOSS REVENUE (\$/KWH) (7)		TOTAL NET* REVENUES (8)X(7)		EFFICIENCY INCENTIVE (EX. C. PG.19C) (9)		MAXIMIZING INCENTIVE (5% of COSTS) (10)		TOTAL* INCENTIVE (9)+(10)		TOTAL ACTUAL COSTS TO BE RECOVERED (12)				
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	PER PARTICIPANT COSTS (3)	TOTAL ACTUAL PROGRAM COSTS (4)	NET LOSS REV/QTRS (KWH/PARTICIPANT) (5)	TOTAL ENERGY SAVINGS KWH/QTR (2)X(5)	NET LOSS REVENUE (\$/KWH) (7)	TOTAL NET* REVENUES (8)X(7)	EFFICIENCY INCENTIVE (EX. C. PG.19C) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL* INCENTIVE (9)+(10)	TOTAL ACTUAL COSTS TO BE RECOVERED (12)																
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM																												
YEAR 16 (1st HALF)																												
COMMERCIAL PROGRAMS																												
Smart Audit - Class 1	0	0	\$0.00	\$0.00	0	0	n/a	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
- Class 2	0	0	\$0.00	\$0.00	0	0	n/a	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Smart Financing - New Building	0	0	\$0.00	\$0.00	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Commercial A/C & Heat Pump Program	1	1	\$300.00	\$300.00	140	0	\$0.06482	\$0	\$1	\$1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
- Air Conditioner Replacement	15	15	\$266.67	\$3,850	558	2,232	\$0.06482	\$145	\$872	\$872	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
- Heat Pump Replacement	0	0	\$0.00	\$0.00	0	0	\$0.06480	\$0	\$7	\$7	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
HVAC Diagnostic & Tune-Up	1	1	\$72.22	\$1,300	343	6,544	\$0.06476	\$424	\$532	\$532	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
- Air Conditioner	18	18	\$0.00	\$0.00	818	0	\$0.06603	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Heat Pump	0	0	\$0.00	\$0.00	0	0	\$0.06603	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Commercial Load Management (Pilot Program)	0	0	\$0.00	\$0.00	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Air Conditioner	0	0	\$0.00	\$0.00	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Water Heating	0	0	\$0.00	\$0.00	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Commercial Incentive	0	0	\$0.00	\$0.00	0	0	\$0.06603	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL COMMERCIAL PROGRAMS	35	35	\$5,450	\$5,450	12	8,776	\$569	\$569	\$1,412	\$1,412	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
INDUSTRIAL PROGRAMS*																												
(w/Est. Opt-Outs Removed)																												
Smart Audit - Class 1	0	0	\$0.00	\$0.00	0	0	n/a	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	0	\$0.00	\$0.00	0	0	n/a	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0.00	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	0	0	\$0.00	\$0.00	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL COMPANY	82,868	82,868	\$785,105	\$785,105	34,519	4,474,137	\$257,651	\$257,651	\$137,167	\$137,167	\$42	\$42	\$137,209	\$137,209	\$1,182,846	\$1,182,846	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

\* Lost revenue and efficiency incentives are based on prospective values.  
 \*\* 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													17B-1 of
YEAR PROGRAM													22
YEAR 1B (2ND HALF)	NEW PARTICIPANT	CUMULATIVE PARTICIPANT	AVERAGE ESTIMATED PROGRAM COSTS	TOTAL ESTIMATED PROGRAM COSTS	NET LOST REV/QTRS	TOTAL ENERGY SAVINGS KWH/ QTRS	NET LOST REVENUE (\$/KWH)	TOTAL NET* LOSS	EFFICIENCY INCENTIVE (EX. C, PG-19C)	MAXIMIZING INCENTIVE (5% of COSTS)	TOTAL* INCENTIVE	TOTAL ESTIMATED COSTS TO BE RECOVERED	
PROGRAM DESCRIPTIONS	NUMBER (1)	NUMBER (2)	PER PARTICIPANT COSTS (3) (4) / (1)	(4)	(KWH/ PARTICIPANT) REV/QTRS (5)	(KWH/ QTRS) (6) (2) X (5)	(7)	(8)	(9)	(10) (4) X (5%)	(11) (9) X (10)	(12) (4) + (8) + (11)	
RESIDENTIAL PROGRAMS													
Energy Fitness	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
Targeted Energy Efficiency													
- All Electric	141	769	\$1,428.37	\$201,400	526	404,494	\$0.05749	\$23,254	\$20,833	\$0	\$20,833	\$245,487	
- Non-All Electric	23	195	\$114.30	\$2,629	224	43,680	\$0.05746	\$2,510	\$0	\$131	\$131	\$5,270	
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	114	552	\$417.85	\$47,635	702	387,504	\$0.05750	\$22,281	\$33,491	\$0	\$33,491	\$103,407	
- Mobile Home													
Mobile Home New Construction													
- Heat Pump	92	603	\$500.38	\$46,035	365	220,095	\$0.05749	\$12,653	\$9,649	\$0	\$9,649	\$67,337	
- Air Conditioner	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
Modified Energy Fitness	555	3,354	\$397.49	\$221,004	142	475,268	\$0.05757	\$27,419	\$9,151	\$0	\$9,151	\$256,574	
High Efficiency Heat Pump													
- Resistance Heat Replacement	121	483	\$480.50	\$58,140	365	175,295	\$0.05745	\$10,128	\$9,453	\$0	\$9,453	\$77,721	
- Heat Pump Replacement	194	678	\$466.22	\$90,445	461	312,958	\$0.05750	\$17,972	\$22,908	\$0	\$22,908	\$131,326	
Energy Education for Student Program (NEED)	958	3,383	\$12.90	\$12,361	24	61,192	\$0.05750	\$4,689	\$1,648	\$0	\$1,648	\$18,678	
Community Outreach Program (CFL)	2,397	3,845	\$3.89	\$9,335	26	99,970	\$0.05765	\$5,763	\$9,396	\$0	\$9,396	\$24,494	
Residential Efficient Products													
- Compact Fluorescent Lamp (CFL)	55,928	28,215	\$3.06	\$170,927	8	225,720	\$0.05618	\$13,132	\$17,338	\$0	\$17,338	\$201,397	
- Specialty Bulbs	0	0	\$0.00	\$26	7	0	\$0.05793	\$0	\$0	\$0	\$0	\$26	
- LED Lights	0	0	\$0.00	\$1,125	10	0	\$0.05854	\$0	\$0	\$0	\$0	\$1,125	
HVAC Diagnostic & Tune-Up													
- Air Conditioner	168	101	\$142.19	\$23,888	78	7,878	\$0.05749	\$453	\$220	\$0	\$220	\$24,561	
- Heat Pump	440	178	\$116.61	\$52,188	185	32,930	\$0.05749	\$1,893	\$5,007	\$0	\$5,007	\$59,068	
Residential Load Management (Pilot Program)													
- Air Conditioner	6	1	\$8,524.83	\$51,749	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$61,749	
- Water Heating	4	1	\$12,937.25	\$51,749	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$61,749	
TOTAL RESIDENTIAL PROGRAMS	61,142	42,358		\$1,040,637		2,469,584		\$142,127	\$137,094	\$131	\$137,225	\$1,319,969	

Year 2011		NEW PARTICIPANT		CUMULATIVE PARTICIPANT		AVERAGE ESTIMATED PROGRAM COSTS		TOTAL ESTIMATED PROGRAM COSTS		NET LOST REVENUE		TOTAL ENERGY SAVINGS		TOTAL NET * REVENUES		EFFICIENCY INCENTIVE		MAXIMIZING INCENTIVE		TOTAL * INCENTIVE		TOTAL ESTIMATED COSTS TO BE RECOVERED	
PROGRAM DESCRIPTIONS	NUMBER (1)	NUMBER (2)	PER PARTICIPANT COSTS (3)	PROGRAM COSTS (4)	REV/CTRS (5)	REV/CTRS (KWH/ PARTICIPANT) (6)	PER PARTICIPANT COSTS (4)/(1)	TOTAL ESTIMATED PROGRAM COSTS (4)	NET LOST REVENUE (\$/KWH) (7)	TOTAL ENERGY SAVINGS QTRS (2)X(6)	REVENUES (8)X(7)	INCENTIVE (EX. C. PG.19C) (9)	INCENTIVE (5% of COSTS) (10)	INCENTIVE (9)+(10)	RECOVERED (12)								
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM																							
YEAR 16 (2014 HALF)																							
COMMERCIAL PROGRAMS																							
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	0	\$0	n/a	0	\$0	\$0	\$0	\$0	\$0								
Smart Audit - Class 2	0	0	\$0.00	\$0	0	0	0	\$0	n/a	0	\$0	\$0	\$0	\$0	\$0								
Smart Financing - Existing Building	0	0	\$0.00	\$0	0	0	0	\$0	\$0.00000	0	\$0	\$0	\$0	\$0	\$0								
Smart Financing - New Building	0	0	\$0.00	\$0	0	0	0	\$0	\$0.00000	0	\$0	\$0	\$0	\$0	\$0								
Commercial A/C & Heat Pump Program	2	1	\$4,053.00	\$8,106	71	71	\$4,053.00	\$8,106	\$0.07447	71	\$5	\$2	\$2	\$8,113									
- Air Conditioner Replacement	6	2	\$1,876.33	\$11,258	279	568	\$1,876.33	\$11,258	\$0.07430	568	\$41	\$0	\$0	\$11,648									
HVAC Diagnostic & Tune-Up	45	30	\$223.56	\$10,060	172	5,160	\$223.56	\$10,060	\$0.07424	172	\$383	\$0	\$0	\$10,768									
- Air Conditioner	88	47	\$178.81	\$15,735	410	13,270	\$178.81	\$15,735	\$0.07429	410	\$1,432	\$0	\$0	\$19,768									
Commercial Load Management (Pilot Program)	0	0	\$0.00	\$0	0	0	\$0.00	\$0	\$0.00000	0	\$0	\$0	\$0	\$0									
- Air Conditioner	0	0	\$0.00	\$0	0	0	\$0.00	\$0	\$0.00000	0	\$0	\$0	\$0	\$0									
- Water Heating	0	0	\$0.00	\$0	0	0	\$0.00	\$0	\$0.00000	0	\$0	\$0	\$0	\$0									
Commercial Incentive	18	2	\$14,017.44	\$252,314	3,739	7,478	\$14,017.44	\$252,314	\$0.07512	3,739	\$562	\$0	\$0	\$255,728									
TOTAL COMMERCIAL PROGRAMS	159	82		\$311,787		32,537		\$311,787			\$2,423	\$0	\$0	\$360,340									
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)																							
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	\$0.00	\$0	n/a	0	\$0	\$0	\$0	\$0									
Smart Audit - Class 2	0	0	\$0.00	\$0	0	0	\$0.00	\$0	n/a	0	\$0	\$0	\$0	\$0									
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00	\$0	\$0.00000	0	\$0	\$0	\$0	\$0									
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	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	61,301	42,440		\$1,352,424		2,501,121		\$1,352,424			\$144,550	\$183,224	\$131	\$1,680,329									
* Lost revenue and efficiency incentives are based on prospective values.																							
** 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 2012												
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM												
YEAR 17 (1st half)												
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/ PARTICIPANT) (5)	TOTAL ENERGY SAVINGS (KWH/ QTRS (6) (2)(X(5)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * LOSS REVENUES (8) (6)(X(7)	EFFICIENCY INCENTIVE (EX. C. PG.19C) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10) (4)(X(5%))	TOTAL * INCENTIVE (9)+(10) (4)+(8)+(11)	TOTAL ESTIMATED COSTS TO BE RECOVERED (12) (4)+(8)+(11)
RESIDENTIAL PROGRAMS	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Energy Fitness												
Targeted Energy Efficiency												
- All Electric	142	864	\$1,210.97	\$171,968	980	836,920	\$0.05749	\$48,115	\$15,221	\$0	\$15,221	\$235,294
- Non-All Electric	13	165	\$101.00	\$1,313	437	72,105	\$0.05746	\$4,143	\$0	\$66	\$66	\$5,922
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												
- Mobile Home	110	439	\$478.64	\$52,650	1,291	566,749	\$0.05750	\$26,043	\$0	\$0	\$26,043	\$111,281
Mobile Home New Construction												
- Heat Pump	79	575	\$550.00	\$43,450	841	483,575	\$0.05749	\$27,801	\$6,554	\$0	\$6,554	\$77,805
- Air Conditioner	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Modified Energy Fitness	646	3,301	\$322.61	\$208,408	325	1,072,825	\$0.05757	\$61,763	\$4,115	\$0	\$4,115	\$274,286
High Efficiency Heat Pump												
- Resistance Heat Replacement	89	208	\$465.11	\$40,050	670	139,360	\$0.05745	\$8,006	\$3,458	\$0	\$3,458	\$51,514
- Non Resistance Heat Pump Replacement	217	378	\$466.59	\$101,250	848	320,544	\$0.05750	\$18,431	\$19,218	\$0	\$19,218	\$138,899
Energy Education for Student Program (NEED)	925	2,877	\$17.61	\$9,245	110	294,470	\$0.05750	\$16,932	\$1,664	\$0	\$1,664	\$27,841
Community Outreach Program (CFL)	2,335	5,934	\$9.68	\$22,614	124	735,816	\$0.05765	\$42,420	\$11,138	\$0	\$11,138	\$76,172
Residential Efficient Products												
- Compact Fluorescent Lamp (CFL)	51,481	32,225	\$3.27	\$168,572	23	741,175	\$0.05818	\$43,122	\$43,759	\$0	\$43,759	\$255,453
- Specialty Bulbs	0	0	\$0.00	\$19	15	0	\$0.05763	\$0	\$0	\$1	\$1	\$20
- LED Lights	0	0	\$0.00	\$584	21	0	\$0.05654	\$0	\$0	\$29	\$29	\$613
HVAC Diagnostic & Tune-Up												
- Air Conditioner	147	69	\$121.90	\$17,919	62	4,278	\$0.05749	\$246	\$0	\$896	\$896	\$19,051
- Heat Pump	324	255	\$109.32	\$35,419	234	59,670	\$0.05749	\$3,430	\$0	\$1,771	\$1,771	\$40,620
Residential Load Management (Pilot Program)												
- Air Conditioner	36	17	\$1,441.58	\$51,897	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$51,897
- Water Heating	32	15	\$1,621.78	\$51,897	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$51,897
TOTAL RESIDENTIAL PROGRAMS	56,175	47,112		\$977,245		5,327,487		\$306,997	\$131,170	\$2,763	\$133,933	\$1,418,175

