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KENTUCKY POWER COMPANY

DEPRECIATION STUDY AS OF  
DECEMBER 31, 2004

STUDY WORKPAPERS



# KENTUCKY POWER COMPANY

DEPRECIATION STUDY AS OF  
DECEMBER 31, 2004

PRODUCTION PLANT

KENTUCKY POWER COMPANY  
Depreciation Study as of December 31, 2004  
Production Plant

This investment consists of two generating units located on the Big Sandy River near Louisa, Kentucky. Unit 1 is rated at 260 MW and was placed in service in 1963. Unit 2 is rated at 800MW and was placed in service in 1969. The estimated final retirement dates for the units were provided by the Asset and Outage Planning Section of AEP's Generating Division.

AEP recently announced plans to install flue gas desulfurization (FGD) equipment to reduce sulfur dioxide emissions on Unit 2 at Big Sandy Plant. This additional investment in pollution control equipment is expected to result in operating Unit 2 to year 2034. There are currently no plans to install FGD equipment on Unit 1. Due to environmental constraints, the current plans are to retire Unit 1 in year 2015.

Life Analysis

Interim retirements for the Big Sandy Plant were determined by analyzing past history for each of the accounts in the production plant function. Interim retirement ratios were developed based on the period 1975 through 2004. Interim retirements are not usually considered representative of the future until the generating units have experienced a few years of actual operation. Since Unit 2 was placed in-service in 1969, the period beginning in 1975 provided for five years of operational experience.

In addition to the interim retirements experienced to date, the Selective Catalytic Reduction (SCR) system that is installed at Big Sandy Plant will have the SCR Catalysts replaced at future intervals. The AEP Engineering group provided the following details for replacement of the SCR Catalysts:

- Layers 1 and 2 will be replaced in year 2009.
- Layer 3 will be replaced in 2007.

The original cost of the catalysts are as follows:

Layer 1	\$3,259,048
Layer 2	\$3,259,049
Layer 3	\$1,629,524

After determining the interim retirements and the retirement of the SCR catalysts, a remaining life was calculated for each of the primary production plant accounts. The surviving plant balances by primary plant account at 12/31/04 were also aged. The age of the surviving balances plus the remaining life were summed to determine the total life of the investments.

Salvage and Cost of Removal

Kentucky Power Company engaged the firm of Brandenburg Industrial Service Company to perform a conceptual demolition cost estimate for the Big Sandy Plant. The demolition cost is estimated to be \$32,000,000 in current (2004) dollars. It is appropriate to include the final retirement costs for the Big Sandy plant in depreciation rates in order to ensure that the generation of customers that are receiving service from the plant also share in the final removal costs of the plant.

There are also gross salvage and removal costs associated with the removal/replacement of equipment during the operating life of the plant. An analysis of interim retirements was made for the production plant function and the fifteen year period of 1990-2004 was used as the basis to determining a gross salvage percentage and a gross removal percentage. The estimates of salvage and removal for both the final plant retirement and the interim retirements were combined to calculate a net salvage for each plant account. That calculation is as follows:

KENTUCKY POWER COMPANY  
Depreciation Study as of December 31, 2004  
Production Plant

Calculation of Removal and Salvage:

Interim Retirements:

Account	Interim Retirements (From Remaining Life Workpaper)	Gross Removal Percent	Gross Salvage Percent	Interim Retirement Net Salvage Percent
311	1,037,633	35.3%	8.8%	-27%
312	144,478,211	35.3%	8.8%	-27%
314	25,648,705	35.3%	8.8%	-27%
315	1,488,647	35.3%	8.8%	-27%
316	1,013,890	35.3%	8.8%	-27%
Total	173,667,086			

Account	Plant In-Service at 12/31/04	Net Salvage on Interim Retirement	Final Demolition Cost (a)	Total Net Salvage Costs	Net Salvage as Percent of Plant
311	36,149,758	-275,088	-2,548,062	-2,823,151	-8%
312	324,538,695	-38,302,841	-22,875,529	-61,178,370	-19%
314	73,038,983	-6,799,768	-5,148,247	-11,948,015	-16%
315	13,742,601	-394,657	-968,665	-1,363,322	-10%
316	6,518,954	-268,794	-459,497	-728,291	-11%
Total	453,988,991	-46,041,149	-32,000,000	-78,041,149	-17%

Notes: (a) Costs allocated to plant accounts based on Plant-In-Service Balances at 12/31/04

Calculation of Theoretical Reserve and Depreciation Rates

A theoretical reserve was determined based on the above calculations of average age, remaining life and net salvage. The theoretical reserve was used to allocate the actual book reserve to the individual plant accounts.

Based on plant balances at 12/31/04 and the allocated book reserve, remaining life depreciation rates were calculated for each primary plant account.

KENTUCKY POWER COMPANY  
 CALCULATION OF INTERIM RETIREMENT RATIOS  
 STEAM PRODUCTION PLANT  
 ACCOUNT 311.0 STRUCTURES & IMPROVEMENTS

<u>YEAR</u>	<u>ADDITIONS</u>	<u>RETIREMENTS</u>	<u>BALANCE</u>	<u>AVERAGE BALANCE</u>	<u>RETIREMENT RATIO</u>
1963	6,127,706	0	6,127,706	N. A.	N. A.
1964	13,194	0	6,140,900	6,134,303	0.0000
1965	18,607	255	6,159,252	6,150,076	0.0000
1966	4,255	7,338	6,156,169	6,157,711	0.0012
1967	575	69,333	6,087,411	6,121,790	0.0113
1968	21,282	0	6,108,693	6,098,052	0.0000
1969	15,770,374	0	21,879,067	13,993,880	0.0000
1970	803,526	7,182	22,675,411	22,277,239	0.0003
1971	163,043	37,002	22,801,452	22,738,432	0.0016
1972	56,860	0	22,858,312	22,829,882	0.0000
1973	2,605	0	22,860,917	22,859,615	0.0000
1974	66,090	1,665	22,925,342	22,893,130	0.0001
1975	29,219	0	22,954,561	22,939,952	0.0000
1976	65,662	0	23,020,223	22,987,392	0.0000
1977	87,499	0	23,107,722	23,063,973	0.0000
1978	297,729	24,379	23,381,072	23,244,397	0.0010
1979	214,311	5,000	23,590,383	23,485,728	0.0002
1980	27,547	6,618	23,611,312	23,600,848	0.0003
1981	212,801	358	23,823,755	23,717,534	0.0000
1982	716,535	44,396	24,495,894	24,159,825	0.0018
1983	389,851	307,808	24,577,937	24,536,916	0.0125
1984	81,115	469	24,658,583	24,618,260	0.0000
1985	64,741	1,605	24,721,719	24,690,151	0.0001
1986	0	0	24,721,719	24,721,719	0.0000
1987	34,955	966	24,755,708	24,738,714	0.0000
1988	171,684	718	24,926,674	24,841,191	0.0000
1989	28,362	2,856	24,952,180	24,939,427	0.0001
1990	484,041	3,690	25,432,531	25,192,356	0.0001
1991	18,357	35,387	25,415,501	25,424,016	0.0014
1992	22,217	13,640	25,424,078	25,419,790	0.0005
1993	168,711	56,800	25,535,989	25,480,034	0.0022
1994	1,254,912	4,050	26,786,851	26,161,420	0.0002
1995	45,725	9,070	26,823,506	26,805,179	0.0003
1996	113,294	94,931	26,841,869	26,832,688	0.0035
1997	0	101,804	26,740,065	26,790,967	0.0038
1998	2,448,051	54,548	29,133,568	27,936,817	0.0020
1999	220,173	4,000	29,349,741	29,241,655	0.0001
2000	46,629	17,282	29,379,088	29,364,415	0.0006
2001	20,444	8,355	29,391,177	29,385,133	0.0003
2002	431	1,168	29,390,440	29,390,809	0.0000
2003	6,265,695	5,061	35,651,074	32,520,757	0.0002
2004	630,676	74,097	36,207,653	35,929,364	0.0021
TOTAL 1975-2004	14,161,367	879,056	788,802,573	782,161,418	0.0336

Used 1975 through 2004 interim retirements. Based on retirements five years after in-service date of Unit 2.

AVERAGE INTERIM RATE 0.0336  
----- 0.0011  
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KENTUCKY POWER COMPANY  
 CALCULATION OF INTERIM RETIREMENT RATIOS  
 STEAM PRODUCTION PLANT  
 ACCOUNT 312.0 BOILER PLANT EQUIPMENT

<u>YEAR</u>	<u>ADDITIONS</u>	<u>RETIREMENTS</u>	<u>BALANCE</u>	<u>AVERAGE BALANCE</u>	<u>RETIREMENT RATIO</u>
1963	16,508,970	0	16,508,970	N. A.	N. A.
1964	119,842	8,093	16,620,719	16,564,845	0.0005
1965	33,135	7,505	16,646,349	16,633,534	0.0005
1966	176,256	19,803	16,802,802	16,724,576	0.0012
1967	7,026	3,196	16,806,632	16,804,717	0.0002
1968	39,011	127,966	16,717,677	16,762,155	0.0076
1969	57,241,411	5,000	73,954,088	45,335,883	0.0001
1970	2,611,299	569,493	75,995,894	74,974,991	0.0076
1971	1,703,522	87,366	77,612,050	76,803,972	0.0011
1972	773,998	23,261	78,362,787	77,987,419	0.0003
1973	124,697	24,700	78,462,784	78,412,786	0.0003
1974	795,833	128,171	79,130,446	78,796,615	0.0016
1975	1,177,739	43,910	80,264,275	79,697,361	0.0006
1976	4,699,081	1,136,240	83,827,116	82,045,696	0.0138
1977	1,500,565	738,415	84,589,266	84,208,191	0.0088
1978	3,596,304	210,933	87,974,637	86,281,952	0.0024
1979	3,702,290	690,851	90,986,076	89,480,357	0.0077
1980	1,574,173	1,302,708	91,257,541	91,121,809	0.0143
1981	2,710,157	1,947,465	92,020,233	91,638,887	0.0213
1982	4,780,741	1,372,184	95,428,790	93,724,512	0.0146
1983	2,053,897	244,647	97,238,040	96,333,415	0.0025
1984	1,928,226	583,176	98,583,090	97,910,565	0.0060
1985	1,775,366	79,270	100,279,186	99,431,138	0.0008
1986	1,302,549	1,199,650	100,382,085	100,330,636	0.0120
1987	2,870,827	941,836	102,311,076	101,346,581	0.0093
1988	2,769,412	757,438	104,323,050	103,317,063	0.0073
1989	1,780,224	543,698	105,559,576	104,941,313	0.0052
1990	2,114,057	841,371	106,832,262	106,195,919	0.0079
1991	1,503,783	964,562	107,371,483	107,101,873	0.0090
1992	3,022,972	929,688	109,464,767	108,418,125	0.0086
1993	6,037,402	2,619,487	112,882,682	111,173,725	0.0236
1994	11,992,454	1,471,709	123,403,427	118,143,055	0.0125
1995	10,399,357	5,694,627	128,108,157	125,755,792	0.0453
1996	12,608,246	12,608,246	128,108,157	128,108,157	0.0984
1997	0	3,024,973	125,083,184	126,595,671	0.0239
1998	10,554,688	901,600	134,736,272	129,909,728	0.0069
1999	1,940,785	263,258	136,413,799	135,575,036	0.0019
2000	2,930,632	704,876	138,639,555	137,526,677	0.0051
2001	925,934	356,729	139,208,760	138,924,158	0.0026
2002	3,329,584	560,581	141,977,763	140,593,262	0.0040
2003	183,221,112	15,170,924	310,027,951	226,002,857	0.0671
2004	6,041,203	2,293,276	313,775,878	311,901,915	0.0074
TOTAL 1975-2004	294,843,760	60,198,328	3,671,058,134	3,553,735,418	0.4507

Used 1975 through 2004 interim retirements. Based on retirements five years after in-service date of Unit 2.

AVERAGE INTERIM RATE  $\frac{0.4507}{0.0150}$

KENTUCKY POWER COMPANY  
 CALCULATION OF INTERIM RETIREMENT RATIOS  
 STEAM PRODUCTION PLANT  
 ACCOUNT 314.0 TURBO-GENERATOR UNITS

<u>YEAR</u>	<u>ADDITIONS</u>	<u>RETIREMENTS</u>	<u>BALANCE</u>	<u>AVERAGE BALANCE</u>	<u>RETIREMENT RATIO</u>
1963	11,821,004	0	11,821,004	N. A.	N. A.
1964	19,361	0	11,840,365	11,830,685	0.0000
1965	12,601	755	11,852,211	11,846,288	0.0001
1966	7,592	872	11,858,931	11,855,571	0.0001
1967	7,158	0	11,866,089	11,862,510	0.0000
1968	52,378	0	11,918,467	11,892,278	0.0000
1969	26,377,737	0	38,296,204	25,107,336	0.0000
1970	1,024,372	180,383	39,140,193	38,718,199	0.0047
1971	713,082	0	39,853,275	39,496,734	0.0000
1972	272,380	0	40,125,655	39,989,465	0.0000
1973	63,768	0	40,189,423	40,157,539	0.0000
1974	63,140	0	40,252,563	40,220,993	0.0000
1975	336,271	80,578	40,508,256	40,380,410	0.0020
1976	74,777	2,746	40,580,287	40,544,272	0.0001
1977	33,676	1,548	40,612,415	40,596,351	0.0000
1978	45,149	6,818	40,650,746	40,631,581	0.0002
1979	1,007,454	398,443	41,259,757	40,955,252	0.0097
1980	66,913	214,355	41,112,315	41,186,036	0.0052
1981	1,916,304	618,632	42,409,987	41,761,151	0.0148
1982	1,006,642	82,616	43,334,013	42,872,000	0.0019
1983	1,067,481	549,626	43,851,868	43,592,941	0.0126
1984	237,266	2,944	44,086,190	43,969,029	0.0001
1985	528,415	7,819	44,606,786	44,346,488	0.0002
1986	634,657	709,776	44,531,667	44,569,227	0.0159
1987	229,683	307,098	44,454,252	44,492,960	0.0069
1988	5,606,623	58,088	50,002,787	47,228,520	0.0012
1989	3,103,073	2,768,504	50,337,356	50,170,072	0.0552
1990	2,320,315	1,094,464	51,563,207	50,950,282	0.0215
1991	2,065,521	138,353	53,490,375	52,526,791	0.0026
1992	836,989	1,593,641	52,733,723	53,112,049	0.0300
1993	2,739,309	550,206	54,922,826	53,828,275	0.0102
1994	2,265,960	2,354,678	54,834,108	54,878,467	0.0429
1995	1,186,873	444,477	55,576,504	55,205,306	0.0081
1996	126,815	477,746	55,225,573	55,401,039	0.0086
1997	13,047,841	4,684,964	63,588,450	59,407,012	0.0789
1998	0	695,946	62,892,504	63,240,477	0.0110
1999	0	205,238	62,687,266	62,789,885	0.0033
2000	227,801	52,538	62,862,529	62,774,898	0.0008
2001	47,682	141,367	62,768,844	62,815,687	0.0023
2002	1,505,312	257,582	64,016,574	63,392,709	0.0041
2003	9,648,825	1,427,668	72,237,731	68,127,153	0.0210
2004	1,394,539	692,983	72,939,287	72,588,509	0.0095
TOTAL 1975-2004	53,308,166	20,621,442	1,554,678,183	1,538,334,821	0.3807

Used 1975 through 2004 interim retirements. Based on retirements five years after in-service date of Unit 2.

AVERAGE INTERIM RATE 0.3807  
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 0.0127  
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KENTUCKY POWER COMPANY  
 CALCULATION OF INTERIM RETIREMENT RATIOS  
 STEAM PRODUCTION PLANT  
 ACCOUNT 315.0 ACCESSORY ELECTRICAL EQUIPMENT

<u>YEAR</u>	<u>ADDITIONS</u>	<u>RETIREMENTS</u>	<u>BALANCE</u>	<u>AVERAGE BALANCE</u>	<u>RETIREMENT RATIO</u>
1963	2,090,616	0	2,090,616	N. A.	N. A.
1964	9,817	2,835	2,097,598	2,094,107	0.0014
1965	2,265	0	2,099,863	2,098,731	0.0000
1966	20,284	0	2,120,147	2,110,005	0.0000
1967	4,595	0	2,124,742	2,122,445	0.0000
1968	947	0	2,125,689	2,125,216	0.0000
1969	6,451,294	0	8,576,983	5,351,336	0.0000
1970	555,696	0	9,132,679	8,854,831	0.0000
1971	356,319	0	9,488,998	9,310,839	0.0000
1972	13,318	2,910	9,499,406	9,494,202	0.0003
1973	114,131	12,654	9,600,883	9,550,145	0.0013
1974	1,489	4,680	9,597,692	9,599,288	0.0005
1975	0	0	9,597,692	9,597,692	0.0000
1976	425,620	0	10,023,312	9,810,502	0.0000
1977	113,934	0	10,137,246	10,080,279	0.0000
1978	226,909	0	10,364,155	10,250,701	0.0000
1979	40,978	0	10,405,133	10,384,644	0.0000
1980	81,148	0	10,486,281	10,445,707	0.0000
1981	607,835	49,582	11,044,534	10,765,408	0.0046
1982	369,121	120,858	11,292,797	11,168,666	0.0108
1983	92,707	10,516	11,374,988	11,333,893	0.0009
1984	88,302	5,454	11,457,836	11,416,412	0.0005
1985	108,963	11,203	11,555,596	11,506,716	0.0010
1986	38,938	19,802	11,574,732	11,565,164	0.0017
1987	119,792	27,283	11,667,241	11,620,987	0.0023
1988	187,376	71,442	11,783,175	11,725,208	0.0061
1989	100,224	0	11,883,399	11,833,287	0.0000
1990	286,615	24,236	12,145,778	12,014,589	0.0020
1991	106,173	12,852	12,239,099	12,192,439	0.0011
1992	38,842	10,027	12,267,914	12,253,507	0.0008
1993	115,632	9,068	12,374,478	12,321,196	0.0007
1994	79,021	1,052	12,452,447	12,413,463	0.0001
1995	35,386	91,239	12,396,594	12,424,521	0.0073
1996	12,996	0	12,409,590	12,403,092	0.0000
1997	1,139,691	324,810	13,224,471	12,817,031	0.0253
1998	363,986	24,960	13,563,497	13,393,984	0.0019
1999	8,929	1,372	13,571,054	13,567,276	0.0001
2000	368,049	80,920	13,858,183	13,714,619	0.0059
2001	46,339	32,876	13,871,646	13,864,915	0.0024
2002	7,426	2,009	13,877,063	13,874,355	0.0001
2003	244,780	587,860	13,533,983	13,705,523	0.0429
2004	4,907	4,041	13,534,849	13,534,416	0.0003
TOTAL 1975-2004	5,460,619	1,523,462	359,968,763	358,000,185	0.1189

Used 1975 through 2004 interim retirements. Based on retirements five years after in-service date of Unit 2.

AVERAGE INTERIM RATE 0.1189  
----- 0.0040  
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KENTUCKY POWER COMPANY  
 CALCULATION OF INTERIM RETIREMENT RATIOS  
 STEAM PRODUCTION PLANT  
 ACCOUNT 316.0 MISCELLANEOUS POWER PLANT EQUIPMENT

<u>YEAR</u>	<u>ADDITIONS</u>	<u>RETIREMENTS</u>	<u>BALANCE</u>	<u>AVERAGE BALANCE</u>	<u>RETIREMENT RATIO</u>
1963	1,013,821	0	1,013,821	N. A.	N. A.
1964	5,839	1,922	1,017,738	1,015,780	0.0019
1965	5,676	0	1,023,414	1,020,576	0.0000
1966	15,702	292	1,038,824	1,031,119	0.0003
1967	2,344	394	1,040,774	1,039,799	0.0004
1968	8,129	150	1,048,753	1,044,764	0.0001
1969	1,686,335	1,226	2,733,862	1,891,308	0.0006
1970	204,242	8,507	2,929,597	2,831,730	0.0030
1971	88,954	1,728	3,016,823	2,973,210	0.0006
1972	58,425	83	3,075,165	3,045,994	0.0000
1973	93,582	1,700	3,167,047	3,121,106	0.0005
1974	555	37,702	3,129,900	3,148,474	0.0120
1975	132,129	1,473	3,260,556	3,195,228	0.0005
1976	20,739	6,251	3,275,044	3,267,800	0.0019
1977	66,965	13,849	3,328,160	3,301,602	0.0042
1978	37,660	27,895	3,337,925	3,333,043	0.0084
1979	25,265	5,173	3,358,017	3,347,971	0.0015
1980	17,868	15,971	3,359,914	3,358,966	0.0048
1981	117,316	3,482	3,473,748	3,416,831	0.0010
1982	122,076	54,567	3,541,257	3,507,503	0.0156
1983	6,160	14,806	3,532,611	3,536,934	0.0042
1984	78,342	5,857	3,605,096	3,568,854	0.0016
1985	101,194	2,086	3,704,204	3,654,650	0.0006
1986	108,695	11,296	3,801,603	3,752,904	0.0030
1987	32,012	12,552	3,821,063	3,811,333	0.0033
1988	29,324	12,736	3,837,651	3,829,357	0.0033
1989	169,870	5,926	4,001,595	3,919,623	0.0015
1990	34,137	10,400	4,025,332	4,013,464	0.0026
1991	41,416	3,814	4,062,934	4,044,133	0.0009
1992	127,431	70,529	4,119,836	4,091,385	0.0172
1993	21,290	623	4,140,503	4,130,170	0.0002
1994	803,660	136,159	4,808,004	4,474,254	0.0304
1995	91,614	104,801	4,794,817	4,801,411	0.0218
1996	39,964	9,510	4,825,271	4,810,044	0.0020
1997	865,744	31,903	5,659,112	5,242,192	0.0061
1998	6,545	51,000	5,614,657	5,636,885	0.0090
1999	31,382	805	5,645,234	5,629,946	0.0001
2000	64,253	0	5,709,487	5,677,361	0.0000
2001	59,062	4,330	5,764,219	5,736,853	0.0008
2002	67,283	38,540	5,792,962	5,778,591	0.0067
2003	442,131	62,105	6,172,988	5,982,975	0.0104
2004	698,136	64,449	6,806,675	6,489,832	0.0099
TOTAL 1975-2004	4,459,663	782,888	131,180,475	129,342,088	0.1735

Used 1975 through 2004 interim retirements. Based on retirements five years after in-service date of Unit 2.

AVERAGE INTERIM RATE

0.1735

0.0058

30

KENTUCKY POWER COMPANY  
 DEPRECIATION STUDY AS OF DECEMBER 31, 2004  
 CALCULATION OF AVERAGE REMAINING LIFE  
 BIG SANDY PLANT ACCOUNT 311  
 RETIREMENT YEARS - UNIT 1 2015; UNIT 2 2034

ANNUAL INTERIM RETIREMENT RATE 0.0011

<u>YEAR</u>	<u>AMOUNT RETIRED</u>	<u>REM. LIFE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE REM. LIFE</u>
2005	39,765	0.5	19,882	
2006	39,765	1.5	59,647	
2007	39,765	2.5	99,412	
2008	39,765	3.5	139,177	
2009	39,765	4.5	178,941	
2010	39,765	5.5	218,706	
2011	39,765	6.5	258,471	
2012	39,765	7.5	298,236	
2013	39,765	8.5	338,000	
2014	39,765	9.5	377,765	
2015	5,875,352	10.5	61,691,193	
2016	33,346	11.5	383,474	
2017	33,346	12.5	416,820	
2018	33,346	13.5	450,165	
2019	33,346	14.5	483,511	
2020	33,346	15.5	516,857	
2021	33,346	16.5	550,202	
2022	33,346	17.5	583,548	
2023	33,346	18.5	616,893	
2024	33,346	19.5	650,239	
2025	33,346	20.5	683,585	
2026	33,346	21.5	716,930	
2027	33,346	22.5	750,276	
2028	33,346	23.5	783,621	
2029	33,346	24.5	816,967	
2030	33,346	25.5	850,312	
2031	33,346	26.5	883,658	
2032	33,346	27.5	917,004	
2033	33,346	28.5	950,349	
2034	29,276,538	29.5	863,657,881	
TOTALS	36,149,758		939,341,723	25.98

INTERIM RETIREMENTS:  
 Total Plant at 12/31/04 36,149,758  
 Less Retirement of Unit 1 in 2015 -5,835,587  
 Less Final Retirement in year 2034 -29,276,538  
 Total Interim Retirements 1,037,633

KENTUCKY POWER COMPANY  
 DEPRECIATION STUDY AS OF DECEMBER 31, 2004  
 CALCULATION OF AVERAGE REMAINING LIFE  
 BIG SANDY PLANT ACCOUNT 312  
 RETIREMENT YEARS - UNIT 1 2015; UNIT 2 2034

ANNUAL INTERIM RETIREMENT RATE 0.0150

<u>YEAR</u>	<u>AMOUNT RETIRED</u>	<u>REM. LIFE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE REM. LIFE</u>
2005	4,868,080	0.5	2,434,040	
2006	4,868,080	1.5	7,302,121	
2007	6,497,604	2.5	16,244,011	
2008	4,843,638	3.5	16,952,731	
2009	11,361,735	4.5	51,127,806	
2010	4,745,866	5.5	26,102,264	
2011	4,745,866	6.5	30,848,130	
2012	4,745,866	7.5	35,593,996	
2013	4,745,866	8.5	40,339,862	
2014	4,745,866	9.5	45,085,728	
2015	11,641,100	10.5	122,231,551	
2016	4,642,438	11.5	53,388,032	
2017	4,642,438	12.5	58,030,470	
2018	4,642,438	13.5	62,672,908	
2019	4,642,438	14.5	67,315,345	
2020	4,642,438	15.5	71,957,783	
2021	4,642,438	16.5	76,600,220	
2022	4,642,438	17.5	81,242,658	
2023	4,642,438	18.5	85,885,096	
2024	4,642,438	19.5	90,527,533	
2025	4,642,438	20.5	95,169,971	
2026	4,642,438	21.5	99,812,408	
2027	4,642,438	22.5	104,454,846	
2028	4,642,438	23.5	109,097,284	
2029	4,642,438	24.5	113,739,721	
2030	4,642,438	25.5	118,382,159	
2031	4,642,438	26.5	123,024,596	
2032	4,642,438	27.5	127,667,034	
2033	4,642,438	28.5	132,309,472	
2034	173,165,250	29.5	5,108,374,879	
TOTALS	324,538,695		7,173,914,654	22.10

INTERIM RETIREMENTS:

Total Plant at 12/31/04	324,538,695
Less Retirement of Unit 1 in 2015	-6,895,234
Less Final Retirement in year 2034	<u>-173,165,250</u>
Total Interim Retirements	<u>144,478,211</u>

KENTUCKY POWER COMPANY  
 DEPRECIATION STUDY AS OF DECEMBER 31, 2004  
 CALCULATION OF AVERAGE REMAINING LIFE  
 BIG SANDY PLANT ACCOUNT 314  
 RETIREMENT YEARS - UNIT 1 2015; UNIT 2 2034

ANNUAL INTERIM RETIREMENT RATE 0.0127

<u>YEAR</u>	<u>AMOUNT RETIRED</u>	<u>REM. LIFE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE REM. LIFE</u>
2005	927,595	0.5	463,798	
2006	927,595	1.5	1,391,393	
2007	927,595	2.5	2,318,988	
2008	927,595	3.5	3,246,583	
2009	927,595	4.5	4,174,178	
2010	927,595	5.5	5,101,773	
2011	927,595	6.5	6,029,368	
2012	927,595	7.5	6,956,963	
2013	927,595	8.5	7,884,558	
2014	927,595	9.5	8,812,153	
2015	6,402,451	10.5	67,225,736	
2016	858,064	11.5	9,867,741	
2017	858,064	12.5	10,725,805	
2018	858,064	13.5	11,583,870	
2019	858,064	14.5	12,441,934	
2020	858,064	15.5	13,299,998	
2021	858,064	16.5	14,158,063	
2022	858,064	17.5	15,016,127	
2023	858,064	18.5	15,874,192	
2024	858,064	19.5	16,732,256	
2025	858,064	20.5	17,590,320	
2026	858,064	21.5	18,448,385	
2027	858,064	22.5	19,306,449	
2028	858,064	23.5	20,164,514	
2029	858,064	24.5	21,022,578	
2030	858,064	25.5	21,880,643	
2031	858,064	26.5	22,738,707	
2032	858,064	27.5	23,596,771	
2033	858,064	28.5	24,454,836	
2034	41,915,422	29.5	1,236,504,938	
TOTALS	73,038,983		1,659,013,618	22.71

INTERIM RETIREMENTS:

Total Plant at 12/31/04	73,038,983
Less Retirement of Unit 1 in 2015	-5,474,856
Less Final Retirement in year 2034	<u>-41,915,422</u>
Total Interim Retirements	<u>25,648,705</u>

KENTUCKY POWER COMPANY  
 DEPRECIATION STUDY AS OF DECEMBER 31, 2004  
 CALCULATION OF AVERAGE REMAINING LIFE  
 BIG SANDY PLANT ACCOUNT 315  
 RETIREMENT YEARS - UNIT 1 2015; UNIT 2 2034

ANNUAL INTERIM RETIREMENT RATE 0.0040

<u>YEAR</u>	<u>AMOUNT RETIRED</u>	<u>REM. LIFE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE REM. LIFE</u>
2005	54,970	0.5	27,485	
2006	54,970	1.5	82,456	
2007	54,970	2.5	137,426	
2008	54,970	3.5	192,396	
2009	54,970	4.5	247,367	
2010	54,970	5.5	302,337	
2011	54,970	6.5	357,308	
2012	54,970	7.5	412,278	
2013	54,970	8.5	467,248	
2014	54,970	9.5	522,219	
2015	1,520,180	10.5	15,961,894	
2016	49,110	11.5	564,760	
2017	49,110	12.5	613,870	
2018	49,110	13.5	662,979	
2019	49,110	14.5	712,089	
2020	49,110	15.5	761,198	
2021	49,110	16.5	810,308	
2022	49,110	17.5	859,417	
2023	49,110	18.5	908,527	
2024	49,110	19.5	957,636	
2025	49,110	20.5	1,006,746	
2026	49,110	21.5	1,055,856	
2027	49,110	22.5	1,104,965	
2028	49,110	23.5	1,154,075	
2029	49,110	24.5	1,203,184	
2030	49,110	25.5	1,252,294	
2031	49,110	26.5	1,301,403	
2032	49,110	27.5	1,350,513	
2033	49,110	28.5	1,399,623	
2034	10,788,744	29.5	318,267,960	
TOTALS	13,742,601		354,657,817	25.81

INTERIM RETIREMENTS:

Total Plant at 12/31/04	13,742,601
Less Retirement of Unit 1 in 2015	-1,465,210
Less Final Retirement in year 2034	-10,788,744
Total Interim Retirements	<u>1,488,647</u>

KENTUCKY POWER COMPANY  
 DEPRECIATION STUDY AS OF DECEMBER 31, 2004  
 CALCULATION OF AVERAGE REMAINING LIFE  
 BIG SANDY PLANT ACCOUNT 316  
 RETIREMENT YEARS - UNIT 1 2015; UNIT 2 2034

ANNUAL INTERIM RETIREMENT RATE 0.0058

<u>YEAR</u>	<u>AMOUNT RETIRED</u>	<u>REM. LIFE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE REM. LIFE</u>
2005	37,810	0.5	18,905	
2006	37,810	1.5	56,715	
2007	37,810	2.5	94,525	
2008	37,810	3.5	132,335	
2009	37,810	4.5	170,145	
2010	37,810	5.5	207,955	
2011	37,810	6.5	245,765	
2012	37,810	7.5	283,574	
2013	37,810	8.5	321,384	
2014	37,810	9.5	359,194	
2015	828,981	10.5	8,704,300	
2016	33,221	11.5	382,043	
2017	33,221	12.5	415,264	
2018	33,221	13.5	448,485	
2019	33,221	14.5	481,707	
2020	33,221	15.5	514,928	
2021	33,221	16.5	548,149	
2022	33,221	17.5	581,370	
2023	33,221	18.5	614,591	
2024	33,221	19.5	647,812	
2025	33,221	20.5	681,033	
2026	33,221	21.5	714,255	
2027	33,221	22.5	747,476	
2028	33,221	23.5	780,697	
2029	33,221	24.5	813,918	
2030	33,221	25.5	847,139	
2031	33,221	26.5	880,360	
2032	33,221	27.5	913,581	
2033	33,221	28.5	946,803	
2034	4,713,893	29.5	139,059,849	
TOTALS	6,518,954		161,614,256	24.79

INTERIM RETIREMENTS:

Total Plant at 12/31/04	6,518,954
Less Retirement of Unit 1 in 2015	-791,171
Less Final Retirement in year 2034	<u>-4,713,893</u>
Total Interim Retirements	<u>1,013,890</u>

KENTUCKY POWER COMPANY  
 DEPRECIATION STUDY AS OF DECEMBER 31, 2004  
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT  
 BIG SANDY GENERATING PLANT 311

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1963	5,835,587	41.5	242,176,861	
1964	13,194	40.5	534,357	
1965	18,352	39.5	724,904	
1966	3,636	38.5	139,986	
1967	217	37.5	8,138	
1968	21,282	36.5	776,793	
1969	15,208,342	35.5	539,896,141	
1970	798,917	34.5	27,562,637	
1971	162,704	33.5	5,450,584	
1972	56,780	32.5	1,845,350	
1973	2,605	31.5	82,058	
1974	5,005	30.5	152,653	
1975	28,389	29.5	837,476	
1976	65,662	28.5	1,871,367	
1977	76,759	27.5	2,110,873	
1978	290,514	26.5	7,698,621	
1979	188,907	25.5	4,817,129	
1980	23,035	24.5	564,358	
1981	212,801	23.5	5,000,824	
1982	697,944	22.5	15,703,740	
1983	379,258	21.5	8,154,047	
1984	78,613	20.5	1,611,567	
1985	47,985	19.5	935,708	
1986	34,955	18.5	646,668	
1987	171,684	17.5	3,004,470	
1988	15,604	16.5	257,466	
1989	481,577	15.5	7,464,444	
1990	11,250	14.5	163,125	
1991	20,716	13.5	279,666	
1992	157,920	12.5	1,974,000	
1993	1,237,138	11.5	14,227,087	
1994	38,697	10.5	406,319	
1995	471,264	9.5	4,477,008	
1996	719,120	8.5	6,112,520	
1997	1,407,250	7.5	10,554,375	
1998	56,378	6.5	366,457	
1999	212,915	5.5	1,171,033	
2000	431	4.5	1,940	
2001	6,209,891	3.5	21,734,619	
2002	111,625	2.5	279,063	
2003	574,855	1.5	862,283	
2004	0	0.5	0	
<b>TOTALS</b>	<u>36,149,758</u>		<u>942,638,705</u>	<u>26.08</u>



KENTUCKY POWER COMPANY  
 DEPRECIATION STUDY AS OF DECEMBER 31, 2004  
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT  
 BIG SANDY GENERATING PLANT

312

VINTAGE YEAR	SURVIVING BALANCE	AGE (YEARS)	DOLLAR YEARS	AVERAGE AGE (YEARS)
1963	6,895,234	41.5	286,152,211	
1964	104,317	40.5	4,224,839	
1965	28,441	39.5	1,123,420	
1966	31,857	38.5	1,226,495	
1967	1,203	37.5	45,113	
1968	37,345	36.5	1,363,093	
1969	36,739,824	35.5	1,304,263,752	
1970	2,331,894	34.5	80,450,343	
1971	1,583,333	33.5	53,041,656	
1972	692,340	32.5	22,501,050	
1973	54,734	31.5	1,724,121	
1974	736,147	30.5	22,452,484	
1975	927,822	29.5	27,370,749	
1976	679,371	28.5	19,362,074	
1977	569,747	27.5	15,668,043	
1978	3,517,702	26.5	93,219,103	
1979	2,836,065	25.5	72,319,658	
1980	1,557,801	24.5	38,166,125	
1981	2,042,101	23.5	47,989,374	
1982	3,830,536	22.5	86,187,060	
1983	1,692,432	21.5	36,387,288	
1984	1,270,809	20.5	26,051,585	
1985	1,613,389	19.5	31,461,086	
1986	1,284,909	18.5	23,770,817	
1987	2,870,827	17.5	50,239,473	
1988	2,626,915	16.5	43,344,098	
1989	1,555,961	15.5	24,117,396	
1990	1,769,956	14.5	25,664,362	
1991	1,132,899	13.5	15,294,137	
1992	2,911,319	12.5	36,391,488	
1993	3,140,523	11.5	36,116,015	
1994	11,533,966	10.5	121,106,643	
1995	10,409,154	9.5	98,886,963	
1996	8,118,106	8.5	69,003,901	
1997	6,979,974	7.5	52,349,805	
1998	6,187,646	6.5	40,219,699	
1999	317,684	5.5	1,747,262	
2000	1,403,839	4.5	6,317,276	
2001	463,448	3.5	1,622,068	
2002	34,174,650	2.5	85,436,625	
2003	152,535,783	1.5	228,803,675	
2004	<u>5,346,692</u>	0.5	<u>2,673,346</u>	
TOTALS	<u>324,538,695</u>		<u>3,235,855,760</u>	<u>9.97</u>

KENTUCKY POWER COMPANY  
 DEPRECIATION STUDY AS OF DECEMBER 31, 2004  
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT  
 BIG SANDY GENERATING PLANT 314

VINTAGE YEAR	SURVIVING BALANCE	AGE (YEARS)	DOLLAR YEARS	AVERAGE AGE (YEARS)
1963	5,474,856	41.5	227,206,524	
1964	399	40.5	16,160	
1965	63,546	39.5	2,510,067	
1966	7,158	38.5	275,583	
1967	16,713	37.5	626,738	
1968	20,787,860	36.5	758,756,890	
1969	919,095	35.5	32,627,873	
1970	702,552	34.5	24,238,044	
1971	263,990	33.5	8,843,665	
1972	59,137	32.5	1,921,953	
1973	14,948	31.5	470,862	
1974	240,134	30.5	7,324,087	
1975	9,309	29.5	274,616	
1976	19,103	28.5	544,436	
1977	11,239	27.5	309,073	
1978	836,732	26.5	22,173,398	
1979	37,742	25.5	962,421	
1980	1,893,106	24.5	46,381,097	
1981	412,999	23.5	9,705,477	
1982	1,057,901	22.5	23,802,773	
1983	183,335	21.5	3,941,703	
1984	6,809	20.5	139,585	
1985	211,112	19.5	4,116,684	
1986	226,283	18.5	4,186,236	
1987	3,248,362	17.5	56,846,335	
1988	1,951,999	16.5	32,207,984	
1989	1,034,429	15.5	16,033,650	
1990	1,649,547	14.5	23,918,432	
1991	0	13.5	0	
1992	2,648,021	12.5	33,100,263	
1993	2,166,603	11.5	24,915,935	
1994	1,140,038	10.5	11,970,399	
1995	2,078,595	9.5	19,746,653	
1996	127	8.5	1,080	
1997	11,093,444	7.5	83,200,830	
1998	7,235	6.5	47,028	
1999	79,722	5.5	438,471	
2000	38,757	4.5	174,407	
2001	9,146,810	3.5	32,013,835	
2002	1,838,035	2.5	4,595,088	
2003	1,461,201	1.5	2,191,802	
2004	0	0.5	0	
TOTALS	<u>73,038,983</u>		<u>1,522,758,126</u>	<u>20.85</u>

KENTUCKY POWER COMPANY  
DEPRECIATION STUDY AS OF DECEMBER 31, 2004  
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT  
BIG SANDY GENERATING PLANT

315

VINTAGE YEAR	SURVIVING BALANCE	AGE (YEARS)	DOLLAR YEARS	AVERAGE AGE (YEARS)
1963	1,465,210	41.5	60,806,215	
1964	2,265	40.5	91,733	
1965	6,106,874	39.5	241,221,523	
1966	555,696	38.5	21,394,296	
1967	355,383	37.5	13,326,863	
1968	13,318	36.5	486,107	
1969	114,131	35.5	4,051,651	
1970	1,489	34.5	51,371	
1971	289,966	33.5	9,713,861	
1972	113,934	32.5	3,702,855	
1973	216,942	31.5	6,833,673	
1974	40,978	30.5	1,249,829	
1975	81,148	29.5	2,393,866	
1976	429,265	28.5	12,234,053	
1977	353,773	27.5	9,728,758	
1978	89,002	26.5	2,358,553	
1979	88,303	25.5	2,251,727	
1980	98,185	24.5	2,405,533	
1981	486	23.5	11,421	
1982	119,792	22.5	2,695,320	
1983	187,376	21.5	4,028,584	
1984	100,224	20.5	2,054,592	
1985	259,710	19.5	5,064,345	
1986	106,173	18.5	1,964,201	
1987	38,842	17.5	679,735	
1988	115,632	16.5	1,907,928	
1989	79,021	15.5	1,224,826	
1990	33,436	14.5	484,822	
1991	360,098	13.5	4,861,323	
1992	945,619	12.5	11,820,238	
1993	405,268	11.5	4,660,582	
1994	2,861	10.5	30,041	
1995	228,090	9.5	2,166,855	
1996	77,560	8.5	659,260	
1997	215,570	7.5	1,616,775	
1998	47,432	6.5	308,308	
1999	3,549	5.5	19,520	
2000	0	4.5	0	
2001	0	3.5	0	
2002	0	2.5	0	
2003	0	1.5	0	
2004	0	0.5	0	
TOTALS	<u>13,742,601</u>		<u>440,561,137</u>	<u>32.06</u>

KENTUCKY POWER COMPANY  
 DEPRECIATION STUDY AS OF DECEMBER 31, 2004  
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT  
 BIG SANDY GENERATING PLANT 316

VINTAGE YEAR	SURVIVING BALANCE	AGE (YEARS)	DOLLAR YEARS	AVERAGE AGE (YEARS)
1963	791,171	41.5	32,833,597	
1964	4,644	40.5	188,082	
1965	5,340	39.5	210,930	
1966	8,383	38.5	322,746	
1967	2,344	37.5	87,900	
1968	3,755	36.5	137,058	
1969	1,547,958	35.5	54,952,509	
1970	197,493	34.5	6,813,509	
1971	84,826	33.5	2,841,671	
1972	48,144	32.5	1,564,680	
1973	23,088	31.5	727,272	
1974	94	30.5	2,867	
1975	124,869	29.5	3,683,636	
1976	18,611	28.5	530,414	
1977	12,430	27.5	341,825	
1978	34,424	26.5	912,236	
1979	25,081	25.5	639,566	
1980	11,193	24.5	274,229	
1981	97,226	23.5	2,284,811	
1982	72,372	22.5	1,628,370	
1983	65,241	21.5	1,402,682	
1984	87,922	20.5	1,802,401	
1985	96,287	19.5	1,877,597	
1986	32,012	18.5	592,222	
1987	29,324	17.5	513,170	
1988	82,538	16.5	1,361,877	
1989	34,137	15.5	529,124	
1990	29,306	14.5	424,937	
1991	138,204	13.5	1,865,754	
1992	21,290	12.5	266,125	
1993	1,249,784	11.5	14,372,516	
1994	125,591	10.5	1,318,706	
1995	184,929	9.5	1,756,826	
1996	217,359	8.5	1,847,552	
1997	58,674	7.5	440,055	
1998	42,911	6.5	278,922	
1999	7,491	5.5	41,201	
2000	50,660	4.5	227,970	
2001	73,297	3.5	256,540	
2002	611,807	2.5	1,529,518	
2003	166,744	1.5	250,116	
2004	0	0.5	0	
TOTALS	<u>6,518,954</u>		<u>143,933,710</u>	<u>22.08</u>

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY  
ACCOUNT NO.: 10810000  
PRODUCTION PLANT

7-16-2005

YEAR	ADDITIONS	RETIREMENTS	REIMBURSEMENTS		SALVAGE		COST OF REMOVAL		NET SALVAGE	
			AMOUNT	RATIO	AMOUNT	RATIO	AMOUNT	RATIO	W/REIMB.	W/O REIMB.
1960	0.	0.	0.	0.%	450.	0.%	3141.	0.%	0.%	0.%
1961	0.	0.	0.	0.%	365.	0.%	250.	0.%	0.%	0.%
1964	0.	12972.	0.	0.%	2350.	18.%	559.	4.%	14.%	14.%
1965	0.	8393.	0.	0.%	63.	1.%	1353.	16.%	-15.%	-15.%
1966	0.	28356.	0.	0.%	1639.	6.%	1309.	5.%	1.%	1.%
1967	0.	72923.	0.	0.%	50088.	69.%	207.	0.%	68.%	68.%
1968	0.	128116.	0.	0.%	3717.	3.%	11276.	9.%	-6.%	-6.%
1969	0.	6226.	0.	0.%	0.	0.%	0.	0.%	0.%	0.%
1970	0.	765565.	0.	0.%	38983.	5.%	20261.	3.%	2.%	2.%
1971	0.	126096.	0.	0.%	2831.	2.%	42474.	34.%	-31.%	-31.%
1972	0.	26254.	0.	0.%	8641.	33.%	3092.	12.%	21.%	21.%
1973	0.	40145.	0.	0.%	3905.	10.%	76655.	191.%	-181.%	-181.%
1974	0.	172218.	0.	0.%	661.	0.%	756.	0.%	0.%	0.%
1975	0.	123712.	0.	0.%	8539.	7.%	28002.	23.%	-16.%	-16.%
1976	0.	1145237.	0.	0.%	9669.	1.%	56912.	5.%	-4.%	-4.%
1977	0.	753812.	0.	0.%	78585.	10.%	111093.	15.%	-4.%	-4.%
1978	0.	280923.	0.	0.%	1491.	1.%	20757.	7.%	-7.%	-7.%
1979	0.	1978089.	0.	0.%	83069.	4.%	278953.	14.%	-10.%	-10.%
1980	0.	1539921.	0.	0.%	5630.	0.%	126933.	8.%	-8.%	-8.%
1981	0.	1729730.	0.	0.%	3569.	0.%	573164.	33.%	-33.%	-33.%
1982	0.	1674621.	0.	0.%	55571.	3.%	704047.	42.%	-39.%	-39.%
1983	0.	1127403.	0.	0.%	12461.	1.%	49042.	4.%	-3.%	-3.%
1984	0.	597900.	0.	0.%	724.	0.%	112419.	19.%	-19.%	-19.%
1985	0.	101983.	0.	0.%	69625.	68.%	537959.	527.%	-459.%	-459.%
1986	0.	1341809.	0.	0.%	69408.	5.%	10759.	1.%	4.%	4.%
1987	0.	1296541.	0.	0.%	671733.	52.%	386860.	30.%	22.%	22.%
1988	0.	1239413.	0.	0.%	146691.	12.%	1881634.	152.%	-140.%	-140.%
1989	0.	3675101.	0.	0.%	1495274.	41.%	264645.	7.%	33.%	33.%
1990	0.	1974433.	0.	0.%	435816.	22.%	814536.	41.%	-19.%	-19.%
1991	0.	1154968.	0.	0.%	25400.	2.%	311112.	27.%	-25.%	-25.%
1992	0.	2617525.	0.	0.%	866774.	33.%	427592.	16.%	17.%	17.%
1993	0.	3236184.	0.	0.%	-34358.	-1.%	1578355.	49.%	-50.%	-50.%
1994	0.	3969598.	0.	0.%	60472.	2.%	2038522.	51.%	-50.%	-50.%
1995	0.	6338609.	0.	0.%	1919772.	30.%	2274820.	36.%	-6.%	-6.%
1996	0.	2883635.	0.	0.%	-108297.	-4.%	2268116.	79.%	-82.%	-82.%
1997	0.	8213501.	0.	0.%	1622235.	20.%	1652784.	20.%	0.%	0.%
1998	0.	1885004.	0.	0.%	-109746.	-6.%	2094579.	111.%	-117.%	-117.%
1999	0.	474672.	0.	0.%	3780.	1.%	8266.	2.%	-1.%	-1.%
2000	0.	855616.	0.	0.%	1711.	0.%	203653.	24.%	-24.%	-24.%
2001	0.	543659.	0.	0.%	172103.	32.%	-80513.	-15.%	46.%	46.%
2002	0.	875114.	0.	0.%	30879.	4.%	55395.	6.%	-3.%	-3.%
2003	0.	17253619.	0.	0.%	-28698.	0.%	1578174.	9.%	-9.%	-9.%

STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY  
 ACCOUNT NO.: 10810000  
 PRODUCTION PLANT

7-16-2005

YEAR	ADDITIONS	RETIREMENTS	REIMBURSEMENTS		SALVAGE		COST OF REMOVAL		NET SALVAGE	
			AMOUNT	RATIO	AMOUNT	RATIO	AMOUNT	RATIO	W/REIMB.	W/O REIMB.
2004	0.	3134846.	0.	0.%	39640.	1.%	4362183.	139.%	-138.%	-138.%
	0.	75404442.	0.	0.%	7723215.	10.%	24892086.	33.%	-23.%	-23.%
ROLLING BAND										
1960-1974	0.	1387264.	0.	0.%	113693.	8.%	161333.	12.%	-3.%	-3.%
1961-1975	0.	1510976.	0.	0.%	121782.	8.%	186194.	12.%	-4.%	-4.%
1962-1976	0.	2656213.	0.	0.%	131086.	5.%	242856.	9.%	-4.%	-4.%
1963-1977	0.	3410025.	0.	0.%	209671.	6.%	353949.	10.%	-4.%	-4.%
1964-1978	0.	3690948.	0.	0.%	211162.	6.%	374706.	10.%	-4.%	-4.%
1965-1979	0.	5656065.	0.	0.%	291881.	5.%	653100.	12.%	-6.%	-6.%
1966-1980	0.	7187593.	0.	0.%	297448.	4.%	778680.	11.%	-7.%	-7.%
1967-1981	0.	8888967.	0.	0.%	299378.	3.%	1350535.	15.%	-12.%	-12.%
1968-1982	0.	10490665.	0.	0.%	304861.	3.%	2054375.	20.%	-17.%	-17.%
1969-1983	0.	11489952.	0.	0.%	313605.	3.%	2092141.	18.%	-15.%	-15.%
1970-1984	0.	12081626.	0.	0.%	314329.	3.%	2204560.	18.%	-16.%	-16.%
1971-1985	0.	11418044.	0.	0.%	344971.	3.%	2722258.	24.%	-21.%	-21.%
1972-1986	0.	12633757.	0.	0.%	411548.	3.%	2690543.	21.%	-18.%	-18.%
1973-1987	0.	13904044.	0.	0.%	1074640.	8.%	3074311.	22.%	-14.%	-14.%
1974-1988	0.	15103312.	0.	0.%	1217426.	8.%	4879290.	32.%	-24.%	-24.%
1975-1989	0.	18606195.	0.	0.%	2712039.	15.%	5143179.	28.%	-13.%	-13.%
1976-1990	0.	20456916.	0.	0.%	3139316.	15.%	5929713.	29.%	-14.%	-14.%
1977-1991	0.	20466647.	0.	0.%	3155047.	15.%	6183913.	30.%	-15.%	-15.%
1978-1992	0.	22330360.	0.	0.%	3943236.	18.%	6500412.	29.%	-11.%	-11.%
1979-1993	0.	25285621.	0.	0.%	3907387.	15.%	8058010.	32.%	-16.%	-16.%
1980-1994	0.	27277130.	0.	0.%	3884790.	14.%	9817579.	36.%	-22.%	-22.%
1981-1995	0.	32075818.	0.	0.%	5798932.	18.%	11965466.	37.%	-19.%	-19.%
1982-1996	0.	33229723.	0.	0.%	5687066.	17.%	13660418.	41.%	-24.%	-24.%
1983-1997	0.	39768603.	0.	0.%	7253730.	18.%	14609155.	37.%	-18.%	-18.%
1984-1998	0.	40526204.	0.	0.%	7131523.	18.%	16654692.	41.%	-23.%	-23.%
1985-1999	0.	40402976.	0.	0.%	7134579.	18.%	16550539.	41.%	-23.%	-23.%
1986-2000	0.	41156609.	0.	0.%	7066665.	17.%	16216233.	39.%	-22.%	-22.%
1987-2001	0.	40358459.	0.	0.%	7169360.	18.%	16124961.	40.%	-22.%	-22.%
1988-2002	0.	39937032.	0.	0.%	6528506.	16.%	15793496.	40.%	-23.%	-23.%
1989-2003	0.	55951238.	0.	0.%	6353117.	11.%	15490036.	28.%	-16.%	-16.%
1990-2004	0.	55410983.	0.	0.%	4897483.	9.%	19587574.	35.%	-27.%	-27.%

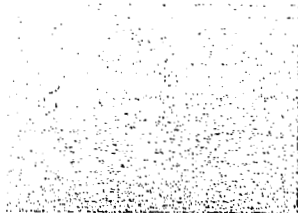
Kentucky Power Company  
American Electric Power

Big Sandy Plant  
Conceptual Demolition Cost Estimate

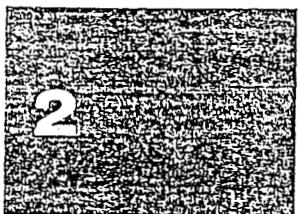
Pg. 13

DEMOLITION = \$32,000,000

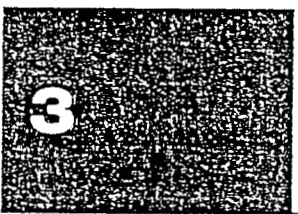
# Table of Contents



Conceptual Specification/ Cost Estimate



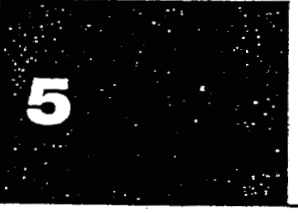
Assumptions



Schedule



Method Statement



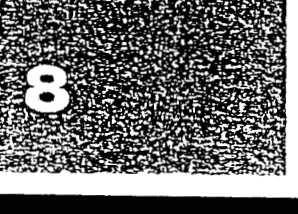
Volume Estimates



Quantitative Units



Recommendations





American Electric Power Company  
Big Sandy Power  
LOUISA, KY

Dismantling Information

June 1, 2005

BIG SANDY AEP POWER PLANT  
CONCEPTUAL DEMOLITION PLAN

DEFINITIONS:

**RACM** (estimated 3,000 cubic yards)

Regulated Asbestos Containing Material as defined in 40 CFR 61, Subpart M and any other applicable Federal, State, and/or Local rules, regulations and/or ordinances.

**Concrete Debris**

Concrete stacks, cooling towers, and floor slabs (estimated 35,000 cubic yards)

**Construction / Demolition Debris**

Any solid waste resulting from the construction, remodeling, repair, or demolition of structures. Such wastes may include, but not limited to;

roof material/drywall/ceiling tiles/fiberglass (estimated 3,500 yards)

brick (estimated 6,500 yards)

railroad ties (estimated 30,650 ties)

**Contractor**

The individual, partnership or corporation with which AEP Company enters into a contract to perform all of the work described in the Specification.

**Contract**

A purchase order placed by Purchaser and accepted by Contractor, together with this Specification and all other documents referred to in such purchase order, or a formal contract executed by Purchaser and Contractor, together with this Specification and all other documents referred to in such formal contract.

**Engineer**

The Engineer or his authorized representative designated by AEP Company to be assigned to this contract.

**Fill Material**

Material to be used to bring area to grade.

**Greases**

Any used or unused greases or waste containing grease.

**Hazardous Waste**

Hazardous waste as defined in 40 CFR 261.3 or as defined in any applicable state regulation.

**HAZMATs**

Any hazardous, toxic or regulated substance controlled under RCRA, CERCLA or any other Federal, State, or Local law, statute, regulation or ordinance pertaining to the handling, transportation, or disposal of any controlled substance.

**Landfill**

River City Disposal  
1837 River Cities Drive  
Ashland, KY 41102

**MSDS**

Material Safety Data Sheet.

**Non-Ferrous Scrap (estimated 290,000 lbs)**

All non-ferrous scrap such as copper or brass (estimated 290,000 lbs).

**Oils (estimated 50,000 gallons)**

Any used or unused hydraulic, lubrication, rolling, waste or other such oil or oily waste.

**OSHA**

Occupational Safety and Health Act and amendments thereto.

**PCBs**

Polychlorinated By-phenols (plant personnel verified that there are no PCB's present at the site).

**Process Materials**

Any raw materials, blended raw materials, recyclable process generated dusts (such as flue dust), fly ash, ash slurry and etc.

**SCR Unit**

Selective Catalytic Reduction Unit

**Scrap Ferrous (estimated 22,000 tons)**

All ferrous scrap designated by the Engineer to be suitable for melting at a steel processing plant.

