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PUBLIC SERVICE
COMMISSION

Elizabeth O'Donnell, Executive Director
Kentucky Public Service Commission
P. O. Box 615
211 Sower Boulevard
Frankfort, KY 40602

August 13, 2004

Dear Ms. O'Donnell:

Re: Case No. 2004-00316

In the Matter of the Joint Application Pursuant to 1994 House Bill No. 501 for the Approval of American Electric Power/Kentucky Power Company ("AEP/Kentucky") Collaborative Demand-Side Management Programs, and for Authority to Implement a Tariff to Recover Costs, Net Lost Revenues and Receive Incentives associated with the Implementation of the AEP/Kentucky Collaborative Demand-Side Management Programs.

Pursuant to the Commission's Order dated May 22, 1996, enclosed are an original and ten copies of the Joint Applicants' sixteenth six-month status report. This report describes the operation and progress of the Demand-Side Management Plan.

Specifically, the Joint Applicants seek authority for AEP/Kentucky, in conjunction with its utility services and pursuant to the 1994 House Bill No. 501, to implement the enclosed revised electric tariff to recover costs associated with the implementation of demand-side management programs, which include net lost revenues and incentives related to those programs.

In the initial application for the Modified Energy Fitness Program dated August 14, 2002, the DSM Collaborative projected annual participation levels at 500 per year for the years 2003, 2004, and 2005 for this program. The Collaborative underestimated the number of annual participants in the initial application due to the customers' overwhelming endorsement of the program. The implementation contractor, Honeywell DMC Services, weatherized 542 homes last year and expects to complete an additional 673 homes this year. That would only leave 275 homes remaining from the original application. Honeywell DMC Services expects to complete the weatherization of these 275 homes by May 31, 2005.

Elizabeth O'Donnell
August 13, 2004
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The Collaborative requests the Public Service Commission approve the weatherization of an additional 500 customers' homes in 2005 for a total number of homes in this program of 2,000 verses the original approved number of 1,500 homes. This would allow the Collaborative sufficient time to: 1) evaluate the cost-effectiveness of the 2003-2004 program; 2) make any needed adjustments to improve the overall cost-effectiveness of the program; and 3) submit the evaluation report for 2003-2004 program. The next evaluation report will be filed August 15, 2005.

The revised DSM Adjustment clause factor for each customer sector has been agreed upon and is proposed by the DSM Collaborative (see Exhibit C, Column 4, Lines 12 and 25). The proposed factor for the residential and commercial sectors is the midpoint between the ceiling and the floor calculations as demonstrated on Exhibit C. The floor was calculated by taking the Collaborative's projected remaining fourth quarter position (see Exhibit C, Column 4, Lines 2 and 15) and dividing by the adjusted estimated sector KWH sales for the remaining fourth quarter (see Exhibit C, Column 4, Lines 10 and 23). The ceiling was calculated by taking the Collaborative's projected remaining fourth quarter position (see Exhibit C, Column 4, Lines 4 and 17) and dividing by the adjusted estimated sector KWH sales for the remaining fourth quarter (see Exhibit C, Column 4, Lines 10 and 23).

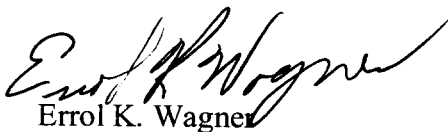
The Joint Applicants request the Commission to approve the following:

- (1) The Experimental DSM Electric Tariff to become effective September 28, 2004. This will allow the Company to utilize new factors with the first billing cycle in October 2004.
- (2) The weatherization of an additional 500 customers' homes in the Modified Energy Fitness Program during 2005.

As is customary, the Company requests the Commission to return a stamped copy of the revised tariff sheet upon approval.

If you have any questions please contact me at (502) 696-7010.

Sincerely,



Errol K. Wagner
Director of Regulatory Services
Enclosure

EXPERIMENTAL DEMAND-SIDE MANAGEMENT ADJUSTMENT CLAUSE (Cont'd.)
(Tariff Experimental D.S.M.C.)

RATE. (Cont'd.)

5. The DSM adjustment shall be filed with the Commission ten (10) days before it is scheduled to go into effect, along with all the necessary supporting data to justify the amount of the adjustments which shall include data and information as may be required by the Commission.
6. Copies of all documents required to be filed with the Commission under this regulation shall be open and made available for public inspection at the office of the Public Service Commission pursuant to the provisions of KRS 61.870 to 61.884.
7. The resulting range for each customer sector per KWH during the three-year Experimental Demand-Side Management Plan is as follows:

<u>CUSTOMER SECTOR</u>			
	<u>RESIDENTIAL</u> (\$ Per Kwh)	<u>COMMERCIAL</u> (\$ Per KWH)	<u>INDUSTRIAL*</u> (\$ Per KWH)
Floor Factor =	0.000232	0.000022	- 0 -
Ceiling Factor =	0.000517	0.000074	- 0 -

(I) (I)
(I) (I)

8. The DSM Adjustment Clause factor (\$ Per KWH) for each customer sector which fall within the range defined in Item 7 above is as follows:

	<u>CUSTOMER SECTOR</u>		
	<u>RESIDENTIAL</u>	<u>COMMERCIAL</u>	<u>INDUSTRIAL*</u>
DSM (c)	\$ 241,254	\$ 17,040	- 0 -
S ©	643,344,500	354,997,500	- 0 -
Adjustment Factor \$	0.000375	0.000048	- 0 -

(D) (I)
(D) (D)

(I) (I)

*The Industrial Sector has been discontinued pursuant to the Commission's Order dated September 28, 1999.

DATE OF ISSUE August 13, 2004 EFFECTIVE DATE September 28, 2004

ISSUED BY ERROL K. WAGNER *Errol K. Wagner* DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
 NAME TITLE ADDRESS

AMERICAN ELECTRIC POWER - KENTUCKY

Demand Side Management

Status Report

As of June 30, 2004

INDEX

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DEFINITIONS

- 1) YTD Costs
 - Year-to-Date costs recorded January 1, 2004 through June 30, 2004.
- 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, 2004.
- 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, 2004. The Residential, Commercial, and Industrial total 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 for 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 and June 30, 2002 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 1/1/04 to 06/30/04 are calculated using the revised values contained in Schedule C of the 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 $\frac{1}{2}$ the new participants for the current month, plus the cumulative participants from 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.

**AMERICAN ELECTRIC POWER - KENTUCKY
SUMMARY INFORMATION (ALL PROGRAMS)**

AS OF JUNE 30, 2004

DESCRIPTION	YTD	PTD
Total Revenue Collected	<u>\$557,840</u>	<u>\$9,258,006</u>
Total Program Costs	246,378	6,300,775
Total Lost Revenues	132,733	2,515,643
Total Efficiency/ Maximizing Incentive	<u>11,245</u>	<u>497,176</u>
Total DSM Costs As Of June 30, 2004	<u>\$390,356</u>	<u>\$9,313,594</u>

DESCRIPTION	YTD	PTD
Actual In-Place Energy Savings:	744,538 kWh	163,720,990 kWh
w/ T&D Line Losses:	818,992 kWh	180,093,089 kWh
Total kW Reductions:		
Winter	441	13,921
w/ T&D Line Losses:	490	15,452
Summer	58	3,359
w/T&D Line Losses:	64	3,728



AMERICAN ELECTRIC POWER - KENTUCKY

PROGRAM INFORMATION

PROGRAM:	Energy Fitness
PARTICIPANT DEFINITION:	Number of Households
CUSTOMER SECTOR:	Residential
REPORTING PERIOD:	January - June, 2004

2004

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	YTD	PTD
New Participants	0	0	0	0	0	0	0						0	2,812

Impacts

Estimated in Place Energy (kWh) Savings		Anticipated Peak Demand (kW) Reduction			
YTD	PTD	YTD	PTD	Summer	Winter
0	27,810,907	0	0	441	1,932



AMERICAN ELECTRIC POWER - KENTUCKY

Energy Fitness	
Reporting Period:	January - June, 2004

Costs			
Description	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
Total Program Costs:	0.00	0.00	685,113.00
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
Total Costs:	0.00	(65,671.00)	1,111,624.00



AMERICAN ELECTRIC POWER - KENTUCKY

COMMENTS:

This program was discontinued May 14, 1999.



AMERICAN ELECTRIC POWER - KENTUCKY

PROGRAM INFORMATION

PROGRAM:	Targeted Energy Efficiency
PARTICIPANT DEFINITION:	Number of Households
CUSTOMER SECTOR:	Residential - Low Income
REPORTING PERIOD:	January - June, 2004

		2004												
Participants	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	YTD	PTD
All Electric	5	10	10	19	13	15							72	1,605
Non All Electric	0	3	4	1	2	0							10	523

		Impacts			
Estimated in Place Energy (kWh) Savings		Anticipated Peak Demand (kW) Reduction			
YTD	PTD	YTD		PTD	
		Summer	Winter	Summer	Winter
168,803	37,092,367	7	35	477	2,177



AMERICAN ELECTRIC POWER - KENTUCKY

Targeted Energy Efficiency	
Reporting Period:	January - June, 2004

Costs			
Description	Year-To-Date	Retroactive Adjustment	Program-To-Date
Total Evaluation	0.00	0.00	187,499.00
Equipment/Vendor:	54,607.00	0.00	1,647,320.00
Promotional:	0.00	0.00	0.00
Customer Incentives:	0.00	0.00	0.00
Other Costs:	290.00	0.00	8,479.00
Total Program Costs:	54,897.00	0.00	1,843,298.00
Lost Revenues:	16,563.00	1,944.00	360,944.00
Efficiency Incentive:	43.00	184.00	2,647.00
Maximizing Incentives:	2,706.00	0.00	88,620.00
Total Costs:	74,209.00	2,128.00	2,295,509.00

AMERICAN ELECTRIC POWER - KENTUCKY

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 Community Action Agencies have identified 196 non-all-electric homes that will qualify for weatherization services. The majority of these homes are located in Pike and Floyd counties. The Collaborative will continue to work closely with Big Sandy Area Community Action Agency to insure the majority of these homes are weatherized this year.

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 \$54,111 for all-electric homes and \$786 for non-all-electric homes.

The YTD Estimated in Place Energy (kWh) Savings for the all-electric participants and non-all-electric participants is 140,564 and 28,239 respectively.