Year 2012													Exhibit C
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM													PAGE 18A-2 of
YEAR 17 (1st half)													22
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	AVERAGE ESTIMATED PROGRAM COSTS (3)	TOTAL ESTIMATED PROGRAM COSTS (4)	NET LOST REVENUE (5)	TOTAL ENERGY SAVINGS (6)	NET LOST REVENUE (7)	TOTAL NET * (8)	EFFICIENCY INCENTIVE (9)	MAXIMIZING INCENTIVE (10)	TOTAL * INCENTIVE (11)	TOTAL ESTIMATED COSTS TO BE RECOVERED (12)	
			PER PARTICIPANT (4)/(1)		(KWH/ PARTICIPANT) REV/QTRS (5)	KWH/ QTRS (6)	(\$/KWH) REVENUE (7)	REVENUES (8)	(EX. C, PG.19C) (9)	(% of COSTS) (10)	(9)*(10)	(4)+(9)*(11)	
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	
Commercial A/C & Heat Pump Program													
- Air Conditioner Replacement	1	0	\$6,342.00	\$6,342	121	0	\$0.07447	\$0	\$0	\$317	\$317	\$6,659	
- Heat Pump Replacement	10	2	\$1,044.10	\$10,441	569	1,138	\$0.07430	\$85	\$0	\$522	\$522	\$11,048	
HVAC Diagnostic & Tune-Up													
- Air Conditioner	24	11	\$310.46	\$7,451	114	1,264	\$0.07424	\$93	\$0	\$373	\$373	\$7,917	
- Heat Pump	55	22	\$222.34	\$12,451	348	7,656	\$0.07429	\$69	\$0	\$623	\$623	\$13,643	
Commercial Load Management (Pilot Program)													
- Air Conditioner	0	0	\$0.00	\$7,630	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$7,630	
- Water Heating	0	0	\$0.00	\$7,631	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$7,631	
Commercial Incentive	24	6	\$13,772.13	\$330,531	8,788	52,728	\$0.07512	\$3,951	\$0	\$16,527	\$16,527	\$351,019	
TOTAL COMMERCIAL PROGRAMS	115	41		\$382,477		62,776		\$4,708	\$0	\$18,362	\$18,362	\$405,647	
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	56,280	47,153		\$1,358,722		5,390,263		\$311,705	\$181,170	\$21,125	\$162,295	\$1,823,722	

\* Lost revenue and efficiency incentives are based on prospective values.  
 \*\* 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 (CFE)).



Year 2012		Exhibit C									
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM		PAGE 188-2 of 22									
YEAR 17 (3rd QTR)	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	TOTAL NET* REVENUES (6)	TOTAL NET* REVENUES (6)	NET LOSS REVENUE (7)	REVENUES (6)	EFFICIENCY INCENTIVE (EX. C, PG.18C) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL* INCENTIVE (11)	TOTAL ESTIMATED COSTS TO BE RECOVERED (12)	
PROGRAM DESCRIPTIONS	NUMBER (1)	NUMBER (2)	AVERAGE ESTIMATED PROGRAM COSTS (3)	PER PARTICIPANT COSTS (4)	TOTAL ESTIMATED PROGRAM COSTS (4)	NET LOSS REVENUE (7)	REVENUES (6)	EFFICIENCY INCENTIVE (EX. C, PG.18C) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL* INCENTIVE (11)	TOTAL ESTIMATED COSTS TO BE RECOVERED (12)
PROGRAM DESCRIPTIONS	NUMBER (1)	NUMBER (2)	PER PARTICIPANT COSTS (3)	PER PARTICIPANT COSTS (4)	TOTAL ESTIMATED PROGRAM COSTS (4)	NET LOSS REVENUE (7)	REVENUES (6)	EFFICIENCY INCENTIVE (EX. C, PG.18C) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL* INCENTIVE (11)	TOTAL ESTIMATED COSTS TO BE RECOVERED (12)
COMMERCIAL PROGRAMS											
Smart Audit - Class 1	0	0	\$0.00	\$0.00	\$0.00	n/a	\$0	\$0	\$0	\$0	\$0
- Class 2	0	0	\$0.00	\$0.00	\$0.00	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - Existing Building	0	0	\$0.00	\$0.00	\$0.00	\$0.00000	\$0	\$0	\$0	\$0	\$0
Smart Financing - New Building	0	0	\$0.00	\$0.00	\$0.00	\$0.00000	\$0	\$0	\$0	\$0	\$0
Commercial A/C & Heat Pump Program											
- Air Conditioner Replacement	16	8	\$551.75	\$51.75	\$8,828	60	\$0.07419	\$0	\$441	\$441	\$5,305
- Heat Pump Replacement	16	7	\$773.55	\$123.77	\$12,377	285	\$0.07438	\$0	\$619	\$619	\$13,144
HVAC Diagnostic & Tune-Up											
- Air Conditioner	26	30	\$241.58	\$6.281	\$6,281	58	\$0.07481	\$0	\$314	\$314	\$6,725
- Heat Pump	45	45	\$169.31	\$7.619	\$7,619	174	\$0.07438	\$0	\$381	\$381	\$6,582
Commercial Load Management (Pilot Program)											
- Air Conditioner	4	2	\$1,042.25	\$4,169	\$4,169	0	\$0.00000	\$0	\$0	\$0	\$4,169
- Water Heating	4	2	\$1,042.25	\$4,169	\$4,169	0	\$0.00000	\$0	\$0	\$0	\$4,169
Commercial Incentive	53	24	\$8,075.74	\$428,014	\$428,014	4,394	\$0.07235	\$0	\$21,401	\$21,401	\$457,045
TOTAL COMMERCIAL PROGRAMS	164	118		\$471,457	\$471,457		\$8,526	\$0	\$23,156	\$23,156	\$603,139
INDUSTRIAL PROGRAMS - (West. Opt-Outs Removed)											
Smart Audit - Class 1	0	0	\$0.00	\$0.00	\$0.00	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	0	\$0.00	\$0.00	\$0.00	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0.00	\$0.00	\$0.00000	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	\$0.00	\$0.00	\$0.00	\$0.00000	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	0	0		\$0	\$0		\$0	\$0	\$0	\$0	\$0
TOTAL COMPANY	44,846	80,500		\$1,018,703	\$1,018,703		\$174,523	\$93,873	\$24,877	\$108,750	\$1,301,976
* Lost revenue and efficiency incentives are based on prospective values.											
** 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 2012												
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM												
YEAR 17 (4th QTR)												
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)X(5)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * LOSST REVENUES (8) (6)X(7)	EFFICIENCY INCENTIVE (EX. C, Pg.19C) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10) (4)X(5%)	TOTAL * INCENTIVE (9)+(10)	TOTAL ESTIMATED COSTS TO BE RECOVERED (12) (4)+(9)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Targeted Energy Efficiency												
- All Electric	66	839	\$981.38	\$64,771	491	411,949	\$0.05749	\$23,663	\$7,075	\$0	\$7,075	\$95,629
- Non-All Electric	6	105	\$40.67	\$244	218	22,890	\$0.05746	\$1,315	\$0	\$12	\$12	\$1,571
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	52	265	\$419.60	\$21,819	646	171,190	\$0.05747	\$9,638	\$12,311	\$0	\$12,311	\$43,968
- Mobile Home												
Mobile Home New Construction												
- Heat Pump	54	558	\$552.26	\$29,822	420	234,360	\$0.05747	\$13,469	\$4,480	\$0	\$4,480	\$47,771
- Airt. Conditioner	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Modified Energy Fitness	250	3,515	\$983.50	\$95,874	163	572,945	\$0.05751	\$32,950	\$1,593	\$0	\$1,593	\$130,417
High Efficiency Heat Pump												
- Resistance Heat Replacement	47	141	\$444.83	\$20,907	395	47,375	\$0.05750	\$2,724	\$1,847	\$0	\$1,847	\$25,478
- Non Resistance Heat Pump Replacement	115	207	\$436.04	\$50,145	425	87,975	\$0.05746	\$5,055	\$10,184	\$0	\$10,184	\$65,384
Energy Education for Student Program (NEED)	1,075	1,890	\$16.71	\$17,964	56	105,840	\$0.05730	\$6,095	\$3,408	\$0	\$3,408	\$27,437
Community Outreach Program (CFL)	815	4,584	\$14.56	\$11,865	62	284,208	\$0.05758	\$16,365	\$3,888	\$0	\$3,888	\$32,118
Residential Efficient Products												
- Compact Fluorescent Lamp (CFL)	41,388	113,938	\$2.10	\$66,906	12	1,957,266	\$0.05739	\$78,467	\$35,180	\$0	\$35,180	\$200,553
- Specialty Bulbs	9	8	\$64.33	\$579	7	95	\$0.05793	\$3	\$3	\$0	\$3	\$65
- LED Lights	782	316	\$0.94	\$704	10	3,160	\$0.05854	\$185	\$0	\$35	\$35	\$924
HVAC Diagnostic & Tune-Up												
- Airt. Conditioner	25	31	\$171.96	\$4,299	32	992	\$0.05714	\$57	\$0	\$215	\$215	\$4,571
- Heat Pump	250	411	\$117.87	\$29,467	117	49,087	\$0.05744	\$2,762	\$0	\$1,473	\$1,473	\$33,702
Residential Load Management (Pilot Program)												
- Airt. Conditioner	39	92	\$1,103.28	\$43,028	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$43,028
- Water Heating	39	88	\$1,103.28	\$43,028	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$43,028
TOTAL RESIDENTIAL PROGRAMS	44,962	126,968		\$521,422		3,356,284		\$192,938	\$79,969	\$1,735	\$81,704	\$796,064