**Structural Removal**

As in the Specification, shall mean all work of every nature described herein, implied herein, or necessary to complete the work described or implied herein, with the exception of Asbestos Abatement.

**AEP Company**

American Electric Power Company

American Electric Power Company  
Big Sandy Power  
LOUISA, KY

Information Sheets

Dismantling Information

June 1, 2005

BIG SANDY POWER

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1. GENERAL SCOPE OF WORK

- 1.1. The work to be performed under the terms of this specification shall consist of the dismantling and removal of all facilities, machinery, equipment, all associated structures, foundations, debris, asbestos containing materials, hazardous substances and hazardous waste as directed by the Engineer. Upon completion each dismantling site shall be left in a neat, clean, safe condition.
- 1.2. Work under this specification shall be performed in accordance with the terms and conditions of the Contract, entered into between AEP Company and the Contractor, and in accordance with all EPA, OSHA, Federal, State, County, and Local laws, statutes, ordinances, and regulations.
- 1.3. The Contractor shall perform all utility disconnection and/or relocation work which is necessary to complete the proposed dismantling and removal work, without disrupting active utilities.
- 1.4. The Contractor shall perform all excavation, back-filling, construction and closure work which is necessary to complete the proposed dismantling work.
- 1.5. The Contractor shall provide all labor, materials, equipment, services and pay all necessary taxes, in addition to securing all required permits, to perform the dismantling.
- 1.6. The Contractor is responsible to clean up and dispose of any and all materials which are generated as a result of a spill caused by the Contractor, or which are generated as a result of the improper handling of any materials by the Contractor. This includes all RACM, Hazardous Substances, Hazardous Waste, Special wastes, Non-process Debris, Demolition Debris, and combustible materials.

2. FACILITY DISMANTLEMENT AND RELATED WORK

- 2.1. Perform the environment abatement of the following:
  - 2.1.1. Vacuum, transport and dispose of dust accumulations inside area of Unit 1 Boiler
  - 2.1.2. HAZMAT sweep of structures, tanks and pipe in Unit 1 Boiler area
  - 2.1.3. Abate tank insulation in Unit 1 Boiler along with all connected pipes
  - 2.1.4. Abate Unit 1 Boiler, boiler breeching and piping
  - 2.1.5. Abate Unit 1 Boiler building siding, office and turbine building siding, Unit 1 coil conveyor, Unit 1

- coil conveyor transfer building, Unit 1 train coal unload station house and miscellaneous outside structures.
- 2.1.6. Remove Units 1 fluorescent light bulbs, PCB ballast, mercury vapor light, HID vapor lights and mercury containing instruments.
- 2.1.7. Vacuum, transport and dispose of dust accumulations inside area of Unit 2 Boiler
- 2.1.8. HAZMAT sweep of structures, tanks and pipe in Unit 2 Boiler area
- 2.1.9. Abate tank insulation in Unit 2 Boiler along with all connected pipes
- 2.1.10. Abate Unit 2 Boiler, boiler breeching and piping
- 2.1.11. Abate Unit 2 miscellaneous outside structures.
- 2.1.12. Remove Unit 2 fluorescent light bulbs, PCB ballast, mercury vapor light, HID vapor lights and mercury containing instruments.
- 2.1.13. Remove office, storage and maintenance building fluorescent light bulbs, PCB ballast, mercury vapor light, HID vapor lights and mercury containing instruments.
- 2.1.14. Remove the secondary and primary river water pump house building fluorescent light bulbs, PCB ballast, mercury vapor light, HID vapor lights and mercury containing instruments.
- 2.2. Perform the building dismantling, equipment removal, concrete removal to surrounding grade elevation of the following.
  - 2.2.1. Unit 1 boiler building, turbine generator building, precipitators, office and maintenance building, coal conveyor.
  - 2.2.2. Unit 2 boiler building, turbine generator building, precipitators, office and maintenance building the chemical lab building, coal conveyor to Unit 2 coal pile, the SCR building and the Unit 1 & 2 concrete smoke stack.
- 2.3. Perform the removal of the following to grade elevation.
  - 2.3.1. Unit 1 water cooling tower structure, adjacent pump structures, adjacent condensate water tank to surround grade elevation. Fill the pits and trenches to surround grade elevation.
  - 2.3.2. The pump house and metal cleaning waste treatment tank located west of Unit 1 boiler building.
  - 2.3.3. The coal train car unload building, adjacent control building, the coal conveyor and coal transfer and sampling building.
  - 2.3.4. The tractor shed and locomotive house building.
  - 2.3.5. The remains of the standby river water make-up equipment, railroad ties and pipes to the Big Sandy River.
  - 2.3.6. The in-service sanitary treatment equipment, trenches and tanks located adjacent to the Big Sandy River.
  - 2.3.7. The secondary and primary river water pump building structures, the two electrical control buildings. Remove building and water intakes to surrounding grade elevation. Install a barricade in the water inlet from the Big Sandy River. Remove the water inlet screens from the river.
  - 2.3.8. The ammonia storage building and chemical manufacturing building structure and ammonia storage tank structures.
  - 2.3.9. The 500,000 gallon fuel oil tank and oil pump station. Remove the oil tank dike down to surround

grade elevation.

- 2.3.10. The six single story maintenance, storage and office buildings located south of the Unit 2 boiler building.
- 2.3.11. The Unit 2 water cooling tower structure, adjacent pump structures, adjacent clean condensate water tank, dirty condensate water tank, the fire water control building, the sulfuric acid storage and control building, the chlorine tank and control building to surround grade elevation. Fill the pits and trenches to surround grade elevation.
- 2.3.12. The Unit 2 coal conveyor from the coil pile to the Unit 2 boiler.
- 2.3.13. The coal train unload building, coal conveyor from the unload building to the coal transfer building to the coal storage area. Remove all bents and transfer building to surround grade elevation. Remove the coal truck unload equipment from grade elevation to the bottom of the pit. Fill the truck unload pit and the coal train unload pit to surrounding grade elevation. Fill the pit from the coal train station to the coal conveyor exit with fill material to surround grade elevation.
- 2.3.14. The coal system sample building, trailer and sample equipment to surrounding grade elevation.
- 2.3.15. The coal system transportation office and maintenance building located east of the coal storage area.
- 2.3.16. The two truck scales, control building, and coal train car warming structure and equipment down to surrounding grade elevation.
- 2.3.17. The abandoned 3,400,000 gallon fuel storage tank. Remove the dike wall surrounding the fuel tank to surrounding grade elevation. Remove all pumps, pipe, wires, and controls from the tank area to the Unit 2 boiler structure.
- 2.3.18. Remove the maintenance parts storage building located north of the Unit 2 turbine building.
- 2.3.19. Remove the electrical wire, and electric towers from the transformers located adjacent to Unit 2 boiler building to the 345,000 volt electrical station located north of Highway 23.
- 2.3.20. Remove the electrical wires and electrical tower from the transformers located adjacent to Unit 1 boiler building to the 134,000 volt electrical station. Remove the four step-down transformers and connections between the 134,000 volt switch yard and the block building. Remove the block building down to surrounding grade elevation.

### 3. WORK BY CONTRACTOR

The Contractor Shall:

- 3.1. Furnish all supervision, labor, materials, tools, supplies and equipment necessary to perform the work, including dismantling and removal of all the facilities, equipment, structures, etc. noted herein with the exception of specific structures which are designated in this Specification to remain.
- 3.2. Furnish on the site, during the performance of the work, an experienced supervisor who shall be duly authorized to represent and act for the Contractor in all matters pertaining to the work covered by this Specification.
- 3.3. Provide all written instructions, orders, and other communications delivered to the Contractor's construction office shall be considered as having been delivered to the Contractor himself.
- 3.4. Develop detailed written demolition plans for each area to be dismantled, and submit them to the Engineer for his review prior to the start of work in an area. Such plans shall include, but limited to:
  - 3.4.1. A detailed and complete schedule for the performance of the work.

- 3.4.2. A survey of each area, identifying all materials to be disposed of other than scrap and equipment.
- 3.4.3. Identification and protection of demolition areas.
- 3.4.4. Termination and/or relocation of utilities.
- 3.4.5. Asbestos abatement and disposal.
- 3.4.6. Handling and disposal of hazardous wastes and materials.
- 3.4.7. Handling and disposal of oils and greases.
- 3.4.8. Handling and disposal of non-hazardous debris and materials.
- 3.4.9. Handling and disposal of ODC's.
- 3.4.10. Fire prevention and protection.
- 3.4.11. Handling and storage locations for ferrous and non-ferrous scrap.
- 3.4.12. Method of demolition and/or equipment removal.
- 3.4.13. Clean-out, breaking open, and filling of basements, pits, and tunnels.
- 3.4.14. Final grading and restoration of demolition site.
- 3.5. Clear each site of existing equipment, structures, and material designated to be removed. Each site will be left in a neat, clean, safe condition in conformity with all applicable Federal, State, or Local laws, statutes and/or regulations, including but not limited to CAA, OSHA, RCRA, SARA, TSCA, and/or CERCLA. The finished condition of each site will be approved by the Engineer.
- 3.6. Remove all structures down to final grade except where otherwise noted. Final grade will generally be the adjacent grade surrounding the facility to be removed. The removal of concrete & debris and grading will be done concurrent with the demolition work. As one area is cleared of structures, the required concrete removal work in that area will be done simultaneously with the demolition of structures in the next area of work. If the Contractor breaches the provisions of this section AEP Company reserves the right, in AEP Company's sole opinion, to stop the Contractor from doing further demolition until the concrete and debris removal is current.
- 3.7. Perform all material removal and asbestos abatement work in accordance with all applicable Federal, State, and/or Local rules, regulations and/or ordinances, which is necessary to complete the proposed removal work.
- 3.8. Perform all utility, telecommunications and telemetering disconnection and/or relocation work which is necessary to complete the proposed removal work.
- 3.9. Prior to beginning demolition of any facility, Contractor shall ascertain that no live utilities remain in the facility and identify and locate all underground utilities. It shall be the Contractor's exclusive responsibility to determine that all utility systems in each area remain isolated from active utility systems.
- 3.10. Perform all excavation, back-filling, construction and closure work which is necessary to complete the proposed dismantling and removal work.
- 3.11. Remove all debris generated as a result of the proposed removal work.
- 3.12. Break the floors of all pits, trenches and depressions sufficiently to provide drainage and to prevent the accumulation of water within the underground structure.
- 3.13. Tunnel and basement roof structures which do not support structures designated to remain and which are located less than 3 feet below finish grade elevation will be broken in. Said tunnel excavations will be filled with fill materials approved by the Site Engineer up to finish grade elevation.
- 3.14. Properly drain and capture all contents of pipelines prior to dismantling any pipelines.

- 3.15. Empty and shovel clean all pits, sumps, basements, and depressions to the satisfaction of the Engineer. Areas will be inspected by the Site Engineer prior to filling. Any pits, sumps, basements or depressions in contact with a hazardous waste or PCB shall be decontaminated in accordance with any applicable Federal and/or State rules and/or regulations.
- 3.16. Back-fill all pits, sumps, and depressions up to existing grade. Each site shall be rough graded and left in a neat, clean, safe condition. Contractor will use fill material approved by the Engineer. The final six inches of fill shall be other select fill material approved by the Engineer.
- 3.17. Furnish all fill material in accordance with the Specification. If the work activity generates more fill material than needed, the Contractor shall pay for the transportation and disposal off site. If the work activity is fill negative, the Contractor shall pay for the purchase and transportation of required fill to the site. Such purchased material shall be approved by the Site Engineer.
- 3.18. Furnish portable sanitary facilities and drinking water for Contractor's personnel in areas of removal.
- 3.19. Furnish electric power and temporary lighting in those areas of removal where active utilities are not available.
- 3.20. Provide adequate protective barriers for open pits, holes and depressions, as a result of the equipment removal work, until they are properly backfilled. Temporary barricades shall conform to all applicable Federal, State and Local, rules and regulations or standards including, but not limited to OSHA.
- 3.21. Remove above ground utility support systems such as poles, structural steel towers or guy wires which have been designated to be removed by the Engineer.
- 3.22. Remove and scrap all tanks, including supporting steel and concrete structures. Prior to removal work Contractor shall remove the contents of each tank, drain each tank and otherwise purge each tank in accordance with all applicable rules or regulations to render them safe for removal. Notify Engineer of any potentially contaminated soils. Remove of these tanks shall conform to all applicable Federal, State, and Local laws, statutes, regulations or ordinances.
- 3.23. Secure the approval of local Fire Department for the Fire Prevention Plan. Contractor shall meet with representatives of the Fire Department prior to commencement of work on each facility. Prior to the commencement of removal work, Contractor shall inspect all fire hydrants in the work area and shall notify the Engineer of those that are not in good operating condition.
- 3.24. Provide fire extinguishers and fire hoses as required to immediately control any fires resulting from the work. Implement all fire prevention measures as directed by the Fire Department. Measures required by Fire Department may include, but will not be limited to, the maintenance of pressurized fire hoses at each removal site.
- 3.25. Attend a safety meeting with AEP Company's representatives prior to starting work in each facility or designed area.
- 3.26. Furnish all temporary or permanent supports or protective devices which are necessary to preserve active pipes, electrical lines or other structures which AEP Company designates to remain in place.
- 3.27. Abide by AEP Company Contractor Safety Responsibilities, AEP Company Energy Control-Lockout and Tryout Rules, as well as all Federal, State, and Local regulations.
- 3.28. Secure the Engineer's approval prior to using any railroad track or mobile crane movements to or from the dismantling site.
- 3.29. Schedule rail movements, order all railroad cars and be solely responsible for demurrage charges resulting from the Contractor's operations.
- 3.30. Where Contractor removes railroad track, the Contractor shall remove all wooden and concrete ties, and load

and transport them to an approved disposal site approved by the Engineer. Contractor shall be responsible for the cost of all removal, loading, transportation, and disposal of such material.

3.31. ACM ABATEMENT

- 3.31.1. Contractor shall provide all supervision, labor, consumable materials, tools, equipment, documentation, services and permits required to identify, remove, and dispose of all ACM located on, in, adjacent to or forming a part of each structure designated for removal. RACM removal work shall include but is not necessarily limited to the work described herein.
- 3.31.2. Prepare a complete, written ACM removal plan for each dismantling site. Contractor shall obtain and analyze all bulk sample analyses of any suspect RACM. Prior to the commencement of work, Contractor shall provide the Engineer with the results of the analyses and Contractor's removal plan.
- 3.31.3. Provide all respirators, protective clothing and equipment required to protect all personnel associated with the RACM removal work. All respirators, protective clothing and equipment shall conform to all applicable rules, regulations, and standards, including but not limited to OSHA..
- 3.31.4. Employ only competent persons, trained, knowledgeable and qualified in the techniques of abatement, handling and disposal of RACM and subsequent cleaning of contaminated areas. Employees who perform RACM removal work shall possess current, valid asbestos abatement licenses as required by any governmental agency having jurisdiction over the work.
- 3.31.5. Perform all RACM removal in strict accordance with all applicable Federal, State, and Local laws, statutes, ordinances and regulations. Contractor shall provide timely and accurate notification in accordance with all Federal, State, and Local laws, statutes, and regulations and ordinances.
- 3.31.6. Adequately wet all friable RACM prior to removal. Adequately wet RACM debris shall be packaged in bags provided by Contractor. Bags of ACM debris shall promptly be placed in dumpster boxes provided by Contractor.
- 3.31.7. Haul all RACM debris from each RACM removal site to the disposal site approved by AEP Company. Contractor shall unload RACM at the disposal site. All transportation of RACM shall be performed in enclosed dumpster boxes.
- 3.31.8. Be responsible for any spilling, escape or release of RACM which occurs during the transportation of RACM to the disposal site. AEP Company shall be responsible for any spilling, escape or release of RACM which occurs after the RACM has been unloaded by Contractor at the disposal site approved by AEP Company. Contractor shall immediately report to AEP Company any spilling, escape or release of RACM which occurs during the transportation of RACM. Contractor shall submit copies of reports of spilling, escape or release of RACM to all authorities as required by Federal, State or Local laws, statutes, regulations and ordinances.
- 3.31.9. Maintain complete and accurate records of all removal, transportation and disposal activities in accordance with all Federal, State and Local laws, statutes, regulations and ordinances. Contractor shall submit copies of all such records to AEP Company on a daily basis.
- 3.31.10. Perform personal and area air monitoring as necessary to assure the safety of all persons associated with the removal of ACM and as required by Federal, State and Local laws, statutes, regulations and ordinances. Contractor shall perform environmental air monitoring in the area at each location where RACM removal work is performed. Environmental air monitoring shall conform to all applicable Federal, State, and Local laws, statutes, regulations and ordinances.

3.32. HAZARDOUS WASTE HANDLING AND DISPOSAL

- 3.32.1. Contractor shall provide all supervision, labor, consumable materials, tools, equipment,



- documentation, services and permits required to identify, remove and load any hazardous waste located in, adjacent to or forming a part of the equipment designated for removal. Contractor shall be responsible to perform all in-plant handling of such materials, including, but not limited to removal, loading, and in-plant transportation. Hazardous waste removal work shall include, but is not necessarily limited to, the work described herein.
- 3.32.2. Contractor is required to secure samples of all materials, which are suspected of being a hazardous waste, located in the areas defined in this Specification. Samples shall be collected in accordance with all applicable regulations. Contractor shall deliver all samples of suspected hazardous waste to the Engineer. AEP Company shall secure required analyses of all such samples.
- 3.32.3. Prepare a complete written hazardous waste removal plan for each work site that will be submitted to the Engineer for his review prior to the start of work in an area.
- 3.32.4. Contractor shall provide all respirators, protective clothing and equipment required to protect all personnel associated with the handling or removal of any Hazardous Wastes. All said respirators, protective clothing and equipment shall conform to all applicable rules, regulations and standards, including but not limited to OSHA.
- 3.32.5. Employ only competent persons, trained, knowledgeable and qualified in the techniques of handling and disposal of hazardous wastes and subsequent cleaning of contaminated areas. Employees who perform hazardous waste removal work shall possess current, valid licenses as required by any government agency having jurisdiction over the work. Perform all hazardous waste removal in strict accordance with all applicable Federal, State and Local laws, statutes, ordinances and regulations. Contractor shall provide timely and accurate notification in accordance with all Federal, State and Local laws, statutes, regulations and ordinances.
- 3.32.6. Contractor shall post all appropriate warning signs at each work area, as is required by applicable regulations.
- 3.32.7. Maintain complete and accurate records of all removal activities in accordance with all Federal, State, and Local laws, statutes, regulations and ordinances. Contractor shall submit copies of all such records to AEP Company on a weekly basis.
- 3.32.8. Perform personal monitoring as necessary to assure the safety of all persons associated with the removal of hazardous wastes and as required by Federal, State, and Local laws, statutes, regulations and ordinances. If so required, Contractor shall perform environmental air monitoring in the area of each location where hazardous waste removal work is performed. Environmental air monitoring shall comply with applicable Federal, State, and Local laws, statutes, regulations and ordinances.
- 3.32.9. AEP Company shall be responsible for disposal, the method of disposal and the disposal site for all identified hazardous waste except asbestos waste. Contractor shall load all such wastes into trucks or containers provided by AEP Company.
- 3.33. CONSTRUCTION / DEMOLITION WASTE
- 3.33.1. Contractor is required to perform the work described herein in a manner that will separate construction / demolition waste from ferrous scrap, combustible waste, non-ferrous scrap, ferrous scrap, process demolition waste, oils and greases, hazardous wastes, and all other materials.
- 3.33.2. Contractor shall identify all quantities of construction / demolition waste to the Engineer. The Engineer shall positively identify all such materials as being construction / demolition waste.
- 3.33.3. For all materials which have been positively identified by the Engineer as construction / demolition waste, Contractor shall use such materials as clean fill in locations approved for filling by the Engineer.

- 3.33.4. Contractor shall be responsible to perform all in-plant handling of such materials, including, but not limited to, screening, separation, from other materials, loading, crushing and transportation.
- 3.33.5. Contractor shall be responsible for any costs that are incurred as a result of his handling construction / demolition waste, including, but not limited to, sampling, analysis, permit applications, loading, on and off-site transportation, and disposal at an approved disposal site.

3.34. OILS

- 3.34.1. Contractor is required to secure samples of all oils and oily wastes located in the areas defined in this Specification. Samples shall be collected in accordance with all applicable regulations.
- 3.34.2. AEP Company shall secure analyses required by the applicable regulations, or by the disposal facility, of all such samples, including, but not limited to, analysis for PCB contamination.
- 3.34.3. For all oils which have been positively identified as being free of PCB contamination (i.e. less than 50 ppm), Contractor shall be responsible to perform all handling of such materials, including, but not limited to, removal, clean up, loading and transportation.
- 3.34.4. Contractor shall be responsible to pay for fees to dispose of all oils and oily waste in accordance with all applicable regulations. The Engineer shall approve all methods of disposal and disposal sites for all oils and oily waste.

3.35. GREASES

- 3.35.1. Contractor is required to secure samples of all greases and wastes containing grease located in the areas defined in this Specification. Samples shall be collected in accordance with all applicable regulations.
- 3.35.2. AEP Company shall secure analyses required by the applicable regulations, or by the disposal facility, of all such samples.
- 3.35.3. Contractor shall be responsible to perform all handling of such materials, including, but not limited to, removal, clean up, loading, and transportation.
- 3.35.4. AEP Company shall be responsible for the disposal of all special and hazardous greases and waste containing greases in accordance with all applicable regulations.

3.36. PROCESS MATERIALS

- 3.36.1. Contractor is required to perform the work described herein in a manner that will separate process demolition debris from ferrous scrap, combustible debris, non-ferrous scrap, construction / demolition waste, oils and greases, hazardous wastes, and all other materials.
- 3.36.2. Prior to the start of demolition in an area, Contractor shall identify all quantities of process materials to the Engineer. The Engineer shall positively identify all such materials as being process materials.
- 3.36.3. All ash process materials will remain on-site. A two foot clay cap will be utilized to cap process material areas of concern.

3.37. PCBs AND EQUIPMENT CONTAINING PCBs

- 3.37.1. Prior to dismantling, Contractor shall conduct a survey of each dismantling area to locate and identify any electrical or hydraulic equipment which has not been clearly identified as being free of PCB contamination and, therefore, may contain PCBs. Contractor shall provide the Engineer with the location and description of any surveyed equipment which may contain PCBs. Where so directed by AEP Company, Contractor shall provide AEP Company with a sample of the oil contained in the piece of equipment. AEP Company will secure analysis and provide Contractor with the written results.

3.37.2. Prior to dismantling the facility, the Contractor shall remove, intact each piece of PCB contaminated equipment. Contractor shall transport said PCB equipment to AEP Company's designated PCB storage facility. Contractor shall schedule and coordinate said deliveries with the Engineer. Alternatively, at the direction of the Engineer, Contractor shall load PCB equipment onto vehicles provided by AEP Company. Contractor shall schedule and coordinate said loading with the Engineer. Contractor shall schedule and coordinate the pumping and removal of PCB dielectric fluid from transformers prior to loading when so directed by the Engineer.

3.37.3. AEP Company shall be responsible for the disposal of all PCB equipment and fluids.

### 3.38. PIPING SYSTEMS

3.38.1. Prior to the commencement of dismantling work, Contractor shall identify, plan and perform all piping shut offs, disconnections, and relocation work necessary to complete the work specified in a safe, orderly manner.

3.38.2. Piping shall be purged (where necessary) and shall be removed to a point of origin as designated by the Engineer.

3.38.3. Contractor shall submit plans, procedures and working drawings showing design details for all piping work to the Engineer for review. Contractor shall secure the Engineer's review of all designs, plans and procedures prior to the commencement of work. The correctness of the design shall remain the Contractor's responsibility.

3.38.4. Contractor shall provide all supervision, labor, materials, tools and equipment necessary to complete all piping work required for the work as specified herein. Contractor shall be responsible for the identification of all piping construction, disconnection and relocation work which will be required to complete all work specified herein.

3.38.5. Contractor shall perform all piping construction, disconnection and relocation work using methods which will not interrupt AEP Company's ongoing operations.

3.38.6. Secure the Engineer's permission prior to any utility outage. In the absence of the Engineer's approval of Contractor's proposed outage, Contractor shall perform the proposed work on live pressurized lines.

### 3.39. ELECTRICAL SYSTEMS

3.39.1. Prior to the commencement of dismantling work, Contractor shall identify, plan and perform all electrical shut offs, disconnections, and relocation work necessary to complete the work specified in a safe and orderly manner.

3.39.2. Conduit, cable, wireways, and buss shall be removed to a point of origin as designated by the Engineer.

3.39.3. Contractor shall submit plans, procedures and working drawings showing design details for all electrical and related work to the Engineer for review. Contractor shall secure the Engineer's review of all designs prior to the commencement of work. The correctness of design shall remain the Contractor's responsibility.

3.39.4. Contractor shall provide all supervision, labor, materials, tools and equipment necessary to complete all electrical, telecommunication and telemetering work required for the dismantling work specified herein. Contractor shall be responsible for the identification of all electrical, telecommunication and telemetering construction, disconnection and relocation work which will be required to complete all work specified herein.

3.39.5. Contractor shall perform all electrical construction, disconnection and relocation work using methods

which will not interrupt AEP Company's ongoing operations.

3.39.6. Contractor shall secure the Engineer's permission prior to any utility outage. In the absence of the Engineer's approval of Contractor's proposed outage, Contractor shall perform the proposed work on live energized lines.

4. WORK BY PURCHASER:

AEP Company Shall:

- 4.1. Provide Material Safety Data Sheets (MSDS) in accordance with OSHA "Right to Know" regulations for each substance listed under said regulations.
- 4.2. Provide, where available, utility services such as 460 Volt, 3 phase, 60 Hz power, 250 Volt DC current, potable water, oxygen, compressed air, or natural gas, which are deemed available by AEP Company. Contractor may, at his own expense and approval of the Engineer, make necessary connections provided there is no interruption to normal production operations. AEP Company assumes no responsibility or liability for loss of, or damage to, the equipment or materials of the Contractor or his subcontractors. Contractor will pay charges that may be assessed. The assessment of charges and/or the availability of utilities may change through the course of the contract as determined.
- 4.3. Provide existing railroad tracks, railroad tracks sidings, and roadways on plant site, if available, for Contractor's use when and where the Engineer may designate. Contractor shall keep traffic lanes free of congestion so as to avoid interference with normal plant operations.
- 4.4. Provide one copy of all available drawings necessary for the completion of the work specified. These drawings are to be used by the Contractor for reference only in the performance of the work. Said drawings are not to be construed as a complete description of the Scope of Work, nor as fully depicting existing conditions. Additional copies may be purchased by Contractor through the Purchaser.
- 4.5. Approve the selection of all subcontractors before they will be allowed to enter the job site and perform work. Subcontractors are subject to all applicable terms and conditions contained herein.
- 4.6. Provide written releases for the demolition of each specific area or facility as identified in the Schedule of Values. Demolition shall not commence without the receipt of said release.
- 4.7. Assign to Contractor ownership of each facility to be dismantled. The assignment shall include:
  - 4.7.1. All ferrous and non-ferrous scrap resulting from the dismantling work
  - 4.7.2. All ferrous and non-ferrous scrap located within each dismantling area as identified by Engineer during the site visitation.
  - 4.7.3. Spare parts and/or spare equipment.
  - 4.7.4. All railroad track designated for removal.
  - 4.7.5. All vehicles and mobile equipment located within each dismantling area as identified in the Specification.
- 4.8. AEP Company will maintain ownership of all real estate

5. Pricing

- 5.1. Demolition and environmental abatement of Unit 1, 2, structures, equipment, cooling towers, stacks, buildings, railroad tracks and tanks  
\$12,000,000
- 5.2. Removal of piping, dewatering and capping of bottom and slurry ash ponds  
\$20,000,000

## Assumptions

This estimate is based on all roadways, concrete slabs, and foundations remaining in place.

This estimate is based on AEP providing an on-site clay source for the capping of the ash ponds.

This estimate is based on treating and disposal of all water to either the ground or into the river system.

This estimate is based on dewatering 150 acres at 3 feet deep.

This estimate is based on capping a 150 acre site.

This estimate does not include any survey work to establish grades.

This estimate is based on preserving all storm water sewers to the Big Sandy River.

This estimate is based on saving the two electrical sub-stations located on the AEP property.

This estimate is based on disposing all concrete and brick material at the ash slurry ponds.

This proposal does not include any PCB oil and/or equipment disposal.

This proposal is based on Brandenburg receiving ownership of all ferrous and non-ferrous scrap.

This proposal does not include any site security.

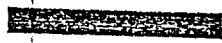
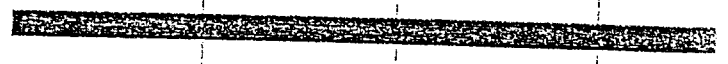
This proposal is based on Pittsburgh ferrous and non-ferrous pricing from the December 29, 2004 American Metal Market publication minus transportation and preparation.

AEP Company  
 Big Sandy River Power Plant  
 Louisa, Kentucky

ID		Text1	Task Name	Duration	Start	5/22	JL
1		General Conditions		0 days	Tue 5/31/05		
2			meetings	10 days	Tue 5/31/05		
3			mobilization	10 days	Mon 6/13/05		
4			demobilization	10 days	Mon 8/6/07		
5							
6		Unit 1	environmental abatement	150 days	Mon 6/27/05		
7			demolition	40 days	Mon 1/23/06		
8							
9		Unit 2	environmental abatement	175 days	Mon 10/3/05		
10			demolition	50 days	Mon 6/5/06		
11							
12		SCR	demolition	20 days	Mon 7/10/06		
13							
14		Support Bldgs	demolition	25 days	Mon 6/27/05		
15							
16		Stack & Cooling Towers	demolition	120 days	Mon 8/7/06		
17							
18		Slurry Ash/Bottom Ash Pits	dewater	260 days	Fri 7/1/05		
19			grade/place cap	220 days	Mon 10/2/06		

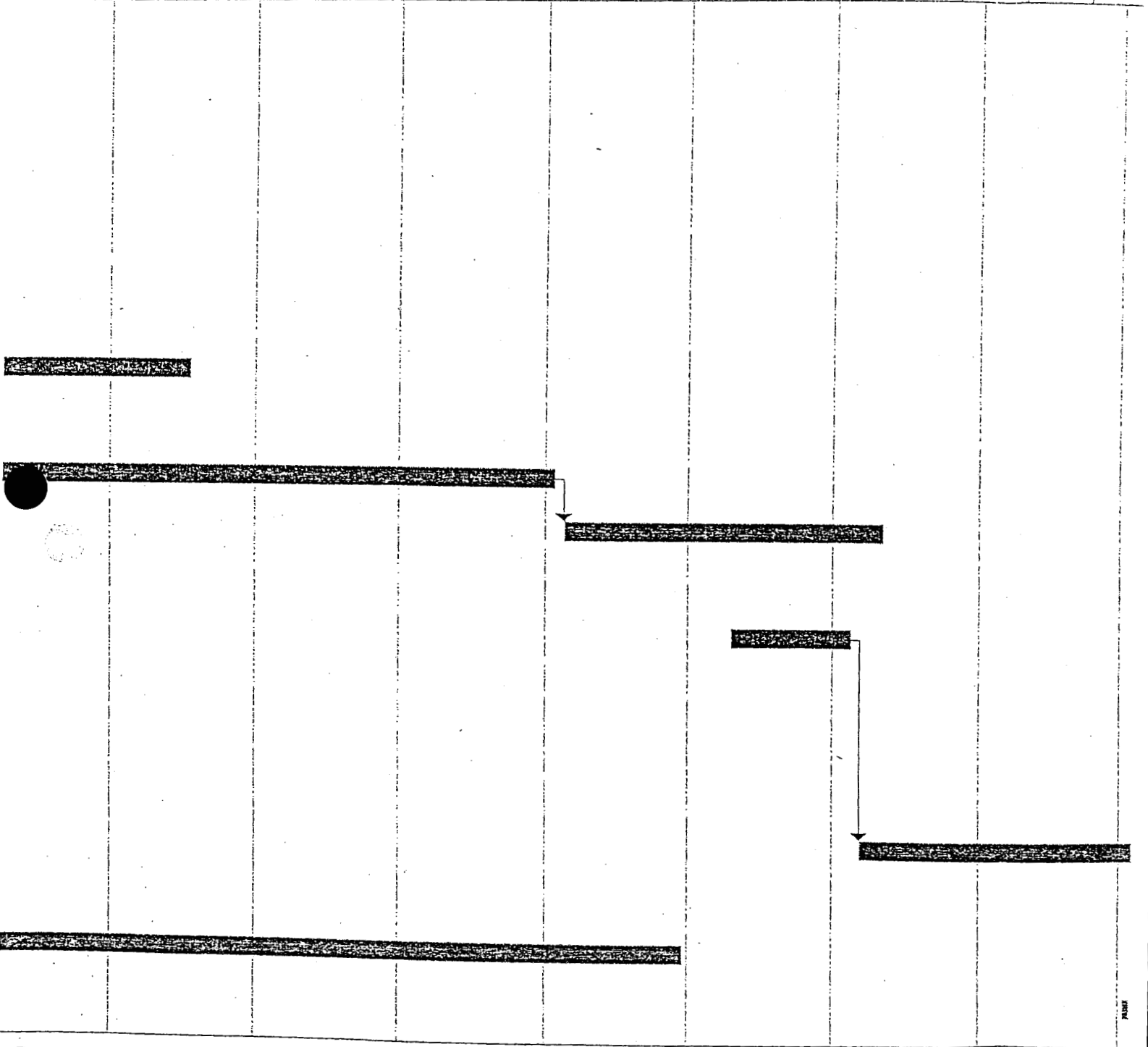
	July				August			September			October			November		December		January
5/22	6/5	6/19	7/3	7/17	7/31	8/14	8/28	9/11	9/25	10/9	10/23	11/6	11/20	12/4	12/18	1/1		

◇ 5/31





brua	March			April			May			June		July		August		September		C
9	2/12	2/26	3/12	3/26	4/9	4/23	5/7	5/21	6/4	6/18	7/2	7/16	7/30	8/13	8/27	9/10	9/24	



January	February		March		April		May		June		July		August			
1/31	1/14	1/28	2/11	2/25	3/11	3/25	4/8	4/22	5/6	5/20	6/3	6/17	7/1	7/15	7/29	8/12

The table contains a grid for tracking dates across months from January to August. Most cells are empty. There is a small shaded rectangular mark in the rightmost column, corresponding to the date 7/29.

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**Brandenburg®**

Methodology

General Project Consistent Activities

The following details Brandenburg's methodology in order to complete the scope of work safely and in a cost effective manner for the decontamination and demolition of the AEP Big Sandy Power Plant.

Mobilization will include bringing equipment on-site, set-up of hydraulic excavators, loaders, unloading of manlifts, bobcats, portable decontamination trailer, job tool and supply box, and the job-office/break box.

Brandenburg will conduct a utility verification walk through on each building and/or work area in order to substantiate that all utilities servicing the removal area have been cut, capped, and / or air-gapped prior to proceeding with the removal efforts. During this verification, the color coding of all structures, buildings and tanks will also be verified as painted green and ready for removal. This task will be followed by environmental work including; gathering, staging and packaging of any loose chemicals and/or oils remaining in the buildings, removal of light bulbs and ballasts and followed by asbestos abatement. Once these tasks are complete, Brandenburg will perform a final walk through and complete a facility assessment report that signs off that the utility disconnection/isolation work, the environmental decommissioning and abatement work are complete and the building or structure is ready for demolition. Brandenburg will request the AEP representative to verify this facility assessment and sign the assessment form that concurrence is given to perform the demolition. Brandenburg will install geo-textile fabric over catch basins and / or sewer inlets within the demolition areas scheduled to remain in order to keep material from flowing into the existing system during the removal efforts. Following this preparatory work, the buildings and structures will be demolished.

Work specific to each Building or Structure is discussed below.

Boiler Units 1 and 2

Barricades consisting of snow fence and caution or danger tape will be placed at entry areas of the building to limit access into the building. Barricade tags obtained through the AEP representative will be complete and attached to the barricade fencing at points of egress.

Brandenburg crews will next "sweep" the units looking for loose chemical containers and remove, stage and package the materials to ready them for disposal. All light bulbs, light ballasts, and self-illuminating exit signs will then be taken down, packaged and staged. Brandenburg crews will access the lights within the units off of A-frame step ladders, lights and ballasts will be carefully removed by hand and through the use of small hand tools as necessary. Manlifts may be used if lights or other regulated materials are present at elevations higher than safely accessible with the ladders. Generally the crew will work in pairs with one person working on the ladder and a ground person retrieving the bulb or ballast after removal to place in a storage container.

Brandenburg shall utilize trained Kentucky licensed asbestos abatement personnel to perform asbestos remediation throughout the structures. Brandenburg shall conform to all state and federal regulations during the abatement efforts.

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Page 42 of 443  
Page 2 of 8

## General Practices

### Regulated Areas

All Class I, II asbestos work will be conducted within regulated areas.  
Access to the regulated area shall be limited to authorized persons.

### Demarcation

Warning signs that demarcate the regulated area will be provided and displayed at each location where a regulated area is required to be established. The warning signs shall bear the following information: Danger, Asbestos, Cancer and Lung Disease Hazard, Authorized Personnel Only, Respirators and Protection Clothing Are Required In This Area.

### Respiratory Selection

Brandenburg will provide at no cost to the employee the appropriate respirator as specified in Table 1 paragraph (h)(2)(iii), (iv),(v)-(h)(4)(ii) of 29 CFR 1926.1101 and maintain a respirator program in accordance with 1910.134(b), (d), (e), and (f).  
Brandenburg will ensure that the employee uses the respirator as provided below.

During all Class I work.

During all Class II work where ACM is not removed in a "substantially intact state".

During all Class II work which is not performed using wet methods.

During Class II work where a "negative exposure assessment" has not been prepared.

During any work where exposure occurs above the PEL or excursion limit.

Brandenburg will provide and require the use of an approved half-face air purifying respirator for Class II jobs where a negative exposure assessment has not been performed.

### Protective Clothing

Brandenburg will provide and require the use of protective clothing, such as Tyvek coveralls, head coverings, gloves and foot coverings for all employees performing abatement activities. The competent person will examine work suits worn by employees at least once per work shift for rips or tears that may occur during performance of work and will mend or replace work suits immediately if needed

### Hygiene Facilities and Practices

Will be provided and performed as required in section (j) of 29 CFR 1926.110.

### Engineering Controls

HEPA vacuums will be used as needed.

Wet methods will be used.

Prompt clean up and disposal of waste in leak tight containers.

Local exhaust ventilation equipped with HEPA filters as needed.

Enclosures will be used whenever feasible.

## Specific Removal

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Page 43 of 443  
Page 3 of 8

#### **Thermal System Insulation:**

The TSI identified in the facility are the asbestos containing pipe runs, breaching, boiler insulation and tank insulation. Sections of the pipe wrap will be glove bagged to remove the asbestos insulation and expose the pipe surface. Glove bag removal will continue along the pipe runs either continuously until complete or at approximately spacing of 8-feet between glove bags. The pipe runs between the glove bagged areas will be wetted and double wrapped with 6-mil poly-sheeting and duct taped and sealed at the ends to the pipe. Once wrapped and sealed, individual sections of the pipe will be secured with ropes, the pipe torch cut and lowered to the ground. Ground men will then move the pipe to the lined and sealed roll-off box for storage. A containment using the power house existing structure will be erected to abate the boiler breaching, boiler insulation and tank insulation. ACM will be wetted, immediately double bagged and placed into roll off containers for disposal.

#### **Vinyl Asbestos Tile and Mastic**

Brandenburg shall remove asbestos containing floor tile within sealed critical areas by way of hand scrapers to "pop up" each tile. The tile removal will use wet methods during the removal work. Mastic associated with the removal of asbestos floor tile shall be accomplished utilizing a chemical adhesive remover. Said adhesive remover shall be collected, loaded, and transported to the landfill for disposal.

#### **Window & Door Caulk**

Prior to razing the structures, Brandenburg will remove windows containing asbestos caulk from the building. The windows will be wrapped in polyethylene sheeting and placed in a roll-off box for disposal as non friable asbestos. Brandenburg will then remove any remaining caulk from the structure using hand labor. Any removed window caulk will be placed in the roll off box with the windows. Polyethylene sheeting will be placed on the ground beneath all caulk removal work. Any caulk collected on the poly will be bagged and placed in the non friable asbestos roll off box. All work will be conducted using wet methods.

#### **Transite Panels & Fire Doors**

Brandenburg shall remove transite panels and fire doors by utilizing asbestos laborers to remove the panels intact. If necessary, man-lifts may be utilized to access the panels for removal. The panels and fire doors will be removed intact, wrapped in polyethylene sheeting, loaded in a lined roll-off box, and hauled to landfill for disposal.

#### **Ceiling tiles**

Ceiling tiles will be located within the building and critical areas sealed. The ceiling tiles will be removed by accessing the ceiling working off of A-frame ladders. The individual tiles will be wetted and removed intact. The removed tiles will be placed into 6-mil polyethylene asbestos

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Page 44 of 443  
Page 4 of 8

bags. When the tile removal is complete the bags will be removed from the building and placed in a sealed and lined roll-off box for transport to the landfill for disposal.

### **Roofing Materials**

The roofing materials identified in the survey will be removed as part of the demolition of the building. The roof will be wetted with water from fire hoses during the demolition process. Once the roofing materials are pulled to the ground the material will be loaded into Brandenburg trucks for transporting to the landfill as C&D waste material.

Following, the removal of all regulated materials, Brandenburg will prepare for the demolition.

Brandenburg will use a hydraulic excavators equipped with a grapple or shear in order to raze the existing structure in a controlled manner. The building structure will be wetted with a fire hose throughout the demolition effort to control dust emissions. The building debris (C&D) will be placed in a stock pile as the building is being demolished. As the material accumulates it will be loaded via a CAT 980 wheel loader into a Brandenburg trailer and transported to the landfill for disposal. Each load will have a separate bill of lading or manifest associated with the load. These tickets will be kept in the log book at the Brandenburg office area and a concurrent log will be completed to track out going waste volumes.

The basement floor slabs will be cracked for drainage and filled. Existing grade will be determined at the perimeter of the existing structure. Removal of above grade concrete will be accomplished with the excavator equipped with a bucket, concrete processor or hydraulic breaker. Continued misting of the work area with water will be performed to control dust emissions.

Scrap steel shall be segregated, loaded, and hauled off site to a steel recycler.

Brandenburg will utilize onsite concrete as backfill material for the area affected by the removal efforts. Backfill shall be placed and rough graded to the top of the elevation of the surrounding grade.

### **Office/Support Buildings**

Brandenburg crews will next "sweep" the building looking for loose chemical containers and remove, stage and package the materials to ready them for disposal. All light bulbs, light ballasts, and self-illuminating exit signs will then be taken down, packaged and staged. Brandenburg crews will access the lights within the building off of A-frame step ladders, lights and ballasts will be carefully removed by hand and through the use of small hand tools as necessary. Generally the crew will work in pairs with one person working on the ladder and a ground person retrieving the bulb or ballast after removal to place in a storage container.

Brandenburg shall utilize trained Kentucky licensed asbestos abatement personnel to perform asbestos remediation throughout the structures. Brandenburg shall conform to all state and federal regulations during the abatement efforts.

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Page 45 of 443

Page 5 of 8

## General Practices

### Regulated Areas

All Class I, II asbestos work will be conducted within regulated areas.  
Access to the regulated area shall be limited to authorized persons.

### Demarcation

Warning signs that demarcate the regulated area will be provided and displayed at each location where a regulated area is required to be established. The warning signs shall bear the following information: Danger, Asbestos, Cancer and Lung Disease Hazard, Authorized Personnel Only, Respirators and Protection Clothing Are Required In This Area.

### Respiratory Selection

Brandenburg will provide at no cost to the employee the appropriate respirator as specified in Table 1 paragraph (h)(2)(iii), (iv),(v)-(h)(4)(ii) of 29 CFR 1926.1101 and maintain a respirator program in accordance with 1910.134(b), (d), (e), and (f).  
Brandenburg will ensure that the employee uses the respirator as provided below.

During all Class I work.

During all Class II work where ACM is not removed in a "substantially intact state".

During all Class II work which is not performed using wet methods.

During Class II work where a "negative exposure assessment" has not been prepared.

During any work where exposure occurs above the PEL or excursion limit.

Brandenburg will provide and require the use of an approved half-face air purifying respirator for Class II jobs where a negative exposure assessment has not been performed.

### Protective Clothing

Brandenburg will provide and require the use of protective clothing, such as Tyvek coveralls, head coverings, gloves and foot coverings for all employees performing abatement activities. The competent person will examine work suits worn by employees at least once per work shift for rips or tears that may occur during performance of work and will mend or replace work suits immediately if needed

### Hygiene Facilities and Practices

Will be provided and performed as required in section (j) of 29 CFR 1926.110.

### Engineering Controls

HEPA vacuums will be used as needed.

Wet methods will be used.

Prompt clean up and disposal of waste in leak tight containers.

Local exhaust ventilation equipped with HEPA filters as needed.

Enclosures will be used whenever feasible.

### Specific Removal

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Page 46 of 443  
Page 6 of 8

#### **Thermal system Insulation:**

The TSI identified in the facility are the asbestos containing pipe runs. Sections of the pipe wrap will be glove bagged to remove the asbestos insulation and expose the pipe surface. Glove bag removal will continue along the pipe runs either continuously until complete or at approximately spacing of 8-feet between glove bags. The pipe runs between the glove bagged areas will be wetted and then double wrapped with 6-mil poly-sheeting and duct taped and sealed at the ends to the pipe. Once wrapped and sealed, individual sections of the pipe will be secured with ropes, the pipe torch cut and lowered to the ground. Ground men will then move the pipe to the lined and sealed roll-off box for storage.

#### **Vinyl Asbestos Tile and Mastic**

Brandenburg shall remove asbestos containing floor tile within sealed critical areas by way of hand scrapers to "pop up" each tile. The tile removal will use wet methods during the removal work. Mastic associated with the removal of asbestos floor tile shall be accomplished utilizing a chemical adhesive remover. Said adhesive remover shall be collected, loaded, and transported to the landfill for disposal.

#### **Window & Door Caulk**

Prior to razing the structures, Brandenburg will remove windows containing asbestos caulk from the building. The windows will be wrapped in polyethylene sheeting and placed in a roll-off box for disposal as non friable asbestos. Brandenburg will then remove any remaining caulk from the structure using hand labor. Any removed window caulk will be placed in the roll off box with the windows. Polyethylene sheeting will be placed on the ground beneath all caulk removal work. Any caulk collected on the poly will be bagged and placed in the non friable asbestos roll off box. All work will be conducted using wet methods.

#### **Transite Panels & Fire Doors**

Brandenburg shall remove transite panels and fire doors by utilizing asbestos laborers to remove the panels intact. If necessary, man-lifts may be utilized to access the panels for removal. The panels and fire doors will be removed intact, wrapped in polyethylene sheeting, loaded in a lined roll-off box, and hauled to the landfill for disposal.

#### **Ceiling tiles**

Ceiling tiles will be located within the building and critical areas sealed. The ceiling tiles will be removed by accessing the ceiling working off of A-frame ladders. The individual tiles will be wetted and removed intact. The removed tiles will be placed into 6-mil polyethylene asbestos bags. When the tile removal is complete the bags will be removed from the building and placed in a sealed and lined roll-off box for transport to the landfill for disposal.



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### **Roofing Materials**

The roofing materials identified in the survey will be removed as part of the demolition of the building. The roof will be wetted with water from fire hoses during the demolition process. Once the roofing materials are pulled to the ground the material will be loaded into Brandenburg trucks for transporting to the landfill as C&D waste material.

Following the removal of all regulated materials, Brandenburg will prepare for the demolition. Brandenburg shall utilize skid steers equipped with biter buckets placed inside of the existing structure to remove the remaining combustible materials from the structure. These materials shall be removed from the building by way of an access opening within an existing exterior wall. Said opening shall be large enough for the easy ingress and egress of the skid steers operating within the structure. Once the material is outside of the existing structure, Brandenburg shall load and transport the waste to the landfill. A combination of a CAT 980 wheel loader and the Bobcat Skid Steer Loaders will be used to load the trucks.

Following, the interior strip out of the existing structure, Brandenburg shall begin the structural removal efforts. Brandenburg will utilize one or two Liebherr 954 hydraulic excavators equipped with whip hammers, hydraulic shears, grapples, and /or hydraulic hammers in order to raze the existing structure in a controlled manner. The excavating equipment will "bite" into the structure and pull the building apart.

The scrap steel material will be pulled from the building and separated from the building debris. The debris will be loaded into Brandenburg trucks for shipment to the landfill. As the building is removed, an area may be established for hot work in order to size some of the structure steel or other heavy steel. The steel will be eventually be loaded and shipped off site to a scrap steel recycler.

Brandenburg will utilize onsite concrete as backfill material for the areas affected by the removal efforts. Backfill shall be placed and rough graded to the top of the elevation of the surrounding grade.

## **Unit 1 and 2 Stack & Cooling Towers**

Following the completion of demolition of Units 1 & 2 and all supporting building structures, tanks, conveyors and equipment, Brandenburg crews will implode the stack and (2) cooling towers.

Brandenburg crews will go through the structures performing the initial walk through to verify that the utilities have been disconnected, isolated or air gapped. Following the walk through, barricades consisting of snow fence and caution or danger tape will be placed at entry areas of the structure to limit access.

Once the concrete structures are imploded, Brandenburg will segregate the scrap steel from the concrete. The steel will be loaded and shipped off-site to a scrap recycler. The concrete will be processed to two feet or less in size and used as bridging material at the slurry ash ponds prior to capping with clay.

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## Bottom Ash Ponds

Brandenburg will remove, transport and dispose of the piping from the boiler units to the ponds. Brandenburg will dewater the bottom ash ponds. The water will be filtered and discharged into the Big Sandy River. Brandenburg will then import clay from the AEP clay borough and place a two foot clay cap on any remaining bottom ash accumulations.

## Slurry Ash Ponds

Brandenburg will remove, transport and dispose of the piping from the boiler units to the ponds. Brandenburg will allow the slurry ash ponds to drain naturally. Once drained, concrete from the demolition of the stack and cooling towers will be utilized to stabilize bridge the ground. The area will be graded and Brandenburg will import clay from the on-site AEP clay borough and place a two foot clay cap over the 150 acre area. Brandenburg will grade the area to allow for water to drain toward Blaine Creek.

## Aboveground/Underground Storage Tanks

Brandenburg shall remove all above ground tanks, including pipe racks, supports, and appurtenances utilizing a hydraulic excavator equipped with a hydraulic shear to cut the existing piping, tank, and appurtenances. Scrap steel shall be segregated, loaded, and hauled off site to a steel recycler. Brandenburg will then remove the tank dike walls down to surrounding grade elevation or top of tank slab. The Tank Ring foundations shall remain in place.

Brandenburg will remove all below grade tanks, pumps and below grade product lines. The tanks will be emptied by conventional means. A hydraulic excavator will be used to excavate and remove the tanks. Brandenburg will utilize onsite concrete as backfill material for the areas affected by the removal efforts. Backfill shall be placed and rough graded to the top of the elevation of the surrounding grade.

## Volumes

Demolition Material	Volume
Concrete	35,000 yards
Asbestos	3,000 yards
Demolition Debris	5,000 yards
Railroad Ties	30,666 ties
Brick	6,500 yards
Scrap Ferrous Steel	22,000 tons
Scrap Non-ferrous Steel	290,000 lbs
Oils/Greases	50,000 gallons

# AMM Scrap Iron & Steel Prices

## CONSUMER BUYING PRICES

Estimated domestic consumer buying prices in US\$/gross ton, delivered mill price.

	Birmingham	Carolinas	Chicago	Cleveland	Detroit	Houston area	N.Y.	Philly	P-burgh	Seattle/Portland	St. Louis	Youngstown	Ontario/ Hamilton	Montreal
No. 1 HEAVY MELT	180	127-129	220	215	245	130-132	200-202	208-210	220	110-112	130	220	125	18
No. 2 heavy melt	170	118-120	210	205	-----	115-117	190-192	195-197	212	107-108	120	210	-----	14
No. 1 bundles	340	-----	390	398	373	370	NA	375	398-400	NA	315	NA	292-294	-----
No. 2 bundles	150	100(a)	170	-----	NA	110(a)	NA	170	160(a)	93-95	NA	150(a)	-----	NA
No. 1 busheling	320	290-292	390	370	378	375	375	375	405	-----	315	395	296-298	25
No. 1 factory bundles	-----	-----	418	415	420	-----	-----	NA	415	-----	-----	-----	-----	-----
Shredded auto scrap	270	235	275	250	260	245	250-252	250	260	127-129	205	250	155	25
MACHINE SHOP TURNINGS	130	90	175	95(a)	-----	35(a)	150	153-155	155(a)	85-86	83-85	-----	30	12
Shoveling turnings	NA	-----	175	100(a)	-----	45(a)	NA	163-165	165(a)	-----	83-85	-----	40	-----
Cast iron borings	NA	-----	165	95(a)	-----	-----	-----	-----	-----	NA	82-84	-----	-----	-----
Mixed borings, turnings	NA	-----	165	NA	-----	-----	-----	-----	-----	70-71	-----	-----	-----	-----
CUT STRUCTURAL/PLATE														
2" MAX	NA	165	370	-----	-----	243-245	NA	335	NA	NA	NA	-----	NA	27
Cut structural/plate, 3" max.	255	155	-----	-----	-----	233-235	NA	290	310	-----	170	-----	-----	-----
Cut structural/plate, 5" max.	212	145	275	240(a)	255	225-227	210-212	236-238	260	125-127	160	260	155	21
Foundry steel, 2" max.	245	-----	215	265	240	180	-----	260	240	-----	-----	280	-----	-----
CUPOLA CAST	220	195	270	270	250	190	250(a)	270	260	NA	-----	-----	-----	22
Clean auto cast	270	283	315	310	260	-----	-----	330	300	-----	-----	-----	-----	-----
Unstripped motor blocks	183-185	230	240	230	210	185	NA	195	200	-----	-----	-----	-----	-----
Heavy breakable cast	160	-----	160	190	190	-----	-----	140	150	-----	-----	-----	-----	-----
Drop broken machinery cast	-----	280	300	275	240	-----	-----	315	290	144-145	-----	-----	240	26
NO. 1 RR HEAVY MELT	220	150	275	240	-----	228-230	-----	260	260	140-142	165	275	-----	-----
Rail crops, 2" max.	108(a)	300	380	375	-----	-----	-----	375	375	-----	-----	-----	-----	-----
Random rails	175	-----	250	-----	-----	-----	-----	210	275	125-127	-----	-----	-----	-----
Steel car wheels	265	280	390	-----	-----	-----	-----	385	380	-----	-----	-----	-----	-----
Other track material (OTM)	270	295	280	350	-----	-----	-----	340	370	170-172	-----	-----	-----	-----
CLEAN USED DENSIFIED CANS	-----	-----	235	235	245	-----	-----	225	195	-----	-----	-----	-----	-----

(a) Appraisal price  
 NA—Not available  
 † Canadian currency, in net tons

## STAINLESS STEEL SCRAP

	Boston	Buffalo	Chicago	Cleveland	Detroit	Houston	LA	N.Y.	P-burgh	S.F.	Montreal†
DEALERS' BUYING PRICES (c/lb.)											
18-8 bundles, solids, clips	48-50	49-50	50-51	50-51	50-51	50-51	50-51	50-51	50-51	49-60	52-56
18-8 turnings	45-46	45-46	46-47	46-47	46-47	46-47	46-47	46-47	46-47	45-46	48-50
18-8 new clips	-----	50-51	51-52	51-52	51-52	-----	51-52	51-52	51-52	50-51	54-58
430 new clips	7.5-8.0	-----	7.5-8.0	7.5-8.0	7.5-8.0	-----	-----	7.5-8.0	7.5-8.0	-----	-----
BROKER/PROCESSOR BUYING PRICES (\$/gross ton)											
18-8 bundles, solids, clips	-----	-----	1,375-1,400	1,375-1,400	1,375-1,400	1,375-1,400	-----	1,375-1,400	1,375-1,400	-----	-----
18-8 turnings	-----	-----	1,275-1,300	1,275-1,300	1,275-1,300	1,275-1,300	-----	1,275-1,300	1,275-1,300	-----	-----
430 bundles, solids	-----	-----	355-365	-----	355-365	355-365	-----	355-365	355-365	-----	-----
430 turnings	-----	-----	305-315	-----	-----	-----	-----	305-315	305-315	-----	-----
430 bundles, solids	-----	-----	330-340	-----	330-340	330-340	-----	330-340	330-340	-----	-----
430 turnings	-----	-----	-----	-----	-----	-----	-----	255-265	255-265	-----	-----

† Canadian currency

## EXPORT YARD BUYING PRICES

Estimated prices an export dealer, broker or processor will pay for items delivered to his yard, in US\$/gross ton.