The YTD Anticipated Peak Demand (kW) Reduction summer/winter for all-electric and non-all-electric participants is 6/34 and 1/1 respectively.

The YTD Lost Revenue for all-electric participants and non-all-electric participants is \$14,807 and \$1,756 respectively.



AMERICAN ELECTRIC POWER - KENTUCKY

COMMENTS:

The YTD Efficiency Incentive for non-all-electric participants is \$43 and the Maximizing Incentive for all-electric participants is \$2,706.

The projected participant and budgetary levels for 2005 have been revised to reflect what the Collaborative believes to be reasonably achievable goals. The projected participant and budgetary level is 150 all-electric homes, 75 non-all-electric homes, and \$225,000 respectively.

AMERICAN ELECTRIC POWER - KENTUCKY



PROGRAM INFORMATION

PROGRAM:	Compact Fluorescent Bulb
PARTICIPANT DEFINITION:	Number of Bulbs Installed
CUSTOMER SECTOR:	Residential
REPORTING PERIOD:	January - June, 2004

2004

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	YTD	PTD
New Participants	0	0	0	0	0	0	0							269

Impacts

Estimated in Place Energy (kWh) Savings		Anticipated Peak Demand (kW) Reduction				
YTD	PTD	YTD	Summer	Winter	Summer	Winter
0	152,705	0	0	0	3	3



AMERICAN ELECTRIC POWER - KENTUCKY

Compact Fluorescent Bulb	
Reporting Period:	January - June, 2004

Costs			
Description	Year-To-Date	Retroactive Adjustment	Program-To-Date
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
Total Program Costs:	0.00	0.00	15,081.00
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
Total Costs:	0.00	33.00	17,119.00

AMERICAN ELECTRIC POWER - KENTUCKY



COMMENTS:

This program was discontinued December 31, 1996.

AMERICAN ELECTRIC POWER - KENTUCKY

PROGRAM INFORMATION	
PROGRAM:	High Efficiency Heat Pumps - Retrofit
PARTICIPANT DEFINITION:	Number of Units Installed
CUSTOMER SECTOR:	Residential
REPORTING PERIOD:	January - June, 2004

Participant	2004												YTD	PTD	
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.			
Resistance	0	0	0	0	0	0								0	1,367
Non-Resistance	0	0	0	0	0	0								0	929

Impacts					
Actual in Place Energy (kWh) Savings			Anticipated Peak Demand (kW) Reduction		
YTD	PTD		YTD	PTD	
	Summer	Winter		Summer	Winter
0	29,346,165	0	0	851	2,995



AMERICAN ELECTRIC POWER - KENTUCKY

	High Efficiency Heat Pumps - Retrofit
Reporting Period:	January - June, 2004

Costs			
Description	Year-To-Date	Retroactive Adjustment	Program-To-Date
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
Total Program Costs:	0.00	0.00	214,312.00
Lost Revenues:	1,569.00	(269.00)	368,399.00
Efficiency Incentive:	0.00	(2,196.00)	48,017.00
Maximizing Incentive:	0.00	0.00	5.00
Total Costs:	1,569.00	(2,465.00)	630,733.00



AMERICAN ELECTRIC POWER - KENTUCKY

COMMENTS:

This program was discontinued December 31, 2001.

AMERICAN ELECTRIC POWER - KENTUCKY



PROGRAM INFORMATION	
PROGRAM:	Mobile Home High Efficiency Heat Pumps
PARTICIPANT DEFINITION:	Number of Units Installed
CUSTOMER SECTOR:	Residential
REPORTING PERIOD:	January - June, 2004

2004														
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	YTD	PTD
New Participants	3	3	14	7	6	8							41	1,444

Impacts					
Estimated in Place Energy (kWh) Savings			Anticipated Peak Demand (kW) Reduction		
YTD	PTD		YTD	Winter	Summer
103,527	22,780,171	3	70	194	2,683

AMERICAN ELECTRIC POWER - KENTUCKY

Mobile Home High Efficiency Heat Pumps	
Reporting Period:	January - June, 2004

Description	Costs		
	Year-To-Date	Retroactive Adjustment	Program-To-Date
Total Evaluation	0.00	0.00	41,295.00
Equipment/Vendor:	1,950.00	0.00	13,955.00
Promotional:	0.00	0.00	0.00
Customer Incentives:	15,600.00	0.00	651,900.00
Other Costs:	0.00	0.00	1,167.00
Total Program Costs:	17,550.00	0.00	708,317.00
Lost Revenues:	8,788.00	5,820.00	334,124.00
Efficiency Incentive:	1,186.00	18,331.00	89,413.00
Maximizing Incentive:	0.00	0.00	0.00
Total Costs:	27,524.00	24,151.00	1,131,854.00

AMERICAN ELECTRIC POWER - KENTUCKY

COMMENTS:

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

The projected participant and budgetary levels for 2005 have been revised to reflect what the Collaborative believes to be reasonably achievable goals. The projected participant and budgetary level has been reduced to 100 and \$55,000 respectively.



AMERICAN ELECTRIC POWER - KENTUCKY

PROGRAM INFORMATION	
PROGRAM:	Mobile Home New Construction
PARTICIPANT DEFINITION:	Number of Units Installed
CUSTOMER SECTOR:	Residential
REPORTING PERIOD:	January - June, 2004

2004														
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	YTD	PTD
Heat Pump	8	6	16	11	13	14							68	920
Air Conditioner	0	0	0	1	0	0							1	2

Impacts					
Estimated in Place Energy (kWh) Savings			Anticipated Peak Demand (kW) Reduction		
YTD	PTD		YTD	PTD	
		Summer			Winter
286,207	12,567,692	10	184	120	2,490

AMERICAN ELECTRIC POWER - KENTUCKY

Mobile Home New Construction	
Reporting Period:	January - June, 2004

Costs			
Description	Year-To-Date	Retroactive Adjustment	Program-To-Date
Total Evaluation	0.00	0.00	25,219.00
Equipment/Vendor:	3,075.00	0.00	60,113.00
Promotional:	0.00	0.00	3,939.00
Customer Incentives:	31,125.00	0.00	465,650.00
Other Costs:	200.00	0.00	3,216.00
Total Program Costs:	34,400.00	0.00	558,137.00
Lost Revenues:	22,159.00	0.00	242,037.00
Efficiency Incentive:	276.00	0.00	27,454.00
Maximizing Incentive:	0.00	0.00	2,580.00
Total Costs:	56,835.00	0.00	830,208.00

AMERICAN ELECTRIC POWER - KENTUCKY

COMMENTS:

The Collaborative has devised and implemented a plan working 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 YTD participant levels are lower than anticipated due to: 1) the continued slump in sales of new manufactured housing; 2) the number of repossessed homes currently in the marketplace; and 3) the lending institutions tightening of financing guidelines.

The projected participant and budgetary levels for 2005 have been revised to reflect what the Collaborative believes to be reasonably achievable goals. The projected participant and budgetary level has been lowered to 150 heat pumps, 25 air-conditioners and \$ 96,250 respectively.

AMERICAN ELECTRIC POWER - KENTUCKY



PROGRAM INFORMATION

PROGRAM:	Modified Energy Fitness
PARTICIPANT DEFINITION:	Number of Households
CUSTOMER SECTOR:	Residential
REPORTING PERIOD:	January - June, 2004

2004														
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	YTD	PTD
New Participants	76	69	53	63	52	21							334	876

Impacts					
Estimated in Place Energy (kWh) Savings			Anticipated Peak Demand (kW) Reduction		
YTD	PTD		YTD	PTD	
Summer		Winter	Summer		Winter
260,455	1,287,995	44	201	117	526



AMERICAN ELECTRIC POWER - KENTUCKY

Modified Energy Fitness	
Reporting Period:	January - June, 2004

Costs			
Description	Year-To-Date	Retroactive Adjustment	Program-To-Date
Total Evaluation	196.00	0.00	3,003.00
Equipment/Vendor:	139,335.00	0.00	341,205.00
Promotional:	0.00	0.00	0.00
Customer Incentives:	0.00	0.00	0.00
Other Costs:	0.00	0.00	0.00
Total Program Costs:	139,531.00	0.00	344,208.00
Lost Revenues:	27,346.00	0.00	40,256.00
Efficiency Incentive:	7,034.00	0.00	18,448.00
Maximizing Incentive:	0.00	0.00	0.00
Total Costs:	173,911.00	0.00	402,912.00



AMERICAN ELECTRIC POWER - KENTUCKY

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.

In our initial program application (dated August 14, 2002), the DSM Collaborative projected annual participation levels at 500 per year for the years 2003, 2004, and 2005. The Collaborative underestimated the number of annual participants in our initial application due to the customers' overwhelming endorsement of the program. Our implementation contractor, Honeywell DMC Services, weatherized 542 homes last year and expects to complete an additional 673 this year. That would only leave 275 homes remaining in the original application.

The Collaborative requests the Public Service Commission approve the weatherization of an additional 500 customers' homes in 2005. This would allow the Commission and the Collaborative sufficient time to submit our evaluation report for 2003-2004 to justify the continuation of the program for an additional three years. Our evaluation report will be filed August 15, 2005.

The projected participant and budgetary levels for 2005 have been revised to reflect what the Collaborative believes to be reasonable achievable goals. The projected participant and budgetary level is 730 and \$302,000 respectively.

AMERICAN ELECTRIC POWER - KENTUCKY



PROGRAM INFORMATION

PROGRAM:	Smart Audit - Commercial
PARTICIPANT DEFINITION:	Number of Audits
CUSTOMER SECTOR:	Commercial
REPORTING PERIOD:	January - June, 2004

2004

Participant	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	YTD	PTD
Class I	0	0	0	0	0	0							0	1,952
Class II	0	0	0	0	0	0							0	194

Impacts

Estimated in Place Energy (kWh) Savings		Anticipated Peak Demand (kW) Reduction			
YTD	PTD	YTD	PTD		
		Summer	Winter	Summer	Winter
n/a	n/a	n/a	n/a	n/a	n/a

AMERICAN ELECTRIC POWER - KENTUCKY

Smart Audit - Commercial	
Reporting Period:	January - June, 2004

Costs			
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)
Total Program Costs:	0.00	0.00	1,290,681.00
Lost Revenues:	0.00	0.00	0.00
Efficiency Incentive:	0.00	0.00	0.00
Maximizing Incentive:	0.00	0.00	64,533.00
Total Costs:	0.00	0.00	1,355,214.00



AMERICAN ELECTRIC POWER - KENTUCKY

COMMENTS:

This program was discontinued December 31, 2002.