Year 2012		KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM		Exhibit C PAGE 18C-2 of 22						
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/ QTRS) (5) (6) X (7)	TOTAL NET * LOSST REVENUES (8) (9) X (7)	EFFICIENCY INCENTIVE (EX. C, PG.19C) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10) (4) X (5%)	INCENTIVE TOTAL * (11) (9) + (10)	TOTAL ESTIMATED COSTS TO BE RECOVERED (12) (4) + (9) + (11)
COMMERCIAL PROGRAMS										
Smart Audit - Class 1	0	0	\$0.00	\$0	0	n/a	\$0	\$0	\$0	\$0
- Class 2	0	0	\$0.00	\$0	0	n/a	\$0	\$0	\$0	\$0
Smart Financing - Existing Building	0	0	\$0.00	\$0	0	\$0.00000	\$0	\$0	\$0	\$0
Smart Financing - New Building	0	0	\$0.00	\$0	0	\$0.00000	\$0	\$0	\$0	\$0
Commercial A/C & Heat Pump Program										
- Air Conditioner Replacement	3	3	\$551.67	\$1,655	60	\$0.07419	\$13	\$83	\$83	\$1,751
- Heat Pump Replacement	14	7	\$73.57	\$10,830	265	\$0.07438	\$148	\$542	\$542	\$11,520
HVAC Diagnostic & Tune-Up										
- Air Conditioner	5	10	\$241.60	\$1,208	58	\$0.07461	\$43	\$60	\$60	\$1,311
- Heat Pump	14	18	\$169.29	\$2,370	174	\$0.07438	\$233	\$119	\$119	\$2,722
Commercial Load Management (Pilot Program)										
- Air Conditioner	6	4	\$1,042.17	\$6,253	0	\$0.00000	\$0	\$0	\$0	\$6,253
- Water Heating	6	4	\$1,042.17	\$6,253	0	\$0.00000	\$0	\$0	\$0	\$6,253
Commercial Incentive	108	43	\$8,075.73	\$872,179	4,394	\$0.07235	\$13,670	\$43,609	\$43,609	\$929,458
TOTAL COMMERCIAL PROGRAMS	156	89		\$900,748			\$14,107	\$44,413	\$44,413	\$959,268
INDUSTRIAL PROGRAMS - (West Opt-Outs Removed)										
Smart Audit - Class 1	0	0	\$0.00	\$0	0	n/a	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	0	\$0.00	\$0	0	n/a	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0	0	\$0.00000	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	\$0.00000	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	0	0		\$0	0		\$0	\$0	\$0	\$0
TOTAL COMPANY	45,198	127,077		\$1,422,170	3,553,113		\$207,045	\$79,969	\$46,148	\$1,755,332

\* Lost revenue and efficiency incentives are based on prospective values.  
 \*\* 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 (GFL)).





PROGRAM DESCRIPTIONS	YEAR 15		YEAR 16		YEAR 17		Embolic PAGE	15C of 22
	(71) (\$1,037)	(73) (\$1,439)	(74) (\$1,439)	(75) (\$1,439)	(76) (\$1,439)	(77) (\$1,439)		
RESIDENTIAL PROGRAMS								
Energy Mags	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Targeted Energy Efficiency	\$10,811	\$13,336	\$13,782	\$16,253	\$20,833	\$15,211	\$7,782	\$7,075
- All Electric	\$3,762	\$1,912	\$1,419	\$524	\$524	\$524	\$524	\$524
- Heat-Air Electric	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Compact Fluorescent Bulbs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Residing Heat	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Non-Residing Heat	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump	\$13,859	\$13,578	\$16,039	\$27,615	\$33,491	\$36,043	\$11,354	\$12,311
- Mobile Heat	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Mobile Heat New Construction	\$17,169	\$4,169	\$13,747	\$5,935	\$8,603	\$5,935	\$7,729	\$4,089
- Air Conditioner	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Modified Energy Finest	\$18,654	\$24,832	\$24,789	\$9,459	\$8,151	\$4,115	\$2,038	\$1,553
High Efficiency Heat Pump	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Rebalance Heat Replacement	\$39,120	\$46,376	\$4,105	\$3,030	\$9,663	\$3,659	\$1,577	\$1,847
- Heat Pump Replacement	\$0	\$0	\$0	\$0	\$25,833	\$19,218	\$12,054	\$10,184
Energy Education for Student Program (NEED)	\$5,627	\$7,420	\$9,274	\$1,613	\$1,628	\$1,654	\$1,289	\$3,409
Community Outreach Program (CPL)	\$14,622	\$13,194	\$16,813	\$9,871	\$9,386	\$11,138	\$7,871	\$3,885
Residential Efficient Product	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Compact Fluorescent Lamp (CFL)	\$0	\$24,007	\$17,339	\$13,759	\$35,100	\$35,100	\$35,100	\$35,100
- LED Light	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HVAC Diagnostic & Tune-Up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Air Conditioner	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Heat Pump	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Residential Lead Manager	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Air Conditioner	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Water Heating	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL RESIDENTIAL PROGRAMS	\$108,385	\$120,324	\$172,315	\$125,531	\$136,737	\$129,534	\$69,289	\$79,697
- Participants since 01/01/08								
COMMERCIAL PROGRAMS								
Smart Audit - Class 1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Class 2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Smart Financing - Existing Building	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Smart Financing - New Building	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Commercial A/C & Heat Pump Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Air Conditioner Replacement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Heat Pump Replacement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
WACS Diagnostic & Tune-Up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Air Conditioner	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Heat Pump	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Commercial Insulation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Commercial Load Manager	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Water Heating	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL COMMERCIAL PROGRAMS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
INDUSTRIAL PROGRAMS								
Smart Audit - Class 1 (WES, Opt-Care Remove)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Class 2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ANNUAL SAVINGS (\$'000)	\$108,385	\$120,324	\$172,315	\$125,531	\$136,737	\$129,534	\$69,289	\$79,697

KENTUCKY POWER COMPANY		Exhibit C		
FORECAST OF 2012 KENTUCKY RETAIL ENERGY SALES IN KWH		PAGE 22 of		22
FOR RESIDENTIAL, COMMERCIAL AND INDUSTRIAL SECTORS				
PROGRAM YR 17 - 2012				
LINE NO.	YEAR	RESIDENTIAL SECTOR	COMMERCIAL SECTOR	INDUSTRIAL SECTOR
1	TOTAL ULTIMATE SALES (KWH) *	1,175,000,000	729,000,000	1,623,600,000
2	LESS NON-METERED **	7,050,000	4,374,000	9,741,600
3	TOTAL ESTIMATED RETAIL KWH SALES	1,167,950,000	724,626,000	1,613,858,400
4	LESS OPT - OUT CUSTOMERS KWH	0	0	0
5	KWH BEFORE LOST REVENUE IMPACTS	1,167,950,000	724,626,000	1,613,858,400
6	LESS LOST REVENUE IMPACTS ***	11,574,691	375,106	0
7	ADJUSTED KWH BY SECTOR	1,156,375,309	724,250,894	1,613,858,400
8	LINE 7/LINE 1	98.4%	99.3%	99.4%
LINE NO.	PROGRAM YR 17 (3rd QTR)	RESIDENTIAL SECTOR	COMMERCIAL SECTOR	INDUSTRIAL SECTOR
9	TOTAL ULTIMATE SALES (KWH) *	544,500,000	370,600,000	781,600,000
10	LINE 8	98.4%	99.3%	99.4%
11	ADJUSTED KWH BY SECTOR	535,788,000	368,005,800	776,910,400
LINE NO.	PROGRAM YR 17 (4th QTR)	RESIDENTIAL SECTOR	COMMERCIAL SECTOR	INDUSTRIAL SECTOR
12	TOTAL ULTIMATE SALES (KWH) *	630,500,000	358,400,000	842,000,000
13	LINE 8	98.4%	99.3%	99.4%
14	ADJUSTED KWH BY SECTOR	620,412,000	355,891,200	836,948,000
* SOURCE: 2012 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 18A of 20, Column 6 - TOTAL RESIDENTIAL PROGRAMS	5,327,487	62,776	-
	Page 18B of 20, Column 6 - TOTAL RESIDENTIAL PROGRAMS	2,888,920	117,501	-
	Page 18C of 20, Column 6 - TOTAL RESIDENTIAL PROGRAMS	3,358,284	194,829	-
	TOTAL	11,574,691	375,106	-

**KENTUCKY POWER COMPANY**  
**Demand Side Management**  
**Status Report**  
As of June 30, 2012

**INDEX**

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6	Mobile Home New Construction
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8	High Efficiency Heat Pump
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## DEFINITIONS

- 1) YTD Costs - Year-to-Date costs recorded through June 30, 2012.
- 2) YTD Impacts - Estimated in place load impacts for Year-to-Date participants.
- 3) PTD Costs - Costs recorded from the inception of the program through June 30, 2012
- 4) PTD Impacts - Estimated in place load impacts for Program-to-Date participants.

## COMMENTS

Our calculations are based on actual participants and costs as of June 30, 2012. The Residential DSM costs in this status report do not agree with the total costs in the Financial Report due to a one month lag in reporting.

The estimated actual in-place energy (kWh) savings is the summation of the monthly average net energy savings associated with participating customers of each DSM program (including T&D losses). The average monthly net energy savings is the product of 1/12 of the annual kWh per participant (shown in Exhibit E) and 1/2 of the new participants for the current month, plus the cumulative participants from the previous months. The average monthly net energy savings is then increased by 10% to include T&D losses. The estimated actual in-place energy (kWh) savings are calculated in accordance with the Sunset Provision contained in the joint application, filed September 27, 1995.

The estimated anticipated peak demand (kW) reduction is a product of the number of net participating customers (excluding free riders) and projected winter/summer demand reductions filed for each program (refer to Section III to V of the joint application). The anticipated peak demand (kW) reductions includes 11% T&D loss savings.

The calculation of YTD and PTD estimated in place energy (kWh) savings and anticipated peak demand (kW) reductions contained in this status report reflect, wherever applicable, the program evaluation results of each individual program as described in the August 16, 1999, June 30, 2002, June 30, 2005, June 30, 2008, June 30, 2010, August 15, 2011 and August 15, 2012 DSM collaborative report.

The individual DSM lost revenue, efficiency incentive and maximizing incentives as of June 30, 1997 are calculated based on the initial values from Exhibit E in the joint application, filed September 27, 1995. A retroactive adjustment of the initial values of the efficiency incentives and net lost revenue KWH impacts was used for each program for the first eighteen months (1/1/96 to 6/30/97). The lost revenue, efficiency incentive and maximizing incentive for the period 1/1/2012 to 12/31/2012 are calculated using the revised values contained in Schedule C of this status report.

The program lost revenue is the product of the number of participating customers, the average net energy savings (kWh) per customer and the net lost revenue (\$/kWh). The number of participating customers is equal to 1/2 of the new participants for the current month, plus the cumulative participants from the previous months. The program-to-date lost revenues are calculated in accordance with the Sunset Provision contained in the joint application, filed September 27, 1995.

The efficiency incentive is the product of the number of participants for the month and the efficiency rate (\$/participant). The maximizing incentive is calculated as 5% of actual program cost for the month.