	Boston	LA	N.Y.	Philly	S.F.
No. 1 heavy melt	170-172	90-92	180-182	195-197	90-92
No. 2 heavy melt	160-162	80-82	170-172	185-187	80-82
No. 2 bundles	100(a)	NA	110(a)	115(a)	50-52
No. 1 busheling	300	-----	310	-----	-----
Shredded auto scrap	240	-----	-----	-----	-----
Machine shop turnings	NA	70	110(a)	-----	70
Mixed cast	170	-----	180	200	-----
Unstripped motor blocks	170	130	170	180	130
Auto bodies	110	100	135	135	90
Cut structural/plate 5" max.	180-182	-----	190-192	218-220	-----
STAINLESS STEEL SCRAP PRICES (\$/ton)					
18-8 bundles, solids, clips	-----	1,375-1,400	1,375-1,400	1,375-1,400	1,375-1,400
18-8 turnings	-----	1,275-1,300	1,275-1,300	1,275-1,300	1,275-1,300
430 bundles, solids	250	245	245	245	-----
(a) Appraisal price					

## BROKER BUYING PRICES

Estimated prices in US\$/gross ton, f.o.b. car

	Atlanta	Boston	Buffalo	Cincinnati	Detroit
NO. 1 HEAVY MELT	180	180	185	190	230
No. 2 heavy melt	160	170	175	180	-----
No. 1 bundles	305	330	330	325	340
No. 2 bundles	150	170	180	160	200
No. 1 busheling	300	330	330	323	355
Shredded auto scrap	240	240	220	220	250
MACHINE SHOP TURNINGS	-----	NA	140	135	130
Shoveling turnings	-----	NA	150	150	130
Cast iron borings	-----	NA	140	135	140
Mixed borings, turnings	-----	-----	140	-----	130
CUPOLA CAST	-----	-----	200	200	180
Cut structural/plate—5" max.	205	-----	200	200	240
Cut structural/plate, 2" max.	-----	-----	300	295	340
Clean auto cast	-----	-----	-----	300	285
Unstripped motor blocks	-----	180	200	-----	175
Heavy breakable cast	-----	NA	170	-----	145
Drop broken machinery cast	-----	NA	250	-----	250
Rail crops, 2" max.	-----	-----	260	240	-----
Random rails	-----	-----	200	180	-----

f.o.b. (free on board at the shipping point) from dealer to broker where freight rate is absorbed by broker; freight rate based on single-car shipments.

## STAINLESS CONSUMER BUYING PRICES

	(\$/gross ton) Pittsburgh
18-8 bundles, solids, clips	1,500-1,520
18-8 turnings	1,400-1,420
430 bundles, solids	470-480
430 turnings	420-430
409 bundles, solids	430-440
409 turnings	350-360

## ADDITIONAL GRADES

	Birmingham	Chicago
Electric furnace, 3" max.	20	-----
Cut structural/plate, 4" max.	24	-----
Stove plate	22	-----
No. 1 industrial heavy melt	-----	27
Rail crops, 18" max.	-----	39
Revolving rails	-----	32
Steel axes	-----	31
Heavy forge bar crops	-----	29
Stove plate	-----	27
Punching & plate, 12" max.	-----	38

## Scrap Price Changes Today

Ferrous scrap price changes were made for these cities:  
 None

## Disclaimer

Prices and other information contained in this publication have been obtained by American Metal Market (AMM) from sources believed to be reliable. Pricing information is collated through regular contact with producers, traders and purchasers, and represents an approximate evaluation of current levels based upon dealings (if any) that may have been disclosed to AMM prior to publication. Actual transaction prices will reflect quantities, grades and qualities, credit terms and many other parameters. The prices are in no sense comparable to the quoted prices of commodities in which a formal futures market exists. Efforts are made to ensure that pricing information is representative, but because of the possibility of human or mechanical error by our sources, AMM or others, AMM does not guarantee the accuracy or completeness of any published information. AMM is not responsible for errors or omissions, or for the result obtained by the use of such information, and disclaims any liability to any person for any loss or damage caused by such errors or omissions, including those arising from the negligence of AMM, its employees or representatives.

# AMM Nonferrous Scrap Prices

Wednesday, December 29, 2004

Page 51 of 43

Estimated dealer buying prices, in c/b, delivered to yard. Montreal and Toronto prices are in Canadian currency.

### COPPER

	Atlanta	Boston	Buffalo	Chicago	Cincinnati	Cleveland	Detroit	Houston	LA	N.Y.	Philly	P-burgh	S.F.	St. Louis	Montreal	Toronto
No. 1 heavy copper & wire	116-118	102-104	86-88	97-99	97-99	115-117	95-97	103-105	100-102	98-100	100-102	101-103	100-102	106-108	157-159	132-134
No. 2 HEAVY COPPER & WIRE	96-98	92-94	76-78	89-91	86-88	103-105	85-87	92-94	90-92	88-90	90-92	91-93	90-92	96-98	128-130	116-118
Hot copper	91-93	83-85	71-73	79-81	81-83	95-97	80-82	80-82	85-87	81-83	84-86	79-81	83-85	88-90	121-123	104-106
Red BRASS SOLIDS	73-75	58-60	43-45	59-61	56-58	74-76	54-55	60-62	62-64	51-53	56-58	53-55	63-65	66-68	95-97	87-89
Red brass turnings, borings	64-66	57-59	43-45	56-58	52-54	54-56	44-46	52-54	59-61	54-56	56-58	47-49	55-57	58-60	91-93	74-76
Cocks & faucets	60-62	54-56	38-40	56-58	51-53	54-56	44-46	51-53	60-63	54-56	56-58	47-49	55-57	56-58	80-82	66-68
Brass pipe	88-90	54-56	39-41	56-58	50-52	54-56	45-47	51-53	61-63	55-56	56-58	47-49	55-57	56-58	80-82	66-68
YELLOW BRASS SOLIDS	62-64	54-56	39-41	56-58	50-52	54-56	44-46	51-53	55-57	55-56	56-58	53-55	30-32	56-58	76-78	68-70
Mixed yellow brass turnings, borings	45-47	33-35	27-29	27-29	25-27	22-24	25-27	34-36	29-31	25-27	29-31	22-24	60-62	25-27	54-56	38-40
Yellow brass rod ends	78-80	52-54	44-46	54-56	51-52	82-84	47-49	58-60	55-57	51-53	51-53	50-52	59-61	80-82	104-106	86-88
Yellow brass rod turnings	76-78	50-52	43-44	53-55	48-49	80-82	45-47	57-59	53-55	49-51	48-50	49-51	58-60	78-80	100-102	86-88
70-30 brass clips	85-87	60-62	54-56	51-53	67-69	90-92	53-55	68-70	60-62	61-63	68-70	62-64	65-67	91-93	115-117	76-78
AUTO RADIATORS (UNSWEATED)	60-62	45-47	38-40	43-45	48-50	53-55	46-48	49-51	53-55	43-45	42-44	42-44	55-57	50-52	70-72	65-67
High-grade bronze gears	73-75	65-67	58-60	62-64	62-64	60-62	47-49	68-70	60-62	61-63	60-62	61-63	60-62	62-64	50-52	110-112
High-grade low lead bronze	73-75	35-37	53-55	48-50	NA	60-62	NA	45-47	45-47	55-57	57-59	48-50	58-60	45-47	85-87	77-79
Manganese bronze solids	40-42	35-37	38-40	31-33	39-41	30-32	18-20	47-49	37-39	41-43	42-44	36-38	37-39	33-35	65-67	46-48
Miscellaneous nickel-silver solids	62-64	39-41	38-40	35-37	38-40	54-56	20-22	51-53	35-37	43-45	43-45	42-44	37-39	37-39	75-77	77-79
Manganese bronze turnings	24-26	24-26	25-27	23-25	25-27	25-27	5-7	30-32	23-25	27-29	27-29	25-27	25-27	21-23	55-57	28-30

### ALUMINUM

	Atlanta	Boston	Buffalo	Chicago	Cincinnati	Cleveland	Detroit	Houston	LA	N.Y.	Philly	P-burgh	S.F.	St. Louis	Montreal	Toronto
Segregated low copper clips	44	43	49	46	45	46	44	43	44	49	49	44	44	41	53	5
Mixed low copper clips	42	39	45	38	41	43	41	42	39	44	44	40	39	37	44	4
Mixed clips	39	36	43	35	37	39	37	38	37	42	42	38	37	35	43	4
Aluminum borings, turnings, clean & dry	34	30	31	33	35	31	33	36	32	35	27	25	32	28	42	4
Old aluminum, sheet & cast	34	35	38	29	36	40	34	37	36	38	38	36	36	34	43	4
Used beverage cans, clean & dry	35	NA	34	30	34	36	NA	NA	NA	35	35	34	NA	33	44	4
Industrial castings	46	42	45	---	---	---	42	---	---	---	NA	---	---	44	---	---
63S aluminum solids	48	44	52	43	---	---	48	---	---	---	50	---	---	47	56	5
75S aluminum clips	42	38	43	---	---	---	42	---	46	NA	46	---	NA	---	---	---
75S borings, turnings, as is	33	---	31	---	---	---	---	---	30	NA	29	---	NA	---	---	---
Aluminum utensils	NA	NA	43	NA	---	---	NA	---	---	---	NA	---	---	NA	41	4
Painted aluminum siding	39	36	41	37	---	---	38	---	---	---	---	---	---	35	---	---

(a) Appraisal price

### LEAD

	Atlanta	Boston	Buffalo	Chicago	Cincinnati	Cleveland	Detroit	Houston	LA	N.Y.	Philly	P-burgh	S.F.	St. Louis	Montreal	Toronto
HEAVY SOFT LEAD	5-6	6-7	6-7	6-7	6-7	6-7	6-7	6-7	6.5-7.5	5	5	6-7	5-8	6-7	16-18	15-17
Mixed hard lead	6.5-7.5	---	---	---	8.5	---	8.5	---	---	---	---	9	8-10	---	17-19	15-17
Indrained, whole old batteries	---	---	---	---	---	---	3	3	2.5-3.5	3	2	3-4	4	3-4	4-6	4-6
HEEL WEIGHTS	7-9	8-10	8-8	10-11	11	---	11	6-8	6-7	---	4	8	9-11	---	15-16	10-12

### ZINC

	Atlanta	Boston	Buffalo	Chicago	Cincinnati	Cleveland	Detroit	Houston	LA	N.Y.	Philly	P-burgh	S.F.	St. Louis	Montreal	Toronto
Old zinc die cast	---	28-29	28-29	29-31	27-28	---	30-32	31-32	27-28	29	---	30-32	27-28	29-31	40-42	40-42
OLD ZINC DIE CAST	---	26-27	26-27	27-28	23-24	---	24	30-31	26-27	26	25	28-29	25-26	---	38-40	38-40
zinc scrap	---	21-23	21-23	25-26	21-23	---	24	---	20-21	24	25	23-25	---	---	38-40	38-40
NEW ZINC CLIPPINGS, ENGRAVERS'	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
ZINC & LITHO SHEETS	---	31-32	31-32	34-35	24-25	---	29	---	28-29	31-32	38	29-31	27-28	31-32	38-40	38-40
Zinc die cast automotive grilles	---	---	---	---	23-24	---	23	---	---	NA	NA	NA	23	---	40-42	40-42

### NICKEL

	Atlanta	Boston	Buffalo	Chicago	Cincinnati	Cleveland	Detroit	Houston	LA	N.Y.	Philly	P-burgh	S.F.	St. Louis	Montreal	Toronto
New nickel clips & solids	490-500	480-490	480-490	490-500	490-500	490-500	490-500	490-500	480-490	490-500	490-500	490-500	480-490	480-490	540-550	540-550
Nickel turnings	480-490	---	470-480	480-490	---	480-490	480-490	480-490	---	---	---	480-490	---	---	530-540	---
New nickel-copper alloy	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
(e.g., Monel®) clips & solids	340-350	330-340	330-340	340-350	340-350	340-350	340-350	340-350	330-340	340-350	340-350	340-350	330-340	330-340	---	---
Nickel-copper alloy	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
(e.g., Monel®) turnings & shavings	330-340	320-330	320-330	330-340	330-340	330-340	330-340	330-340	320-330	330-340	330-340	330-340	320-330	---	---	---
Nickel-copper alloy	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
(e.g., Monel®) castings	335-340	325-335	325-335	335-340	335-340	335-340	335-345	335-345	325-335	---	335-345	335-345	---	325-335	---	---
Nickel-chrome-iron alloy	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
(e.g., Inconel®) solids	400-410	400-410	400-410	400-410	390-400	400-410	400-410	400-410	390-400	390-400	400-410	400-410	390-400	390-400	440-450	440-450

Monel® and Inconel® are registered trademarks of Inco Alloys International.

### SCRAP METALS

Estimated buying prices (carload lots, delivered buyers' works)			SMELTERS' LEAD SCRAP		Mixed high zinc clips	
BRASS MILL SCRAP			Buying prices heavy soft lead (cwt), including delivery to smelter (rev. 09/14/04)		1-1-3 sows	
No. 1 copper	144.00*	---	Scrap lead		\$20.00-\$21.00	57.00-58.00
REFINERS' COPPER SCRAP			Remelt lead		\$21.00-\$22.00	62.00-63.00
No. 1 copper	137.00*	---	Whole batteries		\$7.50-\$8.00	57.00-58.00
No. 2 copper	124.00*	---	Cable lead		\$22.00	57.00-58.00
Light copper	115.00*	---	SMELTERS' ZINC SCRAP		Old sheet and cast	
Refinery brass†	NA	---	New zinc clippings		36.00-37.00	56.00-58.00
† Shippers' price for dry copper content assaying a min. 61.3% copper and a max. 5% iron.	---	---	Old zinc (clean)		34.00-35.00	54.00-55.00
BRASS INGOT MAKERS' SCRAP (rev. 12/28/2004)			Die cast slab		36.00-37.00	54.00-55.00
Copper	---	---	Galvanizers' dross		29.00-30.00	79.00-80.00
No. 1	133.00*	Midwest 119.00*	SECONDARY SMELTERS' ALUMINUM SCRAP		Nonferrous auto shred (90% alum.)	
No. 2	120.00*	119.00*	Buying prices delivered to the smelter in full truckloads containing several grades (rev. 12/28/2004)		* Unmixed full truckload, "twich" grade	
Hot copper	111.00*	110.00*	Mixed low copper clips		61.00-62.00	62.00-63.00
Hot copper comp. solids	95.00	95.00	Mixed high copper clips		55.00-60.00	62.00-63.00
Hot copper borings, turnings (rev. 12/10/04)	94.00	94.00	ALUMINUM PRODUCERS DOMESTIC ALUMINUM PRODUCERS		Buying prices for processed used aluminum cans in carload lots, i.o.b. shipping point (rev. 12/07/04)	
Hot copper turnings (rev. 12/10/04)	75.00	75.00	SMELTERS' LEAD SCRAP		Used beverage can scrap	
Yellow brass solids (rev. 12/10/04)	70.00	70.00	Buying prices heavy soft lead (cwt), including delivery to smelter		63.00-65.00	
Turnings (rev. 12/10/04)	60.00	60.00	SMELTERS' ZINC SCRAP		MILLS, SPECIALTY CONSUMERS' BUYING PRICES (rev. 12/28/2004)	
---	---	---	New zinc clippings		Segregated low copper alloy clips	
---	---	---	Old zinc (clean)		80.00-81.00	
---	---	---	Die cast slab		Mixed low copper alloy clips	
---	---	---	Galvanizers' dross		72.00-73.00	
---	---	---	SECONDARY SMELTERS' ALUMINUM SCRAP		Painted siding	
---	---	---	Buying prices delivered to the smelter in full truckloads containing several grades (rev. 12/28/2004)		66.00-67.00	
---	---	---	Mixed low copper clips		* Nominal for spot sales.	
---	---	---	Mixed high copper clips		---	

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AMERICAN METAL MARKET

**Scrap Price Changes Today**  
Nonferrous scrap price changes were made for these cities:  
None

Prices are subject to the Disclaimer appearing on the "AMM Scrap Iron & Steel Prices" page.

**WANTED SCRAP**  
Cupro-Nickel  
Mill Quality App. Prices. Prompt Settlements.  
(410) 355-8220 Fax: (410) 355-0513  
ANSAM

DECEMBER 30, 2004

AEP Company  
Re-sale of Equipment

Page 52 of 443  
May 31, 2005

Resalable valve of equipment

The equipment that has re-sale value are as follows:

The coal pulverizers used to pulverize the coal blown into the boiler as fuel.

The Unit 1 cooling tower water pumps and motors used to move the cooling water from the cooling tower to the turbine generator condensers.

The Unit 2 cooling tower pumps and motors used to move the cooling water from the cooling tower to the turbine generator condensers.

The three, Unit 1 step-up transformers, after the generator.

The five, Unit 2 step-up transformers, after the generator.

The four, plant step-down transformers, at the west substation yard.

The amount of money that the equipment is worth is a small amount. Because of the age of the equipment, the transformers will range in price from \$2.00 to \$4.00 per KVA. The pumps and AC motors will range around \$5.00 per horsepower. And the coal pulverizers will range in resale value of \$3,500.00 to \$5,000.00 each depending on condition and date of rebuild. The total resalable value today for equipment that is resalable is \$250,000.00.

## Recommendations

Brandenburg recommends that a detailed asbestos survey be performed to determine the exact volume of asbestos present on the property.

Brandenburg recommends that instead of capping the slurry ash ponds, AEP request a variance from the State of Kentucky to maintain the area as a protected wetland/ wildlife habitat.

KENTUCKY POWER COMPANY  
 DEPRECIATION STUDY AS OF DECEMBER 31, 2004  
 CALCULATED DEPRECIATION RESERVE  
 STEAM PRODUCTION PLANT

ACCOUNT	PLANT BALANCE AT 12-31-04	AVERAGE AGE	AVERAGE REM. LIFE	AVERAGE LIFE	NET SALVAGE	% REM. LIFE TO AVG. LIFE	CALCULATED RESERVE %	CALCULATED RESERVE W/O NET SALVAGE	CALCULATED RESERVE WITH NET SALVAGE
BIG SANDY									
311	36,149,758	26.08	25.98	52.06	-8%	49.90%	50.10%	18,109,598	19,558,366
312	324,538,694	9.97	22.10	32.07	-19%	68.91%	31.09%	100,893,383	120,063,125
314	73,038,983	20.85	22.71	43.56	-16%	52.13%	47.87%	34,960,119	40,553,738
315	13,742,601	32.06	25.81	57.87	-10%	44.60%	55.40%	7,613,406	8,374,746
316	<u>6,518,954</u>	22.08	24.79	46.87	-11%	52.89%	47.11%	<u>3,071,016</u>	<u>3,408,827</u>
Total	<u>453,988,990</u>							<u>164,647,522</u>	<u>191,958,803</u>





Page 55 of 443

# KENTUCKY POWER COMPANY

DEPRECIATION STUDY AS OF  
DECEMBER 31, 2004

TRANSMISSION PLANT

KENTUCKY POWER COMPANY  
Depreciation Study as of December 31, 2004  
Transmission Plant

Account                    3502 RIGHTS OF WAY

Depreciable Balance                    \$23,258,047

	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	75	75
lowa Curve	R4.0	R4.0
Gross Removal, %		0%
Gross Salvage, %		0%
Net Salvage %	0%	0%

\*\*\*\*\*

An actuarial analysis was not performed on this account because of the minimal retirements. The average age of the surviving balance in the account is 21 years. The recommendation is to continue the current average service life and retirement dispersion for the account.

Any retirements from the land rights account would not be expected to produce any salvage and no removal costs should be expected to be incurred. Therefore, the recommendation is 0% for both gross removal and salvage resulting in a recommended 0% net salvage.

STUDY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

ACCOUNT NO.: 35020000

## AVERAGE AGE AT RETIREMENT BY RETIREMENT YEAR

RETIREMENT YEAR -----	RETIREMENTS -----	AVERAGE AGE -----
1960	202.	18.00
1961	1675.	19.00
1963	5446.	21.00
1965	231.	23.00
1967	32330.	25.00
1968	120.	26.00
1969	3328.	27.00
1970	336.	28.00
1971	2960.	29.00
1972	1728.	30.00
1973	384.	29.98
1974	1948.	32.00
1976	7.	34.00
TOTAL	50695.	

STUDY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

ACCOUNT NO.: 35020000

## SURVIVORS AND RETIREMENTS BY VINTAGE YEAR

VINTAGE YEAR -----	SURVIVORS -----	RETIREMENTS -----	CALCULATED ADDITIONS -----
1937	91.	0.	91.
1938	1156.	0.	1156.
1941	206.	0.	206.
1942	122785.	50667.	173452.
1943	472571.	0.	472571.
1945	71397.	0.	71397.
1946	7693.	0.	7693.
1947	3959.	0.	3959.
1948	10292.	0.	10292.
1949	34523.	0.	34523.
1950	915.	0.	915.
1951	7061.	0.	7061.
1952	15412.	0.	15412.
1953	35998.	0.	35998.
1954	6978.	0.	6978.
1955	3706.	0.	3706.
1956	2389.	28.	2417.
1957	16714.	0.	16714.
1958	49104.	0.	49104.
1959	15704.	0.	15704.
1960	2909.	0.	2909.
1961	6096.	0.	6096.
1962	305263.	0.	305263.
1963	25525.	0.	25525.
1964	233764.	0.	233764.
1965	150529.	0.	150529.
1966	74068.	0.	74068.
1967	222091.	0.	222091.
1968	2802.	0.	2802.
1969	405384.	0.	405384.
1970	814113.	0.	814113.
1971	35366.	0.	35366.
1972	32466.	0.	32466.
1973	23365.	0.	23365.
1974	25858.	0.	25858.

STUDY AS OF DECEMBER 31, 2004

PAGE 2

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

ACCOUNT NO.: 35020000

## SURVIVORS AND RETIREMENTS BY VINTAGE YEAR

VINTAGE YEAR	SURVIVORS	RETIREMENTS	CALCULATED ADDITIONS
-----	-----	-----	-----
1975	107484.	0.	107484.
1976	264424.	0.	264424.
1977	328902.	0.	328902.
1978	19600.	0.	19600.
1979	568376.	0.	568376.
1980	7729.	0.	7729.
1981	724179.	0.	724179.
1982	368924.	0.	368924.
1983	83862.	0.	83862.
1984	12230139.	0.	12230139.
1985	176572.	0.	176572.
1986	36790.	0.	36790.
1987	1327.	0.	1327.
1989	187371.	0.	187371.
1990	104145.	0.	104145.
1991	325286.	0.	325286.
1992	75891.	0.	75891.
1993	316776.	0.	316776.
1994	321828.	0.	321828.
1995	345958.	0.	345958.
1996	126373.	0.	126373.
1997	580453.	0.	580453.
1998	945099.	0.	945099.
1999	929153.	0.	929153.
2000	321569.	0.	321569.
2001	278577.	0.	278577.
2002	202199.	0.	202199.
2003	6817.	0.	6817.
2004	33991.	0.	33991.
TOTALS	23258047.	50695.	23308742.

THE AVERAGE AGE OF THE SURVIVING BALANCE IS 21.32 YEARS

KENTUCKY POWER COMPANY  
Depreciation Study as of December 31, 2004  
Transmission Plant

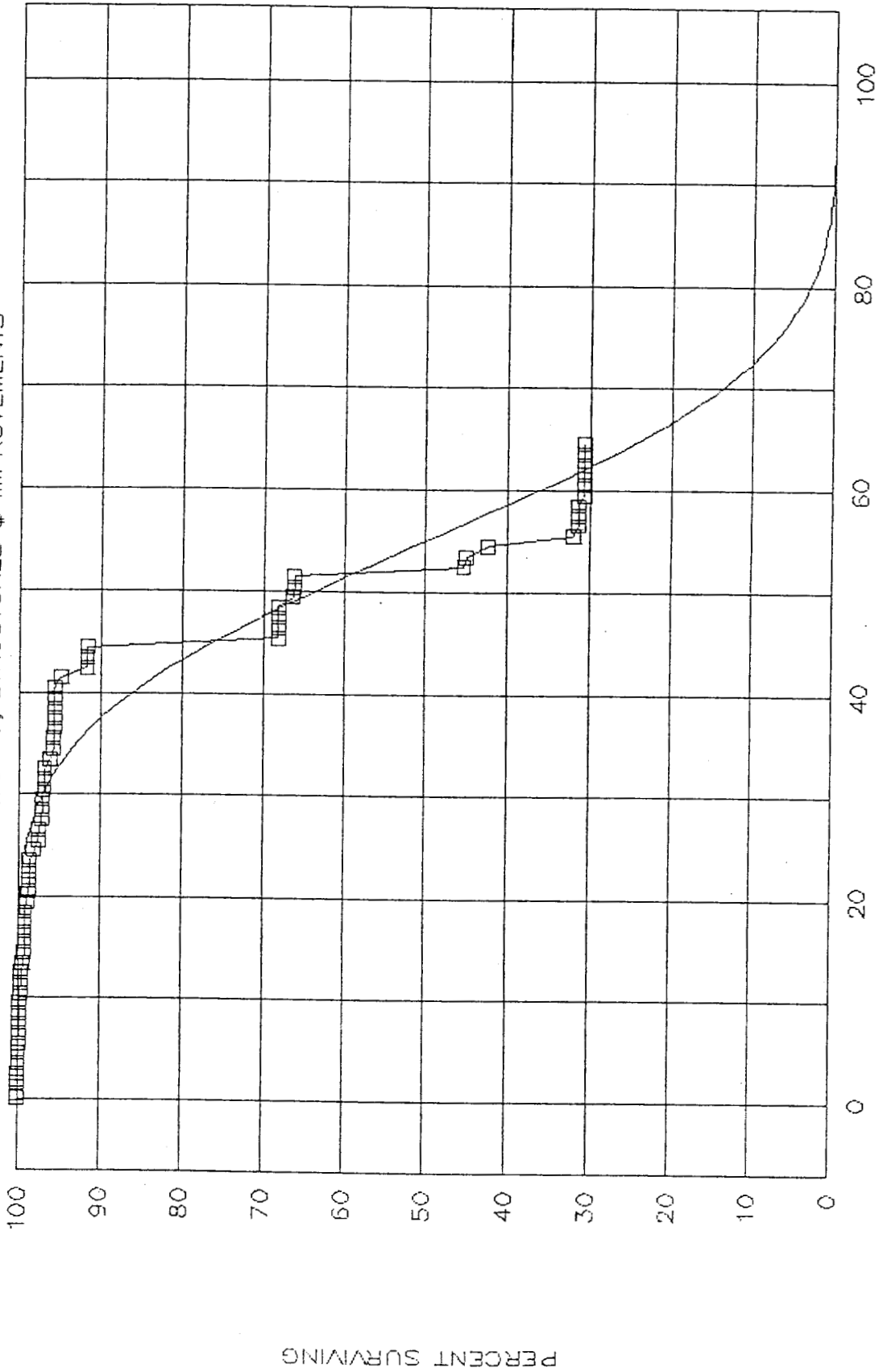
Account	<u>352 STRUCTURES &amp; IMPROVEMENTS</u>	
Depreciable Balance	\$6,387,065	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	55	55
Iowa Curve	S1.5	S3.0
Gross Removal, %		10%
Gross Salvage, %		10%
Net Salvage %	0%	0%

.....  
The average age of the retirements in this account range from 3 years to 59 years. The average age of the surviving balance in the account is 19 years. The actuarial analyses show the retirement dispersion should be moved to an S3.0 type Iowa Curve. The average service life of 55 years should be retained.

There is a possibility of receiving some salvage if substation structures were to be sold. However, the cost of removal and replacement of the buildings and fences are expected to offset any salvage that may be realized. The recommendation is for a 10% gross salvage and a 10% gross removal.

# KENTUCKY POWER COMPANY

ACCOUNT 35200000, STRUCTURES \$ IMPROVEMENTS

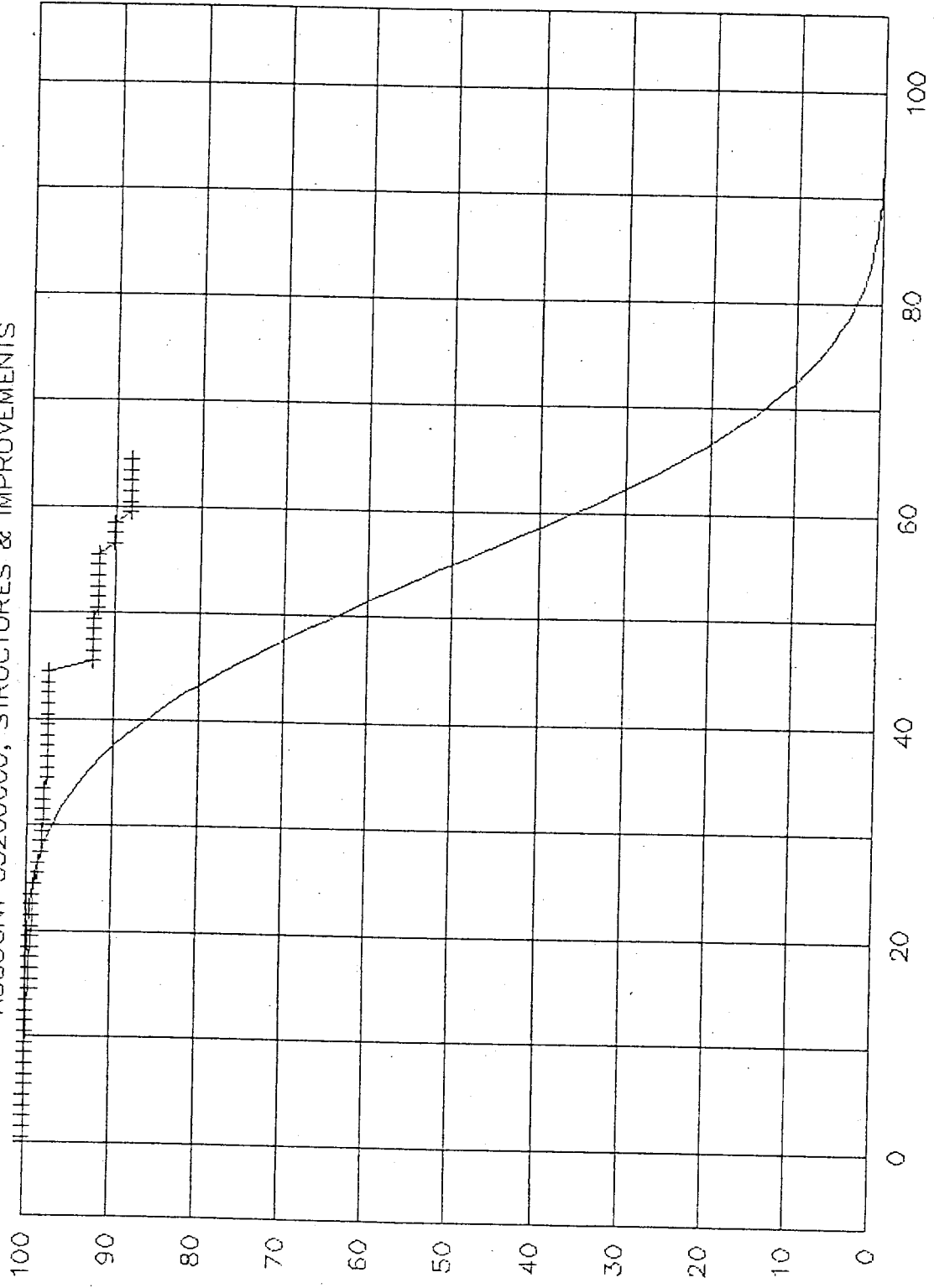


AGE IN YEARS  
□ 1965-2004 — 55 S3.0



# KENTUCKY POWER COMPANY

ACCOUNT 35200000, STRUCTURES & IMPROVEMENTS



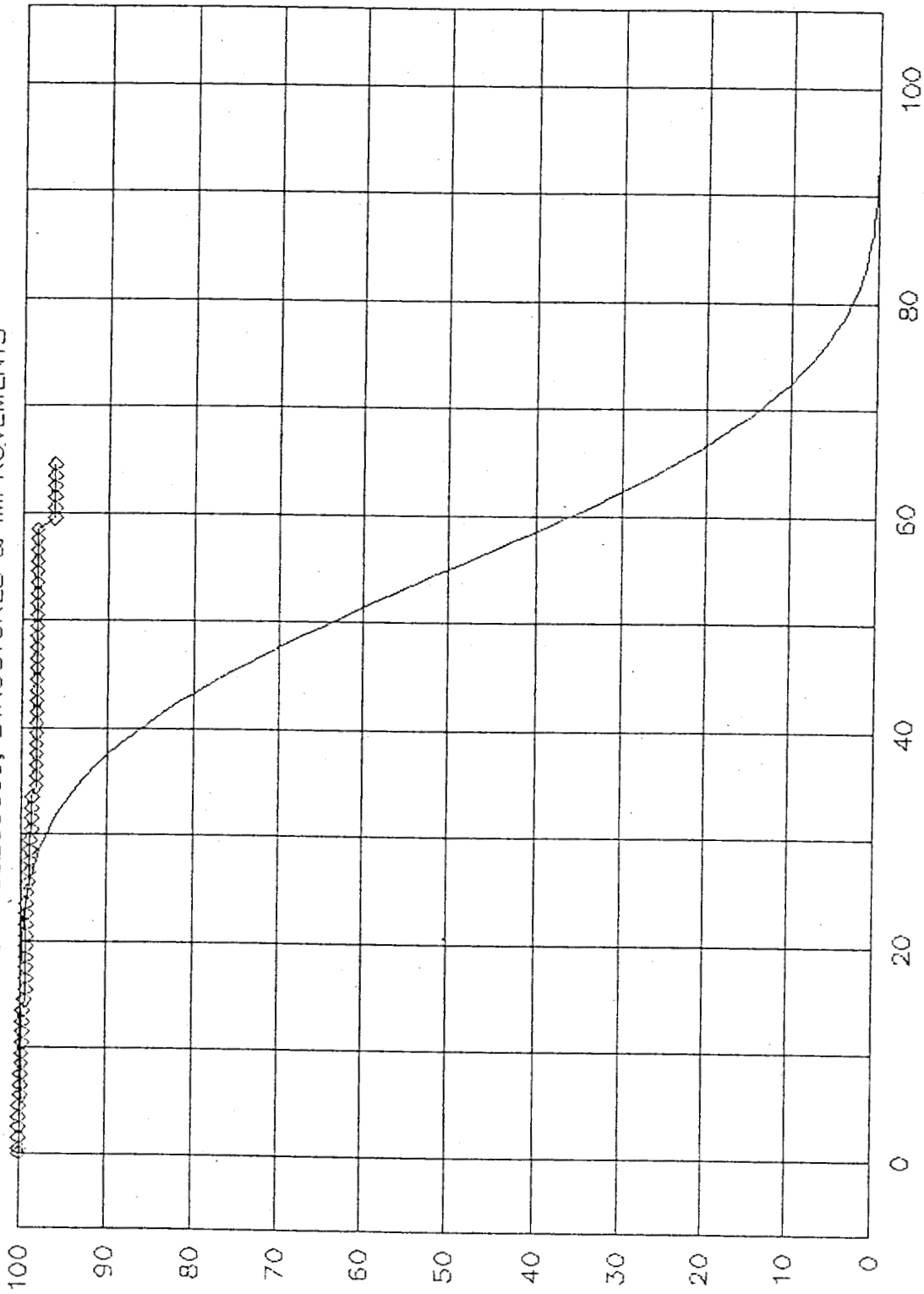
PERCENT SURVIVING

AGE IN YEARS

+ 1985-2004    — 55 S3.0

# KENTUCKY POWER COMPANY

ACCOUNT 35200000, STRUCTURES & IMPROVEMENTS



PERCENT SURVIVING

AGE IN YEARS  
◇ 1995-2004 — 55 S3.0

STUDY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

ACCOUNT NO.: 35200000

## AVERAGE AGE AT RETIREMENT BY RETIREMENT YEAR

RETIREMENT YEAR -----	RETIREMENTS -----	AVERAGE AGE -----
1954	355.	8.00
1955	321.	25.00
1958	638.	14.78
1959	1648.	11.43
1961	388.	9.00
1962	331.	10.00
1963	1379.	30.32
1964	1051.	13.62
1965	5250.	40.58
1967	3227.	24.34
1969	1135.	12.08
1970	679.	17.81
1973	3631.	26.30
1974	1341.	19.00
1975	34092.	44.12
1976	9994.	19.45
1979	241.	53.00
1980	3004.	10.39
1981	37248.	39.23
1982	1544.	3.00
1983	2978.	6.88
1985	4677.	27.63
1986	4865.	15.66
1987	3012.	18.08
1988	4729.	43.30
1990	1248.	9.80
1991	4839.	24.44
1992	982.	13.48
1993	8738.	19.68
1994	522.	29.00
1995	2589.	30.00
1997	11283.	14.41
1998	6190.	20.78
1999	373.	12.08
2001	852.	34.00

DELOITTE HASKINS & SELLS

DEPRECIATION SYSTEM - DSACT01 RELEASE 5.0

Page 65 of 443

STUDY AS OF DECEMBER 31, 2004

PAGE 2

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

ACCOUNT NO.: 35200000

AVERAGE AGE AT RETIREMENT BY RETIREMENT YEAR

RETIREMENT YEAR -----	RETIREMENTS -----	AVERAGE AGE -----
2002	352.	59.00
TOTAL	165726.	

STUDY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

ACCOUNT NO.: 35200000

## SURVIVORS AND RETIREMENTS BY VINTAGE YEAR

VINTAGE YEAR -----	SURVIVORS -----	RETIREMENTS -----	CALCULATED ADDITIONS -----
1923	0.	5940.	5940.
1926	0.	9670.	9670.
1927	0.	1470.	1470.
1929	0.	15890.	15890.
1930	0.	30091.	30091.
1936	0.	37.	37.
1938	0.	957.	957.
1940	1616.	1985.	3601.
1941	0.	256.	256.
1942	7335.	160.	7495.
1943	5740.	4486.	10226.
1944	2137.	208.	2345.
1945	0.	787.	787.
1946	152.	355.	507.
1947	0.	44.	44.
1948	0.	1771.	1771.
1949	0.	50.	50.
1951	8407.	2561.	10968.
1952	92.	8164.	8256.
1953	711.	1424.	2135.
1954	38794.	1036.	39830.
1955	516.	4201.	4717.
1956	381.	441.	822.
1957	579.	579.	1158.
1958	4414.	3727.	8141.
1959	1799.	0.	1799.
1960	2917.	0.	2917.
1961	121.	636.	757.
1962	6972.	4863.	11835.
1963	16589.	4895.	21484.
1964	8446.	0.	8446.
1965	297.	4270.	4567.
1966	29924.	5318.	35242.
1967	21589.	2525.	24114.
1968	32049.	1131.	33180.

STUDY AS OF DECEMBER 31, 2004

PAGE 2

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

ACCOUNT NO.: 35200000

## SURVIVORS AND RETIREMENTS BY VINTAGE YEAR

VINTAGE YEAR	SURVIVORS	RETIREMENTS	CALCULATED ADDITIONS
1969	1252.	97.	1349.
1970	50620.	1427.	52047.
1971	11105.	3763.	14868.
1972	0.	886.	886.
1973	49096.	18420.	67516.
1974	1154345.	3909.	1158254.
1975	14323.	0.	14323.
1976	87539.	79.	87618.
1977	159826.	101.	159927.
1978	125.	0.	125.
1979	3140.	4538.	7678.
1980	102817.	89.	102906.
1981	1628158.	990.	1629148.
1982	151005.	418.	151423.
1983	52326.	6878.	59204.
1984	115579.	0.	115579.
1985	96494.	0.	96494.
1986	148409.	0.	148409.
1987	14460.	1089.	15549.
1988	5196.	0.	5196.
1989	1510.	236.	1746.
1990	65795.	400.	66195.
1991	45070.	0.	45070.
1992	113918.	1364.	115282.
1993	371115.	1114.	372229.
1994	49187.	0.	49187.
1995	115575.	0.	115575.
1996	180114.	0.	180114.
1997	203592.	0.	203592.
1998	58660.	0.	58660.
1999	19202.	0.	19202.
2000	84281.	0.	84281.
2001	701.	0.	701.
2002	807226.	0.	807226.
2003	233727.	0.	233727.
TOTALS	6387065.	165726.	6552791.

THE AVERAGE AGE OF THE SURVIVING BALANCE IS 19.20 YEARS

STUDY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

ACCOUNT NO.: 35200000

## 1965 THRU 2004 BAND ANALYSIS SURVIVOR REPORT

AGE	RETIREMENTS	EXPOSURES	ANNUAL % SURVIVORS	CUMULATIVE % SURVIVORS
---	-----	-----	-----	-----
0.50	0.	6338389.	100.00	100.00
1.50	0.	6346835.	100.00	100.00
2.50	110.	6134529.	100.00	100.00
3.50	1954.	5339028.	99.96	99.96
4.50	2277.	5337130.	99.96	99.92
5.50	2208.	5253489.	99.96	99.88
6.50	2007.	5233878.	99.96	99.84
7.50	1459.	5181352.	99.97	99.81
8.50	1986.	4977459.	99.96	99.77
9.50	374.	4796181.	99.99	99.76
10.50	5840.	4684589.	99.88	99.64
11.50	841.	4669073.	99.98	99.62
12.50	271.	4299252.	99.99	99.61
13.50	8260.	4191609.	99.80	99.42
14.50	9144.	4149101.	99.78	99.20
15.50	1540.	4074162.	99.96	99.16
16.50	724.	4071162.	99.98	99.14
17.50	0.	4066285.	100.00	99.14
18.50	734.	4051825.	99.98	99.13
19.50	8208.	3902834.	99.79	98.92
20.50	9049.	3798457.	99.76	98.68
21.50	369.	3676174.	99.99	98.67
22.50	318.	3633705.	99.99	98.66
23.50	704.	3489877.	99.98	98.64
24.50	11644.	1861271.	99.37	98.03
25.50	7387.	1750411.	99.58	97.61
26.50	2500.	1739884.	99.86	97.47
27.50	5102.	1737598.	99.71	97.19
28.50	359.	1572670.	99.98	97.16
29.50	1237.	1484809.	99.92	97.08
30.50	3030.	1469249.	99.79	96.88
31.50	37.	311874.	99.99	96.87
32.50	0.	262741.	100.00	96.87
33.50	1985.	262741.	99.24	96.14
34.50	852.	249651.	99.66	95.81
35.50	0.	227949.	100.00	95.81

STUDY AS OF DECEMBER 31, 2004

PAGE 2

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

ACCOUNT NO.: 35200000

1965 THRU 2004 BAND ANALYSIS SURVIVOR REPORT

AGE	RETIREMENTS	EXPOSURES	ANNUAL % SURVIVORS	CUMULATIVE % SURVIVORS
---	-----	-----	-----	-----
36.50	325.	242587.	99.87	95.68
37.50	200.	210213.	99.90	95.59
38.50	0.	189894.	100.00	95.59
39.50	0.	169615.	100.00	95.59
40.50	0.	169318.	100.00	95.59
41.50	1228.	160872.	99.24	94.86
42.50	4980.	148035.	96.64	91.67
43.50	0.	136083.	100.00	91.67
44.50	44.	135962.	99.97	91.64
45.50	33904.	133001.	74.51	68.28
46.50	0.	97298.	100.00	68.28
47.50	0.	92884.	100.00	68.28
48.50	0.	92305.	100.00	68.28
49.50	2428.	91924.	97.36	66.48
50.50	339.	88980.	99.62	66.22
51.50	0.	49847.	100.00	66.22
52.50	15534.	49136.	68.39	45.29
53.50	241.	33510.	99.28	44.96
54.50	1470.	24862.	94.09	42.30
55.50	5704.	23392.	75.62	31.99
56.50	356.	17688.	97.99	31.34
57.50	0.	17332.	100.00	31.34
58.50	0.	17332.	100.00	31.34
59.50	352.	17180.	97.95	30.70
60.50	0.	16828.	100.00	30.70
61.50	0.	14691.	100.00	30.70
62.50	0.	8951.	100.00	30.70
63.50	0.	1616.	100.00	30.70
64.50	0.	1616.	100.00	30.70

TOTAL 159615.

REALIZED LIFE = 53.12 YEARS



STUDY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

ACCOUNT NO.: 35200000

## 1985 THRU 2004 BAND ANALYSIS SURVIVOR REPORT

AGE	RETIREMENTS	EXPOSURES	ANNUAL % SURVIVORS	CUMULATIVE % SURVIVORS
---	-----	-----	-----	-----
0.50	0.	2618435.	100.00	100.00
1.50	0.	2734014.	100.00	100.00
2.50	0.	2559491.	100.00	100.00
3.50	410.	1903688.	99.98	99.98
4.50	119.	3531725.	100.00	99.98
5.50	2208.	3550231.	99.94	99.91
6.50	270.	3533407.	99.99	99.91
7.50	256.	3474602.	99.99	99.90
8.50	636.	3430681.	99.98	99.88
9.50	374.	3337549.	99.99	99.87
10.50	750.	3235923.	99.98	99.85
11.50	0.	4342960.	100.00	99.85
12.50	271.	4036014.	99.99	99.84
13.50	5116.	3922711.	99.87	99.71
14.50	7724.	3883733.	99.80	99.51
15.50	1281.	3862261.	99.97	99.48
16.50	89.	3860819.	100.00	99.47
17.50	0.	3888714.	100.00	99.47
18.50	503.	3896734.	99.99	99.46
19.50	1131.	3783064.	99.97	99.43
20.50	7625.	3689165.	99.79	99.23
21.50	369.	3574407.	99.99	99.22
22.50	318.	3538845.	99.99	99.21
23.50	544.	3394664.	99.98	99.19
24.50	3162.	1766083.	99.82	99.01
25.50	7387.	1663021.	99.56	98.57
26.50	0.	1654293.	100.00	98.57
27.50	5020.	1662309.	99.70	98.28
28.50	103.	1498042.	99.99	98.27
29.50	522.	1411222.	99.96	98.23
30.50	3030.	1396893.	99.78	98.02
31.50	0.	278312.	100.00	98.02
32.50	0.	229927.	100.00	98.02
33.50	0.	230019.	100.00	98.02
34.50	852.	227321.	99.63	97.65
35.50	0.	175849.	100.00	97.65

STUDY AS OF DECEMBER 31, 2004

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

ACCOUNT NO.: 35200000

1985 THRU 2004 BAND ANALYSIS SURVIVOR REPORT

AGE	RETIREMENTS	EXPOSURES	% SURVIVORS	ANNUAL	CUMULATIVE
---	-----	-----	-----	-----	-----
36.50	0.	174597.		100.00	97.65
37.50	0.	142548.		100.00	97.65
38.50	0.	120959.		100.00	97.65
39.50	0.	91187.		100.00	97.65
40.50	0.	90890.		100.00	97.65
41.50	0.	84581.		100.00	97.65
42.50	0.	78218.		100.00	97.65
43.50	0.	78581.		100.00	97.65
44.50	0.	78460.		100.00	97.65
45.50	4134.	77159.		94.64	92.42
46.50	0.	71226.		100.00	92.42
47.50	0.	67151.		100.00	92.42
48.50	0.	66572.		100.00	92.42
49.50	0.	66191.		100.00	92.42
50.50	339.	65675.		99.48	91.94
51.50	0.	26542.		100.00	91.94
52.50	0.	25831.		100.00	91.94
53.50	0.	25739.		100.00	91.94
54.50	0.	17332.		100.00	91.94
55.50	0.	17332.		100.00	91.94
56.50	356.	17688.		97.99	90.09
57.50	0.	17332.		100.00	90.09
58.50	0.	17332.		100.00	90.09
59.50	352.	17180.		97.95	88.25
60.50	0.	16828.		100.00	88.25
61.50	0.	14691.		100.00	88.25
62.50	0.	8951.		100.00	88.25
63.50	0.	1616.		100.00	88.25
64.50	0.	1616.		100.00	88.25

TOTAL 55251.

REALIZED LIFE = 62.63 YEARS

STUDY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

ACCOUNT NO.: 35200000

1995 THRU 2004 BAND ANALYSIS SURVIVOR REPORT

AGE	RETIREMENTS	EXPOSURES	ANNUAL % SURVIVORS	CUMULATIVE % SURVIVORS
----	-----	-----	-----	-----
0.50	0.	1703078.	100.00	100.00
1.50	0.	1752265.	100.00	100.00
2.50	0.	1890767.	100.00	100.00
3.50	0.	1198823.	100.00	100.00
4.50	0.	1243192.	100.00	100.00
5.50	2208.	1225106.	99.82	99.82
6.50	270.	1205442.	99.98	99.80
7.50	0.	1151708.	100.00	99.80
8.50	636.	963136.	99.93	99.73
9.50	0.	930795.	100.00	99.73
10.50	560.	911714.	99.94	99.67
11.50	0.	977546.	100.00	99.67
12.50	0.	665635.	100.00	99.67
13.50	0.	703140.	100.00	99.67
14.50	6878.	2286317.	99.70	99.37
15.50	418.	2316461.	99.98	99.35
16.50	89.	2317673.	100.00	99.35
17.50	0.	2312513.	100.00	99.35
18.50	0.	2457879.	100.00	99.35
19.50	0.	2397088.	100.00	99.35
20.50	0.	2314917.	100.00	99.35
21.50	79.	3356140.	100.00	99.35
22.50	0.	3356025.	100.00	99.35
23.50	0.	3205020.	100.00	99.35
24.50	3162.	1588070.	99.80	99.15
25.50	2489.	1533665.	99.84	98.99
26.50	0.	1529288.	100.00	98.99
27.50	954.	1561212.	99.94	98.93
28.50	103.	1422873.	99.99	98.92
29.50	0.	1365155.	100.00	98.92
30.50	2589.	1353718.	99.81	98.73
31.50	0.	205230.	100.00	98.73
32.50	0.	172723.	100.00	98.73
33.50	0.	179695.	100.00	98.73
34.50	852.	168711.	99.49	98.23
35.50	0.	120156.	100.00	98.23

STUDY AS OF DECEMBER 31, 2004

PAGE 2

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

ACCOUNT NO.: 35200000

## 1995 THRU 2004 BAND ANALYSIS SURVIVOR REPORT

AGE	RETIREMENTS	EXPOSURES	ANNUAL % SURVIVORS	CUMULATIVE % SURVIVORS
---	-----	-----	-----	-----
36.50	0.	120703.	100.00	98.23
37.50	0.	93068.	100.00	98.23
38.50	0.	72058.	100.00	98.23
39.50	0.	42515.	100.00	98.23
40.50	0.	42734.	100.00	98.23
41.50	0.	73082.	100.00	98.23
42.50	0.	57204.	100.00	98.23
43.50	0.	50324.	100.00	98.23
44.50	0.	58610.	100.00	98.23
45.50	0.	55693.	100.00	98.23
46.50	0.	53894.	100.00	98.23
47.50	0.	49480.	100.00	98.23
48.50	0.	48901.	100.00	98.23
49.50	0.	48672.	100.00	98.23
50.50	0.	48156.	100.00	98.23
51.50	0.	11499.	100.00	98.23
52.50	0.	16880.	100.00	98.23
53.50	0.	24123.	100.00	98.23
54.50	0.	15716.	100.00	98.23
55.50	0.	17332.	100.00	98.23
56.50	0.	17332.	100.00	98.23
57.50	0.	17332.	100.00	98.23
58.50	0.	17332.	100.00	98.23
59.50	352.	17180.	97.95	96.22
60.50	0.	16828.	100.00	96.22
61.50	0.	14691.	100.00	96.22
62.50	0.	8951.	100.00	96.22
63.50	0.	1616.	100.00	96.22
64.50	0.	1616.	100.00	96.22
TOTAL	21639.			

REALIZED LIFE = 64.13 YEARS

KENTUCKY POWER COMPANY  
Depreciation Study as of December 31, 2004  
Transmission Plant

Account	<u>353 STATION EQUIPMENT</u>	
Depreciable Balance	\$123,153,116	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	50	40
Iowa Curve	RO.5	R1.5
Gross Removal, %		35%
Gross Salvage, %		35%
Net Salvage %	25%	0%

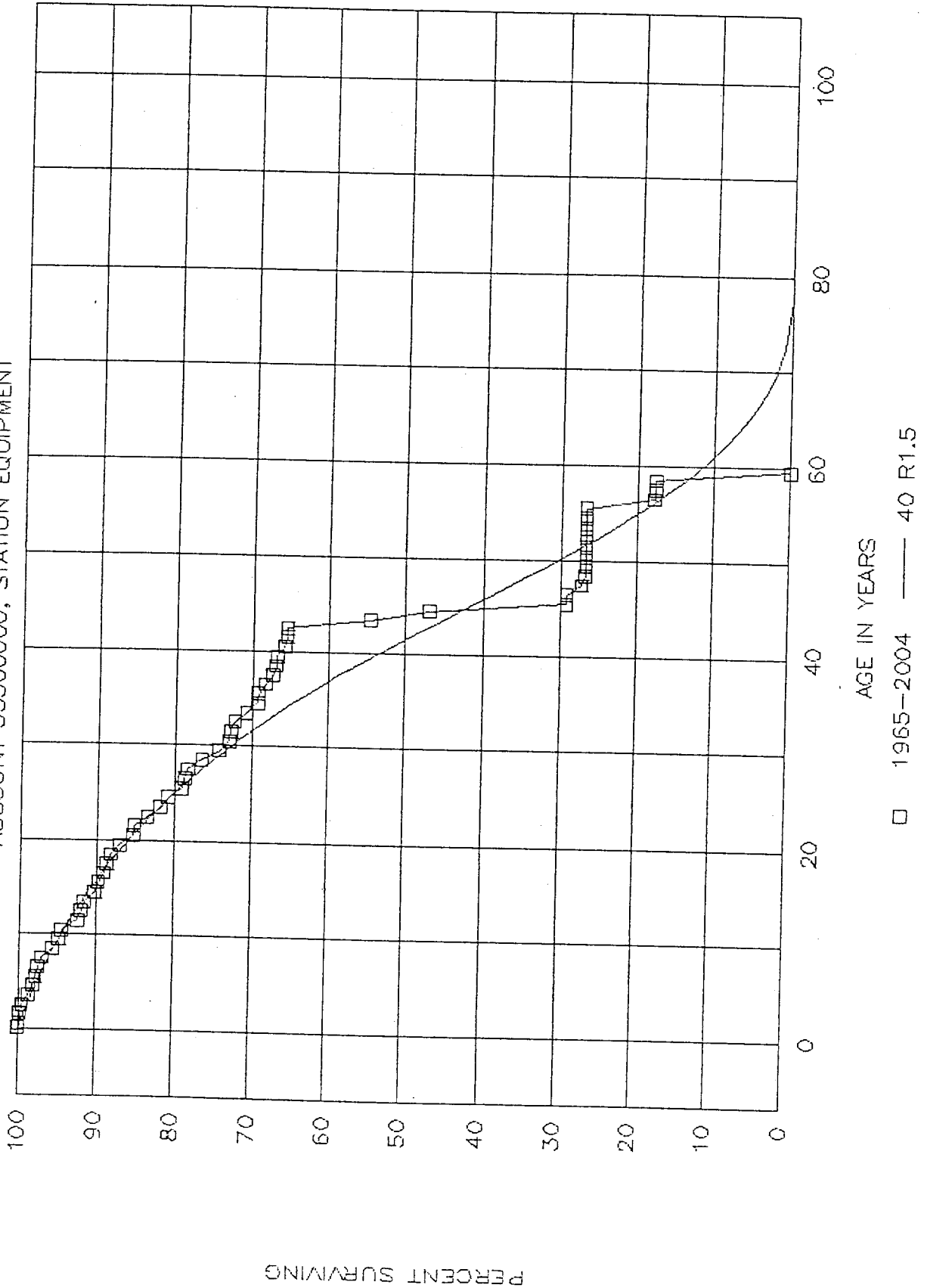
\*\*\*\*\*

The actuarial analysis indicate that the current 50 year average service life for this account should be shortened. Based on the analyses, the recommendation is to move to a 40 year average service life following an R1.5 type dispersion.