PROGRAM INFORMATION	
PROGRAM:	Smart Incentive - Commercial
PARTICIPANT DEFINITION:	Number of Incentives
CUSTOMER SECTOR:	Commercial
REPORTING PERIOD:	January - June, 2004

Participant	2004													
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	YTD	PTD
Existing Building	0	0	0	0	0	0	0						0	182
New Building	0	0	0	0	0	0	0						0	69

Impacts					
Estimated in Place Energy (kWh) Savings			Anticipated Peak Demand (kW) Reduction		
YTD	PTD		YTD	PTD	
			Summer	Winter	Summer
0	48,973,134		0	0	1,519
					2,640

AMERICAN ELECTRIC POWER - KENTUCKY



Smart Incentive - Commercial	
Reporting Period:	January - June, 2004

Costs			
Description	Year-To-Date	Retroactive Adjustment	Program-To-Date
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
Total Program Costs:	0.00	0.00	565,826.00
Lost Revenues:	56,308.00	442.00	805,249.00
Efficiency Incentive:	0.00	1,078.00	88,039.00
Maximizing Incentive:	0.00	0.00	281.00
Total Costs:	56,308.00	1,520.00	1,459,395.00

AMERICAN ELECTRIC POWER - KENTUCKY



COMMENTS:

This program was discontinued December 31, 2002.

AMERICAN ELECTRIC POWER - KENTUCKY

PROGRAM INFORMATION	
PROGRAM:	Smart Audit - Industrial
PARTICIPANT DEFINITION:	Number of Audits
CUSTOMER SECTOR:	Industrial
REPORTING PERIOD:	January - June, 2004

2004														
Participant	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	YTD	PTD
Class I	0	0	0	0	0	0							0	60
Class II	0	0	0	0	0	0							0	4

Impacts					
Estimated in Place Energy (kWh) Savings			Anticipated Peak Demand (kW) Reduction		
YTD	PTD	YTD	YTD	PTD	PTD
	Summer	Winter	Summer	Winter	Summer
n/a	n/a	n/a	n/a	n/a	n/a

AMERICAN ELECTRIC POWER - KENTUCKY

Smart Audit - Industrial	
Reporting Period:	January - June, 2004

Costs			
Description	Year-To-Date	Retroactive Adjustment	Program-To-Date
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



AMERICAN ELECTRIC POWER - KENTUCKY

COMMENTS:

This program was discontinued December 31, 1998.

AMERICAN ELECTRIC POWER - KENTUCKY



PROGRAM INFORMATION

PROGRAM:	Smart Incentive - Industrial
PARTICIPANT DEFINITION:	Number of Incentives
CUSTOMER SECTOR:	Industrial
REPORTING PERIOD:	January - June, 2004

2004														
Participant	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	YTD	PTD
General	0	0	0	0	0	0							0	1
Compressed Air	0	0	0	0	0	0							0	0

Impacts					
Estimated in Place Energy (kWh) Savings			Anticipated Peak Demand (kW) Reduction		
YTD	PTD		YTD	PTD	
			Summer	Winter	Summer
0	81,953		0	0	6
			6	6	6



AMERICAN ELECTRIC POWER - KENTUCKY

Smart Incentive - Industrial	
Reporting Period:	January - June, 2004

Costs			
Description	Year-To-Date	Retroactive Adjustment	Program-To-Date
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
Total Program Costs:	0.00	0.00	32,114.00
Lost Revenues:	0.00	0.00	0.00
Efficiency Incentive:	0.00	0.00	383.00
Maximizing Incentive:	0.00	0.00	655.00
Total Costs:	0.00	0.00	33,152.00



AMERICAN ELECTRIC POWER - KENTUCKY

COMMENTS:

This program was discontinued December 31, 1998.

KENTUCKY POWER COMPANY			Exhibit C		
DERIVATION OF 3 SECTOR SURCHARGES FOR 3 YR EXPERIMENT			PAGE 1 of 12		
RESIDENTIAL SECTOR	TOTAL YEARS 1 thru 8	YEAR 9 (2004) 1st HALF	YEAR 9 (2004) 3rd QTR	YEAR 9 (2004) 4th QTR	TOTAL
	(1)	(2)	(3)	(4)	(5)
1 CURRENT PERIOD AMOUNT TO BE RECOVERED	\$6,127,735	\$334,048	\$200,957	\$182,978	\$6,845,718
2 CUMULATIVE (OVER)/UNDER COLLECTION	0	192,857	103,535	149,425	0
3 18 MOS. RETROACTIVE(OVER)/UNDER ADJUSTMENT	(41,824)	0	0	0	(41,824)
4 TOTAL TO BE RECOVERED	6,085,911	526,905	304,492	332,403	6,803,894
5 TOTAL AMOUNT RECOVERED AS OF 12/31/2003	5,883,221	423,370	0	0	6,306,591
6 EXPECTED FUTURE RECOVERIES	0	0	155,067	241,254	396,321
7 TRANSFER PORTION OF BALANCE FROM INDUSTRIAL	(9,833)	0	0	0	(9,833)
8 (OVER)/UNDER COLLECTION TO BE REFUNDED	\$192,857	\$103,535	\$149,425	\$91,149	\$91,149
9 AMOUNT TO BE RECOVERED				\$332,403	
10 ADJ. ESTIMATED SECTOR KWH - YEAR 9			549,884,000	643,344,500	
SURCHARGE RANGE (\$ PER KWH)					
11 FLOOR (CARRYOVER)	COL. 4, L 2 / COL. 4, L 10			0.000232	
12 MIDPOINT - proposed rate			0.000282	0.000375	
13 CEILING (TOTAL COST)	COL. 4, L 4 / COL. 4, L 10			0.000517	
COMMERCIAL SECTOR	TOTAL YEARS 1 thru 8	YEAR 9 (2004) 1st HALF	YEAR 9 (2004) 3rd QTR	YEAR 9 (2004) 4th QTR	TOTAL
	(1)	(2)	(3)	(4)	(5)
14 CURRENT PERIOD AMOUNT TO BE RECOVERED	\$2,756,781	\$56,308	\$23,211	\$18,528	\$2,854,828
15 CUMULATIVE (OVER)/UNDER COLLECTION	0	29,606	(48,556)	7,820	0
16 18 MOS. RETROACTIVE(OVER)/UNDER ADJUSTMENT	1,520	0	0	0	1,520
17 TOTAL TO BE RECOVERED	2,758,301	85,914	(25,345)	26,348	2,856,348
18 TOTAL AMOUNT RECOVERED AS OF 12/31/2003	2,725,417	134,470	0	0	2,859,887
19 EXPECTED FUTURE RECOVERIES	0	0	(33,165)	17,040	(16,125)
20 TRANSFER PORTION OF BALANCE FROM INDUSTRIAL	(3,278)	0	0	0	(3,278)
21 (OVER)/UNDER COLLECTION TO BE REFUNDED	\$29,606	(\$48,556)	\$7,820	\$9,308	\$9,308
22 AMOUNT TO BE RECOVERED				\$26,348	
23 ADJ. ESTIMATED SECTOR KWH - YEAR 9			340,896,900	354,997,500	
SURCHARGE RANGE (\$ PER KWH)					
24 FLOOR (CARRYOVER)	COL. 4, L 15 / COL. 4, L 23			0.000022	
25 MIDPOINT - proposed rate			(0.000049)	0.000048	
26 CEILING (TOTAL COST)	COL. 4, L 17 / COL. 4, L 23			0.000074	
INDUSTRIAL SECTOR	TOTAL YEARS 1 thru 8	YEAR 9 (2004) 1st HALF	YEAR 9 (2004) 3rd QTR	YEAR 9 (2004) 4th QTR	TOTAL
	(1)	(2)	(3)	(4)	(5)
27 CURRENT PERIOD AMOUNT TO BE RECOVERED	\$79,026	\$0	\$0	\$0	\$79,026
28 CUMULATIVE (OVER)/UNDER COLLECTION	0	0	0	0	0
29 18 MOS. RETROACTIVE(OVER)/UNDER ADJUSTMENT	0	0	0	0	0
30 TOTAL TO BE RECOVERED	79,026	0	0	0	79,026
31 TOTAL AMOUNT RECOVERED AS OF 12/31/2003	92,137	0	0	0	92,137
32 EXPECTED FUTURE RECOVERIES	0	0	0	0	0
33 TRANSFER BALANCE TO RESIDENTIAL & COMMERCIAL	13,111	0	0	0	13,111
34 (OVER)/UNDER COLLECTION TO BE REFUNDED	\$0	\$0	\$0	\$0	\$0
35 AMOUNT TO BE RECOVERED					
36 ADJ. ESTIMATED SECTOR KWH - YEAR 9			276,686,400	304,900,200	
SURCHARGE RANGE (\$ PER KWH)					
37 FLOOR (CARRYOVER)				0.000000	
38 MIDPOINT				0.000000	
39 CEILING (TOTAL COST) - proposed rate				0.000000	