**KENTUCKY POWER COMPANY**  
**SUMMARY INFORMATION (ALL PROGRAMS)**  
 As of June 30, 2012

DESCRIPTION	YTD	PTD
Total Revenue Collected	<u>\$3,350,222</u>	<u>\$20,295,335</u>
Total Program Costs	1,359,722	15,312,436
Total Lost Revenues	311,705	4,830,155
Total Efficiency / Maximizing Incentive	152,295	1,821,554
HEAP - Kentucky Power's Information Technology Implementation Costs (Case No 2006 - 00373, Dated December 14, 2006)	0	58,968
HEAP - KACA's Information Technology Implementation Costs	<u>0</u>	<u>15,700</u>
Total DSM Costs As of June 30, 2012	<u>\$1,823,722</u>	<u>\$22,038,813</u>



**KENTUCKY POWER COMPANY**  
**SUMMARY INFORMATION (ALL PROGRAMS)**  
 As of June 30, 2012

DESCRIPTION	YTD		PTD	
Actual In-Place Energy Savings:	1,245,987	kWh	588,659,933	kWh
w/ T&D Line Losses:	1,370,586	kWh	647,525,927	kWh
Total kW Reductions:				
Winter	932	kW	26,670	kW
w/ T&D Line Losses:	1,035	kW	29,604	kW
Summer	551	kW	6,607	kW
w/ T&D Line Losses:	612	kW	7,334	kW

## KENTUCKY POWER COMPANY

<b>PROGRAM INFORMATION</b>	
PROGRAM:	Targeted Energy Efficiency
PARTICIPANT DEFINITION:	Number of Households
CUSTOMER SECTOR:	Residential - Low Income
REPORTING PERIOD:	January 1, 2012 - June 30, 2012

<b>New Participants</b>	<u>All Electric</u>	<u>Non All Electric</u>
Jan	20	1
Feb	29	4
Mar	27	1
Apr	20	2
May	19	3
Jun	27	2
Jul	0	0
Aug	0	0
Sep	0	0
Oct	0	0
Nov	0	0
Dec	0	0
<b>YTD</b>	<b>142</b>	<b>13</b>
<b>PTD</b>	<b>3,463</b>	<b>1,092</b>

<b>Impacts</b>		
	<u>Year-To-Date</u>	<u>Program-To-Date</u>
Estimated In Place Energy (kWh) Savings	<b>79,850</b>	<b>89,795,611</b>
Anticipated Peak Demand (kW) Reduction:		
Summer	<b>42</b>	<b>777</b>
Winter	<b>72</b>	<b>3,142</b>

<b>Costs</b>			
<u>Description</u>	<u>Year-To-Date</u>	<u>Retroactive Adjustment</u>	<u>Program-To-Date</u>
Total Evaluation	0.00	0.00	273,684.00
Equipment/Vendor:	173,271.00	0.00	3,608,183.00
Promotional:	0.00	0.00	0.00
Customer Incentives:	0.00	0.00	0.00
Other Costs:	0.00	0.00	9,553.00
<b>Total Program Costs</b>	<b>173,271.00</b>	<b>0.00</b>	<b>3,889,420.00</b>
<b>Lost Revenues:</b>	<b>52,258.00</b>	<b>1,944.00</b>	<b>815,309.00</b>
Efficiency Incentive:	15,221.00	184.00	135,956.00
Maximizing Incentive:	66.00	0.00	123,436.00
<b>Total Costs</b>	<b>240,816.00</b>	<b>2,128.00</b>	<b>4,964,121.00</b>

**COMMENTS:**

The Targeted Energy Efficiency Program provides a variety of services, including a home energy audit, weatherization and seal-up to targeted low income customers.

The Equipment / Vendor cost categories includes the cost of labor and materials of measures installed, participant energy education costs and vendor administration costs. The YTD costs are \$171,959 for all-electric and \$1,312 for non-all-electric homes.

The YTD Estimated in Place Energy (kWh) Savings for all-electric participants and non-all-electric participants is 76,970 and 2,880 respectively.

The YTD Anticipated Peak Demand (kW) Reduction summer/winter for all-electric and non-all-electric participants is 39/70 and 3/2 respectively.

The YTD Lost Revenue for all-electric participants and non-all-electric participants is \$48,115 and \$4,143 respectively.

The YTD Efficiency Incentive for all-electric participants is \$15,221.  
 The YTD Maximizing Incentive for non-all-electric participants is \$66.

The participant and expense forecast for 2012 is 275 all-electric homes, 25 non-all-electric homes and \$303,300.

## KENTUCKY POWER COMPANY

<b>PROGRAM INFORMATION</b>	
PROGRAM:	High Efficiency Heat Pump - Mobile Home
PARTICIPANT DEFINITION:	Number of Units Installed
CUSTOMER SECTOR:	Residential
REPORTING PERIOD:	January 1, 2012 - June 30, 2012

<b>New Participants</b>	
Jan	10
Feb	11
Mar	16
Apr	35
May	26
Jun	12
Jul	0
Aug	0
Sep	0
Oct	0
Nov	0
Dec	0
YTD	110
PTD	2,598

<b>Impacts</b>		
	Year-To-Date	Program-To-Date
Estimated in Place Energy (kWh) Savings	74,000	87,599,200
Anticipated Peak Demand (kW) Reduction:		
Summer	52	491
Winter	87	4,179

<b>Costs</b>			
	Year-To-Date	Retroactive Adjustment	Program-To-Date
Total Evaluation	0.00	0.00	52,556.00
Equipment/Vendor:	5,850.00	0.00	81,205.00
Promotional:	0.00	0.00	0.00
Customer Incentives:	46,800.00	0.00	1,102,800.00
Other Costs:	0.00	0.00	1,167.00
<b>Total Program Costs</b>	<b>52,650.00</b>	<b>0.00</b>	<b>1,237,728.00</b>
<b>Lost Revenues:</b>	<b>32,588.00</b>	<b>5,820.00</b>	<b>570,028.00</b>
Efficiency Incentive:	26,043.00	18,331.00	272,557.00
Maximizing Incentive:	0.00	0.00	0.00
<b>Total Costs</b>	<b>111,281.00</b>	<b>24,151.00</b>	<b>2,080,313.00</b>

**COMMENTS:**

The High Efficiency Heat Pump - Mobile Home program provides incentives to customers, encouraging them to install the highest efficiency equipment practical.

The participant and expense forecast for 2012 is 210 and \$94,500 respectively.

## KENTUCKY POWER COMPANY

<b>PROGRAM INFORMATION</b>	
PROGRAM:	Mobile Home New Construction
PARTICIPANT DEFINITION:	Number of Units Installed
CUSTOMER SECTOR:	Residential
REPORTING PERIOD:	January 1, 2012 - June 30, 2012

<b>New Participants</b>	<u>Heat Pump</u>	<u>Air Conditioner</u>
Jan	8	0
Feb	8	0
Mar	13	0
Apr	13	0
May	15	0
Jun	22	0
Jul	0	0
Aug	0	0
Sep	0	0
Oct	0	0
Nov	0	0
Dec	0	0
<b>YTD</b>	<b>79</b>	<b>0</b>
<b>PTD</b>	<b>2,384</b>	<b>2</b>

<b>Impacts</b>	<u>Year-To-Date</u>	<u>Program-To-Date</u>
Estimated in Place Energy (kWh) Savings	55,840	128,218,400
Anticipated Peak Demand (kW) Reduction:		
Summer	35	718
Winter	8	5,138

<u>Description</u>	<u>Year-To-Date</u>	<u>Retroactive</u>	
		<u>Adjustment</u>	<u>Program-To-Date</u>
Total Evaluation	0.00	0.00	36,529.00
Equipment/Vendor:	3,950.00	0.00	141,713.00
Promotional:	0.00	0.00	3,939.00
Customer Incentives:	39,500.00	0.00	1,198,950.00
Other Costs:	0.00	0.00	4,866.00
<b>Total Program Costs</b>	<b>43,450.00</b>	<b>0.00</b>	<b>1,385,997.00</b>
<b>Lost Revenues:</b>	<b>27,801.00</b>	<b>0.00</b>	<b>615,041.00</b>
Efficiency Incentive:	6,554.00	0.00	179,373.00
Maximizing Incentive:	0.00	0.00	2,580.00
<b>Total Costs</b>	<b>77,805.00</b>	<b>0.00</b>	<b>2,182,991.00</b>

**COMMENTS:**

The Collaborative has devised and implemented a plan in conjunction with trade allies to offer a financial incentive to new mobile home buyers and trade allies to encourage the installation of high efficiency heat pumps and upgraded insulation packages in new mobile homes.

The participant and expense forecast for 2012 is 190 heat pumps and \$104,750 respectively.

## KENTUCKY POWER COMPANY

<b>PROGRAM INFORMATION</b>	
PROGRAM:	Modified Energy Fitness
PARTICIPANT DEFINITION:	Number of Home Audits
CUSTOMER SECTOR:	Residential
REPORTING PERIOD:	January 1, 2012 - June 30, 2012

<b>New Participants</b>	
Jan	98
Feb	109
Mar	99
Apr	110
May	120
Jun	110
Jul	0
Aug	0
Sep	0
Oct	0
Nov	0
Dec	0
<b>YTD</b>	<b>646</b>
<b>PTD</b>	<b>8,837</b>

<b>Impacts</b>		
	<u>Year-To-Date</u>	<u>Program-To-Date</u>
Estimated in Place Energy (kWh) Savings	106	82,127,889
Anticipated Peak Demand (kW) Reduction:		
Summer	-19	999
Winter	149	4,538

<b>Costs</b>			
	<u>Year-To-Date</u>	<u>Retroactive Adjustment</u>	<u>Program-To-Date</u>
Total Evaluation	0.00	0.00	36,328.00
Equipment/Vendor:	208,408.00	0.00	3,165,472.00
Promotional:	0.00	0.00	0.00
Customer Incentives:	0.00	0.00	0.00
Other Costs:	0.00	0.00	0.00
<b>Total Program Costs</b>	<b>208,408.00</b>	<b>0.00</b>	<b>3,221,800.00</b>
Lost Revenues:	61,763.00	0.00	798,318.00
Efficiency Incentive:	4,115.00	0.00	312,256.00
Maximizing Incentive:	0.00	0.00	0.00
<b>Total Costs</b>	<b>274,286.00</b>	<b>0.00</b>	<b>4,332,374.00</b>

**COMMENTS:**

The Modified Energy Fitness program provides energy audits, blower door testing, duct sealing and direct installation of low cost conservation measures to residential customers with electric space heating and electric water heating.

The equipment / vendor cost category includes the cost of labor and materials of measures installed, the cost of promotion by the vendor and vendor administration costs including customer education.

The participants and expense forecast for 2012 is 1,216 and \$427,000 respectively.

## KENTUCKY POWER COMPANY

<b>PROGRAM INFORMATION</b>	
PROGRAM:	High Efficiency Heat Pumps
PARTICIPANT DEFINITION:	Number of Units Installed
CUSTOMER SECTOR:	Residential
REPORTING PERIOD:	January 1, 2012 - June 30, 2012

<b>New Participants</b>		
	<u>Resistance</u>	<u>Non Resistance</u>
Jan	18	32
Feb	15	22
Mar	10	41
Apr	17	42
May	18	39
Jun	10	41
Jul	0	0
Aug	0	0
Sep	0	0
Oct	0	0
Nov	0	0
Dec	0	0
YTD	88	217
PTD	706	1,349

<b>Impacts</b>		
	<u>Year-To-Date</u>	<u>Program-To-Date</u>
Estimated in Place Energy (kWh) Savings	152,390	2,350,379
Anticipated Peak Demand (kW) Reduction:		
Summer	(17)	120
Winter	175	2,062

<b>Costs</b>			
	<u>Year-To-Date</u>	<u>Retroactive Adjustment</u>	<u>Program-To-Date</u>
Total Evaluation	0.00	0.00	12,236.00
Equipment/Vendor:	15,700.00	0.00	127,300.00
Promotional:	0.00	0.00	0.00
Customer Incentives:	125,600.00	0.00	789,700.00
Other Costs:	0.00	0.00	0.00
<b>Total Program Costs</b>	<b>141,300.00</b>	<b>0.00</b>	<b>929,236.00</b>
Lost Revenues:	26,437.00	0.00	162,948.00
Efficiency Incentive:	22,676.00	0.00	256,089.00
Maximizing Incentive:	0.00	0.00	17,177.00
<b>Total Costs</b>	<b>190,413.00</b>	<b>0.00</b>	<b>1,365,450.00</b>

### COMMENTS:

This program was implemented to reduce residential electric consumption by replacing older, less efficient electric heating systems with high efficiency heat pumps. Customers are provided an incentive encouraging them to promote the highest efficiency equipment practical.

