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March 11, 2008

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Ms. Beth O'Donnell
Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602-0615

RE: P.S.C. Case 2008-00059

Dear Ms. O'Donnell:

Enclosed please find and accept for filing an original and five copies of Kentucky Power Company's Response to the Data Requests propounded by the Commission's March 4, 2008 Order.

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

Very truly yours,



Mark R. Overstreet

KE057:00KE4:16706:1:FRANKFORT

COMMONWEALTH OF KENTUCKY
BEFORE THE
PUBLIC SERVICE COMMISSION OF KENTUCKY

IN THE MATTER OF

THE JOINT APPLICATION PURSUANT TO 1994)
HOUSE BILL NO 501 FOR THE APPROVAL OF AMERICAN)
ELECTRIC POWER/KENTUCKY POWER COMPANY)
COLLABORATIVE DEMAND-SIDE MANAGEMENT)
PROGRAMS, AND FOR AUTHORITY TO IMPLEMENT A) Case No. 2008-00059
TARIFF TO RECOVER COSTS, NET LOST REVENUES AND)
RECEIVE INCENTIVES ASSOCIATED WITH THE)
IMPLEMENTATION OF THE KENTUCKY POWER)
COMPANY COLLABORATIVE DEMAND-SIDE)
MANAGEMENT PROGRAMS)

KENTUCKY POWER COMPANY

RESPONSES TO COMMISSION STAFF FIRST SET OF DATA REQUESTS

March 11, 2008

Kentucky Power Company

REQUEST

Refer to Exhibit C of the Application. Explain why, for the programs listed on page 2 and various programs listed on pages 3A,3C,4B,5A,9A and 9B of 16, the number of cumulative participants is less than the number of new participants. If corrections to any of the schedules are necessary, provide the required revisions to those schedules. If the corrections have any effect on the current filing, provide the necessary revisions to all affected schedules.

RESPONSE

“Cumulative participants” is the calculation of the equivalent number of customers participating for a full year. It is not a running tally of the number of new customers in a given year. For example, two customers joining effective July 1st of any year have the same effect as a single customer joining effective January 1st of the same year. Under this example, the two new customers are the equivalent of one cumulative participant. Similarly, four new customers joining effective October 1st of a given year (that is, participating for one-fourth of the year) are the equivalent of one cumulative customer (that is, one customer joining effective January 1st). Unless all new customers join effective January 1st of a year, the number of cumulative participants will always be less than the total of new customers.

Because there is not a single “start” date within a month for participation in DSM Programs, the Company employs a “half-month” convention in calculating the number of cumulative participants. Under the convention, participants joining in a particular month are treated as having joined on the 15th day of that month without regard to the actual day of the month their participation began. The calculation also uses a 360 day year. The convention simplifies calculations without prejudicing ratepayers or the Company, and has been used by Kentucky Power since 1996 when the first DSM Program was implemented.

The manner in which the number of cumulative participants is calculated, and the effect of the half-month convention, are illustrated on page 3 of 3 of the Company's response to Item No.1. For example, during February 1996, 20 new participants joined at some time during the month. Using the half-month convention, each new participant will be participating for 0.875 (315 days remaining in the year/360 days in the year) of a year, and is the equivalent of 0.875 full year ("cumulative") participants. Thus, the 20 new participants are the equivalent of 18 "cumulative" participants ($0.875 * 20 = 17.5 = 18$.)

Because the Company's calculation of cumulative customers is believed to be arithmetically correct, and consistent with the practice it has employed since 1996, the Company does not believe there are any corrections required to the schedules.

WITNESS: Errol K Wagner

Kentucky Power Company
 Targeted Energy Efficiency Program
 1996 New Monthly Participants and Cumulative Participants

| Month | Year | Number of All Electric Participants | Partial Month Convention | Prorated Factor | Cumulative Participants |
|-----------|------|---|--------------------------------|--------------------|----------------------------|
| January | 1996 | 0 | 345 / 360 | 0.9583 | 0 |
| February | 1996 | 20 | 315 / 360 | 0.8750 | 18 |
| March | 1996 | 10 | 285 / 360 | 0.7917 | 8 |
| April | 1996 | 4 | 255 / 360 | 0.7083 | 3 |
| May | 1996 | 34 | 225 / 360 | 0.6250 | 21 |
| June | 1996 | 21 | 195 / 360 | 0.5417 | 11 |
| July | 1996 | 38 | 165 / 360 | 0.4583 | 17 |
| August | 1996 | 23 | 135 / 360 | 0.3750 | 9 |
| September | 1996 | 23 | 105 / 360 | 0.2917 | 7 |
| October | 1996 | 26 | 75 / 360 | 0.2083 | 5 |
| November | 1996 | 16 | 45 / 360 | 0.1250 | 2 |
| December | 1996 | 8 | 15 / 360 | 0.0417 | 0 |
| Total | | 223 | | | 101 |