1996

KENTUCKY POWER COMPANY
ESTIMATED SECTOR SURCHARGES FOR 3 YR PROGRAM

Exhibit C
Page 2 of 12

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 (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/YR (2)X(5) (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * LOST REVENUES (6)X(7) (8)	EFFICIENCY INCENTIVE (EX. C, PG.96) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL * INCENTIVE (9)+(10) (11)	TOTAL EST. COSTS TO BE RECOVERED (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	\$228,994	5,570	562,570	\$0.03	\$17,513	\$0	\$11,450	\$11,450	\$257,957
Non-All Electric	74	35	\$372.19	\$27,542	680	23,800	\$0.03	\$744	\$719	\$719	\$719	\$29,005
Compact Fluorescent Bulb	269	73	\$56.06	\$15,081	62	4,526	\$0.03	\$140	\$425	\$425	\$425	\$15,646
High - Efficiency Heat Pump - Resistance Heat	539	216	\$73.49	\$39,611	2,275	491,400	\$0.03	\$15,292	\$10,634	\$10,634	\$10,634	\$65,537
Non Resistance Heat	527	206	\$61.31	\$32,310	813	167,478	\$0.03	\$5,215	\$8,796	\$8,796	\$8,796	\$46,321
High - Efficiency Heat Pump - Mobile Home	356	158	\$496.95	\$176,914	2,160	341,280	\$0.03	\$10,617	\$13,834	\$13,834	\$13,834	\$201,365
Mobile Home New Construction	70	22	\$292.69	\$20,488	0	0	0	0	\$1,024	\$1,024	\$1,024	\$21,512
TOTAL RESIDENTIAL PROGRAMS	2,610	959		\$663,291		1,989,174		\$61,918	\$77,585	\$12,474	\$90,059	\$815,268
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	91	19	\$1,259.51	\$114,524	0	0	0	0	\$0	\$5,726	\$5,726	\$120,250
Smart Audit - Class 2	5	1	\$1,875.40	\$9,377	0	0	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	\$506	\$506	\$6,300
Smart Financing - New Building	0	0	0	\$0	30,600	0	\$0.04	\$0	\$0	\$0	\$0	\$0
TOTAL COMMERCIAL PROGRAMS	97	20		\$129,695		0		\$0	\$506	\$6,195	\$6,701	\$136,396
INDUSTRIAL PROGRAMS												
Smart Audit - Class 1 (w/Est. Opt-Outs Removed)	15	1	\$149.40	\$2,241	0	0	0	0	\$0	\$112	\$112	\$2,353
Smart Audit - Class 2	2	1	\$8,980.00	\$17,960	0	0	0	0	\$0	\$898	\$898	\$18,858
Smart Financing - General	0	0	0	\$3,919	28,200	0	\$0.04	\$0	\$0	\$196	\$196	\$4,115
Smart Financing - Compressed Air System	0	0	0	\$0	164,800	0	\$0.03	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	17	2		\$24,120		0		\$0	\$1,206	\$1,206	\$1,206	\$25,326
TOTAL COMPANY	2,724	981		\$817,106		1,989,174		\$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												
Exhibit C PAGE 3A of 12												
YEAR 2 (1st HALF)	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (4)	NET LOST REV/6 MOS (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/6 MOS (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * LOST REVENUES (8)	EFFICIENCY INCENTIVE (EX. C, PG.98) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL * INCENTIVE (11)	TOTAL EST. COSTS TO BE RECOVERED (12)
PROGRAM DESCRIPTIONS										(4)X(5%)	(9)X(10)	(4)X(9)X(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	273	651	\$260.68	\$71,167	1,345	875,595	\$0.03	\$27,266	\$21,354	n/a	\$21,354	\$119,787
Targeted Energy Efficiency - All Electric	118	279	\$818.97	\$96,638	2,785	777,015	\$0.03	\$24,188	\$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	289		\$0	31	8,339	\$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	\$9,752
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	785	2,939		\$195,564	0	3,033,996		\$94,446	\$30,339	\$5,213	\$35,552	\$325,562
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	243	207	\$264.00	\$64,152	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	0	11,000		\$469	\$50	\$4,977	\$5,027	\$109,724
INDUSTRIAL PROGRAMS												
Smart Audit - Class 1 (w/Est. Opt-Outs Removed)	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	\$392	\$392	\$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	\$0	\$575	\$575	\$12,064
TOTAL COMPANY	1,050	3,178		\$311,281	0	3,044,996		\$94,915	\$30,369	\$10,785	\$11,154	\$447,350
* Lost revenue and efficiency incentives are based on initial values per the settlement agreement.												

1997												
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YR PROGRAM												
YEAR 2 (3rd QTR)												
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/QTR (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/QTR (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET* LOST REVENUES (8)	EFFICIENCY INCENTIVE (EX. C. PG.98) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL* INCENTIVE (11)	TOTAL EST. COSTS TO BE RECOVERED (12)
			(1)X(3)			(2)X(5)		(6)X(7)	(9)	(4)X(5)	(9)+(10)	(11)+(12)
RESIDENTIAL PROGRAMS												
Energy Fitness	257	957	\$184.99	\$47,542	341	326,337	\$0.03	\$10,156	\$5,340	n/a	\$5,340	\$.38
Targeted Energy Efficiency - All Electric	51	369	\$1,090.08	\$55,594	1,392	513,648	\$0.03	\$15,980	\$0	\$2,780	\$2,780	\$74,354
- Non-All Electric	15	108	\$193.33	\$2,900	170	18,360	\$0.03	\$574	\$25	n/a	\$25	\$3,499
Compact Fluorescent Bulb	0	269	n/a	\$0	16	4,304	\$0.03	\$133	\$0	\$0	\$0	\$133
High - Efficiency Heat Pump - Resistance Heat	109	717	\$55.05	\$6,000	547	392,199	\$0.03	\$12,213	\$787	n/a	\$787	\$19,000
- Non Resistance Heat	84	695	\$66.18	\$5,559	221	153,595	\$0.03	\$4,786	\$2,445	n/a	\$2,445	\$12,790
High - Efficiency Heat Pump - Mobile Home	77	509	\$689.62	\$53,101	625	318,125	\$0.03	\$9,894	\$2,503	n/a	\$2,503	\$65,498
Mobile Home New Construction	0	82	n/a	\$6,092	0	0			\$0	\$305	\$305	\$6,397
TOTAL RESIDENTIAL PROGRAMS	593	3,706		\$176,788		1,726,568		\$53,736	\$11,100	\$3,085	\$14,185	\$244,709
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	98	383	\$413.13	\$40,487	0	0			\$0	\$2,024	\$2,024	\$42,511
- Class 2	5	19	\$2,705.00	\$13,525	0	0			\$0	\$676	\$676	\$14,201
Smart Financing - Existing Building	2	2	\$3,087.00	\$6,134	11,100	22,200	\$0.04	\$940	\$1,627	n/a	\$1,627	\$8,701
Smart Financing - New Building	0	1	n/a	\$0	7,650	7,650	\$0.04	\$327	\$0	\$0	\$0	\$327
TOTAL COMMERCIAL PROGRAMS	105	405		\$60,146		29,850		\$1,267	\$1,627	\$2,700	\$4,327	\$65,740
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	3	26	\$666.00	\$1,998	0	0			\$0	\$100	\$100	\$2,098
Smart Audit - Class 2	0	3	n/a	\$0	0	0			\$0	\$0	\$0	\$0
Smart Financing - General	0	0	n/a	\$4,795	14,625	0	\$0.04	\$0	\$0	n/a	\$0	\$4,785
Smart Financing - Compressed Air System	0	0		\$0	41,200	0	\$0.04	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	3	29		\$6,793		0		\$0	\$0	\$100	\$100	\$6,893
TOTAL COMPANY	701	4,140		\$243,717		1,756,418		\$55,003	\$12,727	\$5,885	\$18,612	\$317,332

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

1997												
KENTUCKY POWER COMPANY												
ESTIMATED SECTOR SURCHARGES FOR 3 YR PROGRAM												
Exhibit C												
PAGE 3C of 12												
YEAR 2 (4th QTR)	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (4)	NET LOST REVENUE (KWH-PPARTIC) (5)	TOTAL ENERGY SAVINGS KWH/QTR (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * LOST REVENUES (8)	EFFICIENCY INCENTIVE (EX C, PG.9B) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL * INCENTIVE (11)	TOTAL EST. COSTS TO BE RECOVERED (12)
PROGRAM DESCRIPTIONS										(4)X(5)	(9)+(10)	(4)-(8)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	432	1,287	\$259.53	\$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	\$8,077	170	24,820	\$0.03	\$775	\$129	n/a	\$129	\$8,981
Compact Fluorescent Bulb	0	289	n/a	\$0	17	4,573	\$0.03	\$141	\$0	\$0	\$0	\$141
High - Efficiency Heat Pump - Resistance Heat	111	923	\$106.90	\$11,866	547	450,181	\$0.03	\$14,019	\$801	n/a	\$801	\$26,686
- Non Resistance Heat	102	782	\$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	0	0	0	(\$37)	(\$37)	(\$766)
TOTAL RESIDENTIAL PROGRAMS	897	4,397		\$280,744		2,061,487		\$64,158	\$14,501	\$5,693	\$20,194	\$385,096
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	71	473	\$230.92	\$16,395	0	0	0	0	0	\$820	\$820	\$17,215
- Class 2	21	33	\$2,705.00	\$56,805	0	0	0	0	0	\$2,840	\$2,840	\$59,645
Smart Financing - Existing Building	9	8	\$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		\$93,743		96,450		\$4,068	\$7,320	\$3,660	\$10,980	\$108,811
INDUSTRIAL PROGRAMS												
(w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	18	37	\$524.22	\$9,436	0	0	0	0	0	\$472	\$472	\$9,908
- Class 2	0	3	n/a	\$1,094	0	0	0	0	0	\$55	\$55	\$1,149
Smart Financing - General	0	0	n/a	\$11,802	14,625	0	\$0.04	\$0	\$0	\$0	\$0	\$11,802
Smart Financing - Compressed Air System	0	0	n/a	\$0	41,200	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		\$396,819		2,157,937		\$68,246	\$21,821	\$9,880	\$31,701	\$496,766
* Lost revenue and efficiency incentives are based on prospective values.												