The YTD Estimated in Place Energy (kWh) Savings for resistance heat replacement and non-resistance heat replacement participants is 27,420 and 124,970, respectively.

The YTD Anticipated Peak Demand (kW) Reduction summer/winter for resistance heat replacement and non-resistance heat replacement participants is -13/48 and -4/127 respectively.

The YTD Lost Revenue for resistance heat replacement and non-resistance heat replacement participants is \$8,006 and \$18,431 respectively.

The Efficiency Incentive for resistance heat replacement participants is \$3,458 and for the non-resistance heat replacement participants is \$19,218.

The participant and expense forecast for 2012 is 175 resistance heat replacement customers, 475 non-resistance heat replacement customers and \$292,500 respectively.

## KENTUCKY POWER COMPANY

<b>PROGRAM INFORMATION</b>	
PROGRAM:	Community Outreach Compact Fluorescent Lamp
PARTICIPANT DEFINITION:	Number of Customers
CUSTOMER SECTOR:	Residential
REPORTING PERIOD:	January 1, 2012 - June 30, 2012

<b>New Participants</b>	
Jan	0
Feb	1
Mar	471
Apr	0
May	1,476
Jun	387
Jul	0
Aug	0
Sep	0
Oct	0
Nov	0
Dec	0
<b>YTD</b>	<b>2,335</b>
<b>PTD</b>	<b>15,804</b>

<b>Impacts</b>		
	<u>Year-To-Date</u>	<u>Program-To-Date</u>
Estimated In Place Energy (kWh) Savings	174,100	1,176,623
Anticipated Peak Demand (kW) Reduction:		
Summer	112	407
Winter	105	589

<b>Costs</b>			
	<u>Year-To-Date</u>	<u>Retroactive Adjustment</u>	<u>Program-To-Date</u>
Total Evaluation	0.00	0.00	18,415.60
Equipment/Vendor:	22,439.00	0.00	137,053.48
Promotional:	175.00	0.00	16,104.38
Administration:	0.00	0.00	1,808.14
Other Costs:	0.00	0.00	0.00
<b>Total Program Costs</b>	<b>22,614.00</b>	<b>0.00</b>	<b>173,381.60</b>
Lost Revenues:	42,420.00	0.00	110,835.00
Efficiency Incentive:	11,138.00	0.00	73,095.00
Maximizing Incentive:	0.00	0.00	0.00
<b>Total Costs</b>	<b>76,172.00</b>	<b>0.00</b>	<b>357,311.60</b>

**COMMENTS:**

The Community Outreach Compact Fluorescent Lighting (CFL) program is designed to educate and influence residential customers to purchase and use compact fluorescent lighting in their homes. A package of 4 high efficiency CFLs are distributed to customers at scheduled community outreach events.

The participant and expense forecast for 2012 is 4,800 customers and \$58,500, respectively.

## KENTUCKY POWER COMPANY

<b>PROGRAM INFORMATION</b>	
PROGRAM:	Energy Education For Students
PARTICIPANT DEFINITION:	Number of Students
CUSTOMER SECTOR:	Residential
REPORTING PERIOD:	January 1, 2012 - June 30, 2012

<b>New Participants</b>	
Jan	0
Feb	0
Mar	275
Apr	0
May	250
Jun	0
Jul	0
Aug	0
Sep	0
Oct	0
Nov	0
Dec	0
YTD	525
PTD	5,098

<b>Impacts</b>		
	<u>Year-To-Date</u>	<u>Program-To-Date</u>
Estimated in Place Energy (kWh) Savings	36,340	323,943
Anticipated Peak Demand (kW) Reduction:		
Summer	41	157
Winter	25	150

<b>Costs</b>			
<u>Description</u>	<u>Year-To-Date</u>	<u>Retroactive Adjustment</u>	<u>Program-To-Date</u>
Total Evaluation	0.00	0.00	10,261.00
Equipment/Vendor:	8,995.00	0.00	50,111.00
Promotional:	250.00	0.00	250.00
Education Workshops	0.00	0.00	13,000.00
Administration	0.00	0.00	7,562.00
<b>Total Program Costs</b>	<b>9,245.00</b>	<b>0.00</b>	<b>81,184.00</b>
Lost Revenues:	16,932.00	0.00	38,685.00
Efficiency Incentive:	1,664.00	0.00	18,256.00
Maximizing Incentive:	0.00	0.00	0.00
<b>Total Costs</b>	<b>27,841.00</b>	<b>0.00</b>	<b>138,125.00</b>

**COMMENTS:**

The Energy Education for Students program is designed to partner with the National Energy Education Development Project (NEED) to implement an energy education program for 7th grade students at participating middle schools. The students will be provided a package of four 23 watt CFLs to install in their homes. The program will influence residential customers to purchase and use compact fluorescent lighting in their homes.

The participant and expense forecast for 2012 is 2,000 students and \$31,700.



## KENTUCKY POWER COMPANY

<b>PROGRAM INFORMATION</b>	
PROGRAM:	Residential HVAC Diagnostic and Tune-up
PARTICIPANT DEFINITION:	Number of Units Installed
CUSTOMER SECTOR:	Residential
REPORTING PERIOD:	January 1, 2012 - June 30, 2012

<b>New Participants</b>	<u>Heat Pump</u>	<u>Air Conditioner</u>
Jan	67	14
Feb	22	11
Mar	23	6
Apr	46	21
May	66	56
Jun	100	39
Jul	0	0
Aug	0	0
Sep	0	0
Oct	0	0
Nov	0	0
Dec	0	0
<b>YTD</b>	<b>324</b>	<b>147</b>
<b>PTD</b>	<b>1,082</b>	<b>379</b>

<b>Impacts</b>	<u>Year-To-Date</u>	<u>Program-To-Date</u>
Estimated in Place Energy (kWh) Savings	<b>38,340</b>	<b>310,154</b>
Anticipated Peak Demand (kW) Reduction:		
Summer	<b>19</b>	<b>205</b>
Winter	<b>56</b>	<b>240</b>

<b>Costs</b>	<u>Year-To-Date</u>	<u>Retroactive Adjustment</u>	<u>Program-To-Date</u>
Total Evaluation	10,638.00	0.00	15,394.00
Equipment/Vendor:	21,350.00	0.00	68,150.00
Promotional:	0.00	0.00	4,818.00
Customer Incentives:	21,350.00	0.00	68,050.00
Administration:	0.00	0.00	0.00
Other Costs:	0.00	0.00	0.00
<b>Total Program Costs</b>	<b>53,338.00</b>	<b>0.00</b>	<b>156,412.00</b>
Lost Revenues:	3,676.00	1,944.00	9,412.00
Efficiency Incentive:	0.00	184.00	8,930.00
Maximizing Incentive:	2,667.00	0.00	2,667.00
<b>Total Costs</b>	<b>59,681.00</b>	<b>2,128.00</b>	<b>177,421.00</b>

### COMMENTS:

The Residential HVAC Diagnostic and Tune-up Program provides incentives to customers for a variety of HVAC services including over and under refrigerant charge and other diagnostic performance checks on residential unitary central air conditioning and heat pump units.

The YTD Estimated in Place Energy (kWh) Savings for heat pump and air conditioner participants is 34,830 and 3,510 respectively.

The YTD Anticipated Peak Demand (kW) Reduction summer/winter for heat pump and air conditioner participants is 13/56 and 6/0 respectively.

The YTD Lost Revenue for heat pump and air conditioner participants is \$3,430 and \$246 respectively.

The Maximizing Incentive for heat pump participants is \$1,771 and for air conditioner participants is \$896.

The participant and expense forecast for 2012 is 250 central air conditioners and 750 heat pumps and \$121,260 respectively.

## KENTUCKY POWER COMPANY

<b>PROGRAM INFORMATION</b>	
PROGRAM:	Pilot Residential Load Management
PARTICIPANT DEFINITION:	Number of Switches Installed
CUSTOMER SECTOR:	Residential
REPORTING PERIOD:	January 1, 2012 - June 30, 2012

New Participants	A/C Switches	Water Heater SW
Jan	0	0
Feb	8	8
Mar	13	10
Apr	0	0
May	12	12
Jun	3	2
Jul	0	0
Aug	0	0
Sep	0	0
Oct	0	0
Nov	0	0
Dec	0	0
YTD	36	32
PTD	42	36

Impacts	Year-To-Date	Program-To-Date
Estimated in Place Energy (kWh) Savings	0	0
Anticipated Peak Demand (kW) Reduction:		
Summer	0	0
Winter	0	0

Costs			
Description	Year-To-Date	Retroactive Adjustment	Program-To-Date
Total Evaluation	15,674.99	0.00	24,467.99
Equipment/Vendor:	75,290.65	0.00	169,995.65
Promotional:	12,141.49	0.00	12,141.49
Customer Incentives:	18.00	0.00	18.00
Other Costs:	668.81	0.00	668.81
<b>Total Program Costs</b>	<b>103,793.94</b>	<b>0.00</b>	<b>207,291.94</b>
Lost Revenues:	0.00	0.00	0.00
Efficiency Incentive:	0.00	0.00	0.00
Maximizing Incentive:	0.00	0.00	0.00
<b>Total Costs</b>	<b>103,793.94</b>	<b>0.00</b>	<b>207,291.94</b>

**COMMENTS:**

The Pilot Residential Load Management Program will determine whether peak demand can be effectively reduced through the installation of load control devices on central air conditioners, heat pumps, and/or electric water heaters.

The participant and expense forecast for 2012 is 110 air conditioners or heat pumps switches and 106 water heating switches at \$267,080. Other cost included above is for tax on equipment.

## KENTUCKY POWER COMPANY

<b>PROGRAM INFORMATION</b>	
PROGRAM:	Residential Efficient Products
PARTICIPANT DEFINITION:	Number of Units Installed
CUSTOMER SECTOR:	Residential
REPORTING PERIOD:	January 1, 2012 - June 30, 2012

<b>New Participants</b>			
	<u>CFL</u>	<u>Specialty Bulbs</u>	<u>LED Lights</u>
Jan	11,783	0	0
Feb	18,998	0	0
Mar	6,057	0	0
Apr	5,377	0	0
May	3,779	0	0
Jun	5,487	0	0
Jul	0	0	0
Aug	0	0	0
Sep	0	0	0
Oct	0	0	0
Nov	0	0	0
Dec	0	0	0
<b>YTD</b>	<b>51,481</b>	<b>0</b>	<b>0</b>
<b>PTD</b>	<b>185,173</b>	<b>0</b>	<b>0</b>

<b>Impacts</b>		
	<u>Year-To-Date</u>	<u>Program-To-Date</u>
Estimated in Place Energy (kWh) Savings	691,230	2,922,558
Anticipated Peak Demand (kW) Reduction:		
Summer	244	392
Winter	244	1,728

<b>Costs</b>			
<u>Description</u>	<u>Year-To-Date</u>	<u>Retroactive Adjustment</u>	<u>Program-To-Date</u>
Total Evaluation	19,877.00	0.00	25,945.00
Equipment/Vendor:	94,142.00	0.00	267,854.00
Promotional:	0.00	0.00	0.00
Customer Incentives:	55,156.00	0.00	189,531.00
Other Costs:	0.00	0.00	0.00
<b>Total Program Costs</b>	<b>169,175.00</b>	<b>0.00</b>	<b>483,330.00</b>
<b>Lost Revenues:</b>	<b>43,122.00</b>	<b>0.00</b>	<b>76,827.00</b>
Efficiency Incentive:	43,759.00	0.00	85,204.00
Maximizing Incentive:	30.00	0.00	30.00
<b>Total Costs</b>	<b>256,086.00</b>	<b>0.00</b>	<b>645,391.00</b>

**COMMENTS:**

The Residential Efficient Products Program will provide incentives and marketing support through retailers to build market share and usage of ENERGY STAR lighting products. Designed to produce long-term energy savings in the residential sector by increasing the market share of ENERGY STAR CFLs and (or) other ENERGY STAR lighting products.

The participant and expense forecast for 2012 is 134,257 ENERGY STAR CFLs and 800 other lighting products and \$345,320 respectively.