Scrap sales of substation equipment and reuse salvage are expected from the retirement of investments in this account. However, the cost to the remove the equipment is expected to offset any salvage realized. The recommendation is for a gross salvage of 35% and a gross removal of 35%.

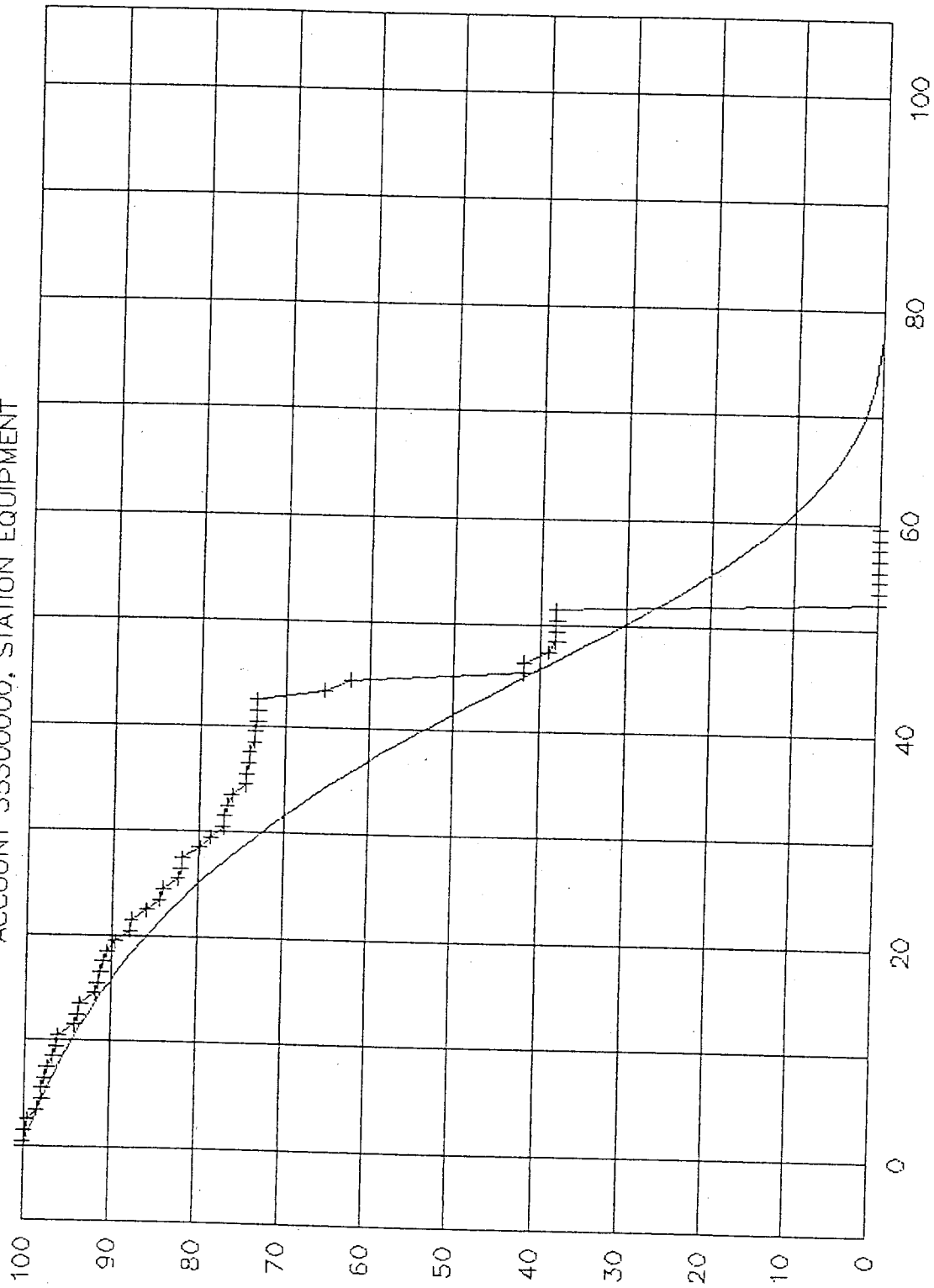
# KENTUCKY POWER COMPANY

ACCOUNT 35300000, STATION EQUIPMENT



# KENTUCKY POWER COMPANY

ACCOUNT 35300000, STATION EQUIPMENT



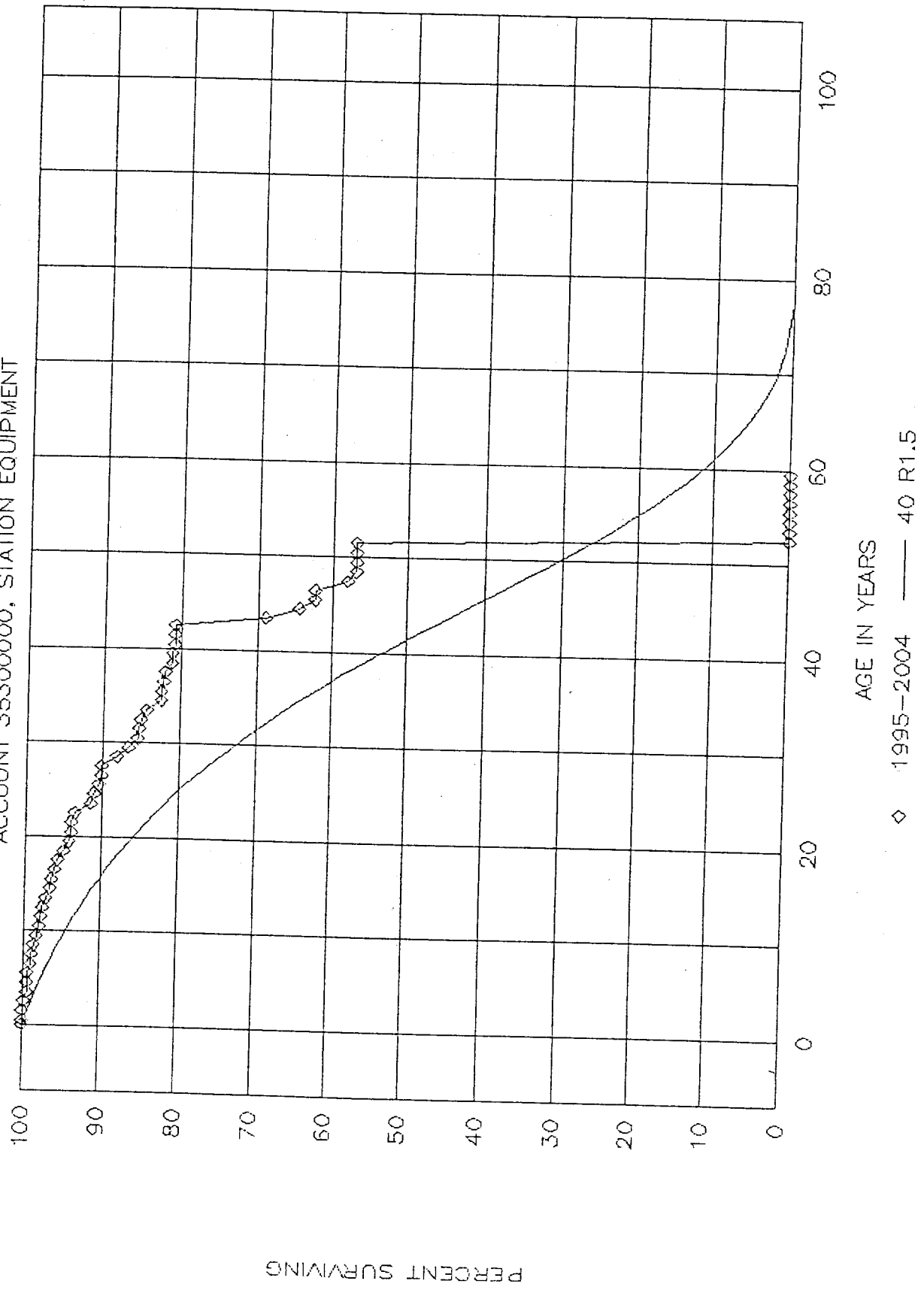
PERCENT SURVIVING

AGE IN YEARS

+ 1985-2004 — 40 R1.5

# KENTUCKY POWER COMPANY

ACCOUNT 35300000, STATION EQUIPMENT





STUDY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

ACCOUNT NO.: 35300000

## AVERAGE AGE AT RETIREMENT BY RETIREMENT YEAR

RETIREMENT YEAR -----	RETIREMENTS -----	AVERAGE AGE -----
1954	11189.	7.31
1955	7263.	14.03
1956	36641.	30.42
1957	36228.	11.49
1958	45231.	18.58
1959	85349.	11.45
1960	22978.	24.09
1961	53775.	3.51
1962	24294.	13.49
1963	65580.	22.67
1964	13236.	13.99
1965	109592.	16.91
1966	21762.	32.08
1967	284981.	26.34
1968	28296.	13.83
1969	159434.	16.72
1970	34292.	9.37
1971	42489.	11.75
1972	50973.	14.20
1973	147022.	18.13
1974	113762.	14.92
1975	9141.	15.07
1976	653079.	11.04
1977	224382.	7.85
1978	419245.	9.95
1979	39790.	12.54
1980	657972.	9.77
1981	1020203.	17.82
1982	247227.	27.41
1983	18248.	11.49
1984	108082.	3.85
1985	419485.	8.46
1986	529269.	6.60
1987	226872.	5.61
1988	392502.	29.39

STUDY AS OF DECEMBER 31, 2004

PAGE 2

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

ACCOUNT NO.: 35300000

## AVERAGE AGE AT RETIREMENT BY RETIREMENT YEAR

RETIREMENT YEAR -----	RETIREMENTS -----	AVERAGE AGE -----
1989	848566.	15.83
1990	143432.	12.46
1991	703871.	20.86
1992	1446425.	11.02
1993	240897.	16.50
1994	807484.	10.90
1995	143408.	15.57
1996	32475.	9.99
1997	1056611.	16.54
1998	165269.	26.34
1999	357124.	20.06
2000	308529.	17.32
2001	104157.	21.14
2002	167185.	29.05
2003	462374.	27.47
2004	699507.	14.09
TOTAL	14047178.	

STUDY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

ACCOUNT NO.: 35300000

## SURVIVORS AND RETIREMENTS BY VINTAGE YEAR

VINTAGE YEAR	SURVIVORS	RETIREMENTS	CALCULATED ADDITIONS
-----	-----	-----	-----
1916	0.	2597.	2597.
1920	0.	706.	706.
1922	0.	92268.	92268.
1924	0.	12899.	12899.
1925	0.	22518.	22518.
1926	0.	13716.	13716.
1930	0.	61415.	61415.
1933	0.	2222.	2222.
1934	0.	904.	904.
1936	0.	61459.	61459.
1937	0.	725.	725.
1938	0.	181980.	181980.
1940	0.	75291.	75291.
1941	0.	61504.	61504.
1942	0.	46328.	46328.
1943	0.	182871.	182871.
1944	0.	27395.	27395.
1945	0.	55607.	55607.
1946	0.	9800.	9800.
1947	0.	5430.	5430.
1948	0.	65871.	65871.
1949	0.	205737.	205737.
1950	0.	42720.	42720.
1951	0.	132979.	132979.
1952	0.	304022.	304022.
1953	7575.	11899.	19474.
1954	294758.	120335.	415093.
1955	897.	25397.	26294.
1956	0.	99966.	99966.
1957	8981.	33572.	42553.
1958	577.	172966.	173543.
1959	54101.	181631.	235732.
1960	25384.	17633.	43017.
1961	347.	67845.	68192.
1962	5906.	43992.	49898.

STUDY AS OF DECEMBER 31, 2004

PAGE 2

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

ACCOUNT NO.: 35300000

## SURVIVORS AND RETIREMENTS BY VINTAGE YEAR

VINTAGE YEAR	SURVIVORS	RETIREMENTS	CALCULATED ADDITIONS
-----	-----	-----	-----
1963	560961.	165094.	726055.
1964	12210.	93198.	105408.
1965	103552.	267127.	370679.
1966	5843.	239360.	245203.
1967	307861.	94714.	402575.
1968	59424.	122295.	181719.
1969	5275929.	2891518.	8167447.
1970	700895.	59988.	760883.
1971	207616.	107162.	314778.
1972	169122.	72350.	241472.
1973	165119.	663639.	828758.
1974	1070195.	254918.	1325113.
1975	763727.	280373.	1044100.
1976	1092819.	80833.	1173652.
1977	2064405.	232830.	2297235.
1978	54599.	657421.	712020.
1979	966417.	100730.	1067147.
1980	5873681.	227583.	6101264.
1981	7231608.	1935436.	9167044.
1982	1403128.	55151.	1458279.
1983	1373085.	667688.	2040773.
1984	1222401.	408494.	1630895.
1985	740900.	36240.	777140.
1986	499860.	26705.	526565.
1987	2172360.	244806.	2417166.
1988	530915.	99171.	630086.
1989	1310459.	154835.	1465294.
1990	3006144.	535362.	3541506.
1991	3781093.	212845.	3993938.
1992	2135657.	93679.	2229336.
1993	5784518.	29080.	5813598.
1994	2257709.	46084.	2303793.
1995	853676.	90667.	944343.
1996	2460717.	18137.	2478854.
1997	36890866.	29189.	36920055.

STUDY AS OF DECEMBER 31, 2004

PAGE 3

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

ACCOUNT NO.: 35300000

## SURVIVORS AND RETIREMENTS BY VINTAGE YEAR

VINTAGE YEAR -----	SURVIVORS -----	RETIREMENTS -----	CALCULATED ADDITIONS -----
1998	11141156.	4498.	11145654.
1999	1488533.	0.	1488533.
2000	2485512.	0.	2485512.
2001	3138656.	297776.	3436432.
2002	4425166.	2.	4425168.
2003	4440859.	6000.	4446859.
2004	2525237.	0.	2525237.
TOTALS	123153116.	14047178.	137200294.

THE AVERAGE AGE OF THE SURVIVING BALANCE IS 12.91 YEARS

STUDY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

ACCOUNT NO.: 35300000

## 1965 THRU 2004 BAND ANALYSIS SURVIVOR REPORT

AGE	RETIREMENTS	EXPOSURES	% SURVIVORS	ANNUAL CUMULATIVE % SURVIVORS	% SURVIVORS
0.50	87506.	133526105.		99.93	99.93
1.50	159979.	131018770.		99.88	99.81
2.50	313688.	127143987.		99.75	99.57
3.50	1081635.	122455031.		99.12	98.69
4.50	640514.	118301706.		99.46	98.15
5.50	426119.	115218528.		99.63	97.79
6.50	333326.	113494293.		99.71	97.50
7.50	573222.	102191668.		99.44	96.96
8.50	947866.	64766508.		98.54	95.54
9.50	454505.	61455966.		99.26	94.83
10.50	256626.	60171919.		99.57	94.43
11.50	1220621.	58066031.		97.90	92.44
12.50	275364.	51077207.		99.46	91.94
13.50	201260.	48967513.		99.59	91.56
14.50	669312.	45042139.		98.51	90.20
15.50	201099.	41385828.		99.51	89.77
16.50	323003.	40058309.		99.19	89.04
17.50	136700.	39248086.		99.65	88.73
18.50	255335.	36944456.		99.31	88.12
19.50	455645.	36194565.		98.74	87.01
20.50	691205.	35042951.		98.03	85.29
21.50	55656.	33146262.		99.83	85.15
22.50	655158.	31899420.		97.95	83.40
23.50	597339.	29881296.		98.00	81.73
24.50	234172.	22111634.		98.94	80.87
25.50	346646.	16055397.		97.84	79.12
26.50	64237.	14742334.		99.56	78.78
27.50	69351.	14773523.		99.53	78.41
28.50	305846.	12639767.		97.58	76.51
29.50	328714.	11288579.		97.09	74.28
30.50	168474.	10196138.		98.35	73.05
31.50	30171.	8957469.		99.66	72.81
32.50	59060.	8762363.		99.33	72.32
33.50	181934.	8534181.		97.87	70.78
34.50	160642.	8144631.		98.03	69.38
35.50	4022.	7309336.		99.94	69.34

STUDY AS OF DECEMBER 31, 2004

PAGE 2

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

ACCOUNT NO.: 35300000

## 1965 THRU 2004 BAND ANALYSIS SURVIVOR REPORT

AGE	RETIREMENTS	EXPOSURES	ANNUAL % SURVIVORS	CUMULATIVE % SURVIVORS
36.50	29635.	2029385.	98.54	68.33
37.50	25951.	1940326.	98.66	67.42
38.50	11265.	1606514.	99.30	66.94
39.50	1131.	1595404.	99.93	66.90
40.50	22264.	1490721.	98.51	65.90
41.50	5625.	1456247.	99.61	65.64
42.50	0.	889661.	100.00	65.64
43.50	163843.	976023.	83.21	54.62
44.50	114639.	811833.	85.88	46.91
45.50	254228.	671810.	62.16	29.16
46.50	287.	363481.	99.92	29.13
47.50	23804.	362617.	93.44	27.22
48.50	6012.	329832.	98.18	26.73
49.50	177.	324008.	99.95	26.71
50.50	0.	322934.	100.00	26.71
51.50	54.	28176.	99.81	26.66
52.50	0.	20547.	100.00	26.66
53.50	0.	20547.	100.00	26.66
54.50	0.	20547.	100.00	26.66
55.50	0.	20547.	100.00	26.66
56.50	6860.	20547.	66.61	17.76
57.50	134.	13687.	99.02	17.59
58.50	0.	13553.	100.00	17.59
59.50	13553.	13553.	0.00	0.00

TOTAL 13645414.

REALIZED LIFE = 40.33 YEARS

STUDY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

ACCOUNT NO.: 35300000

## 1985 THRU 2004 BAND ANALYSIS SURVIVOR REPORT

AGE	RETIREMENTS	EXPOSURES	ANNUAL % SURVIVORS	CUMULATIVE % SURVIVORS
---	-----	-----	-----	-----
0.50	2888.	93995069.	100.00	100.00
1.50	151387.	93026303.	99.84	99.83
2.50	257594.	90474830.	99.72	99.55
3.50	919404.	87250349.	98.95	98.50
4.50	509713.	92356717.	99.45	97.96
5.50	58407.	95436243.	99.94	97.90
6.50	291033.	94949508.	99.69	97.60
7.50	277371.	84128711.	99.67	97.28
8.50	359481.	49147209.	99.27	96.56
9.50	125145.	47496126.	99.74	96.31
10.50	110832.	47282812.	99.77	96.08
11.50	947992.	46159141.	97.95	94.11
12.50	117722.	39898990.	99.70	93.83
13.50	122787.	37863582.	99.68	93.53
14.50	604410.	34220621.	98.23	91.88
15.50	95538.	31361635.	99.70	91.60
16.50	134709.	37130598.	99.64	91.26
17.50	116043.	36563474.	99.68	90.97
18.50	184719.	34601885.	99.47	90.49
19.50	373425.	34013568.	98.90	89.50
20.50	646254.	33084042.	98.05	87.75
21.50	30106.	31301647.	99.90	87.66
22.50	627489.	30487521.	97.94	85.86
23.50	491158.	28466698.	98.27	84.38
24.50	93499.	20750450.	99.55	84.00
25.50	302747.	14821770.	97.96	82.28
26.50	55042.	13647116.	99.60	81.95
27.50	20188.	13560309.	99.85	81.83
28.50	274833.	11487522.	97.61	79.87
29.50	163760.	10156655.	98.39	78.58
30.50	166178.	9230194.	98.20	77.17
31.50	18555.	8399276.	99.78	77.00
32.50	25200.	8223177.	99.69	76.76
33.50	62833.	8028855.	99.22	76.16
34.50	160531.	7758406.	97.93	74.58
35.50	910.	6899809.	99.99	74.57



STUDY AS OF DECEMBER 31, 2004

PAGE 2

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

ACCOUNT NO.: 35300000

## 1985 THRU 2004 BAND ANALYSIS SURVIVOR REPORT

AGE	RETIREMENTS	EXPOSURES	ANNUAL % SURVIVORS	CUMULATIVE % SURVIVORS
---	-----	-----	-----	-----
36.50	6179.	1622970.	99.62	74.29
37.50	1954.	1557367.	99.87	74.20
38.50	9278.	1247552.	99.26	73.65
39.50	557.	1232431.	99.95	73.61
40.50	3052.	1128643.	99.73	73.41
41.50	0.	1113381.	100.00	73.41
42.50	0.	733065.	100.00	73.41
43.50	80095.	727159.	88.99	65.33
44.50	30513.	646717.	95.28	62.24
45.50	193938.	590820.	67.17	41.81
46.50	0.	342781.	100.00	41.81
47.50	23804.	342204.	93.04	38.90
48.50	6012.	309419.	98.06	38.15
49.50	177.	303407.	99.94	38.13
50.50	0.	302333.	100.00	38.13
51.50	0.	7575.	100.00	38.13
TOTAL	9255442.			

REALIZED LIFE = 41.14 YEARS

STUDY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

ACCOUNT NO.: 35300000

## 1995 THRU 2004 BAND ANALYSIS SURVIVOR REPORT

AGE	RETIREMENTS	EXPOSURES	ANNUAL % SURVIVORS	CUMULATIVE % SURVIVORS
---	-----	-----	-----	-----
0.50	0.	70296647.	100.00	100.00
1.50	6000.	70075203.	99.99	99.99
2.50	88311.	71441942.	99.88	99.87
3.50	311082.	69108582.	99.55	99.42
4.50	15111.	69652581.	99.98	99.40
5.50	15564.	70164029.	99.98	99.37
6.50	261314.	70010264.	99.63	99.00
7.50	54943.	59233271.	99.91	98.91
8.50	66333.	24615594.	99.73	98.65
9.50	88334.	22610568.	99.61	98.26
10.50	77723.	22417671.	99.65	97.92
11.50	41858.	21376263.	99.80	97.73
12.50	26337.	17132899.	99.85	97.58
13.50	72302.	16400370.	99.56	97.15
14.50	126196.	20513870.	99.38	96.55
15.50	34230.	23404758.	99.85	96.41
16.50	85137.	23045056.	99.63	96.05
17.50	102990.	22528653.	99.54	95.61
18.50	175225.	22386852.	99.22	94.86
19.50	177147.	22827600.	99.22	94.13
20.50	41884.	22673280.	99.82	93.95
21.50	9183.	22558292.	99.96	93.92
22.50	98655.	21518652.	99.54	93.49
23.50	436532.	20194352.	97.84	91.46
24.50	62512.	12747377.	99.51	91.02
25.50	52750.	7515497.	99.30	90.38
26.50	34451.	12262299.	99.72	90.12
27.50	2129.	12244341.	99.98	90.11
28.50	235996.	10494195.	97.75	88.08
29.50	151019.	9179678.	98.35	86.63
30.50	113887.	8408877.	98.65	85.46
31.50	14477.	7271874.	99.80	85.29
32.50	22407.	7654895.	99.71	85.04
33.50	62770.	7469272.	99.16	84.32
34.50	159600.	7202765.	97.78	82.46
35.50	845.	6376723.	99.99	82.45

STUDY AS OF DECEMBER 31, 2004

PAGE 2

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

ACCOUNT NO.: 35300000

## 1995 THRU 2004 BAND ANALYSIS SURVIVOR REPORT

AGE	RETIREMENTS	EXPOSURES	ANNUAL % SURVIVORS	CUMULATIVE % SURVIVORS
---	-----	-----	-----	-----
36.50	3774.	1194459.	99.68	82.18
37.50	1954.	1131838.	99.83	82.04
38.50	9051.	833069.	98.91	81.15
39.50	1.	818175.	100.00	81.15
40.50	3052.	715519.	99.57	80.81
41.50	0.	1105485.	100.00	80.81
42.50	0.	552099.	100.00	80.81
43.50	79774.	546193.	85.39	69.00
44.50	30513.	466072.	93.45	64.49
45.50	13293.	410175.	96.76	62.40
46.50	0.	342781.	100.00	62.40
47.50	23804.	342204.	93.04	58.06
48.50	6012.	309419.	98.06	56.93
49.50	177.	303407.	99.94	56.89
50.50	0.	302333.	100.00	56.89
51.50	0.	7575.	100.00	56.89
TOTAL	3496639.			

REALIZED LIFE = 44.84 YEARS

KENTUCKY POWER COMPANY  
 Depreciation Study as of December 31, 2004  
 Transmission Plant

Account	<u>354 TOWERS &amp; FIXTURES</u>	
Depreciable Balance	\$92,364,356	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	45	55
Iowa Curve	R3.0	R4.0
Gross Removal, %		35%
Gross Salvage, %		0%
Net Salvage %	0%	-35%

\*\*\*\*\*  
 Prior to year 2000, the investment in this account was separated into categories of investments of equipment serving voltages 69KV and below and investments serving voltages above 69 KV. The investments of 69 KV and below were treated as mass assets and those above 69 KV were tracked by vintage year. In year 2000, the investments related to the mass assets were vintaged and now the entire account is treated as vintaged. However, vintaged retirements related to those assets previously treated as mass assets are not available. Therefore, the simulation method of life analysis was used for property in this account.

The simulation analyses indicate that the investment in this account is experiencing an increasing average service life. The results of the analyses indicate that an R type curve is appropriate for this account. Although the analyses indicate that an R3.0 type curve with a corresponding average service life of 83 to 100 years is the best mathematical fit, there is a very small difference in the index of variation between that life and curve and an R4.0 type curve with average service lives of 55 to 65 years. A move from the current average service life of 45 years to a 100 year life is too extreme. The recommendation is to move to an R4.0 type curve with a 55 year average service life.

There is no reuse value expected from the investment. However, there will be removal costs incurred to remove and replace the towers. The recommendation is for a 0% gross salvage and a 35% gross removal.

STUDY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

7- 5-2005

LIFE ANALYSIS DATA IN DOLLARS  
FOR ACCOUNT 35400000

YEAR	ADDITIONS	RETIREMENTS	YEAR	ADDITIONS	RETIREMENTS
1936	278591.	0.	1970	7737648.	0.
1937	3.	0.	1971	43790.	0.
1938	0.	1974.	1972	1411501.	33044.
1939	1841.	0.	1973	55899.	1601.
1940	5598.	630.	1974	10043.	7714.
1941	0.	10920.	1975	69425.	3317.
1942	8549.	0.	1976	221669.	9324.
1943	0.	0.	1977	13768.	0.
1944	2477.	1308.	1978	63760.	0.
1945	0.	0.	1979	0.	0.
1946	0.	0.	1980	0.	15975.
1947	0.	0.	1981	0.	17522.
1948	0.	0.	1982	142553.	46031.
1949	0.	0.	1983	0.	11161.
1950	0.	0.	1984	60067700.	43412.
1951	0.	0.	1985	0.	2026.
1952	65847.	0.	1986	783128.	193909.
1953	0.	102.	1987	0.	0.
1954	6165.	0.	1988	0.	0.
1955	0.	0.	1989	0.	14276.
1956	13914.	0.	1990	427812.	68846.
1957	0.	0.	1991	0.	1436.
1958	394985.	6008.	1992	95490.	2344.
1959	0.	0.	1993	67406.	5820.
1960	0.	3130.	1994	0.	0.
1961	347.	0.	1995	330011.	0.
1962	706048.	27455.	1996	0.	894.
1963	143680.	5906.	1997	1062576.	9923.
1964	126234.	0.	1998	967169.	0.
1965	275865.	10846.	1999	6986256.	0.
1966	19067.	0.	2000	352333.	0.
1967	814212.	33709.	2001	193458.	406.
1968	26214.	0.	2002	956452.	4473.
1969	3295176.	0.	2003	4717268.	2124.
			2004	0.	0.

NUMBER OF CURVES 27

NUMBER OF LIVES 12

MIN LIFE 4

MAXLIFE 100

RATIO 1.33994031

ACCOUNT BALANCE 92364356.

Y AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

7- 5-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 35400000

USING BALANCES PERIOD EQUAL TO LAST 40 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF										MORT	INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	SC	0	0	0	0	0	0	0	0	0	0
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	S-.5	0	0	0	0	0	0	0	0	0	0
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	S0	0	0	0	0	0	0	0	0	0	0
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	S0.5	0	0	0	0	0	0	0	0	0	0
74.8	77.8	80.7	83.6	86.4	89.1	91.6	94.1	96.5	98.7	S1	49	52	55	57	59	60	61	62	63	63
65.9	67.6	69.2	70.9	72.4	73.9	76.1	79.2	82.1	84.9	S1.5	49	52	55	58	59	61	63	63	64	64
54.1	55.0	55.9	58.0	59.9	61.9	63.7	65.5	67.2	68.7	S2	49	53	57	60	62	65	67	68	69	70
46.1	47.2	48.3	49.4	50.4	51.4	52.3	53.2	54.0	54.7	S3	47	52	56	60	63	65	68	70	71	72
40.4	40.8	41.2	41.6	42.9	44.3	45.7	47.0	48.2	49.4	S4	38	42	46	49	55	61	66	69	72	74
38.7	39.3	39.7	40.2	40.6	40.9	41.2	41.5	43.1	44.8	S5	34	39	43	47	49	52	54	57	63	69
37.7	38.2	38.8	39.3	39.9	40.3	40.7	41.0	41.3	41.5	S6	-28	-32	-37	-44	50	54	56	57	57	57
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	L0	0	0	0	0	0	0	0	0	0	0
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	L0.5	0	0	0	0	0	0	0	0	0	0
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	L1	0	0	0	0	0	0	0	0	0	0
99.2	99.6	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	L1.5	44	46	0	0	0	0	0	0	0	0
70.7	72.2	73.7	75.7	78.7	81.6	84.4	87.1	89.7	92.1	L2	48	51	54	56	58	60	62	63	63	64
52.6	53.5	54.3	55.1	56.3	58.3	60.2	62.2	64.0	65.7	L3	47	50	54	56	59	62	65	67	69	70
43.6	44.8	45.9	47.0	48.2	49.2	50.3	51.3	52.2	53.1	L4	43	48	53	57	60	63	66	68	70	71
39.8	40.3	40.7	41.1	41.4	42.4	43.9	45.3	46.7	48.0	L5	36	41	45	49	52	57	63	67	70	73
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	R0.5	0	0	0	0	0	0	0	0	0	0
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	R1	0	0	0	0	0	0	0	0	0	0
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	R1.5	0	0	0	0	0	0	0	0	0	0
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	R2	0	0	0	0	0	0	0	0	0	0
94.8	97.8	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	R2.5	40	41	0	0	0	0	0	0	0	0
63.4	65.4	67.2	69.0	70.7	72.4	73.9	76.4	79.5	82.5	R3	45	47	49	50	51	52	-52	-52	-52	-52
46.3	47.4	48.5	49.5	50.5	51.6	52.5	53.4	54.3	55.1	R4	43	47	51	55	58	61	63	65	66	67
39.6	40.0	40.5	40.9	41.2	41.6	43.0	44.4	45.8	47.1	R5	35	39	43	46	-48	-51	57	63	67	70

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

7- 5-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 35400000

USING BALANCES PERIOD EQUAL TO LAST 20 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF											MORT	INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	SC	0	0	0	0	0	0	0	0	0	0	
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	S-.5	0	0	0	0	0	0	0	0	0	0	
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	S0	0	0	0	0	0	0	0	0	0	0	
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	S0.5	0	0	0	0	0	0	0	0	0	0	
79.7	82.8	85.7	88.5	91.2	93.7	96.2	98.6	100.0	100.0	S1	29	32	34	35	37	38	39	40	63	63	
68.6	70.3	71.9	73.5	75.3	78.5	81.6	84.6	87.5	90.3	S1.5	29	32	34	36	38	39	40	40	41	42	
55.3	56.9	59.0	60.9	62.9	64.7	66.5	68.2	69.9	71.4	S2	31	33	36	38	40	42	43	44	44	46	
47.5	48.6	49.7	50.7	51.7	52.6	53.5	54.4	55.1	56.3	S3	30	33	36	39	41	43	44	45	46	48	
40.9	41.3	41.8	43.1	44.4	45.8	47.1	48.5	49.7	50.6	S4	23	26	29	33	38	42	45	46	48	50	
39.4	39.9	40.3	40.6	41.0	41.2	41.5	42.8	44.6	46.3	S5	20	23	26	29	31	33	36	40	44	49	
38.5	39.0	39.4	39.9	40.3	40.7	41.0	41.2	41.4	42.2	S6	-17	-20	-23	-27	31	34	36	37	38	42	
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	L0	0	0	0	0	0	0	0	0	0	0	
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	L0.5	0	0	0	0	0	0	0	0	0	0	
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	L1	0	0	0	0	0	0	0	0	0	0	
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	L1.5	44	46	0	0	0	0	0	0	0	0	
73.2	74.8	77.9	80.9	83.8	86.6	89.3	92.0	94.5	96.9	L2	29	31	33	35	37	38	39	40	40	41	
53.9	54.8	55.6	57.4	59.4	61.3	63.3	65.2	66.9	68.6	L3	28	31	33	36	38	40	42	43	44	46	
45.1	46.3	47.4	48.5	49.6	50.6	51.6	52.6	53.5	54.3	L4	28	31	35	38	40	42	44	44	45	47	
40.4	40.8	41.1	41.5	42.5	43.9	45.4	46.8	48.2	49.5	L5	22	25	28	31	35	40	43	46	47	49	
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	R0.5	0	0	0	0	0	0	0	0	0	0	
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	R1	0	0	0	0	0	0	0	0	0	0	
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	R1.5	0	0	0	0	0	0	0	0	0	0	
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	R2	0	0	0	0	0	0	0	0	0	0	
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	R2.5	40	41	0	0	0	0	0	0	0	0	
67.0	68.9	70.7	72.4	74.0	76.6	79.8	83.1	86.3	89.3	R3	26	28	29	30	32	-31	-32	-32	-32	-33	
48.0	49.1	50.1	51.1	52.1	53.1	54.0	54.9	55.7	58.0	R4	26	30	33	35	38	40	41	42	42	44	
40.3	40.7	41.0	41.4	41.9	43.2	44.6	46.0	47.4	48.8	R5	20	23	25	28	-30	36	40	43	45	48	

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

7- 5-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 35400000

USING BALANCES PERIOD EQUAL TO LAST 10 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF											MORT	INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	SC	0	0	0	0	0	0	0	0	0	0	
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	S-.5	0	0	0	0	0	0	0	0	0	0	
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	S0	0	0	0	0	0	0	0	0	0	0	
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	S0.5	0	0	0	0	0	0	0	0	0	0	
83.5	87.7	91.4	94.8	98.0	100.0	100.0	100.0	100.0	100.0	S1	23	24	24	25	26	38	39	40	63	63	
70.7	73.0	75.5	79.7	83.7	87.7	91.3	94.5	97.4	100.0	S1.5	23	24	25	26	26	26	25	24	23	42	
57.4	60.2	62.8	65.2	67.4	69.6	71.5	73.3	75.2	79.1	S2	24	25	26	27	28	28	27	27	26	26	
48.6	50.1	51.5	52.7	53.8	54.9	56.0	58.8	61.4	63.7	S3	25	26	27	28	29	29	29	29	28	28	
40.9	41.4	43.0	45.0	46.9	48.7	50.3	51.6	52.7	53.6	S4	22	23	26	29	31	31	31	30	29	28	
39.1	39.8	40.4	40.9	41.2	41.8	44.4	46.7	48.7	50.4	S5	21	23	25	26	27	28	30	30	30	29	
37.8	38.6	39.4	40.0	40.6	41.0	41.4	42.2	44.9	47.3	S6	-18	21	23	27	29	29	29	28	28	27	
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	L0	0	0	0	0	0	0	0	0	0	0	
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	L0.5	0	0	0	0	0	0	0	0	0	0	
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	L1	0	0	0	0	0	0	0	0	0	0	
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	L1.5	44	46	0	0	0	0	0	0	0	0	
75.5	79.9	83.9	87.7	91.2	94.7	97.8	100.0	100.0	100.0	L2	23	24	24	26	26	25	25	40	40	41	
54.9	56.4	59.1	61.6	64.1	66.5	68.7	70.6	72.4	73.9	L3	22	23	25	26	28	28	27	27	26	25	
45.9	47.7	49.3	50.7	52.0	53.2	54.2	55.1	56.5	59.0	L4	24	26	27	28	29	28	28	27	26	26	
40.2	40.8	41.3	42.5	44.7	46.9	48.8	50.3	51.6	52.7	L5	22	24	25	28	31	31	31	30	28	27	
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	R0.5	0	0	0	0	0	0	0	0	0	0	
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	R1	0	0	0	0	0	0	0	0	0	0	
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	R1.5	0	0	0	0	0	0	0	0	0	0	
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	R2	0	0	0	0	0	0	0	0	0	0	
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	R2.5	40	41	0	0	0	0	0	0	0	0	
69.6	72.2	74.5	78.8	83.0	87.4	91.4	94.9	98.2	100.0	R3	20	-19	-19	-20	-20	-20	-19	-18	-17	-33	
49.1	50.6	52.0	53.3	54.5	55.6	58.3	61.0	63.3	65.5	R4	22	24	25	26	27	26	26	25	25	-23	
40.1	40.7	41.2	41.7	43.8	46.0	47.9	49.7	51.1	52.3	R5	20	22	23	25	28	29	30	29	28	27	

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION



KENTUCKY POWER COMPANY  
Depreciation Study as of December 31, 2004  
Transmission Plant

Account                    355 POLES & FIXTURES

Depreciable Balance            \$37,506,208

	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	43	35
Iowa Curve	R3.0	S6.0
Gross Removal, %		50%
Gross Salvage, %		0%
Net Salvage %	0%	-50%

\*\*\*\*\*

Prior to year 2000, the investment in this account was separated into categories of investments of equipment serving voltages 69KV and below and investments serving voltages above 69 KV. The investments of 69 KV and below were treated as mass assets and those above 69 KV were tracked by vintage year. In year 2000, the investments related to the mass assets were vintaged and now the entire account is treated as vintaged. However, vintaged retirements related to those assets previously treated as mass assets are not available. Therefore, the simulation method of life analysis was used for property in this account.

The results of the simulation analyses for the investment in this account show the average service life to be in a range of 33 to 35 years following the dispersion of an S type curve. Based on the results of all bands of the simulation analyses, the recommendation is to move to a 35 year average service life following an S6.0 type life curve.

There are significant labor and equipment costs involved in replacing transmission poles. Any salvage would be expected to be insignificant. The recommendation is for a 0% gross salvage and a 50% cost of removal.

STUDY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

7- 5-2005

LIFE ANALYSIS DATA IN DOLLARS  
FOR ACCOUNT 35500000

YEAR	ADDITIONS	RETIREMENTS	YEAR	ADDITIONS	RETIREMENTS
1936	639627.	0.	1970	1042.	10118.
1937	41660.	18686.	1971	264589.	53954.
1938	113791.	24564.	1972	173354.	54102.
1939	2832.	13182.	1973	356950.	71571.
1940	15115.	74613.	1974	93227.	89393.
1941	44043.	19923.	1975	430472.	41116.
1942	414372.	17554.	1976	652087.	109848.
1943	27489.	19833.	1977	90648.	0.
1944	177512.	10932.	1978	411117.	101742.
1945	100187.	11956.	1979	164129.	20769.
1946	26645.	4578.	1980	1130619.	27398.
1947	14092.	2430.	1981	835328.	79915.
1948	20395.	2362.	1982	1025674.	24356.
1949	170439.	23711.	1983	661262.	93451.
1950	23369.	13047.	1984	406868.	99847.
1951	26277.	7729.	1985	529812.	23029.
1952	54279.	10929.	1986	255223.	1355.
1953	220636.	22904.	1987	156108.	22309.
1954	61218.	29122.	1988	723491.	45793.
1955	27613.	18877.	1989	829515.	80733.
1956	90238.	9701.	1990	939565.	12894.
1957	30616.	31107.	1991	1427692.	64021.
1958	45934.	26065.	1992	1331374.	161031.
1959	97911.	19749.	1993	1821109.	286574.
1960	99123.	61635.	1994	2803060.	51836.
1961	66995.	6670.	1995	973999.	50733.
1962	101550.	17926.	1996	387528.	58862.
1963	39369.	26250.	1997	2047111.	205721.
1964	172260.	17248.	1998	6608614.	126426.
1965	501239.	104841.	1999	764426.	459086.
1966	732921.	71600.	2000	1800003.	307215.
1967	478884.	216165.	2001	2697686.	129175.
1968	343034.	77062.	2002	0.	169000.
1969	439904.	137655.	2003	2111725.	23422.
			2004	1823084.	358451.

NUMBER OF CURVES 27  
 NUMBER OF LIVES 12  
 MIN LIFE 4  
 MAXLIFE 100  
 RATIO 1.33994031  
 ACCOUNT BALANCE 37506208.

Y AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

7- 5-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 35500000

USING BALANCES PERIOD EQUAL TO LAST 40 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF MORT											INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN										
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	
48.4	49.4	50.3	51.3	52.0	52.8	53.5	54.3	55.2	56.2	SC	518	519	511	497	473	448	428	413	406	393	
42.2	43.1	43.9	44.8	45.4	46.0	46.7	47.4	48.1	48.8	S-.5	546	544	534	517	490	462	439	422	412	399	
38.4	39.0	39.5	40.1	40.5	40.9	41.3	41.7	42.3	42.9	S0	568	564	552	533	504	473	448	429	416	401	
36.5	37.1	37.6	38.1	38.5	38.8	39.2	39.6	40.0	40.4	S0.5	579	573	560	540	510	478	451	431	418	402	
34.9	35.4	35.8	36.3	36.7	37.0	37.3	37.7	38.1	38.4	S1	584	578	563	541	510	477	449	427	413	396	
33.7	34.2	34.7	35.1	35.5	35.8	36.1	36.5	36.8	37.2	S1.5	583	576	561	539	507	474	445	423	408	390	
32.7	33.2	33.6	34.1	34.4	34.7	35.0	35.3	35.7	36.0	S2	578	569	554	532	500	466	438	415	400	382	
31.4	31.9	32.3	32.7	33.0	33.3	33.6	33.9	34.3	34.6	S3	556	548	533	512	480	447	419	398	383	366	
30.5	30.9	31.2	31.7	32.0	32.3	32.6	32.9	33.3	33.6	S4	528	519	504	486	457	425	399	378	365	348	
30.0	30.4	30.7	31.0	31.4	31.8	32.1	32.4	32.8	33.1	S5	507	499	488	473	447	418	393	-371	-357	-339	
29.8	30.1	30.4	30.8	31.1	31.5	31.9	32.2	32.6	32.9	S6	-488	-481	-475	472	454	428	404	381	363	341	
47.1	47.9	48.7	49.5	50.2	50.8	51.4	52.0	52.8	53.4	L0	528	526	517	501	474	447	424	408	399	386	
42.7	43.5	44.2	45.0	45.6	46.1	46.7	47.2	47.9	48.5	L0.5	542	539	528	511	483	454	430	412	401	387	
40.0	40.5	41.1	41.5	41.9	42.4	43.0	43.5	44.1	44.1	L1	552	549	538	519	491	460	434	414	402	386	
37.3	37.8	38.3	38.8	39.2	39.6	39.9	40.3	40.7	41.1	L1.5	557	553	541	522	492	461	435	414	401	385	
35.4	35.9	36.4	36.9	37.2	37.5	37.9	38.2	38.6	38.9	L2	558	553	540	520	490	458	431	409	395	379	
32.9	33.3	33.8	34.2	34.6	34.9	35.2	35.5	35.9	36.2	L3	555	550	537	516	485	452	424	402	387	370	
31.1	31.6	32.0	32.4	32.8	33.1	33.4	33.7	34.0	34.3	L4	534	532	521	503	473	440	412	390	375	357	
30.3	30.7	31.0	31.5	31.9	32.2	32.5	32.8	33.2	33.5	L5	514	508	497	484	456	425	398	376	362	344	
42.8	43.7	44.5	45.4	46.1	46.8	47.5	48.2	49.1	49.8	R0.5	550	548	538	522	496	468	445	428	419	406	
39.0	39.6	40.2	40.7	41.2	41.7	42.3	43.0	43.7	44.4	R1	580	577	567	550	523	493	467	448	435	419	
36.8	37.3	37.9	38.4	38.8	39.2	39.6	40.1	40.5	41.0	R1.5	595	591	579	559	530	499	474	454	443	427	
34.8	35.3	35.8	36.3	36.7	37.1	37.4	37.8	38.2	38.6	R2	602	595	580	559	528	496	468	447	434	417	
33.5	34.0	34.5	34.9	35.3	35.6	36.0	36.3	36.7	37.1	R2.5	596	588	573	551	519	486	459	437	423	405	
32.3	32.8	33.2	33.6	34.0	34.3	34.6	34.9	35.3	35.6	R3	583	573	557	535	503	470	442	420	406	388	
30.9	31.3	31.8	32.2	32.5	32.8	33.1	33.5	33.8	34.1	R4	547	536	520	500	471	439	413	393	380	364	
30.2	30.5	30.8	31.2	31.6	31.9	32.2	32.6	32.9	33.2	R5	514	503	488	-470	-444	-415	-392	374	362	345	

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

7- 5-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 35500000

USING BALANCES PERIOD EQUAL TO LAST 20 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF MORT											INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN										
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	
52.8	54.2	55.5	57.3	58.7	59.8	61.1	62.3	63.8	65.0	SC	323	304	283	257	224	195	170	153	144	128	
46.2	47.5	48.6	49.7	50.6	51.3	52.1	52.8	53.7	54.4	S-.5	334	313	291	263	229	198	171	153	142	125	
41.1	42.0	43.0	44.0	44.7	45.3	45.9	46.5	47.2	47.8	S0	344	323	298	268	232	199	171	150	138	119	
39.2	39.9	40.6	41.2	41.8	42.3	42.8	43.4	44.0	44.6	S0.5	346	325	301	271	235	202	173	151	137	117	
37.4	38.1	38.7	39.3	39.8	40.1	40.5	40.8	41.2	41.6	S1	344	322	298	268	232	200	171	149	134	113	
36.3	37.0	37.5	38.1	38.5	38.8	39.2	39.5	39.9	40.2	S1.5	336	315	292	262	227	195	166	144	129	108	
35.3	35.9	36.4	36.9	37.3	37.6	37.9	38.2	38.6	38.9	S2	324	305	283	254	220	189	161	139	124	103	
34.0	34.6	35.1	35.6	35.9	36.2	36.4	36.7	37.0	37.3	S3	290	275	258	233	202	174	148	128	115	95	
33.1	33.6	34.1	34.5	34.8	35.0	35.3	35.5	35.9	36.1	S4	236	231	221	205	178	154	132	115	105	88	
32.6	33.0	33.5	33.9	34.2	34.5	34.7	35.0	35.2	35.5	S5	182	189	190	183	161	-139	-120	-106	98	83	
32.2	32.7	33.1	33.6	33.9	34.2	34.5	34.7	35.0	35.2	S6	-138	-156	-169	-175	-159	141	123	108	-97	-81	
51.0	52.2	53.3	54.5	55.3	56.1	57.0	58.0	59.1	60.1	L0	327	307	285	257	223	192	166	147	136	120	
46.4	47.5	48.5	49.6	50.3	50.9	51.6	52.2	53.0	53.6	L0.5	332	311	288	260	225	194	167	147	136	118	
43.3	44.2	45.2	45.8	46.4	46.9	47.5	48.2	48.7	49.3	L1	338	316	293	263	227	195	167	146	133	114	
40.7	41.3	42.1	42.7	43.2	43.7	44.2	44.8	45.3	45.9	L1.5	334	313	290	261	225	194	166	145	131	111	
37.9	38.6	39.2	39.8	40.2	40.5	40.9	41.2	41.7	42.1	L2	330	309	286	257	222	191	163	142	128	108	
35.4	36.0	36.5	37.0	37.4	37.7	38.0	38.3	38.6	38.9	L3	311	294	273	245	211	181	154	134	120	100	
33.7	34.3	34.8	35.3	35.6	35.8	36.1	36.4	36.7	36.9	L4	270	260	246	224	193	166	141	122	110	91	
32.9	33.4	33.9	34.3	34.7	34.9	35.1	35.4	35.7	35.9	L5	218	218	213	200	175	151	129	113	102	86	
46.9	48.2	49.4	50.6	51.5	52.3	53.1	53.9	54.8	55.6	R0.5	336	315	293	265	232	201	175	157	147	131	
41.9	43.2	44.2	45.3	46.1	46.8	47.5	48.2	49.0	49.7	R1	352	329	305	275	239	207	179	160	148	131	
39.6	40.4	41.1	41.8	42.6	43.2	43.8	44.4	45.1	45.8	R1.5	355	335	312	283	245	211	182	160	147	128	
37.6	38.3	38.9	39.6	40.0	40.4	40.8	41.2	41.8	42.3	R2	349	328	306	277	241	208	179	158	142	121	
36.3	36.9	37.5	38.1	38.5	38.9	39.3	39.6	40.0	40.4	R2.5	335	315	293	265	230	198	169	147	131	110	
35.1	35.7	36.2	36.7	37.1	37.4	37.7	38.0	38.4	38.7	R3	313	295	275	248	215	185	157	136	121	100	
33.7	34.2	34.7	35.2	35.5	35.8	36.0	36.3	36.6	36.9	R4	263	252	237	217	188	161	137	119	106	87	
32.8	33.2	33.7	34.1	34.4	34.7	34.9	35.2	35.5	35.7	R5	199	199	195	185	162	141	121	107	98	82	

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

7- 5-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 35500000

USING BALANCES PERIOD EQUAL TO LAST 10 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF MORT											INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
60.1	61.8	63.2	64.5	65.2	65.4	65.9	66.6	67.9	68.8	SC	100	96	88	84	67	59	55	54	57	53
51.6	52.6	53.5	54.3	54.6	54.8	55.0	55.4	56.3	57.0	S-.5	103	98	88	82	65	57	53	51	54	52
45.7	46.6	47.3	47.9	48.2	48.2	48.4	48.6	49.2	49.5	S0	107	98	86	78	62	55	50	48	51	49
42.7	43.5	44.2	44.8	45.0	45.1	45.1	45.3	45.8	46.2	S0.5	110	100	87	79	62	55	50	47	49	47
40.4	41.0	41.4	42.0	42.2	42.2	42.2	42.4	42.6	43.1	S1	111	100	87	78	61	55	50	47	47	44
39.2	39.7	40.1	40.5	40.7	40.7	40.7	40.8	41.1	41.2	S1.5	108	98	85	75	59	55	50	46	46	43
37.9	38.5	38.9	39.2	39.4	39.3	39.3	39.4	39.7	39.8	S2	104	95	82	73	58	54	50	46	45	42
36.4	36.9	37.3	37.6	37.7	37.7	37.7	37.7	38.0	38.1	S3	95	87	76	68	55	53	49	46	45	41
35.2	35.7	36.0	36.4	36.4	36.4	36.4	36.4	36.7	36.8	S4	82	79	71	65	54	53	49	45	45	42
34.4	34.8	35.2	35.6	35.7	35.6	35.7	35.7	36.0	36.1	S5	65	74	73	72	61	57	52	48	44	39
33.7	34.2	34.6	35.0	35.2	35.3	35.3	35.4	35.7	35.8	S6	-51	74	85	92	80	72	66	58	45	-33
56.6	58.0	59.1	60.1	60.6	60.7	60.9	61.3	62.3	63.0	L0	101	94	84	78	62	55	50	49	53	51
51.3	52.3	53.0	53.7	54.0	54.1	54.2	54.5	55.1	55.5	L0.5	104	96	85	78	62	55	50	48	51	49
48.8	47.7	48.3	49.0	49.2	49.3	49.3	49.5	50.1	50.4	L1	107	97	85	77	61	55	50	47	49	46
43.6	44.4	45.0	45.6	45.8	45.8	45.9	46.1	46.5	46.8	L1.5	107	97	85	76	60	55	50	47	48	45
40.8	41.4	41.9	42.5	42.7	42.7	42.7	42.8	43.2	43.5	L2	106	97	84	75	59	54	50	46	47	44
38.0	38.5	38.8	39.2	39.3	39.3	39.3	39.4	39.6	39.8	L3	100	92	80	72	57	54	49	46	46	42
36.0	36.5	36.9	37.2	37.3	37.3	37.3	37.3	37.5	37.7	L4	89	85	75	68	55	54	50	46	45	42
34.9	35.4	35.8	36.1	36.2	36.2	36.2	36.2	36.5	36.6	L5	76	80	75	72	60	57	52	48	45	40
52.5	53.6	54.5	55.3	55.8	56.1	56.5	57.1	58.3	59.1	R0.5	104	99	90	85	68	59	55	54	56	53
47.0	48.0	48.8	49.6	50.0	50.1	50.3	50.7	51.4	51.9	R1	109	102	92	86	68	59	54	53	55	52
43.5	44.4	45.1	45.8	46.1	46.2	46.4	46.7	47.3	47.7	R1.5	113	104	93	85	67	58	53	51	52	49
40.7	41.3	41.9	42.5	42.8	42.8	42.9	43.1	43.6	43.9	R2	113	104	91	82	64	57	51	48	48	45
39.3	39.8	40.3	40.7	40.8	40.8	40.9	41.0	41.3	41.4	R2.5	107	98	85	75	59	54	50	46	46	42
37.8	38.3	38.7	39.1	39.2	39.2	39.1	39.2	39.5	39.6	R3	100	91	78	69	55	53	49	46	45	42
36.1	36.6	36.9	37.2	37.3	37.2	37.2	37.2	37.5	37.6	R4	85	78	67	-60	-49	-50	-46	-43	44	41
34.7	35.2	35.5	35.8	35.9	35.9	35.9	36.0	36.2	36.3	R5	67	-68	-65	65	54	52	48	45	-43	39

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

KENTUCKY POWER COMPANY  
 Depreciation Study as of December 31, 2004  
 Transmission Plant

Account 356 OVERHEAD CONDUCTOR & DEVICES

Depreciable Balance \$100,355,481

	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	50	50
Iowa Curve	R3.0	S6.0
Gross Removal, %		25%
Gross Salvage, %		20%
Net Salvage %	10%	-5%

\*\*\*\*\*

Prior to year 2000, the investment in this account was separated into categories of investments of equipment serving voltages 69KV and below and investments serving voltages above 69 KV. The investments of 69 KV and below were treated as mass assets and those above 69 KV were tracked by vintage year. In year 2000, the investments related to the mass assets were vintaged and now the entire account is treated as vintaged. However, vintaged retirements related to those assets previously treated as mass assets are not available. Therefore, the simulation method of life analysis was used for property in this account.

The simulation analyses for all bands indicate the current average service life of 50 years should be retained and the dispersion pattern should be changed to an S6.0 type curve.

Scrap sales of conductor would be expected to produce salvage for this investment. However the cost of removing and replacing conductor will produce a cost of removal. The recommendation is for a gross salvage of 20% and a removal value of 25%

STUDY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

7- 5-2005

LIFE ANALYSIS DATA IN DOLLARS  
FOR ACCOUNT 35600000

YEAR	ADDITIONS	RETIREMENTS	YEAR	ADDITIONS	RETIREMENTS
1936	1352741.	0.	1970	5917098.	7519.
1937	38555.	22301.	1971	406175.	57192.
1938	130285.	10266.	1972	126242.	29778.
1939	1642.	16468.	1973	64339.	26291.
1940	12353.	42514.	1974	73068.	28820.
1941	24429.	37812.	1975	374388.	28422.
1942	548771.	6656.	1976	517426.	5734.
1943	15703.	4458.	1977	322447.	0.
1944	302052.	8148.	1978	456150.	19207.
1945	99658.	3942.	1979	213247.	28.
1946	20609.	6073.	1980	473120.	31345.
1947	17872.	13765.	1981	665110.	54476.
1948	30827.	19064.	1982	1310712.	79134.
1949	193062.	23932.	1983	177516.	60347.
1950	11129.	8883.	1984	46621196.	72189.
1951	34630.	21951.	1985	86711.	7491.
1952	75265.	10064.	1986	217238.	73842.
1953	168879.	7644.	1987	71987.	0.
1954	20188.	13601.	1988	312876.	8944.
1955	19145.	10588.	1989	496919.	49708.
1956	84338.	2043.	1990	1158910.	0.
1957	24729.	30174.	1991	629085.	54844.
1958	370604.	11473.	1992	1741306.	72454.
1959	210417.	5212.	1993	1446339.	134392.
1960	59149.	37958.	1994	3200587.	12669.
1961	66777.	2662.	1995	1373109.	0.
1962	693542.	33216.	1996	303786.	40165.
1963	98337.	13476.	1997	592875.	85900.
1964	887898.	13949.	1998	5365251.	170083.
1965	766075.	110258.	1999	14091197.	315114.
1966	397726.	64144.	2000	846460.	112148.
1967	1269718.	237182.	2001	234930.	8636.
1968	315885.	103170.	2002	503266.	107845.
1969	3725192.	149572.	2003	311167.	102595.
			2004	380194.	55179.