1998												
KENTUCKY POWER COMPANY												
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM												
Exhibit C PAGE 4A of 12												
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (4)	NET LOST REV/6 MOS (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/6 MOS (2)X(5) (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET* LOST REVENUES (6)X(7) (8)	EFFICIENCY INCENTIVE (EX. C, PG.98) (9)	MAXIMIZING INCENTIVE (5% OF COSTS) (10)	TOTAL* INCENTIVE (9)+(10) (11)	TOTAL EST. COSTS TO BE RECOVERED (12)
				(1)X(3)		(2)X(5)		(6)X(7)	(9)	(10)	(9)+(10)	(4)+(8)+(11)
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	\$1,304
Targeted Energy Efficiency - All Electric	122	565	\$1,132.92	\$138,216	2,784	1,572,960	\$0.03	\$48,935	\$0	\$6,911	\$6,911	\$194,062
- Non-All Electric	24	203	\$112.92	\$2,710	340	69,020	\$0.03	\$2,156	\$40	n/a	\$40	\$4,906
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	887	\$70.10	\$1,472	1,094	970,378	\$0.03	\$30,218	\$152	n/a	\$152	\$31,842
- Non Resistance Heat	26	848	\$70.00	\$1,820	442	374,816	\$0.03	\$11,679	\$757	n/a	\$757	\$14,256
High - Efficiency Heat Pump - Mobile Home	66	616	\$535.30	\$35,330	1,250	770,000	\$0.03	\$23,947	\$2,145	n/a	\$2,145	\$61,422
Mobile Home New Construction	0	82	n/a	\$0	0	0	n/a	0	\$0	\$0	\$0	\$0
TOTAL RESIDENTIAL PROGRAMS	803	5,238		\$279,882		4,971,558		\$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	\$0	\$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	\$6,506	n/a	\$6,506	\$68,201
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	\$0	\$148	\$148	\$3,101
Smart Audit - Class 2	1	3	\$1,800.00	\$1,800	0	0	n/a	0	\$0	\$90	\$90	\$1,890
Smart Financing - General	0	0	\$0.00	\$1,338	29,250	0	\$0.04	\$0	\$0	\$67	\$67	\$1,405
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	82,400	0	\$0.04	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	13	54		\$5,091	0	0		\$0	\$0	\$305	\$305	\$6,396
TOTAL COMPANY	1,057	5,966		\$419,591		5,342,058		\$170,422	\$20,933	\$11,436	\$32,369	\$622,382

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

1998												
KENTUCKY POWER COMPANY												
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM												
Exhibit C PAGE 4B of 12												
YEAR (3, 2nd HALF)	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (4)	NET LOST REV/6 MOS (KWH/PARTIC) (5)	ENERGY SAVINGS KWH/6 MOS (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET* LOST REVENUES (8)	EFFICIENCY INCENTIVE (EX. C, PG.9B) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL* INCENTIVE (9)+(10)	TOTAL EST. COSTS TO BE RECOVERED (12)
PROGRAM DESCRIPTIONS				(1)X(9)		(2)X(5)		(6)X(7)		(4)X(5%)	(9)+(10)	(4)+(9)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	448	2,277	\$301.30	\$134,982	682	1,552,914	\$0.03	\$46,327	\$9,309	\$0	\$9,309	\$192,618
Targeted Energy Efficiency - All Electric	131	697	\$1,187.51	\$155,564	2,784	1,940,446	\$0.03	\$60,367	\$0	\$7,778	\$7,778	\$223,709
Non-All Electric	42	238	\$139.82	\$5,864	340	80,920	\$0.03	\$2,528	\$70	\$0	\$70	\$8,462
Compact Fluorescent Bulb	0	269	\$0.00	\$0	32	8,608	\$0.03	\$266	\$0	\$0	\$0	\$266
High - Efficiency Heat Pump - Resistance Heat	108	940	\$147.45	\$15,925	1,094	1,029,360	\$0.03	\$32,023	\$780	\$0	\$780	\$48,728
Non Resistance Heat	64	894	\$72.27	\$4,625	442	395,148	\$0.03	\$12,313	\$1,863	\$0	\$1,863	\$18,801
High - Efficiency Heat Pump - Mobile Home	173	764	\$514.50	\$89,009	1,250	955,000	\$0.03	\$29,701	\$5,623	\$0	\$5,623	\$124,333
Mobile Home New Construction	33	11	\$549.45	\$18,132	0	0	n/a		\$0	\$907	\$907	\$19,039
TOTAL RESIDENTIAL PROGRAMS	999	6,090		\$424,101		5,961,398		\$185,525	\$17,645	\$8,685	\$26,330	\$635,956
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	178	795	\$534.85	\$95,203	0	0	n/a		\$0	\$4,760	\$4,760	\$99,963
Class 2	9	73	\$2,800.00	\$25,200	0	0	n/a		\$0	\$1,260	\$1,260	\$26,460
Smart Financing - Existing Building	29	32	\$1,878.86	\$54,487	22,200	710,400	\$0.04	\$30,085	\$23,585	\$0	\$23,585	\$108,157
Smart Financing - New Building	5	6	\$1,529.20	\$7,646	15,300	91,800	\$0.04	\$3,926	\$144	\$0	\$144	\$11,716
TOTAL COMMERCIAL PROGRAMS	221	906		\$182,536		802,200		\$34,011	\$23,729	\$6,020	\$29,749	\$246,296
INDUSTRIAL PROGRAMS												
(w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	3	59	\$852.33	\$2,557	0	0	n/a		\$0	\$128	\$128	\$2,685
Smart Audit - Class 2	0	4	\$0.00	\$0	0	0	n/a		\$0	\$0	\$0	\$0
Smart Financing - General	1	0	\$0.00	\$2,430	29,250	0	\$0.04	\$0	\$383	\$0	\$383	\$2,813
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	82,400	0	\$0.04	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	4	63		\$4,987		0		\$0	\$383	\$128	\$511	\$5,498
TOTAL COMPANY	1,224	7,059		\$611,624		6,763,598		\$219,536	\$41,757	\$14,833	\$56,590	\$687,750

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

1999

KENTUCKY POWER COMPANY
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM

Exhibit C
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PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (4)	NET LOST REV/HALF (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/HALF (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * REVENUES (8)	EFFICIENCY INCENTIVE (EX. C, PG.98) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL * INCENTIVE (11)	TOTAL EST. COSTS TO BE RECOVERED (12)
			(1)X(3)		(5)	(2)X(5)	(7)	(6)X(7)	(9)	(4)X(5)	(9)X(10)	(4)X(8)X(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	306	2,694	\$312.58	\$95,650	707	1,904,658	\$0.03	\$59,273	\$10,370	\$0	\$10,370	\$165,093
Targeted Energy Efficiency - All Electric	75	773	\$1,907.41	\$143,056	630	486,990	\$0.03	\$15,150	\$0	\$7,153	\$7,153	\$11,300
- Non-All Electric	12	249	\$112.00	\$1,344	306	76,194	\$0.03	\$2,380	\$60	\$0	\$60	\$3,164
Compact Fluorescent Bulb	0	269	\$0.00	\$0	31	8,339	\$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	\$88,918
- Non Resistance Heat	2	853	\$50.00	\$100	442	377,026	\$0.03	\$11,748	\$0	\$5	\$5	\$11,853
High - Efficiency Heat Pump - Mobile Home	101	826	\$545.99	\$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	\$64,357
TOTAL RESIDENTIAL PROGRAMS	693	6,711		\$379,941		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	\$43,280	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	677,382	\$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		\$114,364		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
TOTAL COMPANY	904	7,920		\$494,305		6,215,216		\$200,716	\$29,845	\$11,226	\$41,071	\$736,092

* 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.

1999												
KENTUCKY POWER COMPANY												
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM												
Exhibit C												
PAGE 5B of 12												
YEAR 4 (2nd HALF)	NEW PARTICIPANT NUMBER	CUMULATIVE PARTICIPANT NUMBER **	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT	TOTAL ACT. PROGRAM COSTS	NET LOST REV/HALF (KWH/PARTIC)	ENERGY SAVINGS KWH/HALF	NET LOST REVENUE (\$/KWH)	TOTAL NET * LOST REVENUES	EFFICIENCY INCENTIVE (EX. C, PG.9B)	MAXIMIZING INCENTIVE (5% of COSTS)	TOTAL * INCENTIVE	TOTAL EST. COSTS TO BE RECOVERED
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
PROGRAM DESCRIPTIONS										(4)X(5)	(9)+(10)	(4)+(8)+(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	\$0	\$4,035	\$4,035	\$98,457
- Non-All Electric	8	220	\$67.50	\$540	306	67,320	\$0.03	\$2,103	\$40	\$0	\$40	\$2,683
Compact Fluorescent Bulb	0	123	\$0.00	\$0	31	3,813	\$0.03	\$118	\$0	\$0	\$0	\$118
High - Efficiency Heat Pump - Resistance Heat	140	810	\$211.14	\$29,560	1,200	972,000	\$0.03	\$30,268	\$6,187	\$0	\$6,187	\$66,015
- Non Resistance Heat	0	593	\$0.00	\$0	447	265,071	\$0.03	\$6,260	\$0	\$0	\$0	\$6,260
High - Efficiency Heat Pump - Mobile Home	134	739	\$539.07	\$72,236	1,475	1,090,025	\$0.03	\$33,900	\$11,284	\$0	\$11,284	\$117,420
Mobile Home New Construction ***	123	196	\$581.42	\$71,515	1,755	343,980	\$0.03	\$10,698	\$5,464	\$0	\$5,464	\$87,677
TOTAL RESIDENTIAL PROGRAMS	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	\$0	\$3,347	\$3,347	\$70,295
- Class 2	21	103	\$2,705.00	\$56,805	0	0	n/a	0	\$0	\$2,840	\$2,840	\$59,645
Smart Financing - Existing Building	25	66	\$2,726.04	\$68,151	13,282	876,612	\$0.04	\$7,125	\$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		\$216,600		1,059,925		\$44,965	\$7,913	\$6,187	\$14,100	\$275,665
INDUSTRIAL PROGRAMS												
(w/Est. 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	\$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 line cumulative participants as of 12/31/96.
*** Participants since 09/01/98.