## KENTUCKY POWER COMPANY

<b>PROGRAM INFORMATION</b>	
PROGRAM:	Energy Fitness - Inactive
PARTICIPANT DEFINITION:	Number of Households
CUSTOMER SECTOR:	Residential
REPORTING PERIOD:	January 1, 2012 - June 30, 2012

<b>New Participants</b>	
Jan	0
Feb	0
Mar	0
Apr	0
May	0
Jun	0
Jul	0
Aug	0
Sep	0
Oct	0
Nov	0
Dec	0
<b>YTD</b>	<b>0</b>
<b>PTD</b>	<b>2,812</b>

<b>Impacts</b>		
	Year-To-Date	Program-To-Date
Estimated In Place Energy (kWh) Savings	0	55,360,221
Anticipated Peak Demand (kW) Reduction:		
Summer	0	441
Winter	0	1,932

<b>Costs</b>			
	Year-To-Date	Retroactive Adjustment	Program-To-Date
Total Evaluation	0.00	0.00	18,189.00
Equipment/Vendor:	0.00	0.00	665,964.00
Promotional:	0.00	0.00	0.00
Customer Incentives:	0.00	0.00	0.00
Other Costs:	0.00	0.00	960.00
<b>Total Program Costs</b>	<b>0.00</b>	<b>0.00</b>	<b>685,113.00</b>
Lost Revenues:	0.00	(19,322.00)	363,029.00
Efficiency Incentive:	0.00	(46,349.00)	63,482.00
Maximizing Incentive:	0.00	0.00	0.00
<b>Total Costs</b>	<b>0.00</b>	<b>(65,671.00)</b>	<b>1,111,624.00</b>

**COMMENTS:**

This program was discontinued May 14, 1999.

**KENTUCKY POWER COMPANY**

<b>PROGRAM INFORMATION</b>	
PROGRAM:	Compact Fluorescent Bulb - Inactive
PARTICIPANT DEFINITION:	Number of Bulbs Installed
CUSTOMER SECTOR:	Residential
REPORTING PERIOD:	January 1, 2012 - June 30, 2012

<b>New Participants</b>	
Jan	0
Feb	0
Mar	0
Apr	0
May	0
Jun	0
Jul	0
Aug	0
Sep	0
Oct	0
Nov	0
Dec	0
<b>YTD</b>	<b>0</b>
<b>PTD</b>	<b>269</b>

<b>Impacts</b>		
	<u>Year-To-Date</u>	<u>Program-To-Date</u>
Estimated in Place Energy (kWh) Savings	0	280,416
Anticipated Peak Demand (kW) Reduction:		
Summer	0	3
Winter	0	3

<b>Costs</b>			
<u>Description</u>	<u>Year-To-Date</u>	<u>Retroactive</u>	
		<u>Adjustment</u>	<u>Program-To-Date</u>
Total Evaluation	0.00	0.00	60.00
Equipment/Vendor:	0.00	0.00	15,021.00
Promotional:	0.00	0.00	0.00
Customer Incentives:	0.00	0.00	0.00
Other Costs:	0.00	0.00	0.00
<b>Total Program Costs</b>	<b>0.00</b>	<b>0.00</b>	<b>15,081.00</b>
Lost Revenues:	0.00	25.00	1,605.00
Efficiency Incentive:	0.00	8.00	433.00
Maximizing Incentive:	0.00	0.00	0.00
<b>Total Costs</b>	<b>0.00</b>	<b>33.00</b>	<b>17,119.00</b>

**COMMENTS:**

This program was discontinued December 31, 1996

## KENTUCKY POWER COMPANY

<b>PROGRAM INFORMATION</b>	
PROGRAM:	High Efficiency Heat Pumps Retro - Inactive
PARTICIPANT DEFINITION:	Number of Units Installed
CUSTOMER SECTOR:	Residential
REPORTING PERIOD:	January 1, 2012 - June 30, 2012

<b>New Participants</b>		
	<u>Resistance</u>	<u>Non Resistance</u>
Jan	0	0
Feb	0	0
Mar	0	0
Apr	0	0
May	0	0
Jun	0	0
Jul	0	0
Aug	0	0
Sep	0	0
Oct	0	0
Nov	0	0
Dec	0	0
<b>YTD</b>	<b>0</b>	<b>0</b>
<b>PTD</b>	<b>1,367</b>	<b>929</b>

<b>Impacts</b>		
	<u>Year-To-Date</u>	<u>Program-To-Date</u>
Estimated in Place Energy (kWh) Savings	<b>0</b>	<b>71,026,985</b>
Anticipated Peak Demand (kW) Reduction:		
Summer	<b>0</b>	<b>851</b>
Winter	<b>0</b>	<b>2,995</b>

<b>Costs</b>			
	<u>Year-To-Date</u>	<u>Retroactive Adjustment</u>	<u>Program-To-Date</u>
Total Evaluation	0.00	0.00	12,885.00
Equipment/Vendor:	0.00	0.00	129,767.00
Promotional:	0.00	0.00	0.00
Customer Incentives:	0.00	0.00	70,500.00
Other Costs:	0.00	0.00	1,160.00
<b>Total Program Costs</b>	<b>0.00</b>	<b>0.00</b>	<b>214,312.00</b>
<b>Lost Revenues:</b>	<b>0.00</b>	<b>(269.00)</b>	<b>368,960.00</b>
Efficiency Incentive:	0.00	(2,196.00)	48,017.00
Maximizing Incentive:	0.00	0.00	5.00
<b>Total Costs</b>	<b>0.00</b>	<b>(2,465.00)</b>	<b>631,294.00</b>

**COMMENTS:**

This program was discontinued December 31, 2001.

## KENTUCKY POWER COMPANY

<b>PROGRAM INFORMATION</b>	
PROGRAM:	Commercial HVAC Diagnostic and Tune-up
PARTICIPANT DEFINITION:	Number of Units Installed
CUSTOMER SECTOR:	Commercial
REPORTING PERIOD:	January 1, 2012 - June 30, 2012

<b>New Participants</b>		
	Heat Pump	Air Conditioner
Jan	0	1
Feb	3	0
Mar	5	13
Apr	9	3
May	21	2
Jun	18	5
Jul	0	0
Aug	0	0
Sep	0	0
Oct	0	0
Nov	0	0
Dec	0	0
<b>YTD</b>	<b>56</b>	<b>24</b>
<b>PTD</b>	<b>163</b>	<b>70</b>

<b>Impacts</b>		
	Year-To-Date	Program-To-Date
Estimated in Place Energy (kWh) Savings	7,360	83,887
Anticipated Peak Demand (kW) Reduction:		
Summer	5	65
Winter	14	74

<b>Costs</b>			
Description	Year-To-Date	Retroactive	
		Adjustment	Program-To-Date
Total Evaluation	10,152.00	0.00	14,252.00
Equipment/Vendor:	3,900.00	0.00	11,250.00
Promotional:	0.00	0.00	4,818.00
Customer Incentives:	5,850.00	0.00	16,800.00
Other Costs:	0.00	0.00	0.00
<b>Total Program Costs</b>	<b>19,902.00</b>	<b>0.00</b>	<b>47,120.00</b>
<b>Lost Revenues:</b>	<b>662.00</b>	<b>0.00</b>	<b>2,901.00</b>
Efficiency Incentive:	0.00	0.00	3,496.00
Maximizing Incentive:	996.00	0.00	996.00
<b>Total Costs</b>	<b>21,560.00</b>	<b>0.00</b>	<b>54,513.00</b>

**COMMENTS:**

The Commercial HVAC Diagnostic and Tune-up Program provides a variety of HVAC services, including diagnostic performance checks on commercial unitary central air conditioning and heat pump units.

The Equipment / Vendor cost includes the cost of incentives for participating HVAC dealers promotion of the program. The customer incentives are \$75 per program participant.

The YTD Estimated in Place Energy (kWh) Savings for heat pump and air conditioner participants is 6,010 and 1,350 respectively.

The YTD Anticipated Peak Demand (kW) Reduction summer/winter for heat pump and air conditioner participants is 3/14 and 2/0 respectively.

The YTD Lost Revenue for heat pump and air conditioner participants is \$569 and \$93 respectively.

The Maximizing Incentive for heat pump participants is \$623 and for air conditioner participants is \$373.

The participant and expense forecast for 2012 is 55 central air conditioners and 115 heat pumps and \$37,380 respectively.

## KENTUCKY POWER COMPANY

<b>PROGRAM INFORMATION</b>	
PROGRAM:	Pilot Commercial Load Management
PARTICIPANT DEFINITION:	Number of Switches Installed
CUSTOMER SECTOR:	Commercial
REPORTING PERIOD:	January 1, 2012 - June 30, 2012

<b>New Participants</b>		
	<u>Heat Pump</u>	<u>Air Conditioner</u>
Jan	0	0
Feb	0	0
Mar	0	0
Apr	0	0
May	0	0
Jun	0	0
Jul	0	0
Aug	0	0
Sep	0	0
Oct	0	0
Nov	0	0
Dec	0	0
<b>YTD</b>	<b>0</b>	<b>0</b>
<b>PTD</b>	<b>0</b>	<b>0</b>

<b>Impacts</b>		
	<u>Year-To-Date</u>	<u>Program-To-Date</u>
Estimated in Place Energy (kWh) Savings	0	0
Anticipated Peak Demand (kW) Reduction:		
Summer	0	0
Winter	0	0

<b>Costs</b>			
	<u>Year-To-Date</u>	<u>Retroactive Adjustment</u>	<u>Program-To-Date</u>
<b>Total Evaluation</b>	7,532.34	0.00	11,347.34
Equipment/Vendor:	7,500.00	0.00	18,000.00
Promotional:	228.80	0.00	228.80
Customer Incentives:	0.00	0.00	0.00
Other Costs:	0.00	0.00	0.00
<b>Total Program Costs</b>	<b>15,261.14</b>	<b>0.00</b>	<b>29,576.14</b>
<b>Lost Revenues:</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Efficiency Incentive:	0.00	0.00	0.00
Maximizing Incentive:	0.00	0.00	0.00
<b>Total Costs</b>	<b>15,261.14</b>	<b>0.00</b>	<b>29,576.14</b>

**COMMENTS:**

The Pilot Commercial Load Management Program will determine whether peak demand can be effectively reduced through the installation of load control devices on central air conditioners, heat pumps, and/or electric water heaters.

The participant and expense forecast for 2012 is 10 air conditioner switches and 10 water heater switches with a projected expense of \$36,105.



## KENTUCKY POWER COMPANY

<b>PROGRAM INFORMATION</b>	
<b>PROGRAM:</b>	<b>Commercial High Efficiency HP/AC</b>
<b>PARTICIPANT DEFINITION:</b>	<b>Number of Units Installed</b>
<b>CUSTOMER SECTOR:</b>	<b>Commercial</b>
<b>REPORTING PERIOD:</b>	<b>January 1, 2012 - June 30, 2012</b>

<b>New Participants</b>		
	<u>Heat Pump</u>	<u>Air Conditioner</u>
Jan	0	0
Feb	1	0
Mar	1	0
Apr	0	1
May	1	0
Jun	7	0
Jul	0	0
Aug	0	0
Sep	0	0
Oct	0	0
Nov	0	0
Dec	0	0
<b>YTD</b>	<b>10</b>	<b>1</b>
<b>PTD</b>	<b>31</b>	<b>4</b>

<b>Impacts</b>		
	<u>Year-To-Date</u>	<u>Program-To-Date</u>
Estimated in Place Energy (kWh) Savings	1,420	16,358
Anticipated Peak Demand (kW) Reduction:		
Summer	1	6
Winter	3	11

<b>Costs</b>			
<u>Description</u>	<u>Year-To-Date</u>	<u>Retroactive Adjustment</u>	<u>Program-To-Date</u>
Total Evaluation	12,083.00	0.00	16,863.00
Equipment/Vendor:	550.00	0.00	1,700.00
Promotional:	0.00	0.00	9,636.00
Customer Incentives:	4,150.00	0.00	12,100.00
Other Costs:	0.00	0.00	0.00
<b>Total Program Costs</b>	<b>16,783.00</b>	<b>0.00</b>	<b>40,299.00</b>
<b>Lost Revenues:</b>	<b>85.00</b>	<b>0.00</b>	<b>276.00</b>
Efficiency Incentive:	0.00	0.00	1,224.00
Maximizing Incentive:	839.00	0.00	839.00
<b>Total Costs</b>	<b>17,707.00</b>	<b>0.00</b>	<b>42,638.00</b>

### COMMENTS:

The Commercial High Efficiency Heat Pump/Air Conditioner program offers financial incentive to small commercial customers (< 100 kW demand) who upgrade to a new qualifying central air conditioner or heat pump with a Consortium for Energy Efficiency (CEE) rating. Applicable for 5 ton units or less.