NUMBER OF CURVES 27

NUMBER OF LIVES 12

MIN LIFE 4

MAXLIFE 100

RATIO 1.33994031

ACCOUNT BALANCE 100355481.

BY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

7- 5-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 35600000

USING BALANCES PERIOD EQUAL TO LAST 40 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF MORT											INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	SC	0	0	0	0	0	0	0	0	0	0
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	S-.5	0	0	0	0	0	0	0	0	0	0
73.9	76.4	79.3	81.9	84.2	86.5	88.7	90.9	93.0	95.1	S0	232	230	228	223	214	205	199	193	187	183
64.3	66.1	67.9	69.5	70.9	72.3	73.6	75.2	77.4	79.5	S0.5	231	230	227	223	214	206	201	195	190	186
54.7	55.7	57.4	59.0	60.4	61.8	63.2	64.6	65.9	67.2	S1	227	227	226	222	215	208	203	199	195	193
51.2	52.1	53.1	54.0	54.7	55.5	56.7	58.1	59.5	60.8	S1.5	227	226	225	222	215	208	204	200	196	194
47.6	48.5	49.4	50.2	51.0	51.7	52.5	53.2	53.9	54.6	S2	223	222	220	217	210	204	200	197	195	193
43.5	44.4	45.2	46.0	46.7	47.4	48.2	48.9	49.6	50.3	S3	222	219	216	211	204	197	193	190	187	186
41.1	41.6	42.3	43.0	43.7	44.3	45.0	45.7	46.4	47.0	S4	227	221	213	205	195	187	182	178	176	176
40.4	40.9	41.3	41.7	42.2	42.7	43.3	43.9	44.5	45.2	S5	236	229	222	211	197	184	-174	-168	165	164
40.2	40.6	41.0	41.4	41.7	42.1	42.6	43.0	43.6	44.1	S6	245	239	231	221	207	192	179	165	-161	-156
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	L0	0	0	0	0	0	0	0	0	0	0
89.8	92.5	95.2	97.6	99.7	100.0	100.0	100.0	100.0	100.0	L0.5	232	230	227	221	212	0	0	0	0	0
71.1	73.8	75.9	78.3	80.5	82.6	84.7	86.7	88.7	90.6	L1	227	226	223	218	210	202	196	190	185	181
63.2	64.8	66.4	67.9	69.3	70.5	71.8	73.1	74.3	76.0	L1.5	227	226	224	220	212	204	199	194	190	186
54.3	55.3	56.5	58.0	59.4	60.7	62.0	63.3	64.5	65.7	L2	222	222	221	218	210	204	200	196	193	191
47.3	48.2	49.1	49.9	50.6	51.4	52.1	52.8	53.5	54.2	L3	-213	-213	214	211	205	199	196	192	190	188
42.7	43.5	44.3	45.1	45.7	46.4	47.1	47.8	48.5	49.2	L4	220	215	-209	205	197	191	187	184	182	182
40.9	41.4	41.9	42.6	43.2	43.8	44.4	45.1	45.7	46.4	L5	227	221	213	-202	-191	-182	177	173	171	171
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	R0.5	0	0	0	0	0	0	0	0	0	0
94.5	98.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	R1	234	230	0	0	0	0	0	0	0	0
74.4	77.7	80.9	83.9	86.5	89.0	91.5	94.0	96.3	98.5	R1.5	236	231	226	218	207	197	189	182	175	169
60.6	62.6	64.5	66.3	67.9	69.3	70.8	72.2	73.6	75.0	R2	238	234	230	223	212	203	195	188	182	177
53.1	54.1	55.1	56.3	57.9	59.4	60.9	62.4	63.8	65.2	R2.5	241	238	235	230	219	210	203	196	190	185
47.9	48.9	49.8	50.7	51.5	52.3	53.0	53.8	54.5	55.2	R3	239	236	233	229	220	213	208	203	200	197
42.9	43.7	44.6	45.3	46.0	46.7	47.4	48.1	48.8	49.5	R4	242	234	228	221	211	203	197	193	191	189
40.7	41.2	41.7	42.3	42.8	43.4	44.0	44.6	45.2	45.9	R5	238	233	225	213	200	188	181	175	171	170

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION



Y AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

7- 5-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 35600000

USING BALANCES PERIOD EQUAL TO LAST 20 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF										MORT	INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	SC	0	0	0	0	0	0	0	0	0	0
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	S-.5	0	0	0	0	0	0	0	0	0	0
85.3	88.8	92.0	94.8	97.2	99.4	100.0	100.0	100.0	100.0	S0	116	112	108	102	94	86	199	193	187	183
71.5	73.6	76.0	78.9	81.3	83.6	85.9	88.1	90.3	92.4	S0.5	114	111	107	102	94	87	81	76	71	68
60.9	62.9	64.7	66.4	67.8	69.1	70.4	71.7	72.9	74.2	S1	111	108	106	101	94	88	83	79	75	74
55.1	56.6	58.4	60.1	61.5	62.8	64.1	65.5	66.7	68.0	S1.5	110	107	104	100	93	87	83	78	75	74
51.5	52.5	53.4	54.3	55.0	55.7	57.0	58.3	59.6	60.9	S2	106	103	101	97	90	84	81	77	74	73
47.8	48.7	49.5	50.3	50.9	51.6	52.2	52.9	53.5	54.2	S3	97	95	93	89	83	78	74	71	68	68
45.6	46.3	47.1	47.7	48.3	48.8	49.4	50.1	50.7	51.3	S4	86	82	79	75	70	65	63	61	59	60
45.0	45.6	46.2	46.8	47.2	47.6	48.1	48.7	49.2	49.9	S5	85	76	70	65	58	54	52	51	50	52
44.8	45.4	46.0	46.5	46.9	47.2	47.6	48.1	48.5	49.1	S6	86	-73	-66	-60	-54	-49	-47	-45	-44	-45
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	L0	0	0	0	0	0	0	0	0	0	0
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	L0.5	232	230	227	221	212	0	0	0	0	0
87	84.9	87.8	90.4	92.6	94.6	96.7	98.7	100.0	100.0	L1	112	109	105	99	91	84	78	72	185	181
83.0	71.8	73.6	75.5	77.7	79.9	82.1	84.2	86.2	88.3	L1.5	112	108	105	99	92	85	80	75	70	67
60.1	61.9	63.6	65.1	66.4	67.7	68.9	70.1	71.3	72.5	L2	106	103	101	97	91	85	81	77	73	72
51.4	52.4	53.3	54.1	54.8	55.5	56.5	57.7	58.8	60.0	L3	100	97	95	91	84	78	73	70	67	67
47.1	48.0	48.8	49.5	50.2	50.8	51.4	52.1	52.7	53.4	L4	92	89	88	85	79	75	72	68	65	64
45.4	46.1	46.8	47.4	47.9	48.5	49.0	49.6	50.2	50.9	L5	-81	77	74	71	66	62	60	58	57	57
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	R0.5	0	0	0	0	0	0	0	0	0	0
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	R1	234	230	0	0	0	0	0	0	0	0
89.2	93.2	97.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	R1.5	117	111	105	218	207	197	189	182	175	169
69.1	71.4	73.4	75.8	78.4	81.0	83.6	86.1	88.5	90.8	R2	117	111	106	99	90	82	75	68	62	57
59.0	61.2	63.3	65.2	66.7	68.1	69.5	70.9	72.2	73.5	R2.5	118	113	108	101	93	85	78	72	66	63
52.1	53.1	54.1	55.0	55.8	57.3	58.8	60.2	61.6	63.0	R3	115	112	109	105	97	90	84	79	74	71
47.2	48.1	48.9	49.7	50.4	51.0	51.7	52.3	53.0	53.7	R4	104	99	96	92	86	81	78	75	73	73
45.1	45.8	46.5	47.1	47.6	48.1	48.6	49.2	49.8	50.4	R5	89	81	76	71	65	60	58	57	56	57

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

7- 5-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 35600000

USING BALANCES PERIOD EQUAL TO LAST 10 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF										MORT	INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	SC	0	0	0	0	0	0	0	0	0	0
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	S-.5	0	0	0	0	0	0	0	0	0	0
97.2	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	S0	49	112	108	102	94	86	199	193	187	183
81.1	84.5	87.5	89.9	91.8	93.3	95.0	96.5	98.1	99.6	S0.5	48	47	45	42	35	30	28	26	24	25
67.4	69.2	70.9	72.3	73.4	74.3	75.9	77.7	79.5	81.3	S1	47	47	46	44	38	34	32	31	29	31
61.2	63.0	64.6	66.1	67.1	68.1	69.1	70.1	71.1	72.1	S1.5	46	46	46	44	37	33	32	31	30	31
54.9	55.9	57.5	58.9	59.9	60.9	61.9	62.9	64.0	65.0	S2	44	44	44	42	36	32	32	32	31	33
50.9	51.8	52.6	53.3	53.8	54.2	54.7	55.2	55.7	56.7	S3	40	40	40	39	33	29	28	28	27	29
48.5	49.3	50.0	50.6	51.0	51.4	51.9	52.4	52.9	53.4	S4	32	33	33	32	27	24	24	24	23	24
47.7	48.3	48.9	49.4	49.8	50.1	50.6	51.1	51.6	52.2	S5	-26	-27	-27	-26	-22	-19	20	20	18	20
47.4	47.9	48.5	49.0	49.4	49.8	50.3	50.7	51.3	51.8	S6	28	29	30	29	25	21	-18	-17	-13	-13
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	L0	0	0	0	0	0	0	0	0	0	0
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	L0.5	232	230	227	221	212	0	0	0	0	0
95.8	95.8	98.4	100.0	100.0	100.0	100.0	100.0	100.0	100.0	L1	46	44	42	99	91	84	76	72	185	181
87.7	80.8	83.5	85.8	87.5	88.9	90.5	92.0	93.5	94.9	L1.5	46	45	44	41	34	30	28	27	25	26
66.1	67.8	69.4	70.7	71.7	72.6	73.5	74.4	75.9	77.6	L2	45	45	45	43	37	33	31	30	29	30
54.9	55.8	57.2	58.4	59.3	60.1	61.0	61.9	62.9	63.8	L3	40	39	39	37	32	29	28	29	28	31
50.3	51.2	52.0	52.7	53.2	53.6	54.1	54.6	55.1	55.5	L4	39	39	39	37	31	27	25	24	22	23
48.2	49.0	49.7	50.3	50.8	51.2	51.7	52.1	52.6	53.1	L5	31	32	33	32	27	23	22	21	19	20
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	R0.5	0	0	0	0	0	0	0	0	0	0
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	R1	234	230	0	0	0	0	0	0	0	0
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	R1.5	117	111	105	218	207	197	189	182	175	169
79.7	83.5	86.8	89.4	91.1	92.6	94.1	95.6	97.1	98.5	R2	45	42	39	35	28	24	22	20	17	18
67.1	69.1	70.9	72.3	73.3	74.1	75.4	77.1	78.9	80.5	R2.5	46	44	42	38	31	27	25	23	21	22
55.8	57.9	59.7	61.2	62.3	63.3	64.4	65.4	66.4	67.3	R3	48	47	46	43	36	32	30	29	27	28
50.4	51.3	52.1	52.8	53.3	53.8	54.4	54.9	55.5	56.4	R4	41	42	43	42	36	33	32	31	30	30
48.0	48.6	49.2	49.8	50.2	50.6	51.1	51.6	52.2	52.8	R5	30	30	32	31	27	24	24	24	22	23

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

KENTUCKY POWER COMPANY  
Depreciation Study as of December 31, 2004  
Transmission Plant

Account                    357 UNDERGROUND CONDUIT

Depreciable Balance                    \$11,590

	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	37	37
Iowa Curve	R2.0	R2.0
Gross Removal, %		0%
Gross Salvage, %		0%
Net Salvage %	0%	0%

\*\*\*\*\*

There have been no retirements from this account. The sole investment is a 1982 vintage survivor which has attained age 22.5. The recommendation is to continue the current average service life of 37 years following an R2.0 type dispersion.

Due to the minimal investment in this account, there is no removal or salvage expected.

STUDY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

ACCOUNT NO.: 35700000

AVERAGE AGE AT RETIREMENT BY RETIREMENT YEAR

RETIREMENT YEAR -----	RETIREMENTS -----	AVERAGE AGE -----
TOTAL	0.	

STUDY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*  
ACCOUNT NO.: 35700000

6-21-2005

SURVIVORS AND RETIREMENTS BY VINTAGE YEAR

VINTAGE YEAR -----	SURVIVORS -----	RETIREMENTS -----	CALCULATED ADDITIONS -----
1982	11590.	0.	11590.
TOTALS	11590.	0.	11590.

THE AVERAGE AGE OF THE SURVIVING BALANCE IS 22.50 YEARS

KENTUCKY POWER COMPANY  
 Depreciation Study as of December 31, 2004  
 Transmission Plant

Account                    358 UNDERGROUND CONDUCTOR & DEVICES

Depreciable Balance                    \$106,066

	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	44	44
Iowa Curve	R1.0	R1.0
Gross Removal, %		0%
Gross Salvage, %		0%
Net Salvage %	0%	0%

\*\*\*\*\*

As in account 357, there have been no retirements from this account. The investment is of 1982 vintage. There is no basis to recommend changes to the average service life or dispersion for this account.

Due to the minimal investment in this account, there is no removal or salvage expected.

STUDY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*  
ACCOUNT NO.: 35800000

6-21-2005

AVERAGE AGE AT RETIREMENT BY RETIREMENT YEAR

RETIREMENT YEAR -----	RETIREMENTS -----	AVERAGE AGE -----
TOTAL	0.	

STUDY AS OF DECEMBER 31, 2004

PAGE 3

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*  
ACCOUNT NO.: 35800000

6-21-2005

SURVIVORS AND RETIREMENTS BY VINTAGE YEAR

VINTAGE YEAR -----	SURVIVORS -----	RETIREMENTS -----	CALCULATED ADDITIONS -----
1982	106066.	0.	106066.
TOTALS	106066.	0.	106066.

THE AVERAGE AGE OF THE SURVIVING BALANCE IS 22.50 YEARS



STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY  
ACCOUNT NO.: 10850000  
TRANSMISSION PLANT

7-13-2005

YEAR	ADDITIONS	RETIREMENTS	REIMBURSEMENTS		SALVAGE		COST OF REMOVAL		NET SALVAGE	
			AMOUNT	RATIO	AMOUNT	RATIO	AMOUNT	RATIO	W/REIMB.	W/O REIMB.
1954	0.	34583.	0.	0.%	15298.	44.%	7180.	21.%	23.%	23.%
1955	0.	47135.	0.	0.%	23025.	49.%	7889.	17.%	32.%	32.%
1956	0.	22861.	0.	0.%	5024.	22.%	5258.	23.%	-1.%	-1.%
1957	0.	134912.	0.	0.%	42741.	32.%	10113.	7.%	24.%	24.%
1958	0.	89413.	0.	0.%	39278.	44.%	23451.	26.%	18.%	18.%
1959	0.	109562.	0.	0.%	56914.	52.%	10968.	10.%	42.%	42.%
1960	0.	120308.	0.	0.%	25114.	21.%	12000.	10.%	11.%	11.%
1961	0.	97570.	0.	0.%	58122.	60.%	19975.	20.%	39.%	39.%
1962	0.	105122.	0.	0.%	48139.	46.%	35762.	34.%	12.%	12.%
1963	0.	81024.	0.	0.%	76939.	95.%	10727.	13.%	82.%	82.%
1964	0.	44999.	0.	0.%	2529.	6.%	8623.	19.%	-14.%	-14.%
1965	0.	456939.	0.	0.%	129041.	28.%	138735.	30.%	-2.%	-2.%
1966	0.	202844.	0.	0.%	54393.	27.%	73574.	36.%	-9.%	-9.%
1967	0.	378070.	0.	0.%	64988.	17.%	112497.	30.%	-13.%	-13.%
1968	0.	241351.	0.	0.%	13413.	6.%	57522.	24.%	-18.%	-18.%
1969	0.	600025.	0.	0.%	103002.	17.%	103107.	17.%	0.%	0.%
1970	0.	52004.	0.	0.%	17779.	34.%	12589.	24.%	10.%	10.%
1971	0.	153003.	0.	0.%	55726.	36.%	28344.	19.%	18.%	18.%
1972	0.	166793.	0.	0.%	56538.	34.%	36030.	22.%	12.%	12.%
1973	0.	238120.	0.	0.%	192316.	81.%	49235.	21.%	60.%	60.%
1974	0.	230313.	0.	0.%	339163.	147.%	45869.	20.%	127.%	127.%
1975	0.	137446.	0.	0.%	129176.	94.%	69379.	50.%	44.%	44.%
1976	0.	789389.	0.	0.%	143997.	18.%	32216.	4.%	14.%	14.%
1977	0.	250212.	0.	0.%	225156.	90.%	1431.	1.%	89.%	89.%
1978	0.	422125.	0.	0.%	-37889.	-9.%	-17686.	-4.%	-5.%	-5.%
1979	0.	138790.	0.	0.%	60197.	43.%	145231.	105.%	-61.%	-61.%
1980	0.	740426.	0.	0.%	303867.	41.%	118565.	16.%	25.%	25.%
1981	0.	1235156.	0.	0.%	137039.	11.%	72785.	6.%	5.%	5.%
1982	0.	348126.	0.	0.%	306936.	88.%	146727.	42.%	46.%	46.%
1983	0.	133764.	0.	0.%	137997.	103.%	79939.	60.%	43.%	43.%
1984	0.	248203.	0.	0.%	51497.	21.%	68152.	27.%	-7.%	-7.%
1985	0.	407649.	0.	0.%	306076.	75.%	38164.	9.%	66.%	66.%
1986	0.	620920.	0.	0.%	22842.	4.%	175660.	28.%	-25.%	-25.%
1987	0.	205446.	0.	0.%	197229.	96.%	69955.	34.%	62.%	62.%
1988	0.	325128.	0.	0.%	276527.	85.%	110394.	34.%	51.%	51.%
1989	0.	950539.	0.	0.%	370387.	39.%	122039.	13.%	26.%	26.%
1990	0.	455000.	0.	0.%	64159.	14.%	296114.	65.%	-51.%	-51.%
1991	0.	863065.	0.	0.%	59121.	7.%	327755.	38.%	-31.%	-31.%
1992	0.	1871867.	0.	0.%	1163291.	62.%	422506.	23.%	40.%	40.%
1993	0.	748707.	0.	0.%	-228274.	-30.%	245842.	33.%	-63.%	-63.%
1994	0.	908685.	0.	0.%	194052.	21.%	92692.	10.%	11.%	11.%
1995	0.	220890.	0.	0.%	42611.	19.%	151723.	69.%	-49.%	-49.%

STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY  
ACCOUNT NO.: 10850000  
TRANSMISSION PLANT

7-13-2005

YEAR	ADDITIONS	RETIREMENTS	REIMBURSEMENTS		SALVAGE		COST OF REMOVAL		NET SALVAGE	
			AMOUNT	RATIO	AMOUNT	RATIO	AMOUNT	RATIO	W/REIMB.	W/O REIMB.
1996	0.	-25138.	0.	0.%	-5644.	22.%	-6225.	25.%	-2.%	-2.%
1997	0.	984775.	0.	0.%	51684.	5.%	39136.	4.%	1.%	1.%
1998	0.	265039.	0.	0.%	284212.	107.%	215982.	81.%	26.%	26.%
1999	0.	1131697.	0.	0.%	231775.	20.%	33535.	3.%	18.%	18.%
2000	0.	727893.	0.	0.%	23740.	3.%	53562.	7.%	-4.%	-4.%
2001	0.	243225.	0.	0.%	101608.	42.%	823970.	339.%	-297.%	-297.%
2002	0.	433622.	0.	0.%	-31282.	-7.%	-54593.	-13.%	5.%	5.%
2003	0.	590516.	0.	0.%	305945.	52.%	1074786.	182.%	-130.%	-130.%
2004	0.	1107137.	0.	0.%	365788.	33.%	204960.	19.%	15.%	15.%
	0.	21087254.	0.	0.%	6673302.	32.%	5964144.	28.%	3.%	3.%

ROLLING BAND

1954-1968	0.	2166693.	0.	0.%	654958.	30.%	534274.	25.%	6.%	6.%
1955-1969	0.	2732135.	0.	0.%	742662.	27.%	630201.	23.%	4.%	4.%
1956-1970	0.	2737004.	0.	0.%	737416.	27.%	634901.	23.%	4.%	4.%
1957-1971	0.	2867146.	0.	0.%	788118.	27.%	657987.	23.%	5.%	5.%
1958-1972	0.	2899027.	0.	0.%	801915.	28.%	683904.	24.%	4.%	4.%
1959-1973	0.	3047734.	0.	0.%	954953.	31.%	709688.	23.%	8.%	8.%
1960-1974	0.	3168485.	0.	0.%	1237202.	39.%	744589.	23.%	16.%	16.%
1961-1975	0.	3185623.	0.	0.%	1341264.	42.%	801968.	25.%	17.%	17.%
1962-1976	0.	3877442.	0.	0.%	1427139.	37.%	814209.	21.%	16.%	16.%
1963-1977	0.	4022532.	0.	0.%	1604156.	40.%	779878.	19.%	20.%	20.%
1964-1978	0.	4363633.	0.	0.%	1489328.	34.%	751465.	17.%	17.%	17.%
1965-1979	0.	4457424.	0.	0.%	1546996.	35.%	888073.	20.%	15.%	15.%
1966-1980	0.	4740911.	0.	0.%	1721822.	36.%	867903.	18.%	18.%	18.%
1967-1981	0.	5773223.	0.	0.%	1804468.	31.%	867114.	15.%	16.%	16.%
1968-1982	0.	5743279.	0.	0.%	2046416.	36.%	901344.	16.%	20.%	20.%
1969-1983	0.	5635692.	0.	0.%	2171000.	39.%	923761.	16.%	22.%	22.%
1970-1984	0.	5283870.	0.	0.%	2119495.	40.%	888806.	17.%	23.%	23.%
1971-1985	0.	5639515.	0.	0.%	2407792.	43.%	914381.	16.%	26.%	26.%
1972-1986	0.	6107432.	0.	0.%	2374908.	39.%	1061697.	17.%	22.%	22.%
1973-1987	0.	6146085.	0.	0.%	2515599.	41.%	1095622.	18.%	23.%	23.%
1974-1988	0.	6233093.	0.	0.%	2599810.	42.%	1156781.	19.%	23.%	23.%
1975-1989	0.	6953319.	0.	0.%	2631034.	38.%	1232951.	18.%	20.%	20.%
1976-1990	0.	7270873.	0.	0.%	2566017.	35.%	1459686.	20.%	15.%	15.%
1977-1991	0.	7344549.	0.	0.%	2481141.	34.%	1755225.	24.%	10.%	10.%
1978-1992	0.	8966204.	0.	0.%	3419276.	38.%	2176300.	24.%	14.%	14.%
1979-1993	0.	9292786.	0.	0.%	3228891.	35.%	2439828.	26.%	8.%	8.%
1980-1994	0.	10062685.	0.	0.%	3362746.	33.%	2387289.	24.%	10.%	10.%

STUDY AS OF DECEMBER 31, 2004

PAGE 3

KENTUCKY POWER COMPANY  
 ACCOUNT NO.: 10850000  
 TRANSMISSION PLANT

7-13-2005

YEAR	ADDITIONS	RETIREMENTS	REIMBURSEMENTS		SALVAGE		COST OF REMOVAL		NET SALVAGE	
			AMOUNT	RATIO	AMOUNT	RATIO	AMOUNT	RATIO	W/REIMB.	W/O REIMB.
1981-1995	0.	9543149.	0.	0.%	3101490.	32.%	2420447.	25.%	7.%	7.%
1982-1996	0.	8282855.	0.	0.%	2958807.	36.%	2341437.	28.%	7.%	7.%
1983-1997	0.	8919504.	0.	0.%	2703555.	30.%	2233846.	25.%	5.%	5.%
1984-1998	0.	9050779.	0.	0.%	2849770.	31.%	2369889.	26.%	5.%	5.%
1985-1999	0.	9934273.	0.	0.%	3030048.	31.%	2335272.	24.%	7.%	7.%
1986-2000	0.	10254517.	0.	0.%	2747712.	27.%	2350670.	23.%	4.%	4.%
1987-2001	0.	9876822.	0.	0.%	2826478.	29.%	2998980.	30.%	-2.%	-2.%
1988-2002	0.	10104998.	0.	0.%	2597967.	26.%	2874432.	28.%	-3.%	-3.%
1989-2003	0.	10370386.	0.	0.%	2627385.	25.%	3838824.	37.%	-12.%	-12.%
1990-2004	0.	10526984.	0.	0.%	2622786.	25.%	3921745.	37.%	-12.%	-12.%

KENTUCKY POWER COMPANY  
Transmission Plant Net Salvage Test

18-Jul-05

Retirements

Year	352	353	354.0	355.0	356.0	357	358	Total	Removal %	Weighted (000)
1990	1,248	143,432	68,846	12,894	0	0	0	226,420	-51%	-115
1991	4,839	703,871	1,436	64,021	54,844	0	0	829,011	-31%	-258
1992	982	1,446,425	2,344	161,031	72,454	0	0	1,683,236	40%	666
1993	8,738	540,897	5,820	286,574	134,392	0	0	976,421	-63%	-619
1994	522	807,484	0	51,836	12,669	0	0	872,511	11%	97
1995	2,589	143,408	0	50,733	0	0	0	196,730	-49%	-97
1996	11,283	32,475	894	58,862	40,165	0	0	143,679	-2%	-3
1997	6,190	1,056,611	9,923	205,721	85,900	0	0	1,364,345	1%	17
1998	373	165,269	0	126,426	170,083	0	0	462,151	26%	119
1999	852	357,124	0	459,086	315,114	0	0	1,132,176	18%	198
2000	0	308,529	0	307,215	112,148	0	0	727,892	-4%	-30
2001	0	104,157	406	129,175	8,636	0	0	242,374	-297%	-720
2002	352	167,185	4,473	169,000	107,845	0	0	448,855	5%	24
2003	0	462,374	2,124	23,422	102,595	0	0	590,515	-130%	-769
2004	0	699,507	0	358,451	55,179	0	0	1,113,137	15%	162
TOTAL	37,968	7,138,748	96,266	2,464,447	1,272,024	0	0	11,009,453	-12%	-1,328

EVALUATION BASED ON 1990-2004 ACTUAL

	352	353	354.1	355.1	356.1	357	358	Total
Total Reimts	37,968	7,138,748	96,266	2,464,447	1,272,024	0	0	11,009,453
Gross Removal %	0	0	-35	-50	-5	0	0	-12
Gross Removal \$	0	0	-33,693	-1,232,224	-63,601	0	0	-1,329,518

KENTUCKY POWER COMPANY  
Transmission Plant Salvage Test

18-Jul-05

Retirements

Year	352	353	354.0	355.0	356.0	357	358	Total	Salvage %	Weighted (000)
1990	1,248	143,432	68,846	12,894	0	0	0	226,420	14	3,170
1991	4,839	703,871	1,436	64,021	54,844	0	0	829,011	7	5,803
1992	982	1,446,425	2,344	161,031	72,454	0	0	1,683,236	62	104,361
1993	8,738	240,897	5,820	286,574	134,392	0	0	676,421	-30	-20,293
1994	522	807,484	0	51,836	12,669	0	0	872,511	21	18,323
1995	2,589	143,408	0	50,733	0	0	0	196,730	19	3,738
1996	11,283	32,475	894	58,862	40,165	0	0	143,679	22	3,161
1997	6,190	1,056,611	9,923	205,721	85,900	0	0	1,364,345	5	6,822
1998	373	165,269	0	126,426	170,083	0	0	462,151	107	49,450
1999	852	357,124	0	459,086	315,114	0	0	1,132,176	20	22,644
2000	0	308,529	0	307,215	112,148	0	0	727,892	3	2,184
2001	0	104,157	406	129,175	8,636	0	0	242,374	42	10,180
2002	352	167,185	4,473	169,000	107,845	0	0	448,855	-7	-3,142
2003	0	462,374	2,124	23,422	102,595	0	0	590,515	52	30,707
2004	0	699,507	0	358,451	55,179	0	0	1,113,137	33	36,734
TOTAL	37,968	6,838,748	96,266	2,464,447	1,272,024	0	0	10,709,453	26	273,840

EVALUATION BASED ON 1990-2004 ACTUAL

352	353	354.1	355.1	356.1	357	358	Total
37,968	6,838,748	96,266	2,464,447	1,272,024	0	0	10,709,453
Gross Salvage %	10	35	0	20	0	0	25
Gross Salvage \$	3,797	2,393,562	0	254,405	0	0	2,651,763

KENTUCKY POWER COMPANY  
Transmission Plant Removal Test

18-Jul-05

Retirements

Year	352	353	354.0	355.0	356.0	357	358	Total	Removal %	Weighted (000)
1990	1,248	143,432	68,846	12,894	0	0	0	226,420	65	14,717
1991	4,839	703,871	1,436	64,021	54,844	0	0	829,011	38	31,502
1992	982	1,446,425	2,344	161,031	72,454	0	0	1,683,236	23	38,714
1993	8,738	240,897	5,820	286,574	134,392	0	0	676,421	33	22,322
1994	522	807,484	0	51,836	12,669	0	0	872,511	10	8,725
1995	2,589	143,408	0	50,733	0	0	0	196,730	69	13,574
1996	11,283	32,475	894	58,862	40,165	0	0	143,679	25	3,592
1997	6,190	1,056,611	9,923	205,721	85,900	0	0	1,364,345	4	5,457
1998	373	165,269	0	126,426	170,083	0	0	462,151	81	37,434
1999	852	357,124	0	459,086	315,114	0	0	1,132,176	3	3,397
2000	0	308,529	0	307,215	112,148	0	0	727,892	7	5,095
2001	0	104,157	406	129,175	8,636	0	0	242,374	339	82,165
2002	352	167,185	4,473	169,000	107,845	0	0	448,855	-13	-5,835
2003	0	462,374	2,124	23,422	102,595	0	0	590,515	182	107,474
2004	0	699,507	0	358,451	55,179	0	0	1,113,137	19	21,150
TOTAL	37,968	6,838,748	96,266	2,464,447	1,272,024	0	0	10,709,453	36	389,484

EVALUATION BASED ON 1990-2004 ACTUAL

Total Retmts	37,968	6,838,748	96,266	2,464,447	1,272,024	0	0	10,709,453		
Gross Removal %	10	35	35	50	25	0	0	37		
Gross Removal \$	3,797	2,393,562	33,693	1,232,224	318,006	0	0	3,981,281		

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

ANNUAL GROSS ADDITIONS AND RETIREMENTS  
ACCOUNT 35400000

YEAR	GROSS ADDITIONS	GROSS RETIREMENTS	NET
2003	4717268.	2124.	4715144.
2002	956452.	4473.	951979.
2001	193458.	406.	193052.
2000	352333.	0.	352333.
1999	6986256.	0.	6986256.
1998	967169.	0.	967169.
1997	1062576.	9923.	1052653.
1996	0.	894.	-894.
1995	330011.	0.	330011.
1993	67406.	5820.	61586.
1992	95490.	2344.	93146.
1991	0.	1436.	-1436.
1990	427812.	68846.	358966.
1989	0.	14276.	-14276.
1986	783128.	193909.	589219.
1985	0.	2026.	-2026.
1984	60067700.	43412.	60024288.
1983	0.	11161.	-11161.
1982	142553.	46031.	96522.
1981	0.	17522.	-17522.
1980	0.	15975.	-15975.
1978	63760.	0.	63760.
1977	13768.	0.	13768.
1976	221669.	9324.	212345.
1975	69425.	3317.	66108.
1974	10043.	7714.	2329.
1973	55899.	1601.	54298.
1972	1411501.	33044.	1378457.
1971	43790.	0.	43790.
1970	7737648.	0.	7737648.
1969	3295176.	0.	3295176.
1968	26214.	0.	26214.
1967	814212.	33709.	780503.
1966	19067.	0.	19067.
1965	275865.	10846.	265019.
1964	126234.	0.	126234.
1963	143680.	5906.	137774.
1962	706048.	27455.	678593.
1961	347.	0.	347.
1960	0.	3130.	-3130.
1958	394985.	6006.	388977.

STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

ANNUAL GROSS ADDITIONS AND RETIREMENTS  
ACCOUNT 35400000

YEAR	GROSS ADDITIONS	GROSS RETIREMENTS	NET
1956	13914.	0.	13914.
1954	6165.	0.	6165.
1953	0.	108.	-108.
1952	65847.	0.	65847.
1944	2477.	1308.	1169.
1942	8549.	0.	8549.
1941	0.	10920.	-10920.
1940	5598.	630.	4968.
1939	1841.	0.	1841.
1938	0.	1974.	-1974.
1937	3.	0.	3.
1936	278591.	0.	278591.
TOTALS	92961928.	597572.	92364356.

ACTUAL INPUT BALANCE 92364356.



STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

## SURVIVOR AGING USING GROSS ADDITIONS

ACCOUNT 35400000

55.0 R4.0

VINTAGE YEAR	GROSS		CALCULATED SURVIVORS	ADJUSTMENT	ADJUSTED SURVIVORS
	ADDITIONS BY VINTAGE	SURVIVOR RATIO			
2003	4717268.	1.0000	4717146.	54755.	4771901.
2002	956452.	1.0000	956404.	11102.	967506.
2001	193458.	0.9999	193442.	2245.	195688.
2000	352333.	0.9999	352291.	4089.	356380.
1999	6986256.	0.9998	6985058.	81081.	7066139.
1998	967169.	0.9998	966941.	11224.	978165.
1997	1062576.	0.9997	1062239.	12330.	1074569.
1995	330011.	0.9995	329831.	3829.	333660.
1993	67406.	0.9991	67346.	782.	68127.
1992	95490.	0.9989	95382.	1107.	96489.
1990	427812.	0.9982	427053.	4957.	432010.
1986	783128.	0.9960	779964.	9054.	789018.
1984	60067700.	0.9941	59712482.	693127.	60405609.
1982	142553.	0.9915	141341.	1641.	142982.
1978	63760.	0.9833	62695.	728.	63422.
1977	13768.	0.9804	13498.	157.	13655.
1976	221669.	0.9771	216596.	2514.	219110.
1975	69425.	0.9734	67576.	784.	68360.
1974	10043.	0.9691	9733.	113.	9846.
1973	55899.	0.9643	53904.	626.	54529.
1972	1411501.	0.9589	1353486.	15711.	1369196.
1971	43790.	0.9528	41725.	484.	42209.
1970	7737648.	0.9461	7320275.	84972.	7405247.
1969	3295176.	0.9385	3092584.	35898.	3128482.
1968	26214.	0.9302	24383.	283.	24666.
1967	814212.	0.9209	749822.	8704.	758526.
1966	19067.	0.9107	17365.	202.	17567.
1965	275865.	0.8996	248166.	2881.	251047.
1964	126234.	0.8874	112021.	1300.	113321.
1963	143680.	0.8741	125597.	1458.	127055.
1962	706048.	0.8598	607038.	7046.	614084.
1961	347.	0.8442	293.	3.	296.
1958	394985.	0.7905	312240.	3624.	315864.
1956	13914.	0.7480	10408.	121.	10529.
1954	6165.	0.6983	4305.	50.	4355.
1952	65847.	0.6397	42119.	489.	42608.
1944	2477.	0.3398	842.	10.	851.
1942	8549.	0.2659	2273.	26.	2300.
1940	5598.	0.1998	1119.	13.	1132.
1939	1841.	0.1704	314.	4.	317.
1937	3.	0.1193	0.	0.	0.

STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

SURVIVOR AGING USING GROSS ADDITIONS

ACCOUNT 35400000

55.0 R4.0

VINTAGE YEAR	GROSS		CALCULATED		ADJUSTED
	ADDITIONS BY VINTAGE	SURVIVOR RATIO	SURVIVORS	ADJUSTMENT	SURVIVORS
1936	278591.	0.0977	27222.	316.	27538.
TOTALS	92961928.		91304517.	1059839.	92364356.

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

ANNUAL GROSS ADDITIONS AND RETIREMENTS  
ACCOUNT 35500000

YEAR	GROSS ADDITIONS	GROSS RETIREMENTS	NET
----	-----	-----	-----
2004	1823084.	358451.	1464633.
2003	2111725.	23422.	2088303.
2002	0.	169000.	-169000.
2001	2697686.	129175.	2568511.
2000	1800003.	307215.	1492788.
1999	764426.	459086.	305340.
1998	6608614.	126426.	6482188.
1997	2047111.	205721.	1841390.
1996	387528.	58862.	328666.
1995	973999.	50733.	923266.
1994	2803060.	51836.	2751224.
1993	1821109.	286574.	1534535.
1992	1331374.	161031.	1170343.
1991	1427692.	64021.	1363671.
1990	939565.	12894.	926671.
1989	829515.	80733.	748782.
1988	723491.	45793.	677698.
1987	156108.	22309.	133799.
1986	255223.	1355.	253868.
1985	529812.	23029.	506783.
1984	406868.	99847.	307021.
1983	661262.	93451.	567811.
1982	1025674.	24356.	1001318.
1981	835328.	79915.	755413.
1980	1130619.	27398.	1103221.
1979	164129.	20769.	143360.
1978	411117.	101742.	309375.
1977	90648.	0.	90648.
1976	652087.	109848.	542239.
1975	430472.	41116.	389356.
1974	93227.	89393.	3834.
1973	356950.	71571.	285379.
1972	173354.	54102.	119252.
1971	264589.	53954.	210635.
1970	1042.	10118.	-9076.
1969	439904.	137655.	302249.
1968	343034.	77062.	265972.
1967	478884.	216165.	262719.
1966	732921.	71600.	661321.
1965	501239.	104841.	396398.
1964	172260.	17248.	155012.

STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

ANNUAL GROSS ADDITIONS AND RETIREMENTS  
ACCOUNT 35500000

YEAR	GROSS ADDITIONS	GROSS RETIREMENTS	NET
1963	39369.	26250.	13119.
1962	101550.	17926.	83624.
1961	66995.	6670.	60325.
1960	99123.	61635.	37488.
1959	97911.	19749.	78162.
1958	45934.	26065.	19869.
1957	30616.	31107.	-491.
1956	90238.	9701.	80537.
1955	27613.	18877.	8736.
1954	61218.	29122.	32096.
1953	220636.	22904.	197732.
1952	54279.	10929.	43350.
1951	28277.	7729.	20548.
1950	23369.	13047.	10322.
1949	170439.	23711.	146728.
1948	20395.	2362.	18033.
1947	14092.	2430.	11662.
1946	26645.	4578.	22067.
1945	100187.	11956.	88231.
1944	177512.	10932.	166580.
1943	27489.	19833.	7656.
1942	414372.	17554.	396818.
1941	44043.	19923.	24120.
1940	15115.	74613.	-59498.
1939	2832.	13182.	-10350.
1938	113791.	24564.	89227.
1937	41660.	18686.	22974.
1936	639627.	0.	639627.
TOTALS	42192060.	4685852.	37506208.

ACTUAL INPUT BALANCE 37506208.

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

## SURVIVOR AGING USING GROSS ADDITIONS

ACCOUNT 35500000

35.0 S6.0

VINTAGE YEAR	GROSS		CALCULATED SURVIVORS	ADJUSTMENT	ADJUSTED SURVIVORS
	ADDITIONS BY VINTAGE	SURVIVOR RATIO			
2004	1823084.	1.0000	1823084.	23210.	1846294.
2003	2111725.	1.0000	2111725.	26885.	2138610.
2001	2697686.	1.0000	2697686.	34345.	2732031.
2000	1800003.	1.0000	1800003.	22917.	1822920.
1999	764426.	1.0000	764426.	9732.	774158.
1998	6608614.	1.0000	6608614.	84137.	6692751.
1997	2047111.	1.0000	2047111.	26063.	2073174.
1996	387528.	1.0000	387528.	4934.	392462.
1995	973999.	1.0000	973999.	12400.	986399.
1994	2803060.	1.0000	2803060.	35687.	2838747.
1993	1821109.	1.0000	1821109.	23185.	1844294.
1992	1331374.	1.0000	1331374.	16950.	1348324.
1991	1427692.	1.0000	1427692.	18177.	1445869.
1990	939565.	1.0000	939565.	11962.	951527.
1989	829515.	1.0000	829515.	10561.	840076.
1988	723491.	1.0000	723491.	9211.	732702.
1987	156108.	1.0000	156108.	1987.	158095.
1986	255223.	1.0000	255223.	3249.	258472.
1985	529812.	1.0000	529812.	6745.	536557.
1984	406868.	1.0000	406868.	5180.	412048.
1983	661262.	1.0000	661262.	8419.	669681.
1982	1025674.	1.0000	1025674.	13058.	1038732.
1981	835328.	1.0000	835328.	10635.	845961.
1980	1130619.	1.0000	1130600.	14394.	1144994.
1979	164129.	0.9999	164112.	2089.	166202.
1978	411117.	0.9995	410916.	5232.	416148.
1977	90648.	0.9981	90472.	1152.	91624.
1976	652087.	0.9936	647892.	8249.	656140.
1975	430472.	0.9819	422661.	5381.	428042.
1974	93227.	0.9560	89121.	1135.	90256.
1973	356950.	0.9069	323729.	4122.	327850.
1972	173354.	0.8269	143343.	1825.	145168.
1971	264589.	0.7137	188835.	2404.	191239.
1970	1042.	0.5745	599.	8.	606.
1969	439904.	0.4255	187159.	2383.	189542.
1968	343034.	0.2863	98208.	1250.	99459.
1967	478884.	0.1731	82898.	1055.	83953.
1966	732921.	0.0931	68209.	868.	69077.
1965	501239.	0.0440	22073.	281.	22354.
1964	172260.	0.0181	3125.	40.	3165.
1963	39369.	0.0064	253.	3.	256.

STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

SURVIVOR AGING USING GROSS ADDITIONS

ACCOUNT 35500000

35.0 S6.0

VINTAGE YEAR	GROSS		CALCULATED		ADJUSTED
	ADDITIONS BY VINTAGE	SURVIVOR RATIO	SURVIVORS	ADJUSTMENT	SURVIVORS
1962	101550.	0.0019	197.	3.	199.
1961	66995.	0.0005	33.	0.	33.
1960	99123.	0.0001	10.	0.	10.
1959	97911.	0.0000	2.	0.	2.
1958	45934.	0.0000	0.	0.	0.
1957	30616.	0.0000	0.	0.	0.
1956	90238.	0.0000	0.	0.	0.
1955	27613.	0.0000	0.	0.	0.
1954	61218.	0.0000	0.	0.	0.
1953	220636.	0.0000	0.	0.	0.
1952	54279.	0.0000	0.	0.	0.
1951	28277.	0.0000	0.	0.	0.
1950	23369.	0.0000	0.	0.	0.
1949	170439.	0.0000	0.	0.	0.
1948	20395.	0.0000	0.	0.	0.
1947	14092.	0.0000	0.	0.	0.
1946	26645.	0.0000	0.	0.	0.
1945	100187.	0.0000	0.	0.	0.
1944	177512.	0.0000	0.	0.	0.
1943	27489.	0.0000	0.	0.	0.
1942	414372.	0.0000	0.	0.	0.
1941	44043.	0.0000	0.	0.	0.
1940	15115.	0.0000	0.	0.	0.
1939	2822.	0.0000	0.	0.	0.
1938	113791.	0.0000	0.	0.	0.
1937	41660.	0.0000	0.	0.	0.
1936	639627.	0.0000	0.	0.	0.
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TOTALS	42192060.		37034703.	471505.	37506208.
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STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

ANNUAL GROSS ADDITIONS AND RETIREMENTS  
ACCOUNT 35600000

YEAR	GROSS ADDITIONS	GROSS RETIREMENTS	NET
----	-----	-----	-----
2004	380194.	55179.	325015.
2003	311167.	102595.	208572.
2002	503266.	107845.	395421.
2001	234930.	8636.	226294.
2000	846460.	112148.	734312.
1999	14091197.	315114.	13776083.
1998	5365251.	170083.	5195168.
1997	592875.	85900.	506975.
1996	303786.	40165.	263621.
1995	1373109.	0.	1373109.
1994	3200587.	12669.	3187918.
1993	1446339.	134392.	1311947.
1992	1741306.	72454.	1668852.
1991	629085.	54844.	574241.
1990	1158910.	0.	1158910.
1989	496919.	49708.	447211.
1988	312876.	8944.	303932.
1987	71987.	0.	71987.
1986	217238.	73842.	143396.
1985	86711.	7491.	79220.
1984	46821196.	72189.	46749007.
1983	177518.	60347.	117171.
1982	1310712.	79134.	1231578.
1981	665110.	54476.	610634.
1980	473120.	31345.	441775.
1979	213247.	28.	213219.
1978	456150.	19207.	436943.
1977	322447.	0.	322447.
1976	517426.	5734.	511692.
1975	374388.	28422.	345966.
1974	73068.	28820.	44248.
1973	64339.	26291.	38048.
1972	126242.	29778.	96464.
1971	406175.	57192.	348983.
1970	5917098.	7519.	5909579.
1969	3725192.	149572.	3575620.
1968	315885.	103170.	212715.
1967	1269718.	237182.	1032536.
1966	397726.	64144.	333582.
1965	766075.	110258.	655817.
1964	887898.	13949.	873949.

STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

ANNUAL GROSS ADDITIONS AND RETIREMENTS  
ACCOUNT 35600000

YEAR	GROSS ADDITIONS	GROSS RETIREMENTS	NET
1963	98337.	13476.	84861.
1962	693542.	33216.	660326.
1961	66777.	2682.	64095.
1960	59149.	37958.	21191.
1959	210417.	5212.	205205.
1958	370604.	11473.	359131.
1957	24729.	30174.	-5445.
1956	84338.	2043.	82295.
1955	19145.	10588.	8557.
1954	20188.	13601.	6587.
1953	168879.	7644.	161235.
1952	75265.	10064.	65201.
1951	34630.	21951.	12679.
1950	11129.	8883.	2246.
1949	193062.	23932.	169130.
1948	30827.	19064.	11763.
1947	17872.	13765.	4107.
1946	20609.	6073.	14536.
1945	99658.	3942.	95716.
1944	302052.	8148.	293904.
1943	15703.	4458.	11245.
1942	548771.	6656.	542115.
1941	24429.	37812.	-13383.
1940	12353.	42514.	-30161.
1939	1642.	16468.	-14826.
1938	130285.	10266.	120019.
1937	38555.	22301.	16254.
1936	1352741.	0.	1352741.
TOTALS	103370611.	3015130.	100355481.

ACTUAL INPUT BALANCE 100355481.

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STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

SURVIVOR AGING USING GROSS ADDITIONS

ACCOUNT 35600000

50.0 S6.0

VINTAGE YEAR	GROSS		CALCULATED SURVIVORS	ADJUSTMENT	ADJUSTED SURVIVORS
	ADDITIONS BY VINTAGE	SURVIVOR RATIO			
2004	380194.	1.0000	380194.	525.	380719.
2003	311167.	1.0000	311167.	430.	311597.
2002	503266.	1.0000	503266.	695.	503961.
2001	234930.	1.0000	234930.	324.	235254.
2000	846460.	1.0000	846460.	1169.	847629.
1999	14091197.	1.0000	14091197.	19462.	14110659.
1998	5365251.	1.0000	5365251.	7410.	5372661.
1997	592875.	1.0000	592875.	819.	593694.
1996	303786.	1.0000	303786.	420.	304206.
1995	1373109.	1.0000	1373109.	1896.	1375005.
1994	3200587.	1.0000	3200587.	4421.	3205008.
1993	1446339.	1.0000	1446339.	1998.	1448337.
1992	1741306.	1.0000	1741306.	2405.	1743711.
1991	629085.	1.0000	629085.	869.	629954.
1990	1158910.	1.0000	1158910.	1601.	1160511.
1989	496919.	1.0000	496919.	686.	497605.
1988	312876.	1.0000	312876.	432.	313308.
1987	71987.	1.0000	71987.	99.	72086.
1986	217238.	1.0000	217238.	300.	217538.
1985	86711.	1.0000	86711.	120.	86831.
1984	46821196.	1.0000	46821196.	64668.	46885864.
1983	177518.	1.0000	177518.	245.	177763.
1982	1310712.	1.0000	1310712.	1810.	1312522.
1981	665110.	1.0000	665110.	919.	666029.
1980	473120.	1.0000	473120.	653.	473773.
1979	213247.	1.0000	213247.	295.	213542.
1978	456150.	1.0000	456150.	630.	456780.
1977	322447.	1.0000	322447.	445.	322892.
1976	517426.	1.0000	517426.	715.	518141.
1975	374388.	1.0000	374388.	517.	374905.
1974	73068.	1.0000	73068.	101.	73169.
1973	64339.	1.0000	64339.	89.	64428.
1972	126242.	1.0000	126242.	174.	126416.
1971	406175.	1.0000	406174.	561.	406735.
1970	5917098.	1.0000	5917048.	8172.	5925220.
1969	3725192.	1.0000	3725072.	5145.	3730217.
1968	315885.	0.9999	315850.	436.	316287.
1967	1269718.	0.9997	1269292.	1753.	1271045.
1966	397726.	0.9991	397356.	549.	397905.
1965	766075.	0.9977	764278.	1056.	765334.
1964	887898.	0.9946	883075.	1220.	884294.

KENTUCKY POWER COMPANY

7-15-2005

SURVIVOR AGING USING GROSS ADDITIONS

ACCOUNT 35600000

50.0 S6.0

VINTAGE YEAR	GROSS		CALCULATED SURVIVORS	ADJUSTMENT	ADJUSTED SURVIVORS
	ADDITIONS BY VINTAGE	SURVIVOR RATIO			
1963	98337.	0.9884	97196.	134.	97330.
1962	693542.	0.9770	677620.	936.	678555.
1961	66777.	0.9577	63954.	88.	64042.
1960	59149.	0.9273	54848.	76.	54924.
1959	210417.	0.8827	185738.	257.	185994.
1958	370604.	0.8220	304636.	421.	305056.
1957	24729.	0.7449	18420.	25.	18445.
1956	84338.	0.6535	55114.	76.	55190.
1955	19145.	0.5523	10574.	15.	10589.
1954	20188.	0.4477	9038.	12.	9050.
1953	168879.	0.3465	58516.	81.	58597.
1952	75265.	0.2551	19201.	27.	19227.
1951	34630.	0.1780	6164.	9.	6172.
1950	11129.	0.1173	1305.	2.	1307.
1949	193062.	0.0727	14037.	19.	14057.
1948	30827.	0.0423	1303.	2.	1305.
1947	17872.	0.0230	410.	1.	411.
1946	20609.	0.0116	239.	0.	239.
1945	99658.	0.0054	541.	1.	542.
1944	302052.	0.0023	708.	1.	709.
1943	15703.	0.0009	15.	0.	15.
1942	548771.	0.0003	184.	0.	184.
1941	24429.	0.0001	3.	0.	3.
1940	12353.	0.0000	0.	0.	0.
1939	1642.	0.0000	0.	0.	0.
1938	130285.	0.0000	0.	0.	0.
1937	38555.	0.0000	0.	0.	0.
1936	1352741.	0.0000	0.	0.	0.
-----					
TOTALS	103370611.		100217065.	138416.	100355481.
	=====		=====	=====	=====

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE  
ACCOUNT 35020000

AGE	VINTAGE YEAR	SURVIVING BALANCE 12/31/2004	REMAINING		THEORETICAL RESERVE
			ASL CURVE 75.0 R4.0	RESERVE RATIO	
0.5	2004	33991.	74.5008	0.00666	226.
1.5	2003	6817.	73.5017	0.01998	136.
2.5	2002	202199.	72.5028	0.03330	6732.
3.5	2001	278577.	71.5041	0.04661	12985.
4.5	2000	321569.	70.5057	0.05992	19270.
5.5	1999	929153.	69.5076	0.07323	68044.
6.5	1998	945099.	68.5098	0.08654	81785.
7.5	1997	580453.	67.5124	0.09983	57949.
8.5	1996	126373.	66.5155	0.11313	14296.
9.5	1995	345958.	65.5191	0.12641	43733.
10.5	1994	321828.	64.5233	0.13969	44956.
11.5	1993	316776.	63.5281	0.15296	48454.
12.5	1992	75891.	62.5337	0.16622	12614.
13.5	1991	325286.	61.5402	0.17946	58377.
14.5	1990	104145.	60.5476	0.19270	20069.
15.5	1989	187371.	59.5561	0.20592	38583.
17.5	1987	1327.	57.5770	0.23231	308.
18.5	1986	36790.	56.5896	0.24547	9031.
19.5	1985	176572.	55.6038	0.25862	45664.
20.5	1984	12230139.	54.6199	0.27173	3323347.
21.5	1983	83862.	53.6381	0.28483	23886.
22.5	1982	368924.	52.6584	0.29789	109898.
23.5	1981	724179.	51.6812	0.31092	225159.
24.5	1980	7729.	50.7067	0.32391	2504.
25.5	1979	568376.	49.7351	0.33687	191466.
26.5	1978	19600.	48.7666	0.34978	6856.
27.5	1977	328902.	47.8015	0.36265	119275.
28.5	1976	264424.	46.8401	0.37547	99282.
29.5	1975	107484.	45.8827	0.38823	41729.
30.5	1974	25858.	44.9295	0.40094	10368.
31.5	1973	23365.	43.9808	0.41359	9664.
32.5	1972	32466.	43.0370	0.42617	13836.
33.5	1971	35366.	42.0984	0.43869	15515.

STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE  
ACCOUNT 35020000

AGE	VINTAGE YEAR	SURVIVING BALANCE 12/31/2004	REMAINING LIFE ASL CURVE 75.0 R4.0	RESERVE RATIO	THEORETICAL RESERVE
34.5	1970	814113.	41.1652	0.45113	367271.
35.5	1969	405384.	40.2379	0.46350	187894.
36.5	1968	2802.	39.3166	0.47578	1333.
37.5	1967	222091.	38.4018	0.48798	108375.
38.5	1966	74068.	37.4938	0.50008	37040.
39.5	1965	150529.	36.5928	0.51210	77085.
40.5	1964	233764.	35.6993	0.52401	122495.
41.5	1963	25525.	34.8134	0.53582	13677.
42.5	1962	305263.	33.9355	0.54753	167139.
43.5	1961	6096.	33.0660	0.55912	3408.
44.5	1960	2909.	32.2050	0.57060	1660.
45.5	1959	15704.	31.3528	0.58196	9139.
46.5	1958	49104.	30.5097	0.59320	29129.
47.5	1957	16714.	29.6758	0.60432	10101.
48.5	1956	2389.	28.8514	0.61531	1470.
49.5	1955	3706.	28.0367	0.62618	2321.
50.5	1954	6978.	27.2318	0.63691	4444.
51.5	1953	35998.	26.4369	0.64751	23309.
52.5	1952	15412.	25.6519	0.65797	10141.
53.5	1951	7061.	24.8770	0.66831	4719.
54.5	1950	915.	24.1123	0.67850	621.
55.5	1949	34523.	23.3577	0.68856	23771.
56.5	1948	10292.	22.6131	0.69849	7189.
57.5	1947	3959.	21.8785	0.70829	2804.
58.5	1946	7693.	21.1537	0.71795	5523.
59.5	1945	71397.	20.4386	0.72749	51940.
61.5	1943	472571.	19.0364	0.74618	352624.
62.5	1942	122785.	18.3487	0.75535	92746.
63.5	1941	206.	17.6702	0.76440	157.
66.5	1938	1156.	15.6999	0.79067	914.
67.5	1937	91.	15.0708	0.79906	73.
		-----	-----	-----	-----
		23258047.			6496508.
		=====			=====
		NET SALVAGE VALUE (%)			0.
		-----			-----
		RESERVE AFTER SALVAGE			6496508.
		=====			=====
		REMAINING LIFE (YRS)			54.05
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STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

## AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 35020000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE	
		BALANCE 12/31/2004	ASL	CURVE LIMIT
			75.0	R4.0 90.0
0.5	2004	33991.	74.50	
1.5	2003	6817.	73.50	
2.5	2002	202199.	72.50	
3.5	2001	278577.	71.50	
4.5	2000	321569.	70.51	
5.5	1999	929153.	69.51	
6.5	1998	945099.	68.51	
7.5	1997	580453.	67.51	
8.5	1996	126373.	66.52	
9.5	1995	345958.	65.52	
10.5	1994	321828.	64.52	
11.5	1993	316776.	63.53	
12.5	1992	75891.	62.53	
13.5	1991	325286.	61.54	
14.5	1990	104145.	60.55	
15.5	1989	187371.	59.56	
17.5	1987	1327.	57.58	
18.5	1986	36790.	56.59	
19.5	1985	176572.	55.60	
20.5	1984	12230139.	54.62	
21.5	1983	83862.	53.64	
22.5	1982	368924.	52.66	
23.5	1981	724179.	51.68	
24.5	1980	7729.	50.71	
25.5	1979	568376.	49.74	
26.5	1978	19600.	48.77	
27.5	1977	328902.	47.80	
28.5	1976	264424.	46.84	
29.5	1975	107484.	45.88	
30.5	1974	25858.	44.93	
31.5	1973	23365.	43.98	
32.5	1972	32466.	43.04	
33.5	1971	35366.	42.10	
34.5	1970	814113.	41.17	
35.5	1969	405384.	40.24	

STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 35020000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE	
		BALANCE 12/31/2004	ASL	CURVE LIMIT
			75.0	R4.0 90.0
36.5	1968	2802.	39.32	
37.5	1967	222091.	38.40	
38.5	1966	74068.	37.49	
39.5	1965	150529.	36.59	
40.5	1964	233764.	35.70	
41.5	1963	25525.	34.81	
42.5	1962	305263.	33.94	
43.5	1961	6096.	33.07	
44.5	1960	2909.	32.20	
45.5	1959	15704.	31.35	
46.5	1958	49104.	30.51	
47.5	1957	16714.	29.68	
48.5	1956	2389.	28.85	
49.5	1955	3706.	28.04	
50.5	1954	6978.	27.23	
51.5	1953	35998.	26.44	
52.5	1952	15412.	25.65	
53.5	1951	7061.	24.88	
54.5	1950	915.	24.11	
55.5	1949	34523.	23.36	
56.5	1948	10292.	22.61	
57.5	1947	3959.	21.88	
58.5	1946	7693.	21.15	
59.5	1945	71397.	20.44	
61.5	1943	472571.	19.04	
62.5	1942	122785.	18.35	
63.5	1941	206.	17.67	
66.5	1938	1156.	15.70	
67.5	1937	91.	15.07	

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23258047.  
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THE WEIGHTED AVERAGE REMAINING LIFE IS 54.05

STUDY AS OF DECEMBER 31, 2004

PAGE 1

Page 132 of 443

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE  
ACCOUNT 35200000

AGE	VINTAGE YEAR	SURVIVING BALANCE 12/31/2004	REMAINING LIFE		THEORETICAL RESERVE
			ASL CURVE 55.0 S3.0	RESERVE RATIO	
1.5	2003	233727.	53.5000	0.02727	6374.
2.5	2002	807226.	52.5000	0.04545	36691.
3.5	2001	701.	51.5000	0.06364	45.
4.5	2000	84281.	50.5000	0.08182	6896.
5.5	1999	19202.	49.5001	0.10000	1920.
6.5	1998	58660.	48.5001	0.11818	6932.
7.5	1997	203592.	47.5002	0.13636	27762.
8.5	1996	180114.	46.5003	0.15454	27835.
9.5	1995	115575.	45.5006	0.17272	19962.
10.5	1994	49187.	44.5013	0.19089	9389.
11.5	1993	371115.	43.5024	0.20905	77581.
12.5	1992	113918.	42.5042	0.22720	25882.
13.5	1991	45070.	41.5070	0.24533	11057.
14.5	1990	65795.	40.5114	0.26343	17332.
15.5	1989	1510.	39.5177	0.28150	425.
16.5	1988	5196.	38.5267	0.29952	1556.
17.5	1987	14460.	37.5390	0.31747	4591.
18.5	1986	148409.	36.5555	0.33536	49770.
19.5	1985	96494.	35.5771	0.35314	34076.
20.5	1984	115579.	34.6049	0.37082	42859.
21.5	1983	52326.	33.6400	0.38836	20321.
22.5	1982	151005.	32.6835	0.40575	61271.
23.5	1981	1628158.	31.7367	0.42297	688660.
24.5	1980	102817.	30.8007	0.43999	45238.
25.5	1979	3140.	29.8768	0.45678	1434.
26.5	1978	125.	28.9662	0.47334	59.
27.5	1977	159826.	28.0701	0.48963	78256.
28.5	1976	87539.	27.1895	0.50565	44264.
29.5	1975	14323.	26.3255	0.52136	7467.
30.5	1974	1154345.	25.4790	0.53675	619590.
31.5	1973	49096.	24.6508	0.55180	27091.
33.5	1971	11105.	23.0524	0.58087	6451.
34.5	1970	50620.	22.2832	0.59485	30111.

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

## AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 35200000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE	
		BALANCE 12/31/2004	ASL	CURVE LIMIT
---	-----	-----	55.0	90.0
1.5	2003	233727.	53.50	
2.5	2002	807226.	52.50	
3.5	2001	701.	51.50	
4.5	2000	84281.	50.50	
5.5	1999	19202.	49.50	
6.5	1998	58660.	48.50	
7.5	1997	203592.	47.50	
8.5	1996	180114.	46.50	
9.5	1995	115575.	45.50	
10.5	1994	49187.	44.50	
11.5	1993	371115.	43.50	
12.5	1992	113918.	42.50	
13.5	1991	45070.	41.51	
14.5	1990	65795.	40.51	
15.5	1989	1510.	39.52	
16.5	1988	5196.	38.53	
17.5	1987	14460.	37.54	
18.5	1986	148409.	36.56	
19.5	1985	96494.	35.58	
20.5	1984	115579.	34.60	
21.5	1983	52326.	33.64	
22.5	1982	151005.	32.68	
23.5	1981	1628158.	31.74	
24.5	1980	102817.	30.80	
25.5	1979	3140.	29.88	
26.5	1978	125.	28.97	
27.5	1977	159826.	28.07	
28.5	1976	87539.	27.19	
29.5	1975	14323.	26.33	
30.5	1974	1154345.	25.48	
31.5	1973	49096.	24.65	
33.5	1971	11105.	23.05	
34.5	1970	50620.	22.28	
35.5	1969	1252.	21.53	
36.5	1968	32049.	20.81	



STUDY AS OF DECEMBER 31, 2004

PAGE, 2

KENTUCKY POWER COMPANY

7-15-2005

## AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 35200000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE	
		BALANCE 12/31/2004	ASL	CURVE LIMIT
			55.0	53.0 90.0
37.5	1967	21589.	20.10	
38.5	1966	29924.	19.41	
39.5	1965	297.	18.75	
40.5	1964	8446.	18.11	
41.5	1963	16589.	17.48	
42.5	1962	6972.	16.88	
43.5	1961	121.	16.30	
44.5	1960	2917.	15.73	
45.5	1959	1799.	15.19	
46.5	1958	4414.	14.66	
47.5	1957	579.	14.16	
48.5	1956	381.	13.67	
49.5	1955	516.	13.19	
50.5	1954	38794.	12.74	
51.5	1953	711.	12.30	
52.5	1952	92.	11.87	
53.5	1951	8407.	11.46	
58.5	1946	152.	9.61	
60.5	1944	2137.	8.95	
61.5	1943	5740.	8.64	
62.5	1942	7335.	8.33	
64.5	1940	1616.	7.76	
		-----		
		6387065.		
		-----		

THE WEIGHTED AVERAGE REMAINING LIFE IS 36.28

STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE  
ACCOUNT 35200000

AGE	VINTAGE YEAR	SURVIVING BALANCE 12/31/2004	REMAINING LIFE ASL CURVE 55.0 S3.0	RESERVE RATIO	THEORETICAL RESERVE
35.5	1969	1252.	21.5346	0.60846	762.
36.5	1968	32049.	20.8068	0.62169	19925.
37.5	1967	21589.	20.1000	0.63455	13699.
38.5	1966	29924.	19.4143	0.64701	19361.
39.5	1965	297.	18.7495	0.65910	196.
40.5	1964	8446.	18.1056	0.67081	5666.
41.5	1963	16589.	17.4823	0.68214	11316.
42.5	1962	6972.	16.8794	0.69310	4832.
43.5	1961	121.	16.2965	0.70370	85.
44.5	1960	2917.	15.7332	0.71394	2083.
45.5	1959	1799.	15.1889	0.72384	1302.
46.5	1958	4414.	14.6634	0.73339	3237.
47.5	1957	579.	14.1560	0.74262	430.
48.5	1956	381.	13.6661	0.75153	286.
49.5	1955	516.	13.1932	0.76012	392.
50.5	1954	38794.	12.7368	0.76642	29810.
51.5	1953	711.	12.2962	0.77643	552.
52.5	1952	92.	11.8709	0.78417	72.
53.5	1951	8407.	11.4603	0.79163	6655.
58.5	1946	152.	9.6078	0.82531	125.
60.5	1944	2137.	8.9504	0.83727	1789.
61.5	1943	5740.	8.6375	0.84295	4839.
62.5	1942	7335.	8.3347	0.84846	6223.
64.5	1940	1616.	7.7571	0.85896	1388.
		-----			-----
		6387065.			2174176.
		-----			-----
		NET SALVAGE VALUE(%)			0.
		-----			-----
		RESERVE AFTER SALVAGE			2174176.
		-----			-----
		REMAINING LIFE (YRS)			36.28
		-----			-----

STUDY AS OF DECEMBER 31, 2004

PAGE 1

Page 136 of 443

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE  
ACCOUNT 35300000

AGE	VINTAGE YEAR	SURVIVING BALANCE 12/31/2004	REMAINING LIFE		THEORETICAL RESERVE
			ASL	CURVE R1.5	
				RESERVE RATIO	
0.5	2004	2525237.	39.5887	0.01028	25965.
1.5	2003	4440859.	38.7692	0.03077	136646.
2.5	2002	4425166.	37.9554	0.05111	226192.
3.5	2001	3138656.	37.1474	0.07132	223836.
4.5	2000	2485512.	36.3451	0.09137	227105.
5.5	1999	1488533.	35.5487	0.11128	165648.
6.5	1998	11141156.	34.7581	0.13105	1460008.
7.5	1997	36890866.	33.9735	0.15066	5558101.
8.5	1996	2460717.	33.1947	0.17013	418650.
9.5	1995	853676.	32.4218	0.18945	161733.
10.5	1994	2257709.	31.6549	0.20863	471020.
11.5	1993	5784518.	30.8940	0.22765	1316845.
12.5	1992	2135657.	30.1391	0.24652	526485.
13.5	1991	3781093.	29.3905	0.26524	1002892.
14.5	1990	3006144.	28.6482	0.28379	853128.
15.5	1989	1310459.	27.9126	0.30219	396001.
16.5	1988	530915.	27.1840	0.32040	170105.
17.5	1987	2172360.	26.4627	0.33843	735197.
18.5	1986	499860.	25.7490	0.35628	178088.
19.5	1985	740900.	25.0433	0.37392	277035.
20.5	1984	1222401.	24.3459	0.39135	478388.
21.5	1983	1373085.	23.6572	0.40857	561001.
22.5	1982	1403128.	22.9775	0.42556	597117.
23.5	1981	7231608.	22.3072	0.44232	3198689.
24.5	1980	5873681.	21.6466	0.45884	2695057.
25.5	1979	966417.	20.9960	0.47510	459146.
26.5	1978	54599.	20.3557	0.49111	26814.
27.5	1977	2064405.	19.7261	0.50685	1046341.
28.5	1976	1092819.	19.1074	0.52232	570797.
29.5	1975	763727.	18.5000	0.53750	410504.
30.5	1974	1070195.	17.9041	0.55240	591173.
31.5	1973	165119.	17.3200	0.56700	93622.
32.5	1972	169122.	16.7480	0.58130	98311.

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE  
ACCOUNT 35300000

AGE	VINTAGE YEAR	SURVIVING BALANCE 12/31/2004	REMAINING LIFE		RESERVE RATIO	THEORETICAL RESERVE
			ASL	CURVE R1.5		
33.5	1971	207616.	16.1882		0.59530	123593.
34.5	1970	700895.	15.6409		0.60898	426829.
35.5	1969	5275929.	15.1064		0.62234	3283426.
36.5	1968	59424.	14.5846		0.63539	37757.
37.5	1967	307861.	14.0758		0.64810	199526.
38.5	1966	5843.	13.5802		0.66050	3859.
39.5	1965	103552.	13.0976		0.67256	69645.
40.5	1964	12210.	12.6282		0.68430	8355.
41.5	1963	560961.	12.1719		0.69570	390262.
42.5	1962	5906.	11.7287		0.70678	4174.
43.5	1961	347.	11.2984		0.71754	249.
44.5	1960	25384.	10.8807		0.72798	18479.
45.5	1959	54101.	10.4755		0.73811	39933.
46.5	1958	577.	10.0824		0.74794	432.
47.5	1957	8981.	9.7011		0.75747	6803.
49.5	1955	897.	8.9715		0.77571	696.
50.5	1954	294758.	8.6222		0.78444	231221.
51.5	1953	7575.	8.2824		0.79294	6007.
		-----				-----
		123153116.				30208887.
		-----				-----
		NET SALVAGE VALUE (%)				0.
		-----				-----
		RESERVE AFTER SALVAGE				30208886.
		-----				-----
		REMAINING LIFE (YRS)				30.19
		-----				-----

STUDY AS OF DECEMBER 31, 2004

PAGE 1

Page 138 of 443

KENTUCKY POWER COMPANY

7-15-2005

## AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 35300000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE
		BALANCE 12/31/2004	ASL CURVE LIMIT 40.0 R1.5 90.0
0.5	2004	2525237.	39.59
1.5	2003	4440859.	38.77
2.5	2002	4425166.	37.96
3.5	2001	3138656.	37.15
4.5	2000	2485512.	36.35
5.5	1999	1488533.	35.55
6.5	1998	11141156.	34.76
7.5	1997	36890866.	33.97
8.5	1996	2460717.	33.19
9.5	1995	853676.	32.42
10.5	1994	2257709.	31.65
11.5	1993	5784518.	30.89
12.5	1992	2135657.	30.14
13.5	1991	3781093.	29.39
14.5	1990	3006144.	28.65
15.5	1989	1310459.	27.91
16.5	1988	530915.	27.18
17.5	1987	2172360.	26.46
18.5	1986	499860.	25.75
19.5	1985	740900.	25.04
20.5	1984	1222401.	24.35
21.5	1983	1373085.	23.66
22.5	1982	1403128.	22.98
23.5	1981	7231608.	22.31
24.5	1980	5873681.	21.65
25.5	1979	966417.	21.00
26.5	1978	54599.	20.36
27.5	1977	2064405.	19.73
28.5	1976	1092819.	19.11
29.5	1975	763727.	18.50
30.5	1974	1070195.	17.90
31.5	1973	165119.	17.32
32.5	1972	169122.	16.75
33.5	1971	207616.	16.19
34.5	1970	700895.	15.64

STUDY AS OF DECEMBER 31, 2004

PAGE 2

Page 139 of 443

KENTUCKY POWER COMPANY

7-15-2005

## AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 35300000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE
		BALANCE 12/31/2004	ASL CURVE LIMIT 40.0 R1.5 90.0
---	-----	-----	-----
35.5	1969	5275929.	15.11
36.5	1968	59424.	14.58
37.5	1967	307861.	14.08
38.5	1966	5843.	13.58
39.5	1965	103552.	13.10
40.5	1964	12210.	12.63
41.5	1963	560961.	12.17
42.5	1962	5906.	11.73
43.5	1961	347.	11.30
44.5	1960	25384.	10.88
45.5	1959	54101.	10.48
46.5	1958	577.	10.08
47.5	1957	8981.	9.70
49.5	1955	897.	8.97
50.5	1954	294758.	8.62
51.5	1953	7575.	8.28
		-----	
		123153116.	
		-----	

THE WEIGHTED AVERAGE REMAINING LIFE IS 30.19

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE  
ACCOUNT 35400000

AGE	VINTAGE YEAR	REMAINING		RESERVE RATIO	THEORETICAL RESERVE
		SURVIVING BALANCE 12/31/2004	LIFE ASL CURVE 55.0 R4.0		
1.5	2003	4771901.	53.5016	0.02724	130006.
2.5	2002	967506.	52.5028	0.04540	43928.
3.5	2001	195688.	51.5045	0.06356	12437.
4.5	2000	356380.	50.5065	0.08170	29116.
5.5	1999	7066139.	49.5090	0.09984	705454.
6.5	1998	978165.	48.5122	0.11796	115385.
7.5	1997	1074569.	47.5161	0.13607	146218.
9.5	1995	333660.	45.5267	0.17224	57470.
11.5	1993	68127.	43.5423	0.20832	14192.
12.5	1992	96489.	42.5525	0.22632	21837.
14.5	1990	432010.	40.5791	0.26220	113272.
18.5	1986	789018.	36.6664	0.33334	263009.
20.5	1984	60405609.	34.7336	0.36848	22258273.
22.5	1982	142982.	32.8215	0.40325	57657.
26.5	1978	63422.	29.0773	0.47132	29892.
27.5	1977	13655.	28.1614	0.48798	6663.
28.5	1976	219110.	27.2546	0.50446	110533.
29.5	1975	68360.	26.3577	0.52077	35600.
30.5	1974	9846.	25.4712	0.53689	5286.
31.5	1973	54529.	24.5956	0.55281	30144.
32.5	1972	1369196.	23.7315	0.56852	778414.
33.5	1971	42209.	22.8793	0.58401	24651.
34.5	1970	7405247.	22.0396	0.59928	4437821.
35.5	1969	3128482.	21.2126	0.61432	1921876.
36.5	1968	24666.	20.3988	0.62911	15518.
37.5	1967	758526.	19.5985	0.64366	488236.
38.5	1966	17567.	18.8118	0.65797	11559.
39.5	1965	251047.	18.0388	0.67202	168709.
40.5	1964	113321.	17.2796	0.68582	77718.
41.5	1963	127055.	16.5342	0.69938	88860.
42.5	1962	614084.	15.8023	0.71268	437648.
43.5	1961	296.	15.0838	0.72575	215.
46.5	1958	315864.	13.0040	0.76356	241182.

STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE  
ACCOUNT 35400000

AGE	VINTAGE YEAR	SURVIVING BALANCE 12/31/2004	REMAINING LIFE ASL CURVE 55.0 R4.0	RESERVE RATIO	THEORETICAL RESERVE
48.5	1956	10529.	11.6850	0.78755	8292.
50.5	1954	4355.	10.4446	0.81010	3528.
52.5	1952	42608.	9.3083	0.83076	35397.
60.5	1944	851.	5.8831	0.89304	760.
62.5	1942	2300.	5.2423	0.90468	2081.
64.5	1940	1132.	4.6510	0.91544	1036.
65.5	1939	317.	4.3684	0.92057	292.
68.5	1936	27538.	3.5554	0.93536	25758.
		-----			-----
		92364355.			32955922.
		=====			=====
		NET SALVAGE VALUE(%)			-35.
					-----
		RESERVE AFTER SALVAGE			44490496.
					=====
		REMAINING LIFE (YRS)			35.38
					-----



STUDY AS OF DECEMBER 31, 2004

PAGE 1

Page 142 of 433

KENTUCKY POWER COMPANY

7-15-2005

## AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 35400000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE
		BALANCE 12/31/2004	ASL CURVE LIMIT 55.0 R4.0 90.0
1.5	2003	4771901.	53.50
2.5	2002	967506.	52.50
3.5	2001	195688.	51.50
4.5	2000	356380.	50.51
5.5	1999	7066139.	49.51
6.5	1998	978165.	48.51
7.5	1997	1074569.	47.52
9.5	1995	333660.	45.53
11.5	1993	68127.	43.54
12.5	1992	96489.	42.55
14.5	1990	432010.	40.58
18.5	1986	789018.	36.67
20.5	1984	60405609.	34.73
22.5	1982	142982.	32.82
26.5	1978	63422.	29.08
27.5	1977	13655.	28.16
28.5	1976	219110.	27.25
29.5	1975	68360.	26.36
30.5	1974	9846.	25.47
31.5	1973	54529.	24.60
32.5	1972	1369196.	23.73
33.5	1971	42209.	22.88
34.5	1970	7405247.	22.04
35.5	1969	3128482.	21.21
36.5	1968	24666.	20.40
37.5	1967	758526.	19.60
38.5	1966	17567.	18.81
39.5	1965	251047.	18.04
40.5	1964	113321.	17.28
41.5	1963	127055.	16.53
42.5	1962	614084.	15.80
43.5	1961	296.	15.08
46.5	1958	315864.	13.00
48.5	1956	10529.	11.68
50.5	1954	4355.	10.44

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 35400000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE	
		BALANCE 12/31/2004	ASL	CURVE LIMIT
			55.0	R4.0 90.0
52.5	1952	42608.	9.31	
60.5	1944	851.	5.88	
62.5	1942	2300.	5.24	
64.5	1940	1132.	4.65	
65.5	1939	317.	4.37	
68.5	1936	27538.	3.56	
		92364355.		

THE WEIGHTED AVERAGE REMAINING LIFE IS 35.38

STUDY AS OF DECEMBER 31, 2004

PAGE 1

Page 144 of 43:

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE  
ACCOUNT 35500000

AGE	VINTAGE YEAR	REMAINING		RESERVE RATIO	THEORETICAL RESERVE
		SURVIVING BALANCE 12/31/2004	LIFE ASL CURVE 35.0 S6.0		
0.5	2004	1846294.	34.4999	0.01429	26379.
1.5	2003	2138610.	33.4999	0.04286	91658.
3.5	2001	2732031.	31.4999	0.10000	273207.
4.5	2000	1822920.	30.4999	0.12857	234378.
5.5	1999	774158.	29.4999	0.15714	121655.
6.5	1998	6692751.	28.4999	0.18572	1242950.
7.5	1997	2073174.	27.4999	0.21429	444255.
8.5	1996	392462.	26.4999	0.24286	95313.
9.5	1995	986399.	25.4999	0.27143	267738.
10.5	1994	2838747.	24.4999	0.30000	851629.
11.5	1993	1844294.	23.4999	0.32857	605985.
12.5	1992	1348324.	22.4999	0.35714	481546.
13.5	1991	1445869.	21.4999	0.38572	557695.
14.5	1990	951527.	20.4999	0.41429	394206.
15.5	1989	840076.	19.4999	0.44286	372035.
16.5	1988	732702.	18.4999	0.47143	345418.
17.5	1987	158095.	17.4999	0.50000	79048.
18.5	1986	258472.	16.4999	0.52857	136621.
19.5	1985	536557.	15.4999	0.55714	298940.
20.5	1984	412048.	14.4999	0.58572	241343.
21.5	1983	669681.	13.4999	0.61429	411377.
22.5	1982	1038732.	12.4999	0.64286	667758.
23.5	1981	845961.	11.5000	0.67143	568003.
24.5	1980	1144994.	10.5001	0.70000	801492.
25.5	1979	166202.	9.5010	0.72854	121085.
26.5	1978	416148.	8.5045	0.75702	315030.
27.5	1977	91624.	7.5161	0.78525	71948.
28.5	1976	656140.	6.5478	0.81292	533389.
29.5	1975	428042.	5.6200	0.83943	359311.
30.5	1974	90256.	4.7587	0.86404	77985.
31.5	1973	327850.	3.9889	0.88603	290485.
32.5	1972	145168.	3.3266	0.90495	131370.
33.5	1971	191239.	2.7749	0.92072	176077.

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE  
ACCOUNT 35500000

AGE	VINTAGE YEAR	SURVIVING BALANCE 12/31/2004	REMAINING LIFE ASL CURVE 35.0 S6.0	RESERVE RATIO	THEORETICAL RESERVE
34.5	1970	606.	2.3260	0.93354	566.
35.5	1969	189542.	1.9658	0.94383	178896.
36.5	1968	99459.	1.6783	0.95205	94690.
37.5	1967	83953.	1.4487	0.95861	80478.
38.5	1966	69077.	1.2646	0.96387	66581.
39.5	1965	22354.	1.1159	0.96812	21641.
40.5	1964	3165.	0.9948	0.97158	3075.
41.5	1963	256.	0.8957	0.97441	249.
42.5	1962	199.	0.8138	0.97675	194.
43.5	1961	33.	0.7459	0.97869	32.
44.5	1960	10.	0.6889	0.98032	10.
45.5	1959	2.	0.6388	0.98175	2.
		37506203.			12133724.
NET SALVAGE VALUE(%)					-50.
RESERVE AFTER SALVAGE					18200586.
REMAINING LIFE (YRS)					23.68

STUDY AS OF DECEMBER 31, 2004

PAGE 1

Page 146 of 433

KENTUCKY POWER COMPANY

7-15-2005

## AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 35500000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE		
		BALANCE 12/31/2004	ASL	CURVE	LIMIT
---	-----	-----	35.0	86.0	90.0
0.5	2004	1846294.	34.50		
1.5	2003	2138610.	33.50		
3.5	2001	2732031.	31.50		
4.5	2000	1822920.	30.50		
5.5	1999	774158.	29.50		
6.5	1998	6692751.	28.50		
7.5	1997	2073174.	27.50		
8.5	1996	392462.	26.50		
9.5	1995	986399.	25.50		
10.5	1994	2838747.	24.50		
11.5	1993	1844294.	23.50		
12.5	1992	1348324.	22.50		
13.5	1991	1445869.	21.50		
14.5	1990	951527.	20.50		
15.5	1989	840076.	19.50		
16.5	1988	732702.	18.50		
17.5	1987	158095.	17.50		
18.5	1986	258472.	16.50		
19.5	1985	536557.	15.50		
20.5	1984	412048.	14.50		
21.5	1983	669681.	13.50		
22.5	1982	1038732.	12.50		
23.5	1981	845961.	11.50		
24.5	1980	1244994.	10.50		
25.5	1979	166202.	9.50		
26.5	1978	416148.	8.50		
27.5	1977	91624.	7.52		
28.5	1976	656140.	6.55		
29.5	1975	428042.	5.62		
30.5	1974	90256.	4.76		
31.5	1973	327850.	3.99		
32.5	1972	145168.	3.33		
33.5	1971	191239.	2.77		
34.5	1970	606.	2.33		
35.5	1969	189542.	1.97		

STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 35500000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE	
		BALANCE 12/31/2004	ASL	CURVE LIMIT
			35.0	56.0 90.0
36.5	1968	99459.		1.68
37.5	1967	83953.		1.45
38.5	1966	69077.		1.26
39.5	1965	22354.		1.12
40.5	1964	3165.		0.99
41.5	1963	256.		0.90
42.5	1962	199.		0.81
43.5	1961	33.		0.75
44.5	1960	10.		0.69
45.5	1959	2.		0.64

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37506203.  
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THE WEIGHTED AVERAGE REMAINING LIFE IS 23.68

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

Page 148 of 433

AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE  
ACCOUNT 35600000

AGE	VINTAGE YEAR	REMAINING		RESERVE RATIO	THEORETICAL RESERVE
		SURVIVING BALANCE 12/31/2004	LIFE ASL CURVE 50.0 S6.0		
0.5	2004	380719.	49.4999	0.01000	3808.
1.5	2003	311597.	48.4999	0.03000	9349.
2.5	2002	503961.	47.4999	0.05000	25199.
3.5	2001	235254.	46.4999	0.07000	16468.
4.5	2000	847629.	45.4999	0.09000	76288.
5.5	1999	14110659.	44.4999	0.11000	1552200.
6.5	1998	5372661.	43.4999	0.13000	698457.
7.5	1997	593694.	42.4999	0.15000	89055.
8.5	1996	304206.	41.4999	0.17000	51716.
9.5	1995	1375005.	40.4999	0.19000	261254.
10.5	1994	3205008.	39.4999	0.21000	673058.
11.5	1993	1448337.	38.4999	0.23000	333120.
12.5	1992	1743711.	37.4999	0.25000	435931.
13.5	1991	629954.	36.4999	0.27000	170089.
14.5	1990	1160511.	35.4999	0.29000	336550.
15.5	1989	497605.	34.4999	0.31000	154259.
16.5	1988	313308.	33.4999	0.33000	103392.
17.5	1987	72086.	32.4999	0.35000	25230.
18.5	1986	217538.	31.4999	0.37000	80489.
19.5	1985	86831.	30.4999	0.39000	33864.
20.5	1984	46885864.	29.4999	0.41000	19223297.
21.5	1983	177763.	28.4999	0.43000	76438.
22.5	1982	1312522.	27.4999	0.45000	590637.
23.5	1981	666029.	26.4999	0.47000	313035.
24.5	1980	473773.	25.4999	0.49000	232150.
25.5	1979	213542.	24.4999	0.51000	108907.
26.5	1978	456780.	23.4999	0.53000	242094.
27.5	1977	322892.	22.4999	0.55000	177591.
28.5	1976	518141.	21.4999	0.57000	295341.
29.5	1975	374905.	20.4999	0.59000	221195.
30.5	1974	73169.	19.4999	0.61000	44633.
31.5	1973	64428.	18.4999	0.63000	40590.
32.5	1972	126416.	17.4999	0.65000	82171.

Page 149 of 437

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE  
ACCOUNT 35600000

AGE	VINTAGE YEAR	SURVIVING BALANCE 12/31/2004	REMAINING LIFE		THEORETICAL RESERVE
			ASL CURVE 50.0 S6.0	RESERVE RATIO	
33.5	1971	406735.	16.4999	0.67000	272513.
34.5	1970	5925220.	15.5000	0.69000	4088397.
35.5	1969	3730217.	14.5004	0.70999	2648424.
36.5	1968	316287.	13.5015	0.72997	230880.
37.5	1967	1271045.	12.5044	0.74991	953171.
38.5	1966	397905.	11.5115	0.76977	306295.
39.5	1965	765334.	10.5272	0.78946	604198.
40.5	1964	884294.	9.5583	0.80883	715247.
41.5	1963	97330.	8.6149	0.82770	80560.
42.5	1962	678555.	7.7092	0.84582	573933.
43.5	1961	64042.	6.8546	0.86291	55262.
44.5	1960	54924.	6.0632	0.87874	48264.
45.5	1959	185994.	5.3441	0.89312	166115.
46.5	1958	305056.	4.7019	0.90596	276369.
47.5	1957	18445.	4.1369	0.91726	16919.
48.5	1956	55190.	3.6455	0.92709	51166.
49.5	1955	10589.	3.2218	0.93556	9907.
50.5	1954	9050.	2.8579	0.94284	8533.
51.5	1953	58597.	2.5465	0.94907	55613.
52.5	1952	19227.	2.2796	0.95441	18350.
53.5	1951	6172.	2.0506	0.95899	5919.
54.5	1950	1307.	1.8525	0.96293	1259.
55.5	1949	14057.	1.6830	0.96634	13584.
56.5	1948	1305.	1.5351	0.96930	1265.
57.5	1947	411.	1.4058	0.97188	399.
58.5	1946	239.	1.2926	0.97415	233.
59.5	1945	542.	1.1926	0.97615	529.
60.5	1944	709.	1.1043	0.97791	693.
61.5	1943	15.	1.0256	0.97949	15.
62.5	1942	184.	0.9553	0.98089	180.
63.5	1941	3.	0.8917	0.98217	3.
		-----			-----
		100355478.			37982053.
		=====			=====
		NET SALVAGE VALUE (%)			-5.
		-----			-----
		RESERVE AFTER SALVAGE			39881156.
		-----			-----
		REMAINING LIFE (YRS)			31.08
		-----			-----



STUDY AS OF DECEMBER 31, 2004

PAGE, 1

Page 150 of 433

KENTUCKY POWER COMPANY

7-15-2005

## AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 35600000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE
		BALANCE 12/31/2004	ASL CURVE LIMIT 50.0 56.0 90.0
0.5	2004	380719.	49.50
1.5	2003	311597.	48.50
2.5	2002	503961.	47.50
3.5	2001	235254.	46.50
4.5	2000	847629.	45.50
5.5	1999	14110659.	44.50
6.5	1998	5372661.	43.50
7.5	1997	593694.	42.50
8.5	1996	304206.	41.50
9.5	1995	1375005.	40.50
10.5	1994	3205008.	39.50
11.5	1993	1448337.	38.50
12.5	1992	1743711.	37.50
13.5	1991	629954.	36.50
14.5	1990	1160511.	35.50
15.5	1989	497605.	34.50
16.5	1988	313308.	33.50
17.5	1987	72086.	32.50
18.5	1986	217538.	31.50
19.5	1985	86831.	30.50
20.5	1984	46885864.	29.50
21.5	1983	177763.	28.50
22.5	1982	1312522.	27.50
23.5	1981	666029.	26.50
24.5	1980	473773.	25.50
25.5	1979	213542.	24.50
26.5	1978	456780.	23.50
27.5	1977	322892.	22.50
28.5	1976	518141.	21.50
29.5	1975	374905.	20.50
30.5	1974	73169.	19.50
31.5	1973	64428.	18.50
32.5	1972	126416.	17.50
33.5	1971	406735.	16.50
34.5	1970	5925220.	15.50

Page = 151 of 437

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 35600000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE	
		BALANCE 12/31/2004	ASL	CURVE LIMIT
			50.0	90.0
35.5	1969	3730217.	14.50	
36.5	1968	316287.	13.50	
37.5	1967	1271045.	12.50	
38.5	1966	397905.	11.51	
39.5	1965	765334.	10.53	
40.5	1964	884294.	9.56	
41.5	1963	97330.	8.61	
42.5	1962	678555.	7.71	
43.5	1961	64042.	6.85	
44.5	1960	54924.	6.06	
45.5	1959	185994.	5.34	
46.5	1958	305056.	4.70	
47.5	1957	18445.	4.14	
48.5	1956	55190.	3.65	
49.5	1955	10589.	3.22	
50.5	1954	9050.	2.86	
51.5	1953	58597.	2.55	
52.5	1952	19227.	2.28	
53.5	1951	6172.	2.05	
54.5	1950	1307.	1.85	
55.5	1949	14057.	1.68	
56.5	1948	1305.	1.54	
57.5	1947	411.	1.41	
58.5	1946	239.	1.29	
59.5	1945	542.	1.19	
60.5	1944	709.	1.10	
61.5	1943	15.	1.03	
62.5	1942	184.	0.96	
63.5	1941	3.	0.89	

-----  
100355478.  
-----

THE WEIGHTED AVERAGE REMAINING LIFE IS 31.08

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE  
ACCOUNT 35700000

AGE	VINTAGE YEAR	SURVIVING BALANCE 12/31/2004	REMAINING LIFE ASL CURVE 37.0 R2.0	RESERVE RATIO	THEORETICAL RESERVE
22.5	1982	11590.	18.7632	0.49289	5713.
		11590.			5713.
NET SALVAGE VALUE (%)					0.
RESERVE AFTER SALVAGE					5713.
REMAINING LIFE (YRS)					18.76

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 35700000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE		
		BALANCE 12/31/2004	ASL	CURVE	LIMIT
22.5	1982	11590.	37.0	R2.0	90.0
		11590.			
		11590.			

THE WEIGHTED AVERAGE REMAINING LIFE IS 18.76

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE  
ACCOUNT 35800000

AGE	VINTAGE YEAR	SURVIVING BALANCE 12/31/2004	REMAINING LIFE ASL CURVE 44.0 R1.0	RESERVE RATIO	THEORETICAL RESERVE
22.5	1982	106066.	28.3954	0.35465	37616.
		106066.			37616.
					NET SALVAGE VALUE(%) 0.
					RESERVE AFTER SALVAGE 37616.
					REMAINING LIFE (YRS) 28.40

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 35800000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE	
		BALANCE 12/31/2004	ASL	CURVE LIMIT
22.5	1982	106066.	44.0	R1.0 90.0
		106066.	28.40	

THE WEIGHTED AVERAGE REMAINING LIFE IS 28.40



**KENTUCKY POWER COMPANY**

DEPRECIATION STUDY AS OF  
DECEMBER 31, 2004

DISTRIBUTION PLANT



KENTUCKY POWER COMPANY  
Depreciation Study as of December 31, 2004  
Distribution Plant

Account	<u>3602 LAND RIGHTS</u>	
Depreciable Balance	\$3,691,802	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	75	75
Iowa Curve	R4.0	R4.0
Gross Removal, %		0%
Gross Salvage, %		0%
Net Salvage %	0%	0%

\*\*\*\*\*  
No actuarial analysis was performed for the investment in this account due to the minimal retirement history. The average age of the surviving investment is 32 years. The recommendation is to continue the current average service life and dispersion.

Any retirements from the land rights account would not be expected to produce any salvage and no removal costs should be expected to be incurred. Therefore, the recommendation is 0% for both gross removal and salvage resulting in a recommended 0% net salvage.

STUDY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*  
ACCOUNT NO.: 36020000

6-21-2005

## AVERAGE AGE AT RETIREMENT BY RETIREMENT YEAR

RETIREMENT YEAR	RETIREMENTS	AVERAGE AGE
-----	-----	-----
1960	301.	17.00
1961	5771.	18.00
1962	2701.	19.00
1963	2326.	20.00
1964	3825.	21.00
1965	943.	22.00
1966	325.	23.00
1967	623.	24.00
1968	13964.	25.00
1970	1966.	27.00
1971	364.	28.00
1974	156.	31.00
1978	28.	35.00
TOTAL	33293.	

STUDY AS OF DECEMBER 31, 2004

PAGE :

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*  
 ACCOUNT NO.: 36020000

6-21-2005

## SURVIVORS AND RETIREMENTS BY VINTAGE YEAR

VINTAGE YEAR -----	SURVIVORS -----	RETIREMENTS -----	CALCULATED ADDITIONS -----
1937	9623.	0.	9623.
1938	27712.	0.	27712.
1939	33725.	0.	33725.
1940	23518.	0.	23518.
1941	24131.	0.	24131.
1942	17131.	0.	17131.
1943	48163.	33293.	81456.
1944	6818.	0.	6818.
1945	17358.	0.	17358.
1946	156952.	0.	156952.
1947	245866.	0.	245866.
1948	284139.	0.	284139.
1949	160886.	0.	160886.
1950	109582.	0.	109582.
1951	136000.	0.	136000.
1952	54416.	0.	54416.
1953	39460.	0.	39460.
1954	44376.	0.	44376.
1955	21993.	0.	21993.
1956	28409.	0.	28409.
1957	21488.	0.	21488.
1958	40375.	0.	40375.
1959	19195.	0.	19195.
1960	17991.	0.	17991.
1961	23561.	0.	23561.
1962	9239.	0.	9239.
1963	9451.	0.	9451.
1964	6951.	0.	6951.
1965	9653.	0.	9653.
1966	9263.	0.	9263.
1967	44071.	0.	44071.
1968	37437.	0.	37437.
1969	7115.	0.	7115.
1970	387.	0.	387.
1971	14047.	0.	14047.

STUDY AS OF DECEMBER 31, 2004

PAGE

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*  
 ACCOUNT NO.: 36020000

6-21-2005

## SURVIVORS AND RETIREMENTS BY VINTAGE YEAR

VINTAGE YEAR -----	SURVIVORS -----	RETIREMENTS -----	CALCULATED ADDITIONS -----
1973	24296.	0.	24296.
1974	13592.	0.	13592.
1975	15107.	0.	15107.
1976	41525.	0.	41525.
1977	22793.	0.	22793.
1978	26054.	0.	26054.
1979	13506.	0.	13506.
1980	29181.	0.	29181.
1981	47948.	0.	47948.
1982	28617.	0.	28617.
1983	61965.	0.	61965.
1984	32618.	0.	32618.
1985	15670.	0.	15670.
1986	47212.	0.	47212.
1987	19016.	0.	19016.
1988	26380.	0.	26380.
1989	31178.	0.	31178.
1990	54838.	0.	54838.
1991	76154.	0.	76154.
1992	94764.	0.	94764.
1993	49128.	0.	49128.
1994	14023.	0.	14023.
1995	106401.	0.	106401.
1996	53347.	0.	53347.
1997	219540.	0.	219540.
1998	108643.	0.	108643.
1999	9268.	0.	9268.
2000	315016.	0.	315016.
2001	13252.	0.	13252.
2002	131307.	0.	131307.
2003	188981.	0.	188981.
TOTALS	3691802.	33293.	3725095.

THE AVERAGE AGE OF THE SURVIVING BALANCE IS 31.58 YEARS

KENTUCKY POWER COMPANY  
Depreciation Study as of December 31, 2004  
Distribution Plant

Account	<u>361 STRUCTURES &amp; IMPROVEMENTS</u>	
Depreciable Balance	\$4,231,065	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	65	70
Iowa Curve	LO.5	L1.5
Gross Removal, %		10%
Gross Salvage, %		10%
Net Salvage %	0%	0%

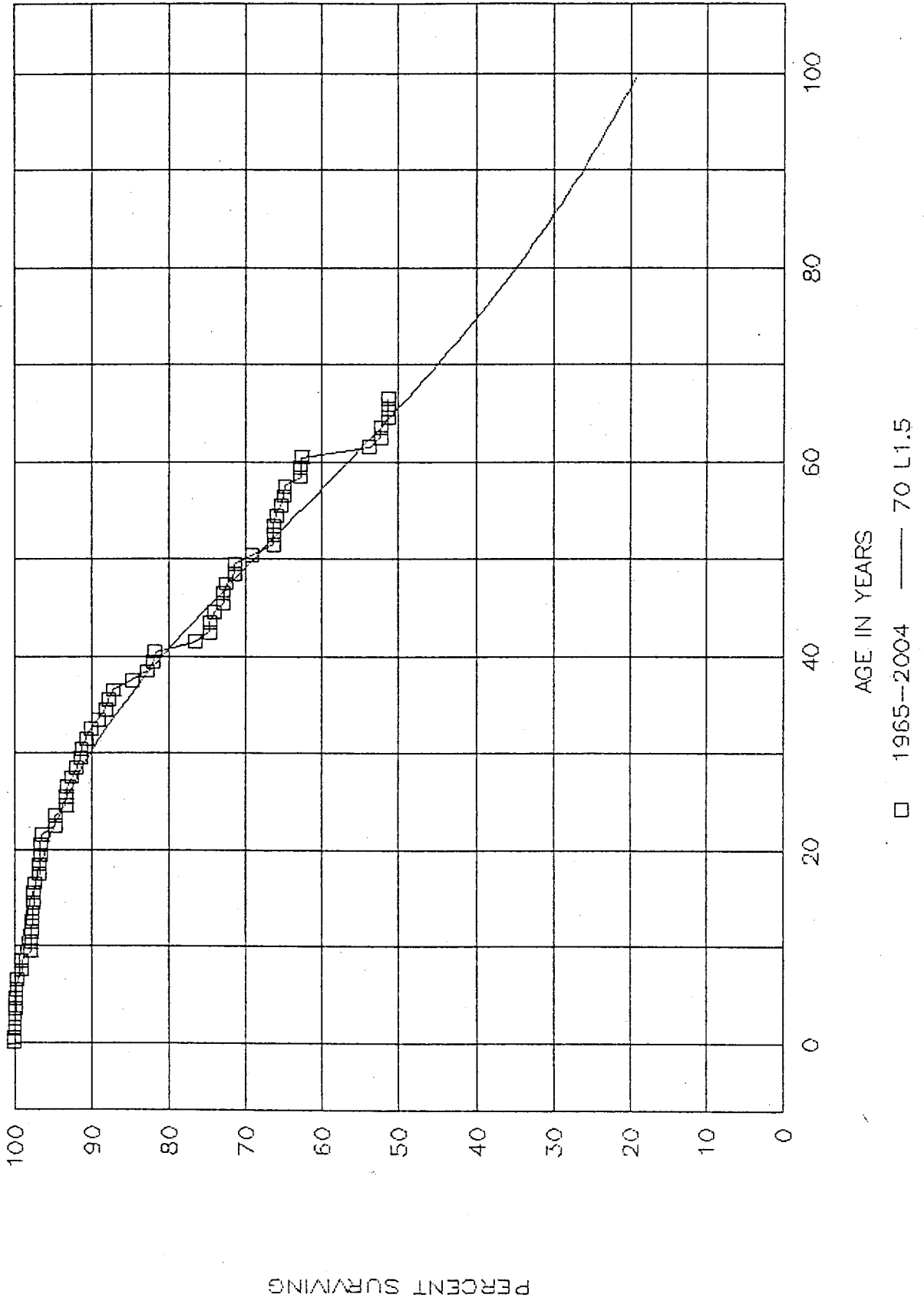
\*\*\*\*\*

The actuarial analyses indicated the average service life for the investment in this account is increasing. The recommendation is to move to a 70 year average service life following an L1.5 type dispersion.

There is a possibility of receiving some salvage if substation structures were to be sold. However, the cost of removal and replacement of the buildings and fences are expected to offset any salvage that may be realized. The recommendation is for a 10% gross salvage and a 10% gross removal.

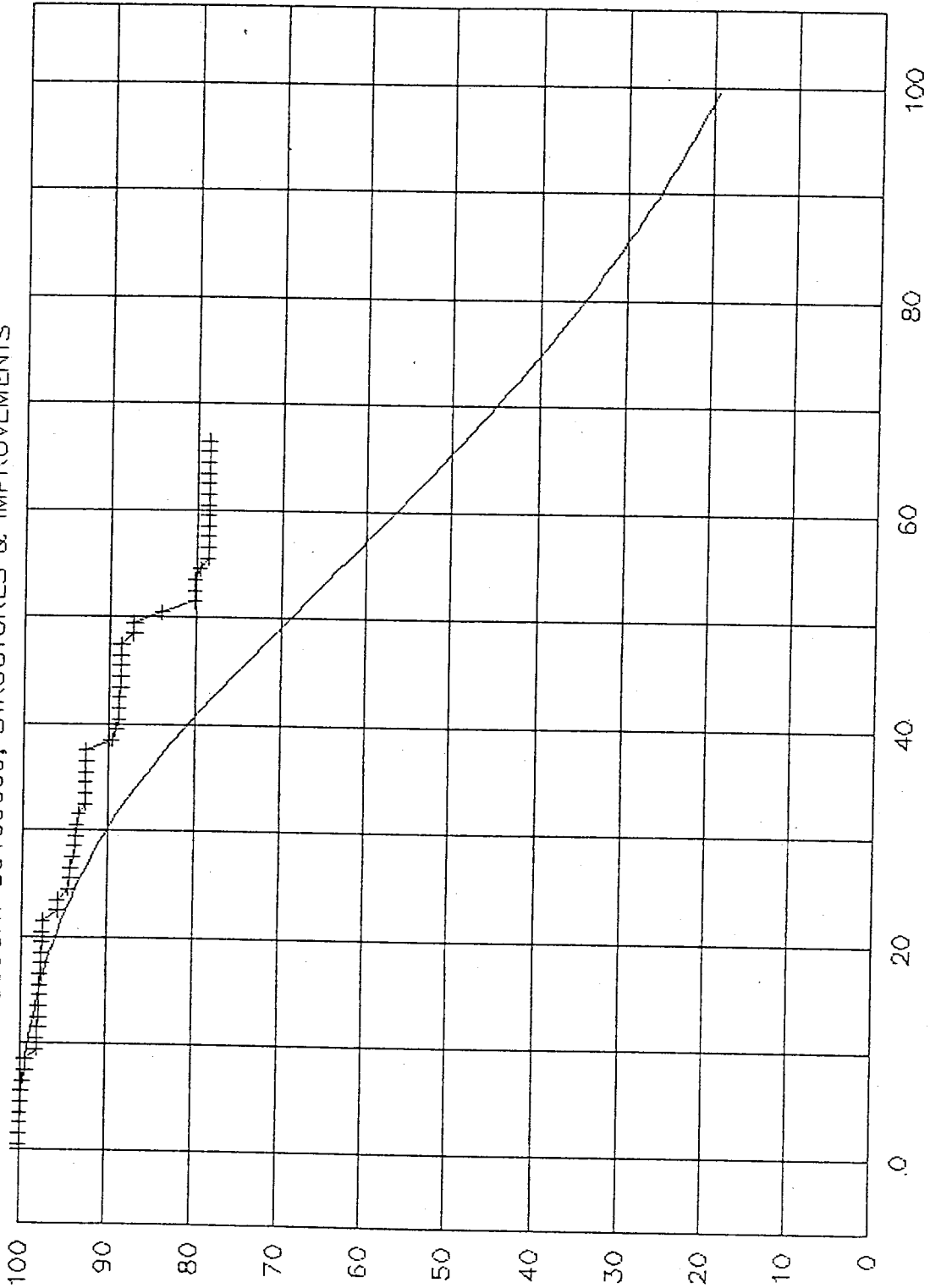
# KENTUCKY POWER COMPANY

ACCOUNT 36100000, STRUCTURES & IMPROVEMENTS



# KENTUCKY POWER COMPANY

ACCOUNT 36100000, STRUCTURES & IMPROVEMENTS



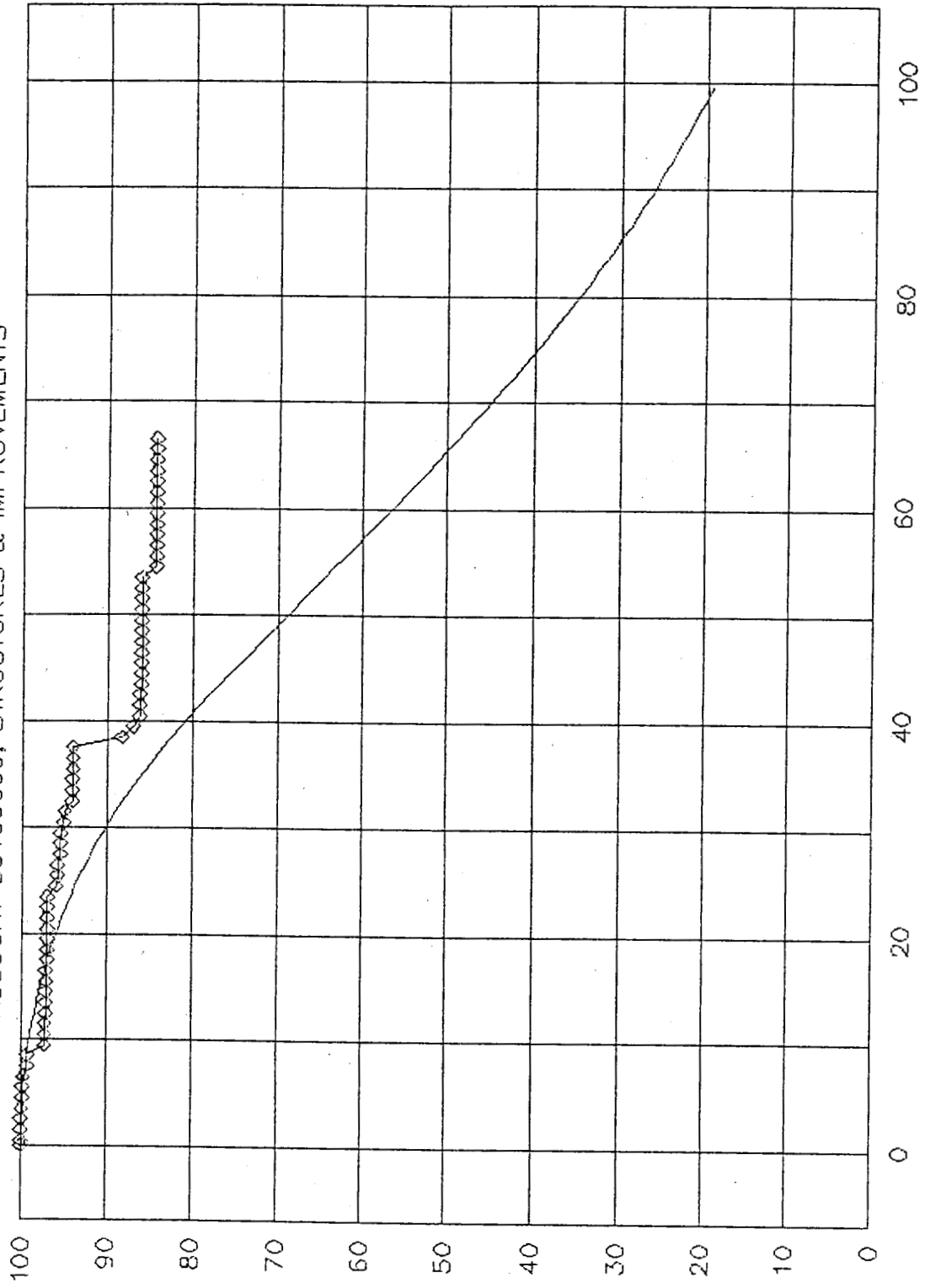
PERCENT SURVIVING

AGE IN YEARS

+ 1985-2004 — 70 L1.5

# KENTUCKY POWER COMPANY

ACCOUNT 36100000, STRUCTURES & IMPROVEMENTS



PERCENT SURVIVING

AGE IN YEARS

◇ 1995-2004    — 70 L1.5



STUDY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*  
ACCOUNT NO.: 36100000

6-21-2005

## AVERAGE AGE AT RETIREMENT BY RETIREMENT YEAR

RETIREMENT YEAR -----	RETIREMENTS -----	AVERAGE AGE -----
1960	968.	13.00
1961	11229.	16.05
1962	627.	33.44
1963	4216.	21.08
1964	3310.	32.40
1965	10618.	35.99
1966	1605.	25.83
1967	2475.	29.18
1968	4542.	30.25
1969	5440.	33.70
1970	269.	34.00
1971	1290.	33.00
1972	2141.	14.70
1973	9244.	23.68
1974	3527.	25.39
1975	4142.	38.13
1976	744.	30.84
1978	1144.	1.00
1979	99.	2.00
1980	5482.	35.33
1981	11139.	19.60
1983	489.	25.41
1984	15027.	25.14
1985	159.	17.00
1986	2048.	46.18
1987	4659.	11.85
1988	3211.	45.96
1989	6295.	33.77
1990	2108.	11.77
1991	4188.	22.48
1993	972.	5.00
1994	19675.	22.00
1995	2757.	21.26
1996	5030.	35.65
1997	6522.	18.48

STUDY AS OF DECEMBER 31, 2004

PAGE 2

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*  
ACCOUNT NO.: 36100000

6-21-2005

AVERAGE AGE AT RETIREMENT BY RETIREMENT YEAR

RETIREMENT YEAR	RETIREMENTS	AVERAGE AGE
-----	-----	-----
1998	57059.	10.83
1999	462.	23.70
2004	370.	54.00
TOTAL	215282.	

STUDY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

ACCOUNT NO.: 36100000

## SURVIVORS AND RETIREMENTS BY VINTAGE YEAR

VINTAGE YEAR -----	SURVIVORS -----	RETIREMENTS -----	CALCULATED ADDITIONS -----
1915	0.	83.	83.
1916	0.	801.	801.
1918	0.	878.	878.
1919	0.	436.	436.
1923	0.	7034.	7034.
1924	0.	7574.	7574.
1927	0.	2025.	2025.
1928	0.	3281.	3281.
1929	0.	3524.	3524.
1930	0.	174.	174.
1931	0.	790.	790.
1933	0.	873.	873.
1936	0.	3075.	3075.
1937	0.	1870.	1870.
1938	25392.	12222.	37614.
1939	0.	1273.	1273.
1940	3539.	2674.	6213.
1941	140.	3170.	3310.
1942	977.	436.	1413.
1943	1672.	195.	1867.
1944	0.	13050.	13050.
1945	946.	436.	1382.
1946	42.	1307.	1349.
1947	2508.	1148.	3656.
1948	5174.	1431.	6605.
1949	3862.	1463.	5325.
1950	3772.	951.	4723.
1951	2866.	1286.	4152.
1952	4482.	4303.	8785.
1953	9315.	0.	9315.
1954	4906.	179.	5085.
1955	863.	176.	1039.
1956	6180.	3718.	9898.
1957	6356.	2343.	8699.
1958	0.	3991.	3991.

STUDY AS OF DECEMBER 31, 2004

PAGE 2

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

ACCOUNT NO.: 36100000

## SURVIVORS AND RETIREMENTS BY VINTAGE YEAR

VINTAGE YEAR	SURVIVORS	RETIREMENTS	CALCULATED ADDITIONS
1959	193.	60.	253.
1960	291.	384.	675.
1961	1585.	916.	2501.
1962	190.	76.	266.
1963	5277.	49.	5326.
1964	495.	5792.	6287.
1965	2019.	214.	2233.
1966	31096.	698.	31794.
1967	15108.	5754.	20862.
1968	20793.	4490.	25283.
1969	6970.	298.	7268.
1970	13257.	1159.	14416.
1971	60176.	1295.	61471.
1972	49794.	21049.	70843.
1973	44691.	2244.	46935.
1974	62865.	8544.	71409.
1975	72704.	290.	72994.
1976	24921.	526.	25447.
1977	83665.	12619.	96284.
1978	44891.	1617.	46508.
1979	5950.	1563.	7513.
1980	377317.	801.	378118.
1981	103951.	2761.	106712.
1982	106010.	0.	106010.
1983	7053.	0.	7053.
1984	10503.	0.	10503.
1985	119083.	1416.	120499.
1986	156173.	0.	156173.
1987	127890.	808.	128698.
1988	35799.	972.	36771.
1989	33374.	38153.	71527.
1990	32711.	984.	33695.
1991	344187.	7771.	351958.
1992	112019.	616.	112635.
1993	254730.	0.	254730.