Year 2000												
KENTUCKY POWER COMPANY												
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM												
Exhibit C												
PAGE 6A of 12												
YEAR 5 (1st half)	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (1)X(3) (4)	NET LOST REV/HALF (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/HALF (2)X(5) (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * LOST REVENUES (8)	EFFICIENCY INCENTIVE (EX. C. PG.9B) (9)	MAXIMIZING INCENTIVE (5% OF COSTS) (10)	TOTAL * INCENTIVE (9)+(10) (11)	TOTAL EST. COSTS TO BE RECOVERED (4)+(9)+(11) (12)
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 - Non-All Electric	66	659	\$1,272.61	\$83,992	630	415,170	\$0.03	\$12,916	\$0	\$4,200	\$4,200	\$101,108
Compact Fluorescent Bulb	28	202	\$90.82	\$2,543	306	61,812	\$0.03	\$1,931	\$141	\$0	\$141	\$4,615
	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	\$1,678	\$0	\$1,678	\$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	683	\$500.00	\$22,500	1,475	1,007,425	\$0.03	\$31,331	\$3,789	\$0	\$3,789	\$57,620
	101	302	\$530.20	\$53,020	1,755	530,010	\$0.03	\$16,483	\$4,486	\$0	\$4,486	\$74,519
TOTAL RESIDENTIAL PROGRAMS	278	5,038		\$170,185		4,517,400		\$140,576	\$10,095	\$4,200	\$14,295	\$25,056
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	144	1,126	\$397.19	\$57,195	0	0	n/a	\$0	\$2,860	\$2,860	\$2,860	\$60,055
Smart Audit - Class 2	8	112	\$2,705.00	\$21,640	0	0	n/a	\$0	\$1,082	\$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	\$73,012
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		1,424,272		\$60,436	\$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		5,941,672		\$201,012	\$14,865	\$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

Exhibit C
PAGE 6B of 12

PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (4)	NET LOST REV/HALF (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/HALF (2)X(5) (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET* LOST REVENUES (6)X(7) (8)	EFFICIENCY INCENTIVE (EX. C. PG.9B) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (4)X(9) (10)	TOTAL* INCENTIVE (9)+1(10) (11)	TOTAL EST. COSTS TO BE RECOVERED (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	96	583	\$1,115.41	\$110,426	630	367,290	\$0.03	\$11,426	\$0	\$5,521	\$5,521	\$127,373
- Non-All Electric	21	170	\$94.67	\$1,988	306	52,020	\$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	577,200	\$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	\$575.00	\$54,050	1,755	707,285	\$0.03	\$21,996	\$4,175	\$0	\$4,175	\$80,221
TOTAL RESIDENTIAL PROGRAMS	282	3,881		\$192,764		3,690,259		\$114,826	\$9,006	\$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	\$19,935
TOTAL COMMERCIAL PROGRAMS	212	1,242		\$133,936		1,584,496		\$67,228	\$5,581	\$5,236	\$10,817	\$211,981
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		\$182,054	\$14,587	\$10,757	\$25,344	\$534,098

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

Year 2001												
KENTUCKY POWER COMPANY												
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM												
Exhibit C PAGE 7A of 12												
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (4)	NET LOST REV/OTR (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/HALF (2)X(5) (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET* LOST REVENUES (6)X(7) (8)	EFFICIENCY INCENTIVE (EX. C, PG.98) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL* INCENTIVE (9)+(10) (11)	TOTAL EST. COSTS TO BE RECOVERED (4)+(8)+(11) (12)
RESIDENTIAL PROGRAMS												
Energy Fitness	0	1,044	\$0.00	\$0	707	738,108	\$0.03112	\$22,970	\$0	\$0	\$0	\$22,970
Targeted Energy Efficiency - All Electric	62	535	\$1,276.94	\$79,170	630	337,050	\$0.03111	\$10,486	\$0	\$3,959	\$3,959	\$93,615
Non-All Electric	18	137	\$87.89	\$1,582	306	41,922	\$0.03124	\$1,310	\$90	\$0	\$90	\$2,982
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	36,207	\$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	856,440	\$0.03110	\$26,635	\$3,687	\$0	\$3,687	\$74,896
TOTAL RESIDENTIAL PROGRAMS	239	3,281		\$154,974		3,368,377		\$104,493	\$9,256	\$3,959	\$13,215	\$272,682
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	134	1,017	\$321.82	\$43,124	0	0	n/a	\$0	\$0	\$2,156	\$2,156	\$45,280
Class 2	28	105	\$1,510.00	\$42,280	0	0	n/a	\$0	\$0	\$2,114	\$2,114	\$44,394
Smart Financing - Existing Building	15	112	\$2,303.00	\$34,635	13,282	1,487,584	\$0.04235	\$62,999	\$3,488	\$0	\$3,488	\$101,122
Smart Financing - New Building	8	25	\$4,016.13	\$32,129	14,101	352,525	\$0.04277	\$15,077	\$2,099	\$0	\$2,099	\$49,305
TOTAL COMMERCIAL PROGRAMS	185	1,259		\$152,168		1,840,109		\$78,076	\$5,587	\$4,270	\$9,857	\$240,101
INDUSTRIAL PROGRAMS												
Smart Audit - Class 1 (w/Est. Opt-Outs Removed)	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	424	4,540		\$307,142		5,198,486		\$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 06/30/98.
 *** Participants since 01/01/98.

Year 2001												
KENTUCKY POWER COMPANY												
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM												
Exhibit C PAGE 7B of 12												
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (4)	NET LOST REV/QTR (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/HALF (2)X(5) (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * LOST REVENUES (8)	EFFICIENCY INCENTIVE (EX. C, P.G.9B) (9)	MAXIMIZING INCENTIVE (5% OF COSTS) (10)	TOTAL * INCENTIVE (9)+(10) (11)	TOTAL EST. COSTS TO BE RECOVERED (12)
			(1)X(3)					(6)X(7)	(9)	(4)X(5%)	(9)+(10)	(4)+(9)+(11)
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	88	486	\$1,018.86	\$89,660	630	306,180	\$0.03111	\$9,525	\$0	\$4,483	\$4,483	\$103,668
- Non-All Electric	46	122	\$81.46	\$3,747	306	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 - Non Resistance Heat	30	412	\$173.33	\$5,200	1,200	494,400	\$0.03114	\$15,396	\$1,326	\$0	\$1,326	\$21,922
High - Efficiency Heat Pump - Mobile Home	0	35	\$0.00	\$0	446	15,610	\$0.03116	\$486	\$0	\$0	\$0	\$486
Mobile Home New Construction ***	47	469	\$510.64	\$24,000	1,476	692,244	\$0.03110	\$21,529	\$3,958	\$0	\$3,958	\$49,487
TOTAL RESIDENTIAL PROGRAMS	303	2,627		\$173,707		2,920,316		\$90,858	\$9,602	\$4,483	\$14,085	\$278,650
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	131	966	\$454.04	\$59,479	0	0	n/a	\$0	\$0	\$2,974	\$2,974	\$62,453
Smart Audit - Class 2	5	111	\$9,817.20	\$49,086	0	0	n/a	\$0	\$0	\$2,454	\$2,454	\$51,540
Smart Financing - Existing Building	15	109	\$1,664.27	\$24,964	13,282	1,447,738	\$0.04235	\$61,312	\$3,488	\$0	\$3,488	\$69,764
Smart Financing - New Building	18	34	\$1,799.28	\$32,387	14,102	479,468	\$0.04277	\$20,507	\$4,722	\$0	\$4,722	\$57,616
TOTAL COMMERCIAL PROGRAMS	169	1,220		\$165,916		1,927,206		\$81,619	\$8,210	\$5,428	\$13,638	\$261,373
INDUSTRIAL PROGRAMS												
Smart Audit - Class 1 (w/Est. Opt-Outs Removed)	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	472	3,847		\$339,623		4,847,522		\$172,677	\$17,812	\$9,911	\$27,723	\$540,023

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

Year 2002

KENTUCKY POWER COMPANY
ESTIMATED SECTOR SURCHARGES
FOR 3 YEAR PROGRAM

Exhibit C
PAGE 8A of 12

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 (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET* LOSSES (8)	EFFICIENCY INCENTIVE (EX. C, PG.9B) (9)	MAXIMIZING INCENTIVE (5% OF COSTS) (10)	TOTAL* INCENTIVE (11)	TOTAL COSTS TO BE RECOVERED (12)
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	\$85.47	\$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	1	314	\$1,152.00	\$1,152	1,200	376,800	\$0.03114	\$11,734	\$44	\$0	\$44	\$12,930
- Non Resistance Heat	0	0	\$0.00	\$0	447	0	\$0.03116	\$0	\$0	\$0	\$0	\$0
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	\$31,956	\$231	\$0	\$231	\$68,768
TOTAL RESIDENTIAL PROGRAMS	196	1,989		\$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	\$2,706	\$2,706	\$56,821
- Class 2	8	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
Smart Financing - New Building	5	42	\$1,394.60	\$6,973	14,101	592,242	\$0.04277	\$25,330	\$1,312	\$0	\$1,312	\$33
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	\$0
TOTAL COMPANY	341	3,159		\$285,524		4,390,565		\$158,577	\$4,596	\$9,710	\$14,306	\$458,407

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

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* LOSS REVENUES (EX. C. PG.9B) (8)	EFFICIENCY INCENTIVE (5% of COSTS) (4)X(5%) (9)	MAXIMIZING INCENTIVE (9)+(10) (11)	TOTAL* COSTS TO BE RECOVERED (4)+(8)+(11) (12)	
RESIDENTIAL PROGRAMS												
Energy Fitness	0	0	\$0.00	\$0	706	0	\$0.03112	\$0	\$0	\$0	\$0	
Targeted Energy Efficiency - All Electric	76	457	\$1,039.33	\$78,989	1,028	469,796	\$0.03111	\$14,615	\$3,949	\$3,949	\$97,553	
- Non-All Electric	13	156	\$85.92	\$1,117	315	49,140	\$0.03124	\$1,535	\$0	\$56	\$2,708	
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	
High - Efficiency Heat Pump - Resistance Heat - Non Resistance Heat	0	177	\$0.00	(\$352)	1,200	212,400	\$0.03114	\$6,614	\$0	\$0	\$6,262	
High - Efficiency Heat Pump - Mobile Home	43	308	\$603.84	\$25,965	1,144	359,352	\$0.03110	\$10,958	\$1,244	\$1,244	\$38,167	
Mobile Home New Construction ***	61	519	\$644.46	\$39,312	1,809	938,871	\$0.03110	\$29,199	\$248	\$248	\$68,759	
TOTAL RESIDENTIAL PROGRAMS	193	1,617		\$145,031		2,022,559		\$62,921	\$1,548	\$5,497	\$213,449	
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	0	786	\$0.00	\$74,422	0	0	n/a	\$0	\$3,721	\$3,721	\$78,143	
- Class 2	0	90	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	
Smart Financing - Existing Building	25	97	\$909.76	\$22,744	13,282	1,288,354	\$0.04235	\$54,562	\$5,814	\$5,814	\$83,120	
Smart Financing - New Building	16	44	\$2,424.94	\$38,799	14,102	620,488	\$0.04277	\$26,538	\$4,197	\$4,197	\$69,534	
TOTAL COMMERCIAL PROGRAMS	41	1,017		\$135,965		1,908,842		\$81,100	\$10,011	\$13,732	\$230,797	
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	
Smart Audit - Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	
TOTAL INDUSTRIAL PROGRAMS	0	0		\$0		0		\$0	\$0	\$0	\$0	
TOTAL COMPANY	234	2,634		\$280,996		3,931,401		\$144,021	\$11,559	\$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.