The YTD Estimated in Place Energy (kWh) Savings for heat pump and air conditioner participants is 1,360 and 60 respectively.

The YTD Anticipated Peak Demand (kW) Reduction summer/winter for heat pump and air conditioner participants is 1/3 and 0/0 respectively.

The YTD Lost Revenue for heat pump and air conditioner participants is \$85 and \$000 respectively.

The Maximizing Incentive for heat pump participants is \$522 and for air conditioner participants is \$317.

The participant and expense forecast for 2012 is 20 central air conditioners and 40 heat pumps with a program budget of \$50,474.

## KENTUCKY POWER COMPANY

<b>PROGRAM INFORMATION</b>	
PROGRAM:	Commercial Incentive
PARTICIPANT DEFINITION:	Number of Participants Projects Installed & Inspected
CUSTOMER SECTOR:	Commercial
REPORTING PERIOD:	January 1, 2012 - June 30, 2012

<b>New Participants</b>	
Jan	0
Feb	1
Mar	3
Apr	4
May	4
Jun	12
Jul	0
Aug	0
Sep	0
Oct	0
Nov	0
Dec	0
YTD	24
PTD	42

<b>Impacts</b>		
	<u>Year-To-Date</u>	<u>Program-To-Date</u>
Estimated in Place Energy (kWh) Savings	59,610	80,693
Anticipated Peak Demand (kW) Reduction:		
Summer	97	177
Winter	97	177

<b>Costs</b>			
	<u>Year-To-Date</u>	<u>Retroactive Adjustment</u>	<u>Program-To-Date</u>
Total Evaluation	33,799.00	0.00	50,988.00
Equipment/Vendor:	268,708.00	0.00	464,251.00
Promotional:	0.00	0.00	9,294.00
Customer Incentives:	28,024.00	0.00	58,312.00
Other Costs:	0.00	0.00	0.00
<b>Total Program Costs</b>	<b>330,531.00</b>	<b>0.00</b>	<b>582,845.00</b>
Lost Revenues:	3,961.00	0.00	4,523.00
Efficiency Incentive:	0.00	0.00	42,852.00
Maximizing Incentive:	16,527.00	0.00	16,527.00
<b>Total Costs</b>	<b>351,019.00</b>	<b>0.00</b>	<b>646,747.00</b>

**COMMENTS:**

The Commercial Incentive program offers energy savings for all commercial business customers through promotion of high efficiency electric lighting, HVAC, pumps, and motors. Primary objectives include; increasing the market share and installation rate of high efficiency technologies, and improving the operating efficiencies of existing long life equipment for commercial customers.

The participant and expense forecast for 2012 is 185 customers and \$1,630,725.

## KENTUCKY POWER COMPANY

<b>PROGRAM INFORMATION</b>	
PROGRAM:	Smart Audit - Commercial - Inactive
PARTICIPANT DEFINITION:	Number of Audits
CUSTOMER SECTOR:	Commercial
REPORTING PERIOD:	January 1, 2012 - June 30, 2012

<b>New Participants</b>			
	Class I	Class II	
Jan	0	0	
Feb	0	0	
Mar	0	0	
Apr	0	0	
May	0	0	
Jun	0	0	
Jul	0	0	
Aug	0	0	
Sep	0	0	
Oct	0	0	
Nov	0	0	
Dec	0	0	
YTD	0	0	
PTD	1,952	194	

<b>Impacts</b>			
	Year-To-Date	Program-To-Date	
Estimated in Place Energy (kWh) Savings	n/a	n/a	
Anticipated Peak Demand (kW) Reduction:			
Summer	n/a	n/a	
Winter	n/a	n/a	

<b>Costs</b>			
Description	Year-To-Date	Retroactive Adjustment	Program-To-Date
Total Evaluation	0.00	0.00	30,661.00
Equipment/Vendor:	0.00	0.00	1,268,176.00
Promotional:	0.00	0.00	0.00
Customer Incentives:	0.00	0.00	0.00
Other Costs:	0.00	0.00	(8,156.00)
<b>Total Program Costs</b>	<b>0.00</b>	<b>0.00</b>	<b>1,290,681.00</b>
<b>Lost Revenues:</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Efficiency Incentive:	0.00	0.00	0.00
Maximizing Incentive:	0.00	0.00	64,533.00
<b>Total Costs</b>	<b>0.00</b>	<b>0.00</b>	<b>1,355,214.00</b>

**COMMENTS:**

This program was discontinued December 31, 2002.

## KENTUCKY POWER COMPANY

<b>PROGRAM INFORMATION</b>	
PROGRAM:	Smart Incentive - Commercial - Inactive
PARTICIPANT DEFINITION:	Number of Incentives
CUSTOMER SECTOR:	Commercial
REPORTING PERIOD:	January 1, 2012 - June 30, 2012

<b>New Participants</b>	<u>Existing Building</u>	<u>New Building</u>
Jan	0	0
Feb	0	0
Mar	0	0
Apr	0	0
May	0	0
Jun	0	0
Jul	0	0
Aug	0	0
Sep	0	0
Oct	0	0
Nov	0	0
Dec	0	0
<b>YTD</b>	<b>0</b>	<b>0</b>
<b>PTD</b>	<b>182</b>	<b>69</b>

<b>Impacts</b>	<u>Year-To-Date</u>	<u>Program-To-Date</u>
Estimated in Place Energy (kWh) Savings	0	125,682,085
Anticipated Peak Demand (kW) Reduction:		
Summer	0	1,519
Winter	0	2,640

<b>Costs</b>	<u>Year-To-Date</u>	<u>Retroactive Adjustment</u>	<u>Program-To-Date</u>
<b>Description</b>			
Total Evaluation	0.00	0.00	144,039.00
Equipment/Vendor:	0.00	0.00	21,504.00
Promotional:	0.00	0.00	0.00
Customer Incentives:	0.00	0.00	399,592.00
Other Costs:	0.00	0.00	691.00
<b>Total Program Costs</b>	<b>0.00</b>	<b>0.00</b>	<b>565,826.00</b>
<b>Lost Revenues:</b>			
Efficiency Incentive:	0.00	442.00	891,458.00
Maximizing Incentive:	0.00	1,078.00	88,039.00
Maximizing Incentive:	0.00	0.00	281.00
<b>Total Costs</b>	<b>0.00</b>	<b>1,520.00</b>	<b>1,545,604.00</b>

**COMMENTS:**

This program was discontinued December 31, 2002.

**KENTUCKY POWER COMPANY**

<b>PROGRAM INFORMATION</b>	
PROGRAM:	Smart Audit - Industrial - Inactive
PARTICIPANT DEFINITION:	Number of Audits
CUSTOMER SECTOR:	Industrial
REPORTING PERIOD:	January 1, 2012 - June 30, 2012

<b>New Participants</b>			
	<u>Class I</u>	<u>Class II</u>	
Jan	0	0	
Feb	0	0	
Mar	0	0	
Apr	0	0	
May	0	0	
Jun	0	0	
Jul	0	0	
Aug	0	0	
Sep	0	0	
Oct	0	0	
Nov	0	0	
Dec	0	0	
YTD	0	0	
PTD	60	4	

<b>Impacts</b>			
	<u>Year-To-Date</u>	<u>Program-To-Date</u>	
Estimated in Place Energy (kWh) Savings	n/a	n/a	
Anticipated Peak Demand (kW) Reduction:			
Summer	n/a	n/a	
Winter	n/a	n/a	

<b>Costs</b>			
<u>Description</u>	<u>Year-To-Date</u>	<u>Retroactive</u>	
		<u>Adjustment</u>	<u>Program-To-Date</u>
Total Evaluation	0.00	0.00	5,741.00
Equipment/Vendor:	0.00	0.00	37,786.00
Promotional:	0.00	0.00	0.00
Customer Incentives:	0.00	0.00	0.00
Other Costs:	0.00	0.00	161.00
Total Program Costs	0.00	0.00	43,688.00
Lost Revenues:	0.00	0.00	0.00
Efficiency Incentive:	0.00	0.00	0.00
Maximizing Incentive:	0.00	0.00	2,186.00
Total Costs	0.00	0.00	45,874.00

**COMMENTS:**

This program was discontinued December 31, 1998.

**KENTUCKY POWER COMPANY**

<b>PROGRAM INFORMATION</b>	
PROGRAM:	Smart Incentive - Industrial - Inactive
PARTICIPANT DEFINITION:	Number of Incentives
CUSTOMER SECTOR:	Industrial
REPORTING PERIOD:	January 1, 2012 - June 30, 2012

<b>New Participants</b>		
	<u>General</u>	<u>Compressed Air</u>
Jan	0	0
Feb	0	0
Mar	0	0
Apr	0	0
May	0	0
Jun	0	0
Jul	0	0
Aug	0	0
Sep	0	0
Oct	0	0
Nov	0	0
Dec	0	0
<b>YTD</b>	<b>0</b>	<b>0</b>
<b>PTD</b>	<b>1</b>	<b>0</b>

<b>Impacts</b>		
	<u>Year-To-Date</u>	<u>Program-To-Date</u>
Estimated in Place Energy (kWh) Savings	0	170,525
Anticipated Peak Demand (kW) Reduction:		
Summer	0	6
Winter	0	6

<b>Costs</b>			
<u>Description</u>	<u>Year-To-Date</u>	<u>Retroactive</u>	
		<u>Adjustment</u>	<u>Program-To-Date</u>
Total Evaluation	0.00	0.00	28,385.00
Equipment/Vendor:	0.00	0.00	3,288.00
Promotional:	0.00	0.00	0.00
Customer Incentives:	0.00	0.00	441.00
Other Costs:	0.00	0.00	0.00
<b>Total Program Costs</b>	<b>0.00</b>	<b>0.00</b>	<b>32,114.00</b>
Lost Revenues:	0.00	0.00	0.00
Efficiency Incentive:	0.00	0.00	383.00
Maximizing Incentive:	0.00	0.00	655.00
<b>Total Costs</b>	<b>0.00</b>	<b>0.00</b>	<b>33,152.00</b>

**COMMENTS:**

This program was discontinued December 31, 1998.



**Kentucky Power Company**

**REQUEST**

Refer to the response to Commission Staff's First Request for Information ("Staff's First Request"), Item 7a. It states, "Many of these are one-time start-up and implementation expenses." Confirm that the fixed costs are one-time start-up and implementation expenses that should not recur.

**RESPONSE**

With the single exception described below, the Company anticipates the majority of the fixed costs referred to in the Company's response to item 7a are one time start up and implementation expenses that should not recur. For the Commercial Incentive program, the Company is considering proposals from other program implementation contractors. If evaluation of the proposals justifies a change with the program implementation contractor, then there would be start-up cost associated with the transition to a new vendor.

**WITNESS:** E J Clayton





## **Kentucky Power Company**

### **REQUEST**

Refer to the response to Staff's First Request, Item 9. It states, "The Company is evaluating proposals to contract for an implementation contractor to provide turn-key project management and incentive processing for five DSM programs." Provide an update of Kentucky Power's proposal to contract for an implementation contractor.