STUDY AS OF DECEMBER 31, 2004

PAGE 3

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

ACCOUNT NO.: 36100000

## SURVIVORS AND RETIREMENTS BY VINTAGE YEAR

VINTAGE YEAR	SURVIVORS	RETIREMENTS	CALCULATED ADDITIONS
-----	-----	-----	-----
1994	104061.	3122.	107183.
1995	605128.	0.	605128.
1996	37436.	0.	37436.
1997	67937.	71.	68008.
1998	30887.	0.	30887.
1999	392814.	0.	392814.
2000	100753.	0.	100753.
2001	7028.	0.	7028.
2002	38514.	0.	38514.
2003	395784.	0.	395784.
TOTALS	4231065.	215282.	4446347.

THE AVERAGE AGE OF THE SURVIVING BALANCE IS 15.48 YEARS

STUDY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

ACCOUNT NO.: 36100000

## 1965 THRU 2004 BAND ANALYSIS SURVIVOR REPORT

AGE	RETIREMENTS	EXPOSURES	ANNUAL % SURVIVORS	CUMULATIVE % SURVIVORS
---	-----	-----	-----	-----
0.50	0.	4259877.	100.00	100.00
1.50	1747.	4266164.	99.96	99.96
2.50	1155.	3873959.	99.97	99.93
3.50	3555.	3834556.	99.91	99.84
4.50	3444.	3826474.	99.91	99.75
5.50	1793.	3722568.	99.95	99.70
6.50	3880.	3328214.	99.88	99.58
7.50	17098.	3297438.	99.48	99.07
8.50	808.	3221102.	99.97	99.04
9.50	38290.	3192381.	98.80	97.85
10.50	1139.	2549912.	99.96	97.81
11.50	1676.	2449797.	99.93	97.74
12.50	1008.	2202706.	99.95	97.70
13.50	1550.	2098464.	99.93	97.63
14.50	1888.	1756879.	99.89	97.52
15.50	905.	1727003.	99.95	97.47
16.50	3305.	1698049.	99.81	97.28
17.50	9268.	1665550.	99.44	96.74
18.50	263.	1531080.	99.98	96.72
19.50	1537.	1375223.	99.89	96.61
20.50	140.	1255985.	99.99	96.60
21.50	2932.	1245757.	99.76	96.38
22.50	21508.	1237444.	98.26	94.70
23.50	158.	1111339.	99.99	94.69
24.50	13816.	1010540.	98.63	93.39
25.50	991.	625620.	99.84	93.24
26.50	308.	619952.	99.95	93.20
27.50	4456.	612367.	99.27	92.52
28.50	3407.	524459.	99.35	91.92
29.50	2600.	499206.	99.48	91.44
30.50	726.	423902.	99.83	91.28
31.50	2506.	360311.	99.30	90.65
32.50	1985.	313987.	99.37	90.08
33.50	2658.	262208.	98.99	89.16
34.50	2247.	200164.	98.88	88.16
35.50	787.	184660.	99.57	87.79

STUDY AS OF DECEMBER 31, 2004

PAGE 2

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

ACCOUNT NO.: 36100000

## 1965 THRU 2004 BAND ANALYSIS SURVIVOR REPORT

AGE	RETIREMENTS	EXPOSURES	ANNUAL % SURVIVORS	CUMULATIVE % SURVIVORS
36.50	1111.	178573.	99.38	87.24
37.50	4615.	158702.	97.09	84.70
38.50	3124.	141004.	97.78	82.83
39.50	1141.	106784.	98.93	81.94
40.50	200.	103624.	99.81	81.78
41.50	6881.	110503.	93.77	76.69
42.50	2638.	105379.	97.50	74.77
43.50	100.	102551.	99.90	74.70
44.50	746.	100866.	99.26	74.15
45.50	1679.	99829.	98.32	72.90
46.50	0.	98393.	100.00	72.90
47.50	449.	99271.	99.55	72.57
48.50	1362.	92466.	98.53	71.50
49.50	0.	85725.	100.00	71.50
50.50	2829.	84945.	96.67	69.12
51.50	3077.	77210.	96.01	66.36
52.50	0.	64818.	100.00	66.36
53.50	0.	60336.	100.00	66.36
54.50	370.	57470.	99.36	65.94
55.50	483.	53328.	99.09	65.34
56.50	261.	48983.	99.47	64.99
57.50	111.	43548.	99.75	64.83
58.50	1262.	40929.	96.92	62.83
59.50	0.	39625.	100.00	62.83
60.50	83.	38679.	99.79	62.69
61.50	5484.	38596.	85.79	53.78
62.50	852.	31440.	97.29	52.33
63.50	0.	29611.	100.00	52.33
64.50	540.	29471.	98.17	51.37
65.50	0.	25392.	100.00	51.37
66.50	0.	25392.	100.00	51.37

TOTAL 194932.

REALIZED LIFE = 55.53 YEARS

STUDY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

ACCOUNT NO.: 36100000

## 1985 THRU 2004 BAND ANALYSIS SURVIVOR REPORT

AGE	RETIREMENTS	EXPOSURES	ANNUAL % SURVIVORS	CUMULATIVE % SURVIVORS
---	-----	-----	-----	-----
0.50	0.	3050221.	100.00	100.00
1.50	234.	3060724.	99.99	99.99
2.50	1056.	2671759.	99.96	99.95
3.50	829.	2738199.	99.97	99.92
4.50	2497.	2837054.	99.91	99.83
5.50	1793.	3111553.	99.94	99.78
6.50	2769.	2724459.	99.90	99.68
7.50	6923.	2735694.	99.75	99.42
8.50	363.	2744863.	99.99	99.41
9.50	38153.	2732511.	98.60	98.02
10.50	314.	2161934.	99.99	98.01
11.50	1676.	2128968.	99.92	97.93
12.50	808.	1919052.	99.96	97.89
13.50	359.	1877068.	99.98	97.87
14.50	599.	1593168.	99.96	97.83
15.50	402.	1574074.	99.97	97.81
16.50	2174.	1547366.	99.86	97.67
17.50	953.	1533164.	99.94	97.61
18.50	193.	1423898.	99.99	97.60
19.50	1278.	1299238.	99.90	97.50
20.50	106.	1181110.	99.99	97.49
21.50	581.	1172968.	99.95	97.44
22.50	20039.	1170660.	98.29	95.78
23.50	80.	1044801.	99.99	95.77
24.50	12591.	943271.	98.67	94.49
25.50	939.	553654.	99.83	94.33
26.50	158.	546958.	99.97	94.30
27.50	1314.	504967.	99.74	94.06
28.50	916.	426544.	99.79	93.86
29.50	351.	407237.	99.91	93.78
30.50	726.	335045.	99.78	93.57
31.50	491.	276460.	99.82	93.41
32.50	1972.	240593.	99.18	92.64
33.50	0.	193309.	100.00	92.64
34.50	0.	135999.	100.00	92.64
35.50	49.	126884.	99.96	92.60



STUDY AS OF DECEMBER 31, 2004

PAGE 2

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

ACCOUNT NO.: 36100000

## 1985 THRU 2004 BAND ANALYSIS SURVIVOR REPORT

AGE	RETIREMENTS	EXPOSURES	ANNUAL % SURVIVORS	CUMULATIVE % SURVIVORS
-----	-----	-----	-----	-----
36.50	0.	123727.	100.00	92.60
37.50	0.	108108.	100.00	92.60
38.50	3058.	95508.	96.80	89.64
39.50	350.	61396.	99.43	89.13
40.50	200.	59973.	99.67	88.83
41.50	0.	59278.	100.00	88.83
42.50	0.	55673.	100.00	88.83
43.50	100.	56460.	99.82	88.67
44.50	0.	54915.	100.00	88.67
45.50	0.	58163.	100.00	88.67
46.50	0.	57970.	100.00	88.67
47.50	0.	90630.	100.00	88.67
48.50	1362.	84274.	98.38	87.24
49.50	0.	76732.	100.00	87.24
50.50	2829.	75869.	96.27	83.99
51.50	3077.	68134.	95.48	80.19
52.50	0.	55742.	100.00	80.19
53.50	0.	51260.	100.00	80.19
54.50	370.	48877.	99.24	79.59
55.50	483.	44735.	98.92	78.73
56.50	0.	40390.	100.00	78.73
57.50	0.	35216.	100.00	78.73
58.50	0.	32708.	100.00	78.73
59.50	0.	32666.	100.00	78.73
60.50	0.	31720.	100.00	78.73
61.50	0.	31720.	100.00	78.73
62.50	0.	30048.	100.00	78.73
63.50	0.	29071.	100.00	78.73
64.50	0.	28931.	100.00	78.73
65.50	0.	25392.	100.00	78.73
66.50	0.	25392.	100.00	78.73

TOTAL 115515.

REALIZED LIFE = 60.80 YEARS

STUDY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

ACCOUNT NO.: 36100000

## 1995 THRU 2004 BAND ANALYSIS SURVIVOR REPORT

AGE	RETIREMENTS	EXPOSURES	ANNUAL % SURVIVORS	CUMULATIVE % SURVIVORS
0.50	0.	1676352.	100.00	100.00
1.50	71.	1783535.	100.00	100.00
2.50	0.	1642410.	100.00	100.00
3.50	625.	1716531.	99.96	99.96
4.50	2497.	2060836.	99.88	99.84
5.50	821.	1991118.	99.96	99.80
6.50	1464.	1669010.	99.91	99.71
7.50	6923.	1672458.	99.59	99.30
8.50	0.	1725644.	100.00	99.30
9.50	38153.	1844381.	97.93	97.24
10.50	156.	1320991.	99.99	97.23
11.50	0.	1227277.	100.00	97.23
12.50	808.	979600.	99.92	97.15
13.50	0.	972783.	100.00	97.15
14.50	0.	733482.	100.00	97.15
15.50	0.	1078520.	100.00	97.15
16.50	935.	1051096.	99.91	97.06
17.50	432.	1059253.	99.96	97.03
18.50	0.	1014960.	100.00	97.03
19.50	127.	883965.	99.99	97.01
20.50	0.	837459.	100.00	97.01
21.50	130.	898365.	99.99	97.00
22.50	364.	936013.	99.96	96.96
23.50	0.	879830.	100.00	96.96
24.50	8684.	836419.	98.96	95.95
25.50	871.	464272.	99.81	95.77
26.50	158.	464519.	99.97	95.74
27.50	1314.	441599.	99.70	95.46
28.50	0.	372356.	100.00	95.46
29.50	351.	379022.	99.91	95.37
30.50	726.	307986.	99.76	95.14
31.50	491.	246862.	99.80	94.95
32.50	1972.	207006.	99.05	94.05
33.50	0.	155430.	100.00	94.05
34.50	0.	96839.	100.00	94.05
35.50	49.	83873.	99.94	93.99

STUDY AS OF DECEMBER 31, 2004

PAGE 2

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

ACCOUNT NO.: 36100000

## 1995 THRU 2004 BAND ANALYSIS SURVIVOR REPORT

AGE	RETIREMENTS	EXPOSURES	ANNUAL % SURVIVORS	CUMULATIVE % SURVIVORS
---	-----	-----	-----	-----
36.50	0.	77047.	100.00	93.99
37.50	0.	59312.	100.00	93.99
38.50	3058.	50760.	93.98	88.33
39.50	350.	23136.	98.49	86.99
40.50	200.	21630.	99.08	86.19
41.50	0.	25941.	100.00	86.19
42.50	0.	29979.	100.00	86.19
43.50	100.	34271.	99.71	85.94
44.50	0.	35452.	100.00	85.94
45.50	0.	39303.	100.00	85.94
46.50	0.	42972.	100.00	85.94
47.50	0.	48146.	100.00	85.94
48.50	0.	44298.	100.00	85.94
49.50	0.	38160.	100.00	85.94
50.50	0.	38243.	100.00	85.94
51.50	0.	33337.	100.00	85.94
52.50	0.	25694.	100.00	85.94
53.50	0.	22189.	100.00	85.94
54.50	370.	19463.	98.10	84.31
55.50	0.	18860.	100.00	84.31
56.50	0.	14998.	100.00	84.31
57.50	0.	35216.	100.00	84.31
58.50	0.	32708.	100.00	84.31
59.50	0.	32666.	100.00	84.31
60.50	0.	31720.	100.00	84.31
61.50	0.	31720.	100.00	84.31
62.50	0.	30048.	100.00	84.31
63.50	0.	29071.	100.00	84.31
64.50	0.	28931.	100.00	84.31
65.50	0.	25392.	100.00	84.31
66.50	0.	25392.	100.00	84.31

TOTAL 72200.

REALIZED LIFE = 61.57 YEARS

KENTUCKY POWER COMPANY  
 Depreciation Study as of December 31, 2004  
 Distribution Plant

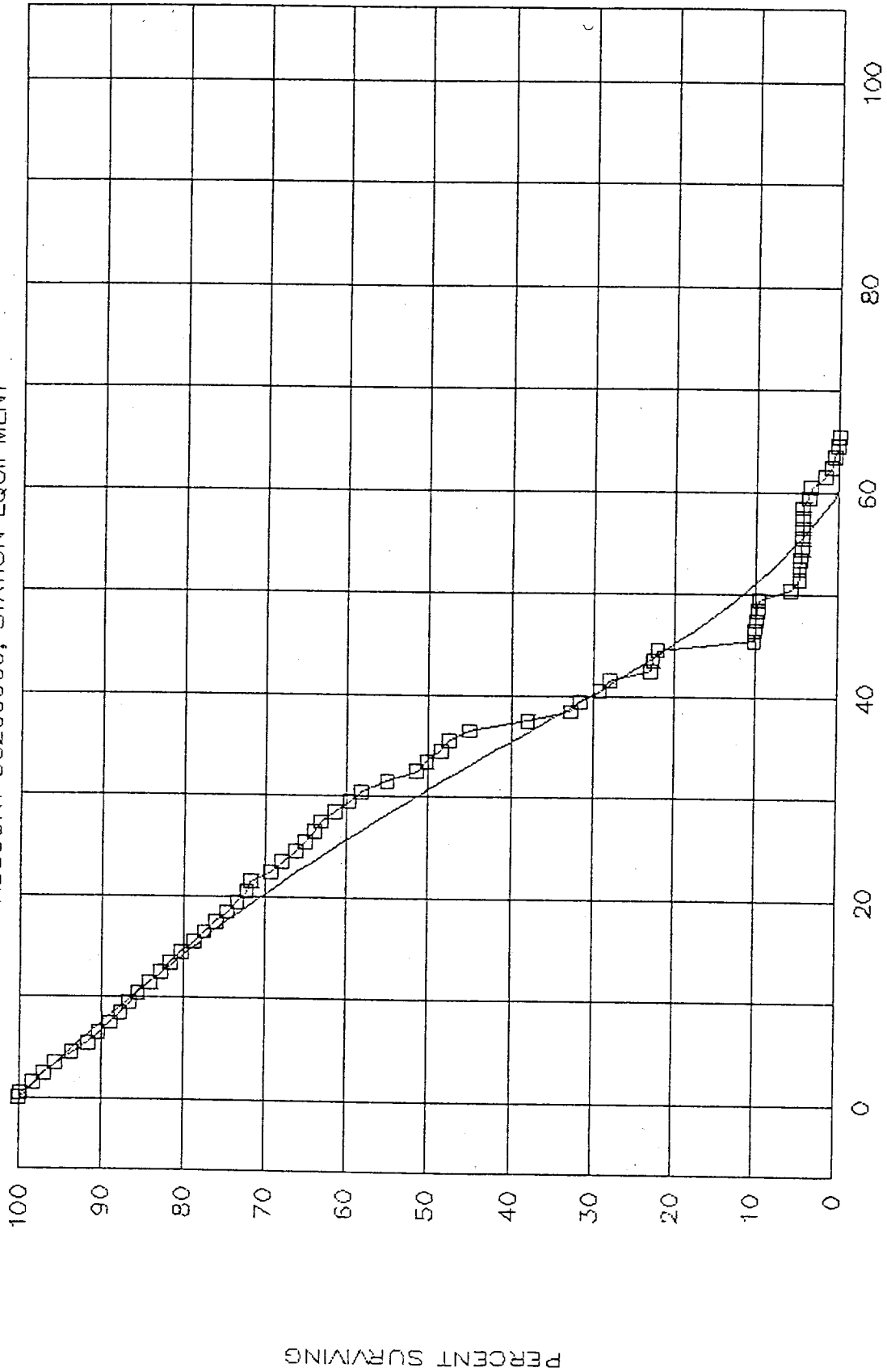
Account	<u>362 STATION EQUIPMENT</u>	
Depreciable Balance	\$42,017,840	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	25	30
Iowa Curve	LO.0	RO.5
Gross Removal, %		35%
Gross Salvage, %		35%
Net Salvage %	25%	0%

\*\*\*\*\*  
 The investment in this account has experienced a complete life cycle. Based on the results of the actuarial analyses, the recommendation is to move to a 30 year average service life following an RO.5 type dispersion.

Scrap sales of substation equipment and reuse salvage are expected from the retirement of investments in this account. However, the cost to remove the equipment is expected to offset any salvage realized. The recommendation is for a gross salvage of 35% and a gross removal of 35%.

# KENTUCKY POWER COMPANY

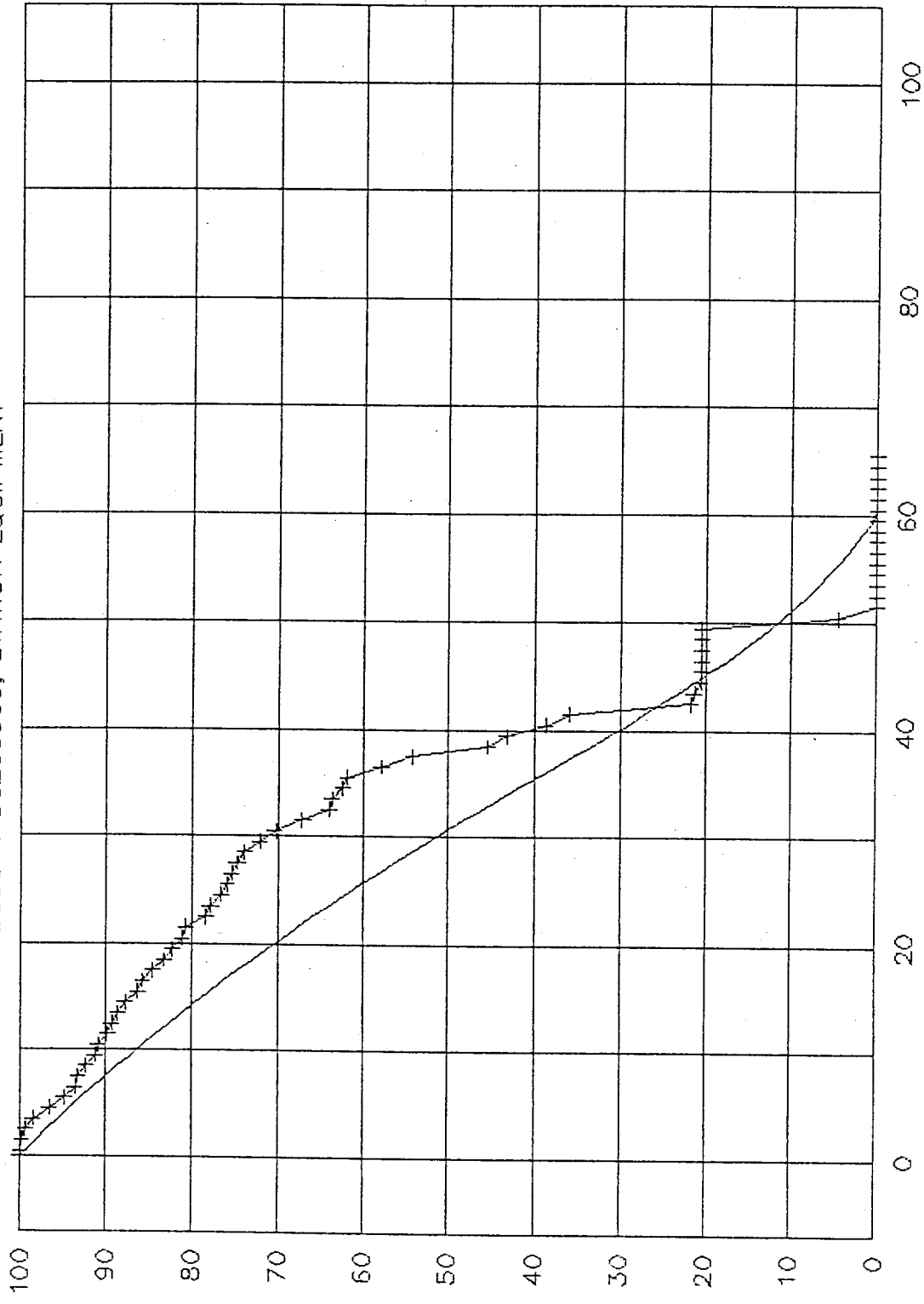
ACCOUNT 36200000, STATION EQUIPMENT



AGE IN YEARS  
□ 1965-2004 — 30 R0.5

# KENTUCKY POWER COMPANY

ACCOUNT 36200000, STATION EQUIPMENT



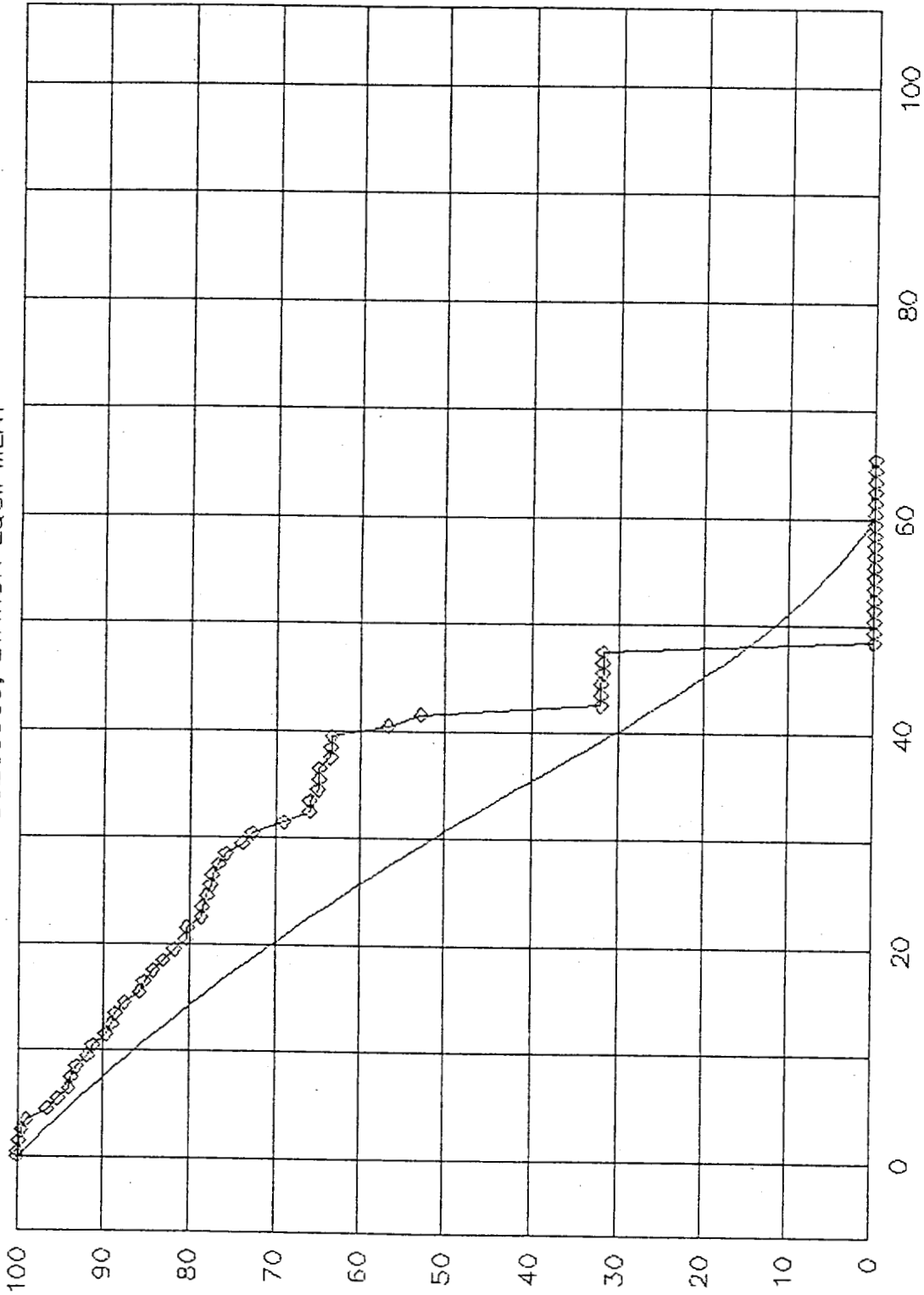
PERCENT SURVIVING

AGE IN YEARS

+ 1985-2004 — 30 R0.5

# KENTUCKY POWER COMPANY

ACCOUNT 36200000, STATION EQUIPMENT



AGE IN YEARS  
◇ 1995-2004 — 30 RO.5

PERCENT SURVIVING

STUDY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

ACCOUNT NO.: 36200000

## AVERAGE AGE AT RETIREMENT BY RETIREMENT YEAR

RETIREMENT YEAR -----	RETIREMENTS -----	AVERAGE AGE -----
1954	57929.	7.54
1955	58462.	6.46
1956	71433.	10.70
1957	80288.	9.21
1958	46232.	8.21
1959	93506.	12.95
1960	63792.	11.37
1961	296434.	15.48
1962	53140.	12.28
1963	124049.	17.46
1964	150311.	13.71
1965	144493.	14.42
1966	124423.	12.46
1967	197828.	14.77
1968	298924.	18.39
1969	303857.	10.60
1970	167256.	14.84
1971	189493.	9.77
1972	179582.	10.98
1973	434421.	15.03
1974	94132.	7.23
1975	325372.	25.29
1976	482265.	10.42
1977	252200.	7.84
1978	600488.	5.95
1979	203011.	10.27
1980	489660.	12.29
1981	961140.	9.96
1982	196085.	8.84
1983	128249.	15.63
1984	293708.	4.87
1985	376843.	7.89
1986	199948.	17.39
1987	331975.	12.42
1988	151011.	25.01



STUDY AS OF DECEMBER 31, 2004

PAGE 2

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

ACCOUNT NO.: 36200000

## AVERAGE AGE AT RETIREMENT BY RETIREMENT YEAR

RETIREMENT YEAR -----	RETIREMENTS -----	AVERAGE AGE -----
1989	259802.	14.42
1990	289306.	15.99
1991	308865.	11.41
1992	107270.	9.25
1993	176465.	14.65
1994	267934.	15.70
1995	287579.	6.11
1996	454597.	13.65
1997	734060.	14.31
1998	430669.	10.49
1999	133384.	12.72
2000	430936.	12.95
2001	543501.	8.91
2002	163287.	17.15
2003	448926.	18.39
2004	325880.	28.11
TOTAL	13584401.	

STUDY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

ACCOUNT NO.: 36200000

## SURVIVORS AND RETIREMENTS BY VINTAGE YEAR

VINTAGE YEAR -----	SURVIVORS -----	RETIREMENTS -----	CALCULATED ADDITIONS -----
1914	0.	1076.	1076.
1915	0.	2128.	2128.
1916	0.	5597.	5597.
1917	0.	834.	834.
1918	0.	11798.	11798.
1919	0.	5052.	5052.
1920	0.	10124.	10124.
1922	0.	15053.	15053.
1923	0.	3744.	3744.
1924	0.	7568.	7568.
1926	0.	1821.	1821.
1927	0.	11349.	11349.
1928	0.	9402.	9402.
1929	0.	57930.	57930.
1930	0.	201686.	201686.
1931	0.	65742.	65742.
1933	0.	5124.	5124.
1935	0.	3772.	3772.
1936	0.	43491.	43491.
1937	0.	1619.	1619.
1938	0.	161613.	161613.
1939	0.	3476.	3476.
1940	0.	45878.	45878.
1941	0.	28271.	28271.
1942	0.	28356.	28356.
1943	0.	4861.	4861.
1944	0.	86257.	86257.
1945	0.	33543.	33543.
1946	0.	25250.	25250.
1947	0.	67062.	67062.
1948	0.	246949.	246949.
1949	0.	344820.	344820.
1950	0.	205717.	205717.
1951	0.	148264.	148264.
1952	0.	217608.	217608.

STUDY AS OF DECEMBER 31, 2004

PAGE 2

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

ACCOUNT NO.: 36200000

## SURVIVORS AND RETIREMENTS BY VINTAGE YEAR

VINTAGE YEAR -----	SURVIVORS -----	RETIREMENTS -----	CALCULATED ADDITIONS -----
1953	0.	158849.	158849.
1954	0.	130250.	130250.
1955	0.	192165.	192165.
1956	0.	287400.	287400.
1957	20361.	95143.	115504.
1958	0.	141605.	141605.
1959	0.	100072.	100072.
1960	15707.	98316.	114023.
1961	28679.	126965.	155644.
1962	10264.	120654.	130918.
1963	72112.	161588.	233700.
1964	22891.	225624.	248515.
1965	1206.	159574.	160780.
1966	57193.	334422.	391615.
1967	118552.	331532.	450084.
1968	141216.	299732.	440948.
1969	34268.	466168.	500436.
1970	207636.	263548.	471184.
1971	298370.	274107.	572477.
1972	768573.	289230.	1057803.
1973	503705.	371228.	874933.
1974	338222.	332657.	670879.
1975	370883.	174146.	545029.
1976	154083.	392691.	546774.
1977	841945.	485729.	1327674.
1978	1148752.	618518.	1767270.
1979	495787.	31640.	527427.
1980	2567304.	851200.	3418504.
1981	892404.	503611.	1396015.
1982	1482602.	99668.	1582270.
1983	736688.	483872.	1220560.
1984	665308.	127706.	793014.
1985	723178.	214393.	937571.
1986	1579253.	308790.	1888043.
1987	1802903.	198736.	2001639.

STUDY AS OF DECEMBER 31, 2004

PAGE 3

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

ACCOUNT NO.: 36200000

## SURVIVORS AND RETIREMENTS BY VINTAGE YEAR

VINTAGE YEAR -----	SURVIVORS -----	RETIREMENTS -----	CALCULATED ADDITIONS -----
1988	324381.	44634.	369015.
1989	540569.	284745.	825314.
1990	407766.	47959.	455725.
1991	1609389.	316716.	1926105.
1992	1048094.	359991.	1408085.
1993	3416492.	316020.	3732512.
1994	1404566.	262662.	1667228.
1995	4528130.	49627.	4577757.
1996	1914440.	7009.	1921449.
1997	1721502.	295159.	2016661.
1998	903329.	21898.	925227.
1999	1154441.	7023.	1161464.
2000	1776897.	2124.	1779021.
2001	2115933.	0.	2115933.
2002	728048.	4470.	732518.
2003	1894746.	0.	1894746.
2004	429072.	0.	429072.
TOTALS	42017840.	13584401.	55602241.

THE AVERAGE AGE OF THE SURVIVING BALANCE IS 14.40 YEARS

STUDY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

ACCOUNT NO.: 36200000

## 1965 THRU 2004 BAND ANALYSIS SURVIVOR REPORT

AGE	RETIREMENTS	EXPOSURES	ANNUAL % SURVIVORS	CUMULATIVE % SURVIVORS
---	-----	-----	-----	-----
0.50	97704.	51480761.	99.81	99.81
1.50	798967.	51198845.	98.44	98.25
2.50	614717.	48738832.	98.74	97.01
3.50	723641.	47526816.	98.48	95.54
4.50	898161.	44816505.	98.00	93.62
5.50	898326.	42244754.	97.87	91.63
6.50	582429.	40272505.	98.55	90.31
7.50	587318.	38907054.	98.49	88.94
8.50	528566.	36705678.	98.56	87.66
9.50	428030.	34434926.	98.76	86.57
10.50	346286.	29629890.	98.83	85.56
11.50	504050.	27964856.	98.20	84.02
12.50	356531.	24180674.	98.53	82.78
13.50	307502.	22917082.	98.66	81.67
14.50	361896.	21124232.	98.29	80.27
15.50	379757.	20465181.	98.14	78.78
16.50	327415.	19798028.	98.35	77.48
17.50	358289.	19282453.	98.14	76.04
18.50	314513.	17158907.	98.17	74.64
19.50	238233.	15274056.	98.44	73.48
20.50	231467.	14341846.	98.39	72.29
21.50	68835.	13458774.	99.49	71.92
22.50	465033.	12654782.	96.33	69.28
23.50	204297.	10734166.	98.10	67.96
24.50	233351.	9651383.	97.58	66.32
25.50	128524.	6879364.	98.13	65.08
26.50	106435.	6257683.	98.30	63.97
27.50	59916.	5091523.	98.82	63.22
28.50	117564.	4190285.	97.19	61.45
29.50	113482.	3953399.	97.13	59.68
30.50	88672.	3472806.	97.45	58.16
31.50	162910.	3045912.	94.65	55.05
32.50	154935.	2383919.	93.50	51.47
33.50	33478.	1460411.	97.71	50.29
34.50	42478.	1187645.	96.42	48.49
35.50	21410.	1073275.	98.01	47.52

STUDY AS OF DECEMBER 31, 2004

PAGE 2

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

ACCOUNT NO.: 36200000

## 1965 THRU 2004 BAND ANALYSIS SURVIVOR REPORT

AGE	RETIREMENTS	EXPOSURES	ANNUAL % SURVIVORS	CUMULATIVE % SURVIVORS
---	-----	-----	-----	-----
36.50	53875.	1028370.	94.76	45.03
37.50	132001.	841670.	84.32	37.97
38.50	80912.	591526.	86.32	32.78
39.50	16809.	455242.	96.31	31.57
40.50	33572.	437227.	92.32	29.14
41.50	15163.	385371.	96.07	28.00
42.50	54559.	301021.	81.88	22.92
43.50	2981.	251251.	98.81	22.65
44.50	5703.	219591.	97.40	22.06
45.50	112062.	208305.	46.20	10.19
46.50	1647.	101295.	98.37	10.03
47.50	823.	105983.	99.22	9.95
48.50	1838.	84799.	97.83	9.73
49.50	917.	88558.	98.96	9.63
50.50	36688.	89769.	59.13	5.70
51.50	10337.	54157.	80.91	4.61
52.50	0.	43820.	100.00	4.61
53.50	954.	43820.	97.82	4.51
54.50	906.	42866.	97.89	4.41
55.50	870.	41960.	97.93	4.32
56.50	379.	41090.	99.08	4.28
57.50	0.	40711.	100.00	4.28
58.50	0.	40711.	100.00	4.28
59.50	6534.	40711.	83.95	3.59
60.50	2128.	34177.	93.77	3.37
61.50	16211.	32049.	49.42	1.67
62.50	7606.	15838.	51.98	0.87
63.50	3014.	8232.	63.39	0.55
64.50	4350.	5218.	16.63	0.09
65.50	868.	868.	0.00	0.00

TOTAL . 12488825.

REALIZED LIFE = 30.69 YEARS

STUDY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

ACCOUNT NO.: 36200000

## 1985 THRU 2004 BAND ANALYSIS SURVIVOR REPORT

AGE	RETIREMENTS	EXPOSURES	ANNUAL % SURVIVORS	CUMULATIVE % SURVIVORS
---	-----	-----	-----	-----
0.50	16504.	32765085.	99.95	99.95
1.50	71990.	33112523.	99.78	99.73
2.50	133723.	32278569.	99.59	99.32
3.50	285147.	32970075.	99.14	98.46
4.50	625139.	31801559.	98.03	96.52
5.50	564447.	32436549.	98.26	94.85
6.50	450713.	31234552.	98.56	93.48
7.50	93717.	31475245.	99.70	93.20
8.50	337381.	30623433.	98.90	92.17
9.50	306416.	28667627.	98.93	91.19
10.50	100658.	24319857.	99.59	90.81
11.50	279618.	23360013.	98.80	89.72
12.50	105037.	20327064.	99.48	89.26
13.50	155477.	20130378.	99.23	88.57
14.50	190689.	18723813.	98.98	87.67
15.50	283253.	18376580.	98.46	86.32
16.50	117148.	17682504.	99.34	85.74
17.50	242738.	17467360.	98.61	84.55
18.50	245971.	15569777.	98.42	83.22
19.50	166939.	13918842.	98.80	82.22
20.50	176118.	13035785.	98.65	81.11
21.50	53306.	12264638.	99.57	80.75
22.50	342513.	11587514.	97.04	78.37
23.50	56456.	9831633.	99.43	77.92
24.50	143057.	8925599.	98.40	76.67
25.50	57276.	6232339.	99.08	75.96
26.50	37800.	5689407.	99.34	75.46
27.50	37642.	4536661.	99.17	74.83
28.50	40622.	3684271.	98.90	74.01
29.50	87092.	3505514.	97.52	72.17
30.50	73737.	3052959.	97.58	70.43
31.50	119731.	2645291.	95.47	67.24
32.50	93275.	2022914.	95.39	64.14
33.50	8224.	1162370.	99.29	63.68
34.50	16603.	858466.	98.07	62.45
35.50	5200.	684225.	99.24	61.98

STUDY AS OF DECEMBER 31, 2004

PAGE 2

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

ACCOUNT NO.: 36200000

## 1985 THRU 2004 BAND ANALYSIS SURVIVOR REPORT

AGE	RETIREMENTS	EXPOSURES	ANNUAL % SURVIVORS	CUMULATIVE % SURVIVORS
---	-----	-----	-----	-----
36.50	46681.	722705.	93.54	57.98
37.50	34268.	537609.	93.63	54.28
38.50	65260.	398711.	83.63	45.40
39.50	12925.	276258.	95.32	43.27
40.50	28029.	262377.	89.32	38.65
41.50	15055.	211457.	92.88	35.90
42.50	48994.	124290.	60.58	21.75
43.50	1160.	67391.	98.28	21.37
44.50	1312.	37552.	96.51	20.63
45.50	172.	20533.	99.16	20.45
46.50	0.	20361.	100.00	20.45
47.50	0.	67386.	100.00	20.45
48.50	0.	47025.	100.00	20.45
49.50	0.	47025.	100.00	20.45
50.50	36688.	47025.	21.98	4.50
51.50	10337.	10337.	0.00	0.00
TOTAL	6422238.			

REALIZED LIFE = 34.30 YEARS



STUDY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

ACCOUNT NO.: 36200000

## 1995 THRU 2004 BAND ANALYSIS SURVIVOR REPORT

AGE	RETIREMENTS	EXPOSURES	ANNUAL % SURVIVORS	CUMULATIVE % SURVIVORS
---	-----	-----	-----	-----
0.50	107.	17553848.	100.00	100.00
1.50	36183.	18791897.	99.81	99.81
2.50	49471.	20593480.	99.76	99.57
3.50	127263.	21200221.	99.40	98.97
4.50	515023.	20861630.	97.53	96.53
5.50	242898.	19013832.	98.72	95.29
6.50	253791.	18427243.	98.62	93.98
7.50	44388.	17621519.	99.75	93.74
8.50	124064.	17803623.	99.30	93.09
9.50	248524.	17541326.	98.58	91.77
10.50	86838.	13585260.	99.36	91.19
11.50	221080.	12785468.	98.27	89.61
12.50	75399.	10062409.	99.25	88.94
13.50	45917.	10462000.	99.56	88.55
14.50	120996.	9768216.	98.76	87.45
15.50	234051.	11913263.	98.04	85.73
16.50	66752.	11636211.	99.43	85.24
17.50	156991.	12778027.	98.77	84.19
18.50	160952.	11770104.	98.63	83.04
19.50	157275.	10184679.	98.46	81.76
20.50	155847.	9784238.	98.41	80.46
21.50	22435.	9424437.	99.76	80.27
22.50	186155.	9306204.	98.00	78.66
23.50	17512.	8432573.	99.79	78.50
24.50	52776.	7863535.	99.33	77.97
25.50	25518.	5480788.	99.53	77.61
26.50	15357.	5029346.	99.69	77.37
27.50	37642.	4021228.	99.06	76.65
28.50	33323.	3267472.	98.98	75.86
29.50	82206.	3147052.	97.39	73.88
30.50	40495.	2695169.	98.50	72.77
31.50	119579.	2377357.	94.97	69.11
32.50	81998.	1862541.	95.60	66.07
33.50	625.	1068774.	99.94	66.03
34.50	11265.	802217.	98.60	65.10
35.50	976.	599219.	99.84	65.00

STUDY AS OF DECEMBER 31, 2004

PAGE 2

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*  
 ACCOUNT NO.: 36200000

6-21-2005

## 1995 THRU 2004 BAND ANALYSIS SURVIVOR REPORT

AGE	RETIREMENTS	EXPOSURES	ANNUAL % SURVIVORS	CUMULATIVE % SURVIVORS
---	-----	-----	-----	-----
36.50	197.	564182.	99.97	64.97
37.50	8986.	425618.	97.89	63.60
38.50	410.	320377.	99.87	63.52
39.50	207.	262774.	99.92	63.47
40.50	27530.	261361.	89.47	56.79
41.50	14651.	210940.	93.05	52.84
42.50	48994.	124177.	60.55	31.99
43.50	0.	64919.	100.00	31.99
44.50	0.	36240.	100.00	31.99
45.50	172.	20533.	99.16	31.72
46.50	0.	20361.	100.00	31.72
47.50	0.	20361.	100.00	31.72

TOTAL 3952819.

NORMALIZED LIFE = 35.66 YEARS

KENTUCKY POWER COMPANY  
 Depreciation Study as of December 31, 2004  
 Distribution Plant

Account	<u>364 POLES, TOWERS &amp; FIXTURES</u>	
Depreciable Balance	\$124,672,243	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	28	28
Iowa Curve	LO.0	RO.5
Gross Removal, %		65%
Gross Salvage, %		25%
Net Salvage %	25%	-40%

\*\*\*\*\*  
 The simulation analyses indicate that an average service life of 28 years continues to be appropriate for this account. However, the dispersion type should be changed to an RO.5

Distribution poles are replaced more frequently than transmission poles and there is a possibility that the equipment attached to the poles will experience reuse salvage. However, the labor and transportation costs involved in pole replacements are significant. The recommendation is for a gross salvage of 25% and a removal cost of 65%.

STUDY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

LIFE ANALYSIS DATA IN DOLLARS  
FOR ACCOUNT 36400000

YEAR	ADDITIONS	RETIREMENTS	YEAR	ADDITIONS	RETIREMENTS
1936	861093.	0.	1970	840500.	269359.
1937	146719.	139472.	1971	1229340.	314758.
1938	160568.	160633.	1972	1255246.	292633.
1939	181871.	86380.	1973	1515199.	360031.
1940	206783.	83909.	1974	1552522.	299128.
1941	118223.	48820.	1975	1611041.	258071.
1942	117724.	4914.	1976	2270319.	328987.
1943	39257.	42381.	1977	3061702.	378298.
1944	61306.	15239.	1978	3251569.	541825.
1945	176492.	14956.	1979	3884010.	638797.
1946	836816.	19182.	1980	4804915.	714013.
1947	1015765.	52850.	1981	5803340.	1253167.
1948	927453.	64525.	1982	4665175.	635786.
1949	716821.	84381.	1983	4439316.	768785.
1950	649686.	74781.	1984	4313710.	808923.
1951	535120.	86968.	1985	4909635.	937730.
1952	352512.	62890.	1986	5369391.	1438007.
1953	314622.	80158.	1987	5327380.	1607747.
1954	286975.	69917.	1988	4827488.	1966798.
1955	300304.	83548.	1989	5307552.	3823950.
1956	364630.	98076.	1990	5783242.	2752129.
1957	421180.	101977.	1991	6088191.	1480558.
1958	460209.	145963.	1992	6185410.	1465072.
1959	417502.	179999.	1993	5227092.	1304149.
1960	350996.	152841.	1994	6419736.	144412.
1961	499550.	198316.	1995	5532239.	1671011.
1962	374871.	151846.	1996	9692760.	1128837.
1963	412308.	173515.	1997	2175205.	1542829.
1964	510960.	197965.	1998	2259261.	1082705.
1965	625458.	234974.	1999	7750006.	779722.
1966	623348.	243858.	2000	6193673.	1459576.
1967	736064.	292779.	2001	6491237.	1402184.
1968	779145.	366869.	2002	4243760.	1100199.
1969	775929.	321093.	2003	3549389.	770546.
			2004	4606829.	3264700.

NUMBER OF CURVES 27  
 NUMBER OF LIVES 12  
 MIN LIFE 4  
 MAXLIFE 100  
 RATIO 1.33994031  
 ACCOUNT BALANCE 124672243.

AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 36400000

USING BALANCES PERIOD EQUAL TO LAST 40 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF											INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	MORT	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
27.2	27.3	27.4	27.6	27.9	28.1	28.4	28.8	29.2	29.5	SC	-325	-314	-313	-326	-355	-385	-415	-449	-490	-503
25.0	25.1	25.2	25.4	25.6	25.9	26.2	26.5	26.9	27.2	S-.5	357	342	337	348	378	409	441	479	523	541
23.2	23.3	23.4	23.5	23.7	24.0	24.3	24.6	24.9	25.3	S0	403	383	374	382	410	442	478	519	569	592
22.3	22.3	22.4	22.5	22.7	22.9	23.2	23.5	23.8	24.1	S0.5	452	427	413	417	441	470	504	547	599	625
21.4	21.5	21.6	21.7	21.9	22.1	22.3	22.6	22.9	23.1	S1	502	473	456	457	480	509	544	588	640	668
20.8	20.9	21.0	21.1	21.3	21.5	21.7	22.0	22.3	22.5	S1.5	549	516	495	493	514	542	577	621	676	705
20.3	20.3	20.4	20.5	20.7	20.9	21.1	21.4	21.7	22.0	S2	597	560	537	533	551	579	615	660	716	747
19.6	19.6	19.7	19.8	20.0	20.2	20.4	20.7	21.0	21.3	S3	674	632	603	595	611	638	674	719	776	810
19.0	19.0	19.1	19.3	19.4	19.7	19.9	20.2	20.5	20.7	S4	747	699	665	655	669	695	730	775	832	867
18.7	18.7	18.8	18.9	19.1	19.4	19.6	19.9	20.2	20.5	S5	792	740	704	693	707	733	766	810	866	901
18.6	18.6	18.6	18.8	19.0	19.2	19.5	19.7	20.0	20.3	S6	816	762	725	715	731	755	785	826	882	919
27.1	27.2	27.3	27.5	27.8	28.0	28.4	28.7	29.1	29.5	L0	356	344	342	357	390	424	458	496	540	558
25.3	25.3	25.5	25.7	25.9	26.2	26.5	26.8	27.2	27.6	L0.5	383	369	365	379	413	447	483	524	571	591
23.6	23.7	23.9	24.0	24.3	24.6	24.9	25.2	25.6	25.9	L1	418	401	395	408	441	477	515	558	609	633
22.6	22.6	22.7	22.9	23.1	23.3	23.6	23.9	24.3	24.6	L1.5	466	444	434	443	473	508	547	591	644	670
21.6	21.7	21.8	21.9	22.1	22.3	22.6	22.9	23.2	23.5	L2	514	488	475	482	512	547	587	635	691	719
20.3	20.4	20.5	20.6	20.8	21.0	21.2	21.5	21.8	22.1	L3	606	571	550	550	573	605	644	692	750	784
19.4	19.4	19.5	19.7	19.9	20.1	20.3	20.6	20.9	21.1	L4	697	653	624	617	633	660	696	742	801	836
18.9	19.0	19.0	19.2	19.4	19.6	19.8	20.1	20.4	20.7	L5	761	712	678	668	683	709	743	788	845	881
25.3	25.3	25.4	25.6	25.8	26.1	26.3	26.7	27.0	27.3	R0.5	354	338	330	338	363	391	421	456	499	514
23.5	23.6	23.7	23.8	24.0	24.2	24.5	24.8	25.1	25.4	R1	403	380	365	365	384	408	437	473	519	538
22.4	22.4	22.5	22.6	22.8	23.0	23.2	23.5	23.8	24.1	R1.5	461	432	412	406	420	440	466	503	551	574
21.4	21.5	21.5	21.6	21.8	22.0	22.2	22.4	22.7	23.0	R2	518	485	462	454	466	487	515	552	601	625
20.7	20.8	20.8	20.9	21.1	21.3	21.5	21.8	22.0	22.3	R2.5	572	535	508	498	510	531	560	600	650	678
20.1	20.1	20.2	20.3	20.5	20.7	20.9	21.1	21.4	21.7	R3	626	585	556	545	557	580	611	653	706	736
19.3	19.3	19.4	19.5	19.7	19.9	20.2	20.4	20.7	21.0	R4	706	660	627	615	628	653	686	730	786	819
18.8	18.8	18.9	19.0	19.2	19.5	19.7	20.0	20.3	20.5	R5	777	726	690	678	693	719	752	796	851	886

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 36400000

USING BALANCES PERIOD EQUAL TO LAST 20 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF MORT											INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
26.9	27.0	27.1	27.3	27.6	28.0	28.3	28.8	29.2	29.6	SC	-260	-254	-256	-272	-301	-330	-357	-388	-424	-437
24.7	24.7	24.9	25.0	25.3	25.6	26.0	26.4	26.9	27.3	S-.5	283	272	271	287	318	350	382	416	457	473
22.8	22.9	22.9	23.1	23.3	23.6	24.0	24.4	24.8	25.2	S0	312	296	292	307	341	378	414	455	500	522
21.8	21.9	21.9	22.1	22.3	22.5	22.8	23.2	23.6	24.0	S0.5	341	320	314	328	363	401	439	481	530	555
20.9	20.9	21.0	21.1	21.3	21.6	21.9	22.2	22.6	22.9	S1	368	344	336	353	391	432	475	520	572	599
20.3	20.3	20.3	20.5	20.7	20.9	21.2	21.6	21.9	22.3	S1.5	394	367	358	374	414	458	503	552	606	636
19.6	19.6	19.7	19.8	20.0	20.3	20.6	21.0	21.3	21.7	S2	419	389	380	399	442	489	537	588	644	677
18.8	18.8	18.9	19.0	19.2	19.5	19.8	20.2	20.6	20.9	S3	460	426	417	440	487	539	590	645	703	738
18.1	18.1	18.2	18.4	18.6	18.9	19.2	19.6	20.0	20.4	S4	496	460	454	482	535	591	645	700	759	795
17.7	17.7	17.8	18.0	18.3	18.6	18.9	19.3	19.7	20.1	S5	517	479	477	512	571	629	682	736	794	830
17.5	17.5	17.6	17.8	18.1	18.4	18.8	19.1	19.5	19.9	S6	527	487	488	530	595	654	704	755	812	848
26.5	26.6	26.8	27.0	27.3	27.7	28.1	28.6	29.1	29.5	L0	272	267	273	294	331	365	397	432	471	487
24.7	24.8	24.9	25.1	25.4	25.8	26.2	26.7	27.1	27.6	L0.5	290	283	287	309	348	385	420	458	500	519
23.1	23.1	23.3	23.5	23.8	24.1	24.5	24.9	25.4	25.9	L1	311	301	305	328	369	410	449	491	537	558
22.1	22.1	22.2	22.3	22.6	22.8	23.2	23.6	24.1	24.5	L1.5	338	323	325	348	391	434	477	522	571	596
21.0	21.1	21.1	21.3	21.5	21.8	22.1	22.5	22.9	23.3	L2	364	347	348	373	419	466	512	561	616	645
19.6	19.6	19.7	19.9	20.1	20.4	20.7	21.1	21.5	21.8	L3	418	393	390	415	463	513	563	616	674	708
18.6	18.6	18.7	18.8	19.1	19.4	19.7	20.0	20.4	20.8	L4	470	437	431	457	507	560	612	666	726	763
18.0	18.0	18.1	18.3	18.5	18.8	19.2	19.5	19.9	20.3	L5	502	467	463	495	550	605	658	712	772	809
25.0	25.0	25.1	25.3	25.5	25.8	26.2	26.6	27.0	27.4	R0.5	286	272	268	279	306	334	363	396	434	450
23.2	23.2	23.3	23.4	23.6	23.9	24.2	24.6	25.0	25.4	R1	325	303	290	294	317	345	377	413	456	475
22.1	22.1	22.1	22.2	22.4	22.6	22.8	23.1	23.5	23.9	R1.5	361	332	316	318	342	370	403	441	488	512
21.0	21.0	21.0	21.1	21.3	21.5	21.8	22.1	22.4	22.7	R2	392	359	341	346	373	408	446	489	538	564
20.2	20.2	20.2	20.3	20.5	20.7	21.0	21.3	21.7	22.0	R2.5	419	383	364	371	404	443	486	533	586	615
19.4	19.4	19.4	19.6	19.8	20.0	20.3	20.6	21.0	21.3	R3	443	405	388	400	439	485	532	583	639	672
18.5	18.5	18.5	18.7	18.9	19.2	19.5	19.9	20.3	20.6	R4	478	438	426	448	497	550	603	658	716	751
17.9	17.8	17.9	18.1	18.4	18.7	19.0	19.4	19.8	20.1	R5	509	471	465	498	556	614	668	722	780	815

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

STUDY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 36400000

USING BALANCES PERIOD EQUAL TO LAST 10 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF MORT											INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
25.9	26.0	26.3	26.7	27.4	28.3	29.2	30.1	31.1	32.0	SC	-216	229	254	291	-319	-317	-306	-293	-284	-263
23.6	23.8	24.0	24.4	25.1	26.0	26.8	27.7	28.6	29.3	S-.5	222	236	264	305	337	338	329	318	310	291
21.8	21.9	22.2	22.5	23.1	23.9	24.7	25.6	26.5	27.2	S0	230	251	283	328	361	365	359	350	344	327
20.7	20.9	21.2	21.5	22.1	22.8	23.5	24.3	25.2	25.9	S0.5	239	264	301	350	385	387	381	374	369	352
19.8	20.0	20.2	20.6	21.2	21.8	22.5	23.2	24.0	24.7	S1	249	282	325	377	413	417	411	404	400	383
19.1	19.3	19.5	19.9	20.5	21.2	21.8	22.5	23.2	23.9	S1.5	259	298	345	400	437	441	436	429	429	412
18.4	18.6	18.9	19.3	19.9	20.6	21.2	21.9	22.6	23.1	S2	272	318	370	428	466	469	464	457	457	445
17.5	17.7	18.1	18.5	19.1	19.8	20.4	21.1	21.8	22.3	S3	296	352	413	476	514	516	509	502	502	491
16.9	17.1	17.4	17.9	18.5	19.2	19.8	20.5	21.2	21.7	S4	315	383	458	528	567	567	557	547	545	536
16.6	16.8	17.1	17.5	18.2	18.9	19.5	20.2	20.8	21.4	S5	322	395	479	566	608	606	591	576	573	565
16.4	16.6	16.9	17.3	18.0	18.7	19.4	20.0	20.7	21.2	S6	323	396	485	590	636	632	611	590	586	581
25.5	25.7	26.0	26.5	27.3	28.2	29.1	30.1	31.1	32.0	L0	224	245	277	320	350	349	338	325	316	296
23.6	23.9	24.2	24.6	25.4	26.3	27.1	28.1	29.0	29.7	L0.5	230	255	290	336	368	368	358	346	336	319
.1	22.3	22.6	23.0	23.7	24.6	25.4	26.3	27.2	27.9	L1	237	268	308	356	390	391	382	371	364	345
.0	21.2	21.5	21.9	22.5	23.2	24.1	24.9	25.8	26.5	L1.5	246	282	325	377	413	416	408	397	390	372
20.0	20.2	20.5	20.9	21.5	22.2	22.9	23.7	24.6	25.3	L2	259	302	350	405	441	445	440	431	424	405
18.4	18.7	19.0	19.5	20.1	20.7	21.4	22.0	22.7	23.4	L3	285	337	392	450	486	490	485	480	482	469
17.3	17.5	17.9	18.4	19.0	19.6	20.3	21.0	21.6	22.2	L4	307	369	434	499	535	536	528	520	522	515
16.8	17.0	17.3	17.8	18.4	19.1	19.8	20.4	21.1	21.6	L5	319	390	472	544	583	581	568	557	557	550
23.8	24.0	24.2	24.5	25.2	26.1	26.9	27.8	28.7	29.4	R0.5	222	-228	-251	-289	322	323	315	303	295	276
22.1	22.2	22.3	22.6	23.2	24.0	24.8	25.7	26.5	27.2	R1	229	235	258	298	331	336	331	323	317	299
20.8	20.9	21.1	21.4	22.0	22.6	23.3	24.1	25.0	25.7	R1.5	237	249	279	324	358	361	355	349	346	329
19.7	19.8	20.0	20.4	20.9	21.6	22.2	22.8	23.6	24.3	R2	247	268	306	357	394	397	392	385	383	368
18.8	19.0	19.3	19.6	20.2	20.8	21.5	22.1	22.8	23.3	R2.5	257	288	333	388	427	431	426	420	420	408
18.0	18.2	18.5	19.0	19.5	20.2	20.8	21.5	22.1	22.7	R3	270	312	365	425	465	470	465	458	457	447
17.1	17.3	17.7	18.2	18.8	19.4	20.1	20.7	21.4	21.9	R4	294	352	416	485	527	531	523	514	512	502
16.7	16.9	17.1	17.6	18.3	18.9	19.6	20.3	20.9	21.5	R5	316	385	466	548	591	592	579	564	560	552

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

KENTUCKY POWER COMPANY  
Depreciation Study as of December 31, 2004  
Distribution Plant

Account                    365 OVERHEAD CONDUCTOR & DEVICES

Depreciable Balance                    \$99,426,561

	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	26	30
Iowa Curve	R1.5	RO.5
Gross Removal, %		20%
Gross Salvage, %		40%
Net Salvage %	25%	20%

\*\*\*\*\*  
The simulation analyses indicate the service life of the account is lengthening. Based on the analyses, the recommendation is to move to a 30 year service life following an RO.5 dispersion.