KENTUCKY POWER COMPANY
 ESTIMATED SECTOR SURCHARGES FOR 3
 YEAR PROGRAM

PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS (3)	TOTAL ACTUAL PROGRAM COSTS (4)	NET LOSS REV/QTR (5)	TOTAL ENERGY SAVINGS (6)	NET LOSS REVENUE (7)	TOTAL NET* LOSS (8)	EFFICIENCY INCENTIVE (EX. C. PG.11) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL* COSTS TO BE (11)	TOTAL ACTUAL COSTS TO BE (12)
			PER PARTICIPANT COSTS (3)	TOTAL ACTUAL PROGRAM COSTS (4)	REV/QTR (5)	KWH/HALF (6)	(\$/KWH) (7)	REVENUES (8)	(EX. C. PG.11) (9)	(4)X(5%) (10)	(9)+(10) (11)	(4)+(8)+(11) (12)
RESIDENTIAL PROGRAMS												
Energy Fitness	0	0	\$0.00	\$0	707	0	\$0.03112	\$0	\$0	\$0	\$0	\$0
Targeted Energy Efficiency - All Electric	100	467	\$849.84	\$84,984	1,028	480,076	\$0.03111	\$14,935	\$0	\$4,249	\$4,249	\$104,168
Targeted Energy Efficiency - Non-All Electric	7	151	\$79.29	\$555	314	47,414	\$0.03124	\$1,481	\$30	\$0	\$30	\$2,066
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump - Resistance Heat	0	94	\$0.00	\$0	1,200	112,800	\$0.03114	\$3,513	\$0	\$0	\$0	\$3,513
High - Efficiency Heat Pump - Non Resistance Heat	0	0	\$0.00	\$0	447	0	\$0.03116	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump - Mobile Home	34	268	\$379.41	\$12,900	1,144	306,592	\$0.03110	\$9,535	\$983	\$0	\$983	\$23,418
Mobile Home New Construction ***												
Heat Pump	46	460	\$482.61	\$22,200	1,808	831,680	\$0.03110	\$25,865	\$187	\$0	\$187	\$48,252
Air Conditioner	0	0	\$0.00	\$0	157	0	\$0.03124	\$0	\$0	\$0	\$0	\$0
Modified Energy Fitness	101	23	\$142.72	\$14,415	1,194	27,462	\$0.03116	\$856	\$2,127	\$0	\$2,127	\$17,398
TOTAL RESIDENTIAL PROGRAMS	288	1,463		\$135,054		1,806,024		\$56,185	\$3,327	\$4,249	\$7,576	\$198,815
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	0	620	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - 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	\$290,241

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

Year 2003												
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM												
YEAR 8 (2nd HALF)												
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS (3)	TOTAL ESTIMATED PROGRAM COSTS (4)	NET LOSS REV/QTR (5)	TOTAL ENERGY SAVINGS (6)	NET LOSS REVENUE (7)	TOTAL NET * REVENUES (8)	EFFICIENCY INCENTIVE (EX. C, PG.11) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	INCENTIVE (11)	TOTAL * COSTS TO BE RECOVERED (12)
			PER PARTICIPANT COSTS (3)	(1)X(3)	(KWH/PARTIC) (5)	(2)X(5)	(\$/KWH) (7)	(6)X(7)	(9)	(4)X(5%) (10)	(9)+(10)	(4)+(8)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	0	0	\$0.00	\$0	706	0	\$0.03112	\$0	\$0	\$0	\$0	\$0
Targeted Energy Efficiency - All Electric	69	473	\$974.94	\$67,271	1,028	486,244	\$0.03111	\$15,127	\$0	\$3,364	\$3,364	\$85,762
- Non-All Electric	69	167	\$76.10	\$5,251	316	52,772	\$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	\$453.45	\$13,150	1,144	292,964	\$0.03110	\$9,108	\$839	\$0	\$839	\$23,097
Mobile Home New Construction ***												
- Heat Pump	64	419	\$649.59	\$41,574	1,810	758,390	\$0.03110	\$23,596	\$260	\$0	\$260	\$65,420
- Air Conditioner	1	0	\$150.00	\$150	158	0	\$0.03124	\$0	\$0	\$0	\$0	\$150
Modified Energy Fitness	441	324	\$431.43	\$190,262	1,194	386,856	\$0.03116	\$12,054	\$9,287	\$0	\$9,287	\$211,603
TOTAL RESIDENTIAL PROGRAMS	673	1,702		\$317,658		2,052,726		\$63,878	\$10,681	\$3,364	\$14,045	\$395,581
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	662,794	\$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		\$135,536	\$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												
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM												
YEAR 9 (1st HALF)												
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	PER PARTICIPANT COSTS (3)	TOTAL ESTIMATED PROGRAM COSTS (4)	NET LOST REV/QTR (5)	NET LOST REVENUE (6)X(7)	TOTAL ENERGY SAVINGS (KWH/HALF) (2)X(5)	REVENUES (8)	EFFICIENCY INCENTIVE (EX. C. PG.11) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	INCENTIVE TOTAL * (9)+(10)	TOTAL ACTUAL COSTS TO BE RECOVERED (12) (4)+(9)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	0	0	\$0.00	\$0	707	\$0.03112	0	\$0	\$0	\$0	\$0	\$0
Targeted Energy Efficiency												
- All Electric	72	463	\$751.54	\$54,111	1,028	\$0.03111	475,964	\$14,907	\$0	\$2,706	\$2,706	\$71,624
- Non-All Electric	10	179	\$78.60	\$786	314	\$0.03124	56,206	\$1,756	\$43	\$0	\$43	\$2,585
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	\$0.00000	0	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump												
- Resistance Heat	0	42	\$0.00	\$0	1,200	\$0.03114	50,400	\$1,569	\$0	\$0	\$0	\$1,569
- Non Resistance Heat	0	0	\$0.00	\$0	447	\$0.03116	0	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump												
- Mobile Home	41	247	\$428.05	\$17,550	1,144	\$0.03110	282,568	\$8,788	\$1,186	\$0	\$1,186	\$27,524
Mobile Home New Construction ***												
- Heat Pump	68	394	\$503.68	\$34,250	1,808	\$0.03110	712,352	\$22,154	\$276	\$0	\$276	\$55,680
- Air Conditioner	1	1	\$150.00	\$150	157	\$0.03124	157	\$5	\$0	\$0	\$0	\$155
Modified Energy Fitness	334	735	\$417.76	\$139,531	1,194	\$0.03116	877,590	\$27,346	\$7,034	\$0	\$7,034	\$73,911
TOTAL RESIDENTIAL PROGRAMS	526	2,061		\$246,378			2,455,237	\$76,425	\$8,539	\$2,706	\$11,245	\$304,048
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	0	338	\$0.00	\$0	0	n/a	0	\$0	\$0	\$0	\$0	\$0
- Class 2	0	30	\$0.00	\$0	0	n/a	0	\$0	\$0	\$0	\$0	\$0
Smart Financing - Existing Building	0	54	\$0.00	\$0	13,282	\$0.04235	717,228	\$30,375	\$0	\$0	\$0	\$30,375
Smart Financing - New Building	0	43	\$0.00	\$0	14,101	\$0.04277	606,343	\$25,933	\$0	\$0	\$0	\$25,933
TOTAL COMMERCIAL PROGRAMS	0	465		\$0			1,323,571	\$56,308	\$0	\$0	\$0	\$56,308
INDUSTRIAL PROGRAMS												
(w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	0	0	\$0.00	\$0	0	n/a	0	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	0	\$0.00	\$0	0	n/a	0	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0	0	\$0.00000	0	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	\$0.00000	0	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	0	0		\$0			0	\$0	\$0	\$0	\$0	\$0
TOTAL COMPANY	526	2,526		\$246,378			3,778,808	\$132,733	\$8,559	\$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												
KENTUCKY POWER COMPANY												
ESTIMATED SECTOR SURCHARGES FOR 3												
YEAR PROGRAM												
YEAR 9 (3rd QTR)												
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS (3)	TOTAL ESTIMATED PROGRAM COSTS (4)	NET LOST REV/QTR (5)	TOTAL ENERGY SAVINGS (KWH/QTR) (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * REVENUES (8)	EFFICIENCY INCENTIVE (EX. C. PG.11) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL * INCENTIVE (11)	TOTAL ESTIMATED COSTS TO BE RECOVERED (12)
RESIDENTIAL PROGRAMS	(1)	(2)	PER PARTICIPANT (3)	(1)X(3) (4)	(KWH/PARTIC) (5)	(2)X(5) (6)	(7)	(6)X(7) (8)	(9)	(4)X(5%) (10)	(9)+(10) (11)	(4)+(8)+(11) (12)
Energy Fitness	0	0	\$0.00	\$0	353	0	\$0.03112	\$0	\$0	\$0	\$0	\$0
Targeted Energy Efficiency												
- All Electric	40	461	\$1,185.00	\$47,400	514	236,954	\$0.03111	\$7,372	\$0	\$2,370	\$2,370	\$57,142
- Non-All Electric	45	193	\$125.00	\$5,625	158	30,494	\$0.03124	\$953	\$193	\$0	\$193	\$6,771
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump												
- Resistance Heat	0	21	\$0.00	\$0	600	12,600	\$0.03114	\$392	\$0	\$0	\$0	\$392
- Non Resistance Heat	0	0	\$0.00	\$0	223	0	\$0.03116	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump												
- Mobile Home	21	232	\$450.00	\$9,450	572	132,704	\$0.03110	\$4,127	\$607	\$0	\$607	\$14,184
Mobile Home New Construction ***												
- Heat Pump	30	383	\$550.00	\$16,500	905	346,615	\$0.03110	\$10,780	\$122	\$0	\$122	\$27,402
- Air Conditioner	0	2	#DIV/0!	\$0	79	158	\$0.03124	\$5	\$0	\$0	\$0	\$5
Modified Energy Fitness	183	988	\$400.00	\$73,200	597	577,896	\$0.03116	\$18,007	\$3,854	\$0	\$3,854	\$95,061
TOTAL RESIDENTIAL PROGRAMS	319	2,260		\$152,175	1,337,421			\$41,636	\$4,776	\$2,370	\$7,146	\$200,957
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	0	225	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
- Class 2	0	11	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - Existing Building	0	45	\$0.00	\$0	6,641	298,845	\$0.04235	\$12,656	\$0	\$0	\$0	\$12,656
Smart Financing - New Building	0	35	\$0.00	\$0	7,051	246,785	\$0.04277	\$10,555	\$0	\$0	\$0	\$10,555
TOTAL COMMERCIAL PROGRAMS	0	316		\$0		545,630		\$23,211	\$0	\$0	\$0	\$23,211
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	319	2,576		\$152,175	1,883,051			\$64,847	\$4,776	\$2,370	\$7,146	\$224,168

* Lost revenue and efficiency incentives are based on prospective values.
** Cumulative participants include a reduction for the cumulative participants as of 09/30/2001.
*** Participants since 07/01/2001.