### **RESPONSE**

Four proposals from four different vendors were received by Kentucky Power. Kentucky Power has reviewed the proposals and follow-up questions to the proposals were submitted to each vendor. The questions requested additional information needed to determine if each of the five DSM programs would remain cost effective using an external implementation contractor. If the programs are deemed cost effective through the vendor review process, Kentucky Power will recommend the programs to the collaborative using the selected implementation contractor. The program expense using an implementation contractor would be represented with the February 15, 2013 filing.

**WITNESS:** E J Clayton



**Kentucky Power Company**

**REQUEST**

Refer to the response to Staff's First Request, Item 12. It states, "The Total Resource Cost Test (TRC) cost-effectiveness is not affected by customer incentives."

- a. Explain the effect, if any, there will be on the other California cost-effectiveness tests due to increased incentives.
- b. Explain, in general, how the results of the other California cost-effectiveness tests, due to the increased incentives, will affect Kentucky Power's decision making in implementing, expanding, continuing, or discontinuing DSM programs.

**RESPONSE**

- a. Increased incentives will generally have a positive effect on the Participant Test and a negative effect on the Utility Cost test and Ratepayer Impact Measure test.
- b. The Company will continue to conduct the four California cost-effectiveness tests as each test provides valuable insight for developing and implementing effective DSM programs. The Company would consider cost effective measures in conjunction with recommendations from program evaluation studies to plan and develop DSM programs. The TRC test is referenced specifically in the Tariff D.S.M.C (Demand Side Management Adjustment Clause) and would therefore be a key measure for evaluation of Kentucky Power DSM programs.

**WITNESS:** E.J. Clayton



**Kentucky Power Company**

**REQUEST**

Refer to the response to Staff's First Request, Item 14. It states, "Environmental costs were not included in the analysis."

- a. If environmental costs were considered in the California cost-effectiveness tests, explain whether the programs that are deemed not cost-effective, would become so.
- b. In the cost/benefit evaluation of the Residential High Efficiency Heat Pump-Mobile Home Program, on page 12 of the application in Case No. 2008- 000350,<sup>2</sup> it states, "The primary drivers for the increased B/C ratios were increased fuel costs and increased emission rates." Explain whether fuel costs and emission rates were a consideration in the cost-effectiveness for this program and other programs being evaluated in this filing.

**RESPONSE**

- a. The Company's response to KPSC 1-14 stating environmental costs were not included in the analysis was incorrect. Implicit in the expenses associated with avoided cost of energy are certain environmental expenses.
- b. Yes, implicit in the avoided costs for energy are fuel and emissions costs for the marginal unit of generation. Emission costs include costs for NO<sub>x</sub>, SO<sub>2</sub>, and CO<sub>2</sub> beginning in 2022.

**WITNESS:** E J Clayton

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<sup>2</sup> Case No 2008-00350, Joint Application Pursuant to 1994 House Bill No. 501 for Approval of Kentucky Power Company Collaborative Demand-Side Management Programs and 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 (Ky. PSC Nov 25, 2008)



**Kentucky Power Company**

**REQUEST**

Refer to the response to Staff's First Request, Item 15. It states, "The Company is currently evaluating proposals from three vendors following issuance of an August 20, 2012 Request for Proposal for 'turn-key' program services, with the aim of enhancing the program's cost effectiveness levels." Explain the status of Kentucky Power's evaluation of proposals from the three vendors.

**RESPONSE**

The Company received three vendor proposals for the programs and has received responses to a comprehensive list of questions issued to each vendor. Follow-up questions and direct site meetings will be scheduled as applicable before final selection of the vendor to implement this program.

**WITNESS:** E J Clayton





**Kentucky Power Company**

**REQUEST**

Refer to the response to Staff's First Request, Item 17. It states, "Kentucky Power plans to utilize an implementation contractor to process customer and dealer incentive payments."

- a. Explain how the cost of an implementation contractor will be captured, and whether the cost of an implementation contractor will affect the cost-effectiveness of the program.
- b. Explain how the customer and dealer/vendor incentive payments have been handled for other programs if an implementation contractor has not been used.

**RESPONSE**

- a. This will be included as an administrative expense charged to the specific program and/or possibly to the program measure if applicable. The cost associated with this potentially new vendor service is still being evaluated based on proposals from four vendors. As a result, the effect on program cost-effectiveness has not been determined. If this vendor's services are utilized, the increase in administrative expense could be offset by improved program performance through improved marketing, dealer training, quality inspections, and rebate processing resulting in full customer participation.
- b. The Pilot Residential and Commercial Load Management program processes customer incentives through the Company billing system. Customers receive the incentive payment for their participation in the program and per the terms of the R.C.L.M. Tariff.

**WITNESS:** E J Clayton



**Kentucky Power Company**

**REQUEST**

Refer to the response to Staff's First Request, Item 19. It states, "The Company expects that some combination of changes to program offerings, incentive levels, or program budgets would increase cost-effectiveness." Provide an expanded response to this statement.

**RESPONSE**

The Company will utilize recommendations included with the program evaluation along with recommendations from the proposed implementation vendor. Stated program modifications from the evaluation include the reduction of dealer and customer incentive amounts and the removal of incentives for central air conditioner diagnostics and tune-ups.

**WITNESS:** E J Clayton



**Kentucky Power Company**

**REQUEST**

Refer to the response to Staff's First Request, Item 25. It states, "After recommendations from and discussions with AEG and APT, Kentucky Power will remove LED holiday lights, LED nightlights and ENERGY STAR ceiling fans from the program, subject to approval from the Public Service Commission." Explain whether this is one of the "Key Findings or Recommendations" that Kentucky Power is considering, and for which Kentucky Power is requesting Commission approval.

**RESPONSE**

Yes, the request for the removal of LED holiday lights, LED night-lights and ENERGY STAR ceiling fans from the Residential Efficient Products Program is part of the "Key Finding and Recommendations" of the evaluation. Kentucky Power is requesting Commission approval to remove these measures from the program.

**WITNESS:** E J Clayton



**Kentucky Power Company**

**REQUEST**

Refer to the response to Staff's First Request, Item 31.

- a. With respect to the capacity costs listed in the response, explain what, if any, consideration was given toward Kentucky Power for building or buying generation capacity.
- b. Identify and explain the reasons why it is more appropriate to use PJM prices for avoided costs, rather than costs specific for Kentucky Power for building or buying generation capacity.

**RESPONSE**

- a. No consideration was given for building or buying generation capacity as a means of valuing DSM programs.
- b. DSM programs avoid the "marginal" unit of generation. By avoiding this marginal unit of generation, it frees up one more unit that can be sold, or conversely one less that has to be purchased. The PJM market provides a transparent and objective value for these marginal units of generation.

Using the value that Kentucky Power can build or buy generation implies that there is a (significant) difference between the PJM market and the price that generation would transact for outside of PJM. Any such difference would not, in theory, be significant or long-lived.

**WITNESS:** Lila P Munsey





**Kentucky Power Company**

**REQUEST**

The PJM auction price for capacity for planning year 2008-2009 relative to 2012-2013 is \$16.46/MW-Day.

- a. Provide the PJM auction price for capacity from the planning years relative to the following years: 2009-2010; 2010-2011; 2011-2012; 2013-2014; 2014-2015; and 2015-2016.
- b. Explain at what PJM auction price for capacity the Kentucky Power DSM programs that are currently not cost-effective would become cost-effective.

**RESPONSE**

a.

PJM Delivery Year	Resource Clearing Price (\$/MW-day)
2009/2010	\$102.04
2010/2011	\$174.29
2011/2012	\$110.00
2012/2013	\$16.46
2013/2014	\$27.73
2014/2015	\$125.99
2015/2016	\$136.00

- b. KPCo can not provide the specific capacity cost in response to this request. KPCo DSM programs involve the installation of energy efficiency measures that provide benefits over multiple years. Thus, depending on the measure, the PJM capacity price (or forecast) for as many as 20 years may, in part, determine the cost-effectiveness of a measure installed today. In addition, avoided capacity is not the sole determinant of cost-effectiveness. In fact, avoided capacity is typically a smaller component of avoided costs than is the avoided energy value. Additionally, program delivery costs are another component of cost-effectiveness that would have to be considered.

**WITNESS:** E J Clayton



**Kentucky Power Company**

**REQUEST**

Refer to the response to Staff's First Request, Item 33. It states that "the incentives identified in the Company's February 2012 filing were misreported because of an error." Provide any analysis necessary to explain the error.

**RESPONSE**

The assumption sheets for program results for the 2011 evaluation reports included incorrect data. Attachment 1 is the assumption sheet used with the February 2012 reporting and Attachment 2 is the corrected version used with the August 2012 filing.

**WITNESS:** E J Clayton







**Kentucky Power Company**

**REQUEST**

Refer to the response to Staff's First Request, Item 34, attached Compact Disc Explain whether the headings on the Microsoft Excel spreadsheet labeled "Item No 1 - Efficiency Incentives and KWH Savings WC 7.20.11" should be 2008 3-Year Prospective or 2011 3-Year Prospective.

**RESPONSE**

Yes. The column header should be revised to "2011 3 - year Prospective".

**WITNESS:** E J Clayton





## Kentucky Power Company

### REQUEST

For those DSM programs, as of June 30, 2012, whose participation level is 45 percent or less of goal, explain Kentucky Power's plan to meet the 2012 goal.

### RESPONSE

In addition to the specific examples listed below by program, Kentucky Power has promoted its Energy Efficiency program through various means. Kentucky Power has utilized its website, bill inserts, purchased numerous television advertisements, and purchased advertisement time on 10 radio stations that service Kentucky Power service territory.

#### **Targeted Energy Efficiency program**

Kentucky Power staff has been in contact with Community Action of Kentucky (CAK) and the Community Action Agencies (CAAs) to obtain the best information available for the forecasted target numbers. The communication has also kept Kentucky Power staff informed of the status of CAK funding issues. As a result, target levels were reduced with the August filing. Kentucky Power staff is working with the CAAs to keep the programs cost effective.

#### **Mobile Home New Construction program**

Kentucky Power staff reaches out directly to dealers. Kentucky Power staff conducts site visits to dealers. Kentucky Power staff also provides reports to dealers regarding submitted rebate applications to compare with dealers sales data. The information is used to ensure as many people as possible have the opportunity to receive rebates.

#### **Energy Education for Students program**

The National Energy Education Development project, Inc. (NEED) increased its marketing of the program to schools and teachers eligible for the program. NEED conducted three training workshops within Kentucky Power Service territory. Kentucky Power staff reached out to all eligible teachers within its service territory to promote the program and schedule delivery of the CFLs to the schools. As of the time of this response, 61% of CFLs have been delivered and an additional 48% are scheduled by the end of the year.

**High Efficiency Heat Pump program**

Kentucky Power staff reaches out directly to HVAC dealers to help promote the program to consumers. Kentucky Power staff promotes the energy efficiency program at all outreach events.

**Residential Efficient Products Program**

Kentucky Power has regular conference calls with the implementation contractor. In-store coupons have been modified per suggestions from the evaluation to be more user-friendly. More types of ENERGY STAR bulbs may be activated for in-store markdowns to increase sales and achieve targets.

**Small Commercial Heat Pump/Air Conditioner Incentive Program**

Kentucky Power placed 32 newspaper advertisements in 8 newspapers throughout its service territory. Additional advertisements are being considered. Kentucky Power staff reaches out directly to HVAC dealers with site visits to promote the program and provide dealer training. Phone calls are also used to help promote the program to dealers.

**Commercial Incentive**

Kentucky Power contracts turn-key administrative services; including program administration, promotion and marketing services with an implementation contractor. Since June 30th, the vendor has hired one additional 'local' staff member to assist with customer visits and outreach activities. The Direct Install ('Express Install' for promotion) has been introduced for small commercial customers and is primarily driven by local contractors. This program component has been successful throughout the U.S. according to the program implementation contractor and sales leads generated by local contractors are providing additional project opportunities.

**Pilot Residential and Commercial Load Management**

The Company expects to complete a revised contract with the program implementation contractor enabling the vendor to implement a final marketing promotion through February 2013 and targeting maximum customer participation as referenced by the proposed R.C.L.M. tariff.

WITNESS: E J Clayton