Year 2004												
KENTUCKY POWER COMPANY												
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM												
PAGE 10C of 12												
Exhibit C												
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS (3)	TOTAL ESTIMATED PROGRAM COSTS (4)	NET COST (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS (6)	NET REVENUE (\$/KWH) (7)	TOTAL NET REVENUES (8)	EFFICIENCY INCENTIVE (EX. C. PG.11) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	INCENTIVE TOTAL * (11)	TOTAL ESTIMATED COSTS TO BE RECOVERED (12)
RESIDENTIAL PROGRAMS			PER PARTICIPANT (3)	(1)X(3) (4)	(5)	(2)X(5) (6)	(6)X(7) (7)	(6)X(7) (8)	(9)	(4)X(5%) (10)	(9)+(10) (11)	(4)+(8)+(11) (12)
Energy Fitness	0	0	\$0.00	\$0	353	0	\$0.03112	\$0	\$0	\$0	\$0	\$0
Targeted Energy Efficiency												
- All Electric	38	461	\$1,198.68	\$45,550	514	236,954	\$0.03111	\$7,372	\$0	\$2,278	\$2,278	\$55,200
- Non-All Electric	25	216	\$125.00	\$3,125	158	34,128	\$0.03124	\$1,066	\$107	\$0	\$107	\$4,298
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump												
- Resistance Heat	0	9	\$0.00	\$0	600	5,400	\$0.03114	\$168	\$0	\$0	\$0	\$168
- Non Resistance Heat	0	0	\$0.00	\$0	223	0	\$0.03116	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump												
- Mobile Home	15	228	\$450.00	\$6,750	572	130,416	\$0.03110	\$4,056	\$434	\$0	\$434	\$11,240
Mobile Home New Construction ***												
- Heat Pump	27	359	\$550.00	\$14,850	905	324,895	\$0.03110	\$10,104	\$110	\$0	\$110	\$25,064
- Air Conditioner	0	2	#DIV/0!	\$0	79	158	\$0.03124	\$5	\$0	\$0	\$0	\$5
Modified Energy Fitness	156	1,146	\$400.00	\$62,400	597	684,162	\$0.03116	\$21,318	\$3,285	\$0	\$3,285	\$87,003
TOTAL RESIDENTIAL PROGRAMS	261	2,421		\$132,675		1,416,113		\$44,089	\$3,936	\$2,278	\$6,214	\$182,978
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	0	157	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
- Class 2	0	9	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - Existing Building	0	38	\$0.00	\$0	6,641	252,358	\$0.04235	\$10,687	\$0	\$0	\$0	\$10,687
Smart Financing - New Building	0	26	\$0.00	\$0	7,051	183,326	\$0.04277	\$7,841	\$0	\$0	\$0	\$7,841
TOTAL COMMERCIAL PROGRAMS	0	230		\$0		435,684		\$18,528	\$0	\$0	\$0	\$18,528
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	261	2,651		\$132,675		1,851,797		\$62,617	\$3,936	\$2,278	\$6,214	\$201,506

* 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 10/01/2001.

PROGRAM DESCRIPTIONS	ANNUAL SHARED SAVINGS (\$)												YEAR 9	YEAR 8	YEAR 7	YEAR 6	YEAR 5	YEAR 4	YEAR 3	YEAR 2	YEAR 1	TOTAL	11B of 12
	(23) (1)X(5)	(24) (1)X(6)	(25) (2)X(7)	(26) (2)X(8)	(27) (2)X(9)	(28) (3)X(10)	(29) (3)X(11)	(30) (3)X(12)	(31) (3)X(13)	(32) (3)X(14)	(33) (3)X(15)	(34) (4)X(16)											
RESIDENTIAL PROGRAMS																							
Energy Fitness																							
- All Electric	\$43,177	\$21,354	\$14,317	\$11,304	\$9,309	\$10,370	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
- Non-All Electric	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Compact Fluorescent Bulb	\$719	\$252	\$154	\$40	\$70	\$60	\$40	\$141	\$105	\$90	\$231	\$137	\$56	\$30	\$295	\$43	\$193	\$107					
	\$425	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
High - Efficiency Heat Pump																							
- Resistance Heat	\$10,634	\$2,427	\$1,588	\$152	\$780	\$4,375	\$6,187	\$1,679	\$1,105	\$1,016	\$1,326	\$44	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
- Non Resistance Heat	\$8,796	\$2,070	\$5,414	\$757	\$1,863	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
High - Efficiency Heat Pump																							
- Mobile Home	\$13,834	\$4,236	\$4,128	\$2,145	\$5,623	\$6,505	\$11,284	\$3,789	\$3,621	\$4,463	\$3,958	\$1,244	\$1,244	\$983	\$839	\$1,186	\$607	\$434					
Mobile Home New Construction ***																							
- Heat Pump	\$0	\$0	\$0	\$0	\$0	\$4,353	\$5,464	\$4,486	\$4,175	\$3,687	\$4,087	\$231	\$248	\$187	\$260	\$276	\$122	\$110					
- Air Conditioner																							
Modified Energy Fitness																							
TOTAL RESIDENTIAL PROGRAMS	\$77,585	\$30,339	\$25,601	\$14,398	\$17,645	\$27,663	\$22,975	\$10,095	\$9,006	\$9,256	\$9,602	\$1,656	\$1,548	\$3,327	\$10,681	\$9,539	\$4,776	\$3,936					
*** Participants since 09/01/98																							
COMMERCIAL PROGRAMS																							
Smart Audit - Class 1	\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Smart Financing - Existing Building	\$506	\$0	\$8,946	\$6,506	\$23,585	\$1,395	\$5,814	\$3,721	\$5,581	\$3,488	\$3,488	\$1,628	\$5,814	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Smart Financing - New Building	\$0	\$50	\$0	\$29	\$144	\$787	\$2,099	\$1,049	\$0	\$2,099	\$4,722	\$1,312	\$4,197	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
TOTAL COMMERCIAL PROGRAMS	\$506	\$50	\$8,946	\$6,535	\$23,729	\$2,182	\$7,913	\$4,770	\$5,581	\$5,587	\$8,210	\$2,940	\$10,011	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
INDUSTRIAL PROGRAMS																							
(w/Est. Opt-Outs Removed)																							
Smart Audit - Class 1	\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Smart Financing - General	\$0	\$0	\$0	\$0	\$383	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Smart Financing - Compressed Air System	\$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	\$0	\$383	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
ANNUAL SHARED SAVINGS (\$)	\$78,091	\$30,389	\$34,547	\$20,933	\$41,757	\$29,845	\$30,888	\$14,865	\$14,587	\$14,843	\$17,812	\$4,596	\$11,559	\$3,327	\$10,681	\$8,539	\$4,776	\$3,936					

KENTUCKY POWER COMPANY
DERIVATION FOR 3 YEAR DSM EXPERIMENT

CALCULATION OF EFFICIENCY INCENTIVE

KENTUCKY POWER COMPANY		Exhibit C		
FORECAST OF 2004 KENTUCKY RETAIL ENERGY SALES IN KWH		PAGE 12 of 12		
FOR RESIDENTIAL, COMMERCIAL AND INDUSTRIAL SECTORS				
PROGRAM YR 9 - 2004				
LINE NO.	YEAR	RESIDENTIAL SECTOR	COMMERCIAL SECTOR	INDUSTRIAL SECTOR
1	TOTAL ULTIMATE SALES (KWH)*	2,490,600,000	1,369,200,000	3,219,300,000
2	LESS NON-METERED **	14,943,600	8,215,200	19,315,800
3	TOTAL ESTIMATED RETAIL KWH SALES	2,475,656,400	1,360,984,800	3,199,984,200
4	LESS OPT - OUT CUSTOMERS KWH	0	0	2,059,689,192
5	KWH BEFORE LOST REVENUE IMPACTS	2,475,656,400	1,360,984,800	1,140,295,008
6	LESS LOST REVENUE IMPACTS	11,420,681	1,496,550	0
7	ADJUSTED KWH BY SECTOR	2,464,235,719	1,359,488,250	1,140,295,008
8	LINE 7/LINE 1	98.9%	99.3%	35.4%
=====				
LINE NO.	PROGRAM YR 9 (3rd QTR)	RESIDENTIAL SECTOR	COMMERCIAL SECTOR	INDUSTRIAL SECTOR
9	TOTAL ULTIMATE SALES (KWH)*	556,000,000	343,300,000	781,600,000
10	LINE 8	98.9%	99.3%	35.4%
11	ADJUSTED KWH BY SECTOR	549,884,000	340,896,900	276,686,400
=====				
LINE NO.	PROGRAM YR 9 (4th QTR)	RESIDENTIAL SECTOR	COMMERCIAL SECTOR	INDUSTRIAL SECTOR
12	TOTAL ULTIMATE SALES (KWH)*	650,500,000	357,500,000	861,300,000
13	LINE 8	98.9%	99.3%	35.4%
14	ADJUSTED KWH BY SECTOR	643,344,500	354,997,500	304,900,200
=====				
*	SOURCE: 2004 LOAD FORECAST COMPILED BY AEP CORPORATE PLANNING AND BUDGETING DEPT.			
**	.50% ESTIMATED TO BE NON-METERED (OL) DETERMINED FROM BILLED JURISDICTIONAL TARIFF SUMMARY FOR 12 MOS. ENDED DECEMBER 2003.			