Recent trends show an increase in scrap prices. The conductor is expected to produce a gross salvage value for the investment in this account. However removal costs will be experienced in removing and replacing the equipment. The recommendation is for a gross salvage of 40% and a removal of 20%.



STUDY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

LIFE ANALYSIS DATA IN DOLLARS  
FOR ACCOUNT 36500000

YEAR	ADDITIONS	RETIREMENTS	YEAR	ADDITIONS	RETIREMENTS
1936	771885.	0.	1970	1150481.	281292.
1937	120859.	109143.	1971	1451307.	334232.
1938	124001.	56193.	1972	1152475.	309059.
1939	132698.	43031.	1973	1108750.	379766.
1940	125801.	56768.	1974	1088826.	298710.
1941	90549.	26224.	1975	1026632.	230227.
1942	71460.	1863.	1976	1782930.	302893.
1943	14300.	15652.	1977	3143781.	369728.
1944	34927.	8392.	1978	2734482.	472645.
1945	107824.	7008.	1979	3199783.	516238.
1946	541149.	8911.	1980	3591035.	532297.
1947	845275.	23250.	1981	4443270.	876800.
1948	780371.	33031.	1982	2865659.	452557.
1949	591741.	38785.	1983	2562107.	598823.
1950	509472.	43539.	1984	2380654.	517838.
1951	393624.	52380.	1985	2604969.	519259.
1952	291012.	43132.	1986	3340589.	919744.
1953	254683.	55985.	1987	3764540.	1004247.
1954	237566.	58761.	1988	3229945.	1188810.
1955	247836.	54244.	1989	3611129.	899096.
1956	335384.	67420.	1990	3794891.	1114551.
1957	370826.	75501.	1991	3654148.	1060633.
1958	411734.	100947.	1992	3277636.	909965.
1959	332979.	86363.	1993	2861816.	758447.
1960	309663.	119535.	1994	4473083.	1379552.
1961	421518.	83006.	1995	5785493.	2549129.
1962	356863.	110412.	1996	3270420.	1662236.
1963	342519.	115279.	1997	7910940.	1666505.
1964	500173.	118173.	1998	2314364.	867054.
1965	688379.	182223.	1999	6688639.	767232.
1966	728131.	219295.	2000	5230644.	1553565.
1967	869418.	235317.	2001	5169647.	1323285.
1968	949626.	293616.	2002	5622594.	2020300.
1969	992508.	307427.	2003	4069103.	1665159.
			2004	5364176.	1048651.

NUMBER OF CURVES 27  
 NUMBER OF LIVES 12  
 MIN LIFE 4  
 MAXLIFE 100  
 RATIO 1.33994031  
 ACCOUNT BALANCE 99426561.

AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 36500000

USING BALANCES PERIOD EQUAL TO LAST 40 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF MORT											INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
32.2	32.0	31.8	31.8	31.8	31.8	31.9	31.9	32.0	32.1	SC	108	117	124	116	111	109	-111	-110	-112	-127
29.3	29.2	29.1	29.1	29.1	29.2	29.2	29.3	29.4	29.5	S-.5	96	103	108	101	103	106	117	121	128	150
27.1	27.0	27.0	27.0	27.0	27.1	27.2	27.2	27.3	27.5	S0	90	95	98	92	-100	111	129	139	151	178
25.9	25.8	25.8	25.8	25.8	25.9	26.0	26.1	26.2	26.3	S0.5	90	-93	-95	-90	104	118	140	153	168	198
24.7	24.7	24.7	24.7	24.8	24.8	24.9	25.0	25.2	25.3	S1	101	103	102	98	114	131	157	173	192	225
24.0	23.9	23.9	23.9	24.0	24.1	24.2	24.3	24.4	24.6	S1.5	122	122	120	115	130	148	175	193	214	249
23.3	23.2	23.2	23.2	23.3	23.4	23.5	23.6	23.8	23.9	S2	153	151	146	140	153	171	199	219	242	279
22.5	22.4	22.4	22.4	22.5	22.6	22.7	22.8	22.9	23.1	S3	201	195	186	179	191	210	240	263	291	334
21.9	21.8	21.8	21.9	21.9	22.0	22.1	22.2	22.4	22.5	S4	245	237	225	216	226	244	275	302	333	380
21.6	21.5	21.5	21.5	21.6	21.7	21.8	21.9	22.1	22.2	S5	272	263	249	238	245	261	292	321	358	412
21.4	21.4	21.4	21.4	21.5	21.6	21.7	21.8	21.9	22.1	S6	287	276	262	249	253	265	294	326	369	433
31.9	31.8	31.7	31.6	31.7	31.7	31.8	31.9	32.0	32.1	L0	107	112	116	108	108	110	119	122	128	148
29.6	29.5	29.4	29.4	29.5	29.5	29.6	29.7	29.8	29.9	L0.5	101	105	107	100	106	113	128	136	146	170
27.7	27.6	27.6	27.6	27.7	27.7	27.8	27.9	28.0	28.1	L1	103	103	102	97	110	123	143	154	168	194
26.3	26.3	26.2	26.2	26.3	26.4	26.5	26.6	26.7	26.9	L1.5	106	106	103	99	116	134	158	173	189	219
25.0	25.0	25.0	25.0	25.1	25.2	25.3	25.4	25.6	25.7	L2	121	118	113	111	132	154	182	199	218	251
23.3	23.3	23.3	23.3	23.4	23.5	23.6	23.8	23.9	24.1	L3	166	161	153	149	169	192	224	246	270	306
22.3	22.3	22.2	22.3	22.3	22.4	22.6	22.7	22.8	23.0	L4	216	209	199	191	203	224	257	284	316	362
21.8	21.8	21.7	21.8	21.8	21.9	22.0	22.2	22.3	22.5	L5	253	245	232	222	231	249	282	311	347	398
29.5	29.4	29.3	29.3	29.3	29.3	29.4	29.4	29.5	29.6	R0.5	95	105	113	106	105	105	113	115	120	139
27.4	27.3	27.3	27.2	27.3	27.3	27.4	27.5	27.5	27.7	R1	-83	97	106	100	101	-104	117	123	132	155
26.0	25.9	25.9	25.9	25.9	26.0	26.0	26.1	26.2	26.3	R1.5	85	98	107	101	104	111	127	136	148	177
24.7	24.7	24.6	24.6	24.7	24.7	24.8	24.9	25.0	25.1	R2	102	113	118	111	116	125	145	158	174	207
23.8	23.8	23.7	23.7	23.8	23.9	24.0	24.1	24.2	24.3	R2.5	134	141	142	134	138	148	168	183	203	239
23.0	23.0	22.9	22.9	23.0	23.1	23.2	23.3	23.4	23.6	R3	175	175	171	162	167	178	200	217	240	279
22.2	22.2	22.1	22.2	22.2	22.3	22.4	22.5	22.6	22.8	R4	223	217	207	197	204	218	243	265	294	339
21.7	21.6	21.6	21.6	21.7	21.8	21.9	22.0	22.2	22.3	R5	265	255	242	231	238	253	281	308	342	395

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

Y AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 36500000

USING BALANCES PERIOD EQUAL TO LAST 20 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF MORT											INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
31.7	31.6	31.5	31.5	31.5	31.6	31.8	31.9	32.0	32.2	SC	69	80	88	83	84	-85	-91	-92	-95	-109
29.1	29.0	28.9	28.9	29.0	29.1	29.2	29.3	29.4	29.6	S-.5	67	75	80	76	81	88	99	103	110	129
26.9	26.8	26.8	26.8	26.9	27.0	27.1	27.2	27.4	27.6	S0	67	71	72	69	82	95	112	121	131	154
25.7	25.6	25.6	25.6	25.7	25.8	25.9	26.1	26.2	26.4	S0.5	67	-69	69	-66	85	102	123	135	149	175
24.6	24.5	24.5	24.5	24.6	24.7	24.8	25.0	25.1	25.3	S1	74	73	69	67	91	114	140	156	172	201
23.8	23.7	23.7	23.7	23.8	23.9	24.0	24.2	24.4	24.6	S1.5	88	84	76	73	100	125	156	175	195	226
23.1	23.0	22.9	22.9	23.0	23.1	23.3	23.4	23.6	23.9	S2	109	99	86	83	112	142	176	199	222	256
22.3	22.2	22.1	22.1	22.2	22.3	22.4	22.6	22.8	23.0	S3	137	120	101	99	133	168	208	237	267	308
21.6	21.5	21.5	21.5	21.6	21.7	21.8	22.0	22.2	22.4	S4	163	139	115	112	150	190	236	270	305	351
21.3	21.2	21.1	21.1	21.2	21.3	21.5	21.7	21.8	22.1	S5	177	148	121	118	157	199	247	285	326	379
21.2	21.0	21.0	21.0	21.0	21.2	21.3	21.5	21.7	21.9	S6	182	151	122	119	158	198	247	287	335	397
31.5	31.4	31.3	31.3	31.4	31.5	31.7	31.8	32.0	32.2	L0	69	74	79	75	-80	88	99	103	109	128
29.3	29.2	29.1	29.2	29.2	29.4	29.5	29.7	29.8	30.0	L0.5	68	71	73	70	82	94	110	117	125	147
27.4	27.4	27.3	27.3	27.4	27.6	27.7	27.9	28.0	28.2	L1	71	71	69	68	88	105	125	135	146	169
26.1	26.0	25.9	26.0	26.1	26.2	26.4	26.5	26.7	26.9	L1.5	73	70	-65	68	94	116	140	154	168	193
24.8	24.7	24.7	24.7	24.8	25.0	25.2	25.3	25.5	25.7	L2	81	75	68	74	107	134	163	179	196	224
23.1	23.0	23.0	23.0	23.1	23.2	23.4	23.6	23.8	24.0	L3	108	95	80	86	127	163	200	225	248	280
22.1	22.0	21.9	21.9	22.0	22.1	22.3	22.4	22.6	22.8	L4	142	122	102	101	138	177	222	255	289	333
21.5	21.4	21.4	21.4	21.5	21.6	21.7	21.9	22.1	22.3	L5	164	139	115	113	151	192	240	278	317	367
29.3	29.2	29.1	29.1	29.2	29.3	29.4	29.5	29.6	29.7	R0.5	67	78	86	82	84	87	95	98	102	120
27.3	27.2	27.1	27.1	27.2	27.3	27.4	27.5	27.6	27.7	R1	-64	77	84	80	84	89	101	107	115	136
26.0	25.8	25.7	25.7	25.8	25.9	26.0	26.1	26.2	26.4	R1.5	69	80	85	79	85	95	111	121	133	158
24.7	24.6	24.4	24.4	24.5	24.6	24.7	24.8	24.9	25.1	R2	83	89	89	81	91	105	127	142	158	188
23.8	23.6	23.5	23.5	23.5	23.6	23.7	23.9	24.0	24.2	R2.5	107	107	101	90	101	118	146	165	186	220
22.9	22.8	22.7	22.7	22.7	22.8	22.9	23.0	23.2	23.4	R3	132	122	107	95	112	136	170	194	221	259
22.0	21.9	21.8	21.8	21.9	22.0	22.1	22.3	22.4	22.6	R4	157	137	114	106	134	166	207	237	269	314
21.4	21.3	21.2	21.2	21.3	21.4	21.6	21.7	21.9	22.1	R5	175	148	120	116	154	193	239	274	312	364

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 36500000

USING BALANCES PERIOD EQUAL TO LAST 10 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF MORT											INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
31.9	31.6	31.4	31.4	31.5	31.6	31.8	31.9	32.0	32.2	SC	65	80	89	85	89	-92	-101	-103	-105	-122
29.1	29.0	28.9	28.9	29.0	29.1	29.3	29.4	29.5	29.7	S-.5	65	75	82	78	87	95	108	112	118	139
26.9	26.8	26.7	26.8	26.9	27.1	27.3	27.5	27.6	27.8	S0	66	72	75	73	88	100	117	124	134	158
25.7	25.6	25.5	25.6	25.7	25.9	26.1	26.3	26.5	26.7	S0.5	66	70	71	70	91	107	127	136	149	174
24.4	24.4	24.3	24.4	24.6	24.8	25.1	25.3	25.5	25.7	S1	67	67	66	69	98	118	141	152	166	193
23.5	23.5	23.5	23.6	23.8	24.0	24.3	24.5	24.7	25.0	S1.5	67	66	63	71	106	130	156	169	185	212
22.8	22.7	22.7	22.8	23.0	23.2	23.5	23.8	24.1	24.4	S2	69	66	63	76	119	147	175	189	207	234
21.8	21.8	21.8	22.0	22.2	22.4	22.7	22.9	23.1	23.5	S3	73	69	67	89	139	172	206	226	250	278
21.1	21.1	21.2	21.3	21.5	21.8	22.1	22.3	22.6	22.9	S4	73	69	71	102	158	195	233	257	286	325
20.8	20.8	20.8	21.0	21.2	21.4	21.7	22.0	22.2	22.6	S5	71	67	72	108	165	204	243	272	308	358
20.6	20.6	20.7	20.8	21.0	21.3	21.5	21.8	22.1	22.4	S6	68	66	73	110	166	202	240	272	318	380
31.6	31.4	31.3	31.3	31.4	31.6	31.9	32.0	32.2	32.4	L0	65	75	82	78	-86	94	107	111	117	136
29.3	29.2	29.1	29.2	29.3	29.5	29.7	29.9	30.0	30.3	L0.5	66	72	76	73	87	98	114	120	129	150
27.4	27.4	27.3	27.4	27.6	27.8	28.0	28.2	28.4	28.6	L1	70	72	72	70	91	105	123	131	141	164
25.9	25.9	26.0	26.2	26.4	26.7	26.9	27.1	27.4	27.4	L1.5	71	71	69	70	97	115	136	146	158	183
24.6	24.6	24.6	24.8	25.0	25.2	25.5	25.7	26.0	26.2	L2	75	72	69	75	109	130	153	164	178	203
22.8	22.8	22.8	22.9	23.1	23.4	23.7	24.0	24.3	24.6	L3	72	69	66	85	133	164	193	207	223	248
21.6	21.6	21.7	21.8	22.0	22.2	22.5	22.8	23.0	23.4	L4	74	70	69	93	145	182	220	245	274	307
21.0	21.0	21.1	21.2	21.4	21.7	22.0	22.2	22.5	22.8	L5	74	70	72	103	159	197	237	266	300	345
29.4	29.2	29.0	29.0	29.1	29.2	29.4	29.5	29.6	29.8	R0.5	65	78	87	83	88	94	105	109	113	132
27.3	27.1	27.0	27.0	27.1	27.2	27.4	27.5	27.7	27.9	R1	64	76	83	79	88	97	112	118	126	148
25.8	25.6	25.5	25.5	25.7	25.8	26.0	26.2	26.3	26.6	R1.5	64	73	77	74	90	103	122	131	143	168
24.4	24.2	24.1	24.2	24.3	24.5	24.8	25.0	25.1	25.4	R2	-63	68	69	69	94	114	137	149	164	192
23.3	23.2	23.1	23.2	23.4	23.6	23.9	24.1	24.3	24.6	R2.5	65	64	62	-67	102	127	154	169	187	217
22.5	22.4	22.4	22.5	22.6	22.8	23.0	23.3	23.5	23.9	R3	66	-61	-58	72	115	144	175	193	214	245
21.5	21.5	21.5	21.6	21.8	22.1	22.3	22.5	22.8	23.1	R4	70	65	64	88	139	172	205	226	252	292
20.9	20.9	20.9	21.1	21.3	21.5	21.8	22.1	22.3	22.6	R5	71	67	71	105	161	197	233	258	292	339

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

KENTUCKY POWER COMPANY  
Depreciation Study as of December 31, 2004  
Distribution Plant

Account                    366 UNDERGROUND CONDUIT

Depreciable Balance                    \$2,959,899

	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	37	50
Iowa Curve	R2.0	R1.0
Gross Removal, %		0%
Gross Salvage, %		0%
Net Salvage %	0%	0%

\*\*\*\*\*  
The simulation analyses indicates the life of the investment in this account has been increasing substantially. In order to recognize this indication of increased life, the recommendation is to move to a 50 year life following an R1.0 type dispersion.

The expectation is that underground conduit will be retired in place resulting in a recommendation of 0% salvage and 0% removal.

STUDY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

LIFE ANALYSIS DATA IN DOLLARS  
FOR ACCOUNT 36600000

YEAR	ADDITIONS	RETIREMENTS	YEAR	ADDITIONS	RETIREMENTS
1936	1383.	0.	1970	30547.	34.
1937	0.	0.	1971	37062.	63.
1938	0.	0.	1972	27833.	104.
1939	315.	0.	1973	60340.	679.
1940	77.	115.	1974	53663.	352.
1941	0.	0.	1975	31345.	0.
1942	144.	0.	1976	51203.	138.
1943	0.	14.	1977	37280.	0.
1944	0.	122.	1978	28154.	216.
1945	0.	389.	1979	8197.	0.
1946	0.	107.	1980	46085.	13388.
1947	55.	259.	1981	79179.	71.
1948	0.	78.	1982	48652.	0.
1949	0.	0.	1983	39828.	78.
1950	0.	0.	1984	4604.	3998.
1951	0.	18.	1985	75471.	5819.
1952	0.	0.	1986	35696.	896.
1953	0.	0.	1987	9664.	6968.
1954	0.	0.	1988	25065.	172.
1955	0.	0.	1989	49004.	3823.
1956	0.	0.	1990	207078.	7201.
1957	0.	0.	1991	51993.	1608.
1958	0.	0.	1992	131413.	0.
1959	0.	0.	1993	270669.	0.
1960	0.	0.	1994	118922.	199.
1961	0.	0.	1995	133289.	5842.
1962	0.	0.	1996	131833.	3248.
1963	0.	0.	1997	291323.	4035.
1964	0.	0.	1998	60158.	1777.
1965	0.	0.	1999	137692.	2608.
1966	4153.	237.	2000	182080.	6479.
1967	6556.	0.	2001	123659.	9421.
1968	820.	0.	2002	134439.	16953.
1969	3136.	0.	2003	118994.	2929.
			2004	173356.	2052.

NUMBER OF CURVES 27

NUMBER OF LIVES 12

MIN LIFE 4

MAXLIFE 100

RATIO 1.33994031

ACCOUNT BALANCE 2959899.

AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 36600000

USING BALANCES PERIOD EQUAL TO LAST 40 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF											MORT	INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	SC	0	0	0	0	0	0	0	0	0	0	
80.1	82.6	85.1	87.8	90.6	93.1	95.2	96.4	97.8	99.5	S-.5	108	111	112	116	120	120	115	106	100	97	
52.9	54.1	55.3	57.0	58.9	60.7	62.2	63.2	64.4	65.7	S0	141	144	144	146	149	148	143	132	126	124	
44.1	45.5	46.8	48.1	49.5	50.7	51.7	52.5	53.3	54.1	S0.5	161	163	162	164	166	164	158	147	141	138	
37.2	38.2	39.0	39.9	40.7	41.5	42.7	43.6	44.6	45.6	S1	203	204	201	201	201	198	191	178	171	167	
33.2	34.3	35.3	36.3	37.3	38.1	38.9	39.4	40.0	40.6	S1.5	230	230	226	225	224	219	211	198	190	187	
29.8	30.5	31.0	32.3	33.4	34.4	35.3	36.0	36.7	37.4	S2	279	279	275	271	267	260	249	234	224	219	
26.9	27.7	28.4	29.0	29.6	30.2	30.7	31.2	32.2	33.2	S3	355	349	339	334	331	325	317	303	289	280	
24.1	25.2	26.2	27.0	27.8	28.4	28.9	29.4	29.9	30.3	S4	467	449	426	410	397	383	369	353	346	347	
22.8	23.5	24.8	25.9	26.7	27.4	28.0	28.5	29.0	29.5	S5	530	552	513	481	454	428	405	384	374	375	
22.4	22.9	24.0	25.3	26.2	27.0	27.5	28.0	28.5	29.0	S6	539	592	587	540	498	459	425	397	385	389	
80.7	83.0	85.2	87.5	89.9	92.1	94.0	95.2	96.5	98.1	L0	119	122	123	127	131	130	126	117	111	109	
64.7	66.4	68.1	69.9	71.7	73.3	74.6	76.0	77.6	79.3	L0.5	130	133	133	137	140	139	134	124	118	115	
53.3	51.6	52.8	54.0	55.2	56.8	58.4	59.5	60.8	62.1	L1	163	165	164	166	168	166	160	148	141	138	
43.7	43.2	44.7	46.1	47.5	48.8	49.8	50.6	51.5	52.4	L1.5	184	186	184	185	186	182	176	164	157	154	
36.0	37.0	38.0	38.9	39.7	40.5	41.2	41.8	42.9	44.1	L2	234	234	230	229	228	224	217	205	196	192	
29.3	30.0	30.6	31.3	32.6	33.7	34.7	35.4	36.2	36.9	L3	310	310	307	308	302	292	279	261	250	243	
26.0	26.9	27.7	28.4	29.0	29.6	30.1	30.5	31.0	32.0	L4	395	384	369	360	353	345	338	327	325	316	
23.4	24.7	25.8	26.7	27.4	28.1	28.6	29.1	29.6	30.1	L5	509	486	458	435	416	398	382	365	360	363	
94.2	96.7	99.2	100.0	100.0	100.0	100.0	100.0	100.0	100.0	R0.5	-100	-103	-104	0	0	0	0	0	0	0	
70.3	72.1	73.9	76.4	79.3	81.9	84.1	85.3	86.8	88.5	R1	105	108	110	-113	-116	-116	-111	-102	-96	-93	
54.2	55.4	57.2	59.2	61.3	63.2	64.8	65.7	66.8	68.1	R1.5	113	116	118	121	125	124	120	110	104	101	
41.2	42.4	43.8	45.3	46.8	48.1	49.2	50.0	50.8	51.7	R2	135	139	140	143	147	145	140	130	123	120	
35.2	36.2	37.2	38.2	39.1	39.9	40.6	41.1	41.7	42.8	R2.5	164	167	167	170	172	169	162	151	144	142	
29.8	30.4	30.9	32.0	33.2	34.3	35.2	35.9	36.7	37.4	R3	222	223	220	221	223	219	212	199	192	188	
25.9	26.8	27.6	28.3	29.0	29.5	30.0	30.4	30.8	31.6	R4	345	341	332	325	319	310	300	286	281	279	
23.0	24.1	25.3	26.2	27.1	27.7	28.3	28.8	29.3	29.7	R5	497	496	470	447	427	405	385	364	354	355	

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

BY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 36600000

USING BALANCES PERIOD EQUAL TO LAST 20 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF MORT											INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	SC	0	0	0	0	0	0	0	0	0	0
82.1	84.2	86.2	88.5	90.7	93.9	96.4	97.9	99.4	100.0	S-.5	77	81	83	88	93	90	85	78	73	97
53.7	54.8	56.0	57.7	59.5	61.7	63.5	64.7	66.0	67.4	S0	99	103	105	109	113	109	103	94	89	86
44.9	46.2	47.4	48.6	49.9	51.4	52.6	53.4	54.3	55.3	S0.5	114	118	119	122	126	121	114	105	99	96
37.6	38.5	39.4	40.2	41.0	42.2	43.7	44.7	45.8	46.9	S1	145	148	148	150	152	145	137	126	119	114
33.5	34.6	35.6	36.6	37.5	38.5	39.4	40.0	40.7	41.3	S1.5	166	168	167	168	169	162	153	141	134	129
30.0	30.6	31.3	32.5	33.7	34.9	35.9	36.7	37.4	38.2	S2	204	206	206	205	203	193	181	167	158	152
26.9	27.7	28.4	29.1	29.7	30.3	30.9	31.9	33.0	34.0	S3	262	261	256	255	254	246	237	221	208	198
24.1	25.3	26.2	27.1	27.8	28.5	29.1	29.6	30.1	30.6	S4	350	339	325	315	307	291	278	264	259	259
22.8	23.5	24.9	25.9	26.8	27.5	28.2	28.7	29.2	29.7	S5	399	420	393	371	352	326	306	288	280	281
22.4	22.9	24.0	25.3	26.3	27.1	27.7	28.2	28.7	29.3	S6	407	451	452	418	387	350	321	297	288	292
82.5	84.5	86.3	88.4	90.5	93.2	95.5	96.9	98.4	100.0	L0	83	88	90	95	100	97	92	84	80	109
65.9	67.4	68.9	70.5	72.0	74.0	76.2	77.8	79.5	81.5	L0.5	91	96	98	102	107	103	98	89	85	82
50.0	52.2	53.3	54.4	55.5	57.7	59.6	61.0	62.3	63.8	L1	116	119	121	125	128	123	116	106	100	96
44.4	43.8	45.2	46.5	47.9	49.4	50.6	51.5	52.5	53.4	L1.5	131	135	136	138	141	135	127	117	110	106
36.4	37.3	38.2	39.1	39.9	40.8	41.7	42.9	44.1	45.4	L2	169	171	170	171	173	166	158	146	138	132
29.4	30.1	30.6	31.5	32.8	34.1	35.2	36.0	36.8	37.6	L3	228	231	231	233	230	217	204	188	177	170
26.1	27.0	27.7	28.4	29.1	29.7	30.3	30.8	31.6	32.8	L4	293	288	280	275	272	262	254	244	237	225
23.4	24.8	25.8	26.7	27.5	28.2	28.8	29.3	29.8	30.4	L5	383	368	349	335	322	303	288	273	270	273
96.3	98.3	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	R0.5	-71	-74	-104	0	0	0	0	0	0	0
71.8	73.3	74.7	77.0	79.3	82.6	85.3	86.7	88.3	90.4	R1	75	79	-80	-85	-90	-87	-83	-75	-71	-68
55.1	56.4	57.9	59.7	61.4	63.8	65.7	66.8	68.0	69.5	R1.5	80	84	87	92	96	94	89	81	76	73
41.8	43.1	44.3	45.6	46.9	48.6	49.9	50.8	51.7	52.7	R2	96	101	104	108	113	109	103	94	89	86
35.6	36.6	37.5	38.4	39.2	40.2	41.0	41.6	42.7	44.0	R2.5	117	122	124	128	132	126	119	109	103	100
29.9	30.5	31.0	32.2	33.4	34.7	35.7	36.5	37.3	38.1	R3	162	165	165	168	171	164	155	143	136	131
25.9	26.9	27.7	28.4	29.0	29.7	30.2	30.6	31.2	32.4	R4	256	256	251	248	246	234	223	211	206	198
23.0	24.1	25.3	26.3	27.1	27.9	28.5	29.0	29.5	30.0	R5	374	377	359	344	330	308	290	272	264	264

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION



STUDY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 36600000

USING BALANCES PERIOD EQUAL TO LAST 10 YEARS

AVERAGE LIFE AT WHICH BOOK BALANCE EQUAL SIMULATED BALANCE AT END OF											MORT DISP	INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004			1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	SC	0	0	0	0	0	0	0	0	0	
83.2	86.4	90.4	94.2	98.3	100.0	100.0	100.0	100.0	100.0	100.0	S-.5	67	69	64	64	61	90	85	78	73	97
55.3	57.4	60.1	62.5	65.1	67.7	69.8	70.8	71.9	73.0		S0	80	80	73	71	68	58	46	34	27	27
46.9	48.6	50.3	52.0	53.7	55.3	57.2	58.5	59.7	61.0		S0.5	89	88	80	77	73	62	50	37	30	31
39.2	40.3	41.4	43.1	45.0	46.8	48.2	49.1	50.0	50.8		S1	108	105	94	89	84	72	58	44	37	38
35.4	36.6	37.9	39.0	40.1	41.1	42.3	43.4	44.5	45.5		S1.5	122	118	105	99	93	80	66	51	43	44
31.0	32.5	34.0	35.4	36.6	37.8	38.7	39.4	40.0	40.5		S2	150	143	127	118	109	94	78	62	54	54
28.1	29.0	29.7	30.4	31.3	32.9	34.3	35.2	36.0	36.8		S3	189	180	163	154	146	126	107	87	76	74
25.5	26.7	27.7	28.5	29.2	29.9	30.5	31.0	32.3	33.5		S4	254	233	205	188	175	160	147	134	121	114
23.5	25.1	26.4	27.4	28.2	28.9	29.5	30.0	30.5	31.0		S5	328	294	252	222	198	175	159	146	150	166
22.8	24.1	25.7	26.9	27.7	28.4	29.0	29.5	29.9	30.4		S6	345	349	294	252	217	184	160	145	153	178
84.6	87.5	90.8	93.9	97.3	100.0	100.0	100.0	100.0	100.0		L0	70	72	66	65	63	97	92	84	80	109
67.7	69.9	72.3	74.6	78.3	82.0	85.0	86.5	88.0	89.5		L0.5	76	77	71	69	66	56	44	33	26	26
57.8	54.3	56.0	58.6	61.3	63.9	66.0	67.2	68.3	69.4		L1	92	91	82	79	75	63	50	37	30	30
47.7	46.4	48.3	50.0	51.7	53.3	54.6	55.3	56.4	57.8		L1.5	101	99	89	85	80	68	55	41	34	35
38.0	39.1	40.2	41.2	42.8	44.8	46.4	47.4	48.4	49.3		L2	124	120	109	103	97	83	68	53	45	45
30.4	31.1	32.9	34.4	35.8	37.0	38.0	38.7	39.3	39.9		L3	169	165	147	135	124	107	90	72	64	65
27.3	28.2	29.0	29.7	30.4	31.0	32.7	33.9	34.9	35.8		L4	211	197	176	165	157	147	126	104	93	89
24.9	26.2	27.3	28.2	28.9	29.6	30.1	30.6	31.3	32.8		L5	280	254	221	200	182	165	152	142	143	134
96.4	99.8	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0		R0.5	-63	-65	-104	0	0	0	0	0	0	0
72.3	74.6	78.7	82.8	87.2	91.8	95.3	96.8	98.2	99.7		R1	66	68	-63	-62	-60	-50	-38	-28	-21	-20
55.7	58.2	61.2	64.1	67.1	70.2	72.6	73.7	74.8	76.4		R1.5	70	72	67	66	63	53	41	30	23	22
43.1	45.0	47.0	48.9	50.9	52.8	54.4	55.1	56.0	57.3		R2	81	82	75	73	70	59	46	34	27	27
36.8	38.0	39.3	40.5	41.6	43.8	45.5	46.5	47.4	48.4		R2.5	96	95	86	82	77	66	53	39	32	33
30.7	31.9	33.5	35.0	36.3	37.6	38.6	39.3	39.9	40.4		R3	123	120	108	102	96	83	68	52	45	46
27.2	28.1	29.0	29.7	30.4	31.0	32.4	33.5	34.6	35.5		R4	186	176	158	147	137	123	106	87	78	78
24.2	25.6	26.8	27.8	28.6	29.3	29.8	30.3	30.7	31.6		R5	286	261	228	205	185	164	148	133	135	141

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

KENTUCKY POWER COMPANY  
Depreciation Study as of December 31, 2004  
Distribution Plant

Account                    367 UNDERGROUND CONDUCTOR & DEVICES

Depreciable Balance                    \$5,482,068

	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	44	53
Iowa Curve	R1.0	RO.5
Gross Removal, %		0%
Gross Salvage, %		15%
Net Salvage %	0%	15%

\*\*\*\*\*  
As in the related underground conduit account, the simulation analyses indicates an increase in average, although the increase is not as dramatic. Based on the analyses, the recommendation is to move to a 53 year average service life following an RO.5 type dispersion.

The upward trend in scrap values may result in the conductor being removed and sold if the conductor can be removed with minimal labor cost. The recommendation is a gross salvage of 15% a removal of 0%.

STUDY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

LIFE ANALYSIS DATA IN DOLLARS  
FOR ACCOUNT 36700000

YEAR	ADDITIONS	RETIREMENTS	YEAR	ADDITIONS	RETIREMENTS
1936	1683.	0.	1970	76458.	927.
1937	0.	0.	1971	86370.	0.
1938	0.	0.	1972	109531.	60.
1939	1515.	0.	1973	137903.	8385.
1940	198.	563.	1974	76050.	2226.
1941	0.	0.	1975	23860.	1477.
1942	306.	0.	1976	67240.	2083.
1943	0.	11.	1977	52882.	3175.
1944	0.	116.	1978	83270.	175.
1945	0.	851.	1979	45415.	8720.
1946	0.	39.	1980	86392.	18792.
1947	543.	48.	1981	112466.	6687.
1948	0.	26.	1982	263053.	5334.
1949	0.	0.	1983	100965.	8742.
1950	0.	0.	1984	21545.	1761.
1951	0.	513.	1985	119906.	5814.
1952	0.	0.	1986	79589.	8069.
1953	0.	0.	1987	108890.	20306.
1954	0.	0.	1988	78161.	12299.
1955	0.	0.	1989	117298.	8169.
1956	0.	0.	1990	367094.	11675.
1957	474.	58.	1991	141320.	19317.
1958	0.	0.	1992	155416.	69723.
1959	0.	0.	1993	285294.	9042.
1960	0.	0.	1994	177719.	18365.
1961	0.	0.	1995	209851.	19071.
1962	0.	0.	1996	190902.	37421.
1963	1638.	0.	1997	339985.	46345.
1964	0.	0.	1998	147054.	16729.
1965	2102.	0.	1999	377491.	11656.
1966	4745.	60.	2000	259570.	36661.
1967	15264.	0.	2001	293525.	11194.
1968	4973.	0.	2002	150681.	71261.
1969	11767.	0.	2003	245976.	23089.
			2004	811825.	37052.

NUMBER OF CURVES 27

NUMBER OF LIVES 12

MIN LIFE 4

MAXLIFE 100

RATIO 1.33994031

ACCOUNT BALANCE 5482068.

AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 36700000

USING BALANCES PERIOD EQUAL TO LAST 40 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF MORT											INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
67.5	66.8	65.9	65.4	65.3	65.2	65.5	65.3	65.4	65.5	SC	121	118	123	116	106	98	94	87	81	76
49.5	49.3	48.9	48.8	49.0	49.1	49.5	49.6	49.8	50.0	S-.5	105	98	98	91	86	81	-86	-80	79	78
37.4	37.6	37.6	37.7	38.1	38.3	38.7	39.0	39.2	39.6	S0	113	103	94	89	97	101	119	115	119	124
32.4	32.7	32.9	33.1	33.6	34.0	34.4	34.8	35.2	35.5	S0.5	135	127	116	114	128	135	156	153	159	164
28.8	29.1	29.3	29.6	29.9	30.2	30.6	30.8	31.2	31.7	S1	189	182	170	171	186	196	217	216	223	228
26.8	27.2	27.4	27.8	28.2	28.5	28.9	29.2	29.6	29.9	S1.5	232	226	214	216	232	242	262	262	269	275
24.8	25.3	25.6	26.1	26.5	26.9	27.4	27.7	28.1	28.5	S2	303	297	284	285	298	306	323	321	326	329
22.6	22.9	23.2	23.8	24.4	24.9	25.5	25.9	26.3	26.8	S3	415	420	416	412	419	420	429	421	421	418
21.5	21.9	22.2	22.6	23.0	23.5	24.1	24.6	25.1	25.5	S4	503	508	508	526	556	560	554	534	523	511
21.0	21.4	21.7	22.1	22.5	22.9	23.4	23.9	24.4	24.9	S5	558	565	570	595	626	645	650	614	592	572
20.7	21.1	21.5	21.9	22.3	22.7	23.1	23.6	24.1	24.6	S6	587	599	613	646	680	695	707	663	629	605
53.1	53.0	52.8	52.8	53.0	53.3	53.7	53.8	54.1	54.3	L0	103	95	92	85	-82	-79	90	84	84	85
43.9	44.1	44.0	44.2	44.6	44.9	45.4	45.7	46.1	46.4	L0.5	105	96	88	82	88	90	106	102	104	108
35.9	37.2	37.3	37.6	37.9	38.3	38.7	39.0	39.3	39.7	L1	135	126	114	111	122	128	147	144	149	153
32.1	32.5	32.8	33.1	33.6	34.1	34.6	35.0	35.4	35.8	L1.5	169	162	149	149	163	171	190	187	193	197
28.7	29.1	29.3	29.6	30.0	30.3	30.7	31.0	31.6	32.1	L2	234	228	216	218	234	244	265	265	268	269
24.7	25.2	25.6	26.1	26.5	27.0	27.4	27.8	28.2	28.5	L3	355	345	328	326	336	342	358	355	359	362
22.3	22.6	23.0	23.4	24.0	24.6	25.1	25.5	26.0	26.4	L4	462	472	473	476	471	464	467	456	454	451
21.4	21.8	22.1	22.5	22.9	23.3	23.9	24.4	24.9	25.4	L5	528	539	542	562	588	595	579	554	541	530
54.0	53.6	53.0	52.7	52.7	52.7	53.0	52.9	53.0	53.2	R0.5	116	111	115	108	99	91	90	83	-77	-73
42.4	42.2	41.8	41.6	41.8	42.0	42.4	42.5	42.7	43.0	R1	105	99	99	91	87	82	89	83	81	81
35.5	35.5	35.4	35.5	35.8	36.0	36.4	36.6	36.9	37.2	R1.5	-95	-87	-81	-76	84	87	105	102	106	111
29.6	29.8	29.9	30.1	30.4	30.6	30.9	31.2	31.7	32.1	R2	115	109	100	103	123	135	160	161	170	177
26.8	27.1	27.4	27.7	28.0	28.4	28.8	29.1	29.4	29.7	R2.5	168	167	159	166	188	202	226	227	236	245
24.0	24.6	25.0	25.4	25.9	26.4	26.9	27.2	27.6	28.0	R3	267	269	261	269	288	298	317	316	321	325
22.1	22.4	22.7	23.0	23.6	24.2	24.8	25.3	25.7	26.2	R4	410	420	426	452	469	467	472	458	453	446
21.2	21.5	21.9	22.2	22.6	23.0	23.6	24.1	24.6	25.1	R5	528	534	540	567	604	628	622	590	568	549

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 36700000

USING BALANCES PERIOD EQUAL TO LAST 20 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF MORT											INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
68.1	67.3	66.1	65.3	65.0	65.0	65.4	65.2	65.2	65.2	SC	93	91	95	89	81	75	73	69	65	60
50.0	49.7	49.2	48.9	49.0	49.3	49.7	49.8	50.0	50.2	S-.5	80	76	77	71	67	64	-67	-63	-62	63
37.8	37.9	37.9	38.0	38.3	38.7	39.1	39.4	39.7	40.0	S0	79	73	67	64	71	72	85	81	84	88
32.7	33.0	33.2	33.5	33.9	34.4	34.9	35.3	35.7	36.1	S0.5	94	88	80	80	91	94	109	106	110	114
29.0	29.3	29.5	29.8	30.2	30.5	30.9	31.4	31.9	32.5	S1	133	127	118	120	132	136	151	148	151	155
27.0	27.4	27.7	28.0	28.4	28.8	29.3	29.6	30.0	30.3	S1.5	166	161	152	154	166	170	184	182	187	192
24.9	25.4	25.8	26.3	26.8	27.2	27.8	28.2	28.6	29.0	S2	220	215	204	206	216	217	228	224	226	229
22.6	23.0	23.4	24.0	24.7	25.3	25.9	26.3	26.8	27.3	S3	308	313	306	304	308	304	308	299	297	295
21.6	22.0	22.3	22.7	23.1	23.8	24.5	25.0	25.5	26.0	S4	375	382	383	400	425	414	405	387	377	366
21.0	21.4	21.8	22.2	22.6	23.1	23.7	24.3	24.9	25.4	S5	417	426	432	455	482	497	480	450	431	414
20.7	21.2	21.6	22.0	22.4	22.9	23.4	23.9	24.5	25.0	S6	440	452	466	496	527	538	531	488	459	440
53.6	53.5	53.2	53.1	53.3	53.6	54.0	54.2	54.5	54.7	L0	76	72	71	66	-64	-61	69	65	64	65
44.4	44.5	44.4	44.5	44.9	45.3	45.9	46.2	46.6	47.0	L0.5	75	69	65	61	66	66	78	74	76	79
41.2	37.5	37.6	37.9	38.2	38.7	39.2	39.5	39.9	40.2	L1	94	88	79	78	87	89	103	99	102	106
32.4	32.8	33.1	33.5	34.0	34.5	35.1	35.5	36.0	36.4	L1.5	119	113	104	105	116	119	132	128	132	136
28.9	29.2	29.5	29.8	30.2	30.6	31.1	31.7	32.3	32.9	L2	167	163	153	156	169	173	187	182	182	183
24.9	25.4	25.8	26.3	26.8	27.3	27.8	28.2	28.6	29.1	L3	259	251	238	237	245	246	256	251	254	257
22.3	22.7	23.0	23.6	24.3	24.9	25.5	26.0	26.5	26.9	L4	344	354	356	353	349	338	338	327	324	321
21.4	21.8	22.2	22.6	23.0	23.6	24.2	24.8	25.3	25.9	L5	395	405	411	429	452	441	425	403	391	382
54.4	53.9	53.1	52.7	52.6	52.7	53.0	52.9	53.0	53.1	R0.5	89	86	89	83	76	71	71	67	63	-59
42.8	42.5	42.0	41.7	41.8	42.1	42.5	42.6	42.9	43.1	R1	80	76	77	71	67	64	70	66	65	66
35.7	35.7	35.6	35.6	35.8	36.2	36.6	36.8	37.1	37.4	R1.5	-71	-65	-62	-58	65	67	81	78	82	86
29.8	29.9	30.0	30.2	30.5	30.8	31.2	31.6	32.1	32.6	R2	82	79	72	76	92	100	118	118	124	130
26.9	27.3	27.5	27.8	28.2	28.6	29.0	29.3	29.7	30.0	R2.5	121	120	115	122	139	147	164	164	171	178
24.2	24.7	25.1	25.6	26.1	26.6	27.2	27.6	28.0	28.4	R3	195	196	190	197	212	216	229	225	229	232
22.1	22.5	22.8	23.1	23.8	24.5	25.2	25.7	26.2	26.6	R4	305	314	319	342	349	342	342	329	323	318
21.2	21.6	21.9	22.3	22.8	23.2	23.9	24.5	25.1	25.6	R5	395	402	409	433	465	480	458	430	412	396

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 36700000

USING BALANCES PERIOD EQUAL TO LAST 10 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF MORT											INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
67.1	65.6	64.1	63.2	62.8	62.4	62.6	63.0	63.5	64.0	SC	87	80	81	72	61	-48	-50	-42	-41	-40
50.0	49.4	48.7	48.4	48.4	48.3	48.7	49.1	49.6	50.1	S-.5	77	70	70	63	58	52	62	53	52	52
38.6	38.6	38.4	38.5	38.7	38.8	39.2	39.7	40.1	40.5	S0	64	59	56	53	61	65	83	72	71	72
33.9	34.0	34.1	34.3	34.6	34.9	35.4	35.9	36.4	36.9	S0.5	60	57	52	53	69	79	100	87	87	87
30.0	30.2	30.3	30.6	30.9	31.2	31.8	32.4	33.1	33.7	S1	68	67	59	64	86	100	123	109	108	107
28.1	28.4	28.6	28.9	29.3	29.6	30.0	30.4	30.8	31.4	S1.5	83	83	74	80	103	119	143	129	129	128
26.3	26.7	27.0	27.4	27.8	28.2	28.6	29.1	29.5	30.0	S2	110	110	99	104	126	142	165	149	148	147
23.7	24.4	24.9	25.5	26.0	26.5	27.0	27.5	28.0	28.5	S3	179	175	158	158	174	186	206	186	181	177
22.4	22.8	23.2	24.0	24.7	25.3	25.9	26.4	26.9	27.4	S4	244	258	257	242	242	242	252	224	214	207
21.8	22.2	22.7	23.1	24.0	24.6	25.3	25.8	26.4	26.9	S5	281	305	317	341	315	292	283	243	228	222
21.5	22.0	22.4	22.9	23.6	24.4	25.0	25.6	26.1	26.6	S6	300	337	366	403	386	337	303	243	221	223
54.1	53.7	53.2	53.0	53.0	53.0	53.4	53.9	54.4	54.9	L0	73	67	67	60	-57	54	66	56	55	55
45.4	45.2	44.9	44.9	45.2	45.3	45.8	46.4	47.0	47.6	L0.5	66	60	58	54	59	61	77	66	65	66
38.4	38.4	38.5	38.6	38.9	39.2	39.6	40.1	40.5	41.0	L1	-59	-56	-51	-51	65	74	94	81	81	81
34.8	34.1	34.2	34.6	35.0	35.3	35.8	36.4	36.9	37.4	L1.5	64	63	55	59	78	90	112	98	97	96
29.9	30.2	30.5	30.8	31.2	31.7	32.4	33.0	33.7	34.2	L2	85	85	75	81	104	118	140	123	120	117
26.2	26.7	27.1	27.5	27.9	28.3	28.8	29.3	29.7	30.2	L3	134	131	117	120	142	158	181	165	163	161
23.1	23.9	24.5	25.1	25.7	26.2	26.7	27.2	27.7	28.2	L4	229	221	197	187	194	201	218	198	195	193
22.2	22.6	23.1	23.8	24.5	25.1	25.7	26.3	26.8	27.3	L5	266	288	294	276	263	253	256	225	217	215
53.9	53.0	52.0	51.5	51.3	51.1	51.3	51.7	52.1	52.5	R0.5	84	77	77	69	60	50	55	47	45	45
42.8	42.1	41.5	41.3	41.3	41.3	41.5	42.0	42.6	43.1	R1	77	70	70	62	58	54	65	55	55	55
36.1	35.9	35.7	35.7	35.9	36.0	36.4	36.9	37.4	37.8	R1.5	68	61	59	55	61	65	83	72	72	72
30.3	30.4	30.4	30.6	30.8	31.1	31.6	32.3	32.9	33.6	R2	61	58	54	57	76	89	112	99	99	99
27.8	28.0	28.2	28.5	28.8	29.1	29.5	29.9	30.3	30.7	R2.5	71	74	67	76	99	115	140	126	127	129
25.4	25.8	26.2	26.6	27.1	27.5	28.0	28.4	28.9	29.3	R3	108	112	104	112	135	150	173	156	154	153
22.8	23.2	23.9	24.6	25.2	25.8	26.4	26.9	27.4	27.9	R4	191	209	196	197	209	216	229	203	194	187
21.9	22.4	22.8	23.3	24.1	24.8	25.4	26.0	26.5	27.0	R5	258	279	292	314	300	285	280	240	222	213

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

KENTUCKY POWER COMPANY  
Depreciation Study as of December 31, 2004  
Distribution Plant

Account	<u>368 LINE TRANSFORMERS</u>	
Depreciable Balance	\$84,185,422	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	25	29
Iowa Curve	R1.5	RO.5
Gross Removal, %		15%
Gross Salvage, %		40%
Net Salvage %	15%	25%

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The results of the simulation analyses for the investment in this account indicate a slight increase in the average service life. Based on the analyses, the recommendation is to move to a 29 year average service life following an RO.5 type dispersion.

The cores of the line transformers may be expected to produce a salvage value. There will also be a cost involved in removing and replacing this equipment. The recommendation is for a gross salvage of 40% and a removal of 15%.

STUDY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

LIFE ANALYSIS DATA IN DOLLARS  
FOR ACCOUNT 36800000

YEAR	ADDITIONS	RETIREMENTS	YEAR	ADDITIONS	RETIREMENTS
1936	370113.	0.	1970	954361.	193411.
1937	94566.	84031.	1971	1128076.	205337.
1938	101940.	37399.	1972	1089601.	396582.
1939	107763.	36711.	1973	1402782.	229211.
1940	83745.	28729.	1974	1473612.	242975.
1941	126413.	23827.	1975	1610300.	253830.
1942	25547.	505.	1976	1711891.	265974.
1943	6171.	9985.	1977	3541256.	312212.
1944	30578.	7340.	1978	3851592.	627160.
1945	161745.	5865.	1979	2852002.	411317.
1946	332267.	10975.	1980	3636711.	707768.
1947	491803.	12232.	1981	2989360.	1160266.
1948	489204.	27858.	1982	2206738.	667258.
1949	433985.	39333.	1983	2530699.	816897.
1950	463556.	55812.	1984	3261356.	509740.
1951	500026.	34643.	1985	2911362.	640462.
1952	222457.	24126.	1986	3654901.	714994.
1953	295026.	43675.	1987	3159121.	784243.
1954	265710.	32894.	1988	2317695.	601750.
1955	438445.	52899.	1989	3776952.	1161193.
1956	694523.	48821.	1990	3902514.	959910.
1957	284379.	51169.	1991	3837537.	1219271.
1958	493518.	64683.	1992	3210065.	1618101.
1959	463712.	81628.	1993	4268448.	1105636.
1960	377379.	69198.	1994	5479512.	1164053.
1961	386601.	64955.	1995	4198526.	1313309.
1962	290851.	71202.	1996	3287901.	1578917.
1963	318004.	67861.	1997	4777388.	2186374.
1964	376312.	57553.	1998	3482894.	1560837.
1965	474052.	144033.	1999	4458378.	1278242.
1966	699015.	131560.	2000	3420485.	1443110.
1967	823498.	131999.	2001	2396046.	1029459.
1968	994850.	191068.	2002	3758604.	1055795.
1969	633909.	349749.	2003	1347430.	1073924.
			2004	2607713.	1076234.

NUMBER OF CURVES 27

NUMBER OF LIVES 12

MIN LIFE 4

MAXLIFE 100

RATIO 1.33994031

ACCOUNT BALANCE 84185422.



AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 36800000

USING BALANCES PERIOD EQUAL TO LAST 40 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF MORT											INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
32.2	32.1	31.9	31.8	31.6	31.5	31.5	31.6	31.6	31.8	SC	157	150	153	152	144	135	127	125	-132	-149
29.1	29.0	28.9	28.9	28.8	28.8	28.8	28.9	29.0	29.1	S-.5	143	135	134	131	123	115	115	126	150	181
26.7	26.7	26.6	26.6	26.6	26.6	26.7	26.8	26.9	27.1	S0	141	133	128	122	115	112	123	149	186	227
25.4	25.4	25.4	25.3	25.4	25.4	25.5	25.6	25.7	25.9	S0.5	144	136	130	123	118	118	136	169	212	259
24.2	24.2	24.2	24.2	24.2	24.3	24.4	24.5	24.7	24.9	S1	154	146	138	130	128	133	157	197	245	287
23.4	23.4	23.4	23.4	23.4	23.5	23.6	23.8	23.9	24.2	S1.5	167	158	149	141	140	149	178	221	273	329
22.7	22.7	22.7	22.7	22.8	22.8	22.9	23.1	23.3	23.5	S2	188	178	167	159	160	172	205	252	308	367
21.9	21.9	21.9	21.9	22.0	22.1	22.2	22.3	22.5	22.7	S3	226	213	201	193	197	213	250	302	363	428
21.3	21.3	21.3	21.3	21.4	21.5	21.6	21.8	22.0	22.2	S4	266	251	238	229	235	254	295	351	417	487
20.9	21.0	21.0	21.0	21.1	21.2	21.3	21.5	21.7	21.9	S5	292	276	261	252	258	278	323	384	454	530
20.8	20.8	20.8	20.9	20.9	21.0	21.2	21.3	21.5	21.8	S6	307	291	275	265	268	287	334	402	480	560
31.8	31.7	31.6	31.5	31.4	31.4	31.4	31.5	31.6	31.8	L0	156	147	146	141	133	124	122	131	152	181
29.3	29.3	29.2	29.2	29.2	29.2	29.2	29.3	29.4	29.6	L0.5	154	145	141	134	126	120	125	144	174	210
27.3	27.3	27.3	27.2	27.3	27.3	27.4	27.5	27.6	27.8	L1	159	150	142	135	128	126	139	167	204	246
25.8	25.9	25.8	25.8	25.9	25.9	26.0	26.1	26.3	26.5	L1.5	165	156	147	139	135	138	157	191	233	280
24.5	24.5	24.5	24.5	24.6	24.7	24.8	24.9	25.1	25.3	L2	180	171	162	154	153	161	187	226	272	323
22.7	22.8	22.8	22.8	22.9	23.0	23.1	23.2	23.4	23.7	L3	211	201	190	184	189	205	241	289	342	397
21.7	21.7	21.7	21.8	21.8	21.9	22.1	22.2	22.4	22.6	L4	242	230	217	209	214	233	274	330	393	460
21.2	21.2	21.2	21.3	21.3	21.4	21.6	21.7	21.9	22.1	L5	275	261	246	238	244	264	308	368	436	508
29.3	29.3	29.2	29.1	29.0	29.0	29.0	29.0	29.1	29.3	R0.5	139	131	134	133	126	118	114	-120	139	166
27.1	27.0	27.0	26.9	26.9	26.9	26.9	27.0	27.1	27.2	R1	-127	-121	123	121	114	-106	-109	128	158	194
25.5	25.5	25.5	25.4	25.4	25.4	25.5	25.6	25.7	25.9	R1.5	130	123	-121	-117	-111	108	119	146	185	229
24.1	24.1	24.1	24.1	24.1	24.1	24.2	24.3	24.5	24.7	R2	141	133	130	124	118	119	138	175	222	273
23.2	23.2	23.1	23.1	23.2	23.2	23.3	23.5	23.6	23.8	R2.5	165	155	149	141	136	140	165	208	261	319
22.4	22.4	22.4	22.4	22.5	22.5	22.6	22.8	22.9	23.1	R3	191	180	170	161	159	168	199	248	307	372
21.6	21.6	21.6	21.6	21.7	21.8	21.9	22.0	22.2	22.4	R4	238	224	211	202	204	218	255	309	374	444
21.0	21.1	21.1	21.1	21.2	21.3	21.4	21.6	21.8	22.0	R5	282	267	252	243	248	266	308	367	437	512

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 36800000

USING BALANCES PERIOD EQUAL TO LAST 20 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF MORT											INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
31.3	31.2	31.0	30.9	30.8	30.8	30.8	31.0	31.2	31.4	SC	73	65	67	68	61	57	-60	-75	-97	-123
28.5	28.5	28.4	28.3	28.3	28.3	28.4	28.6	28.8	29.0	S.5	76	67	63	60	54	54	67	93	123	156
26.3	26.2	26.2	26.1	26.1	26.2	26.3	26.5	26.8	27.0	S0	85	77	68	63	61	69	92	124	159	199
25.0	25.0	24.9	24.9	24.9	25.0	25.2	25.4	25.6	25.9	S0.5	90	81	70	64	67	80	109	146	186	229
23.9	23.8	23.8	23.8	23.8	23.9	24.1	24.3	24.6	24.9	S1	99	89	76	71	78	97	132	174	217	264
23.1	23.1	23.0	23.0	23.0	23.1	23.3	23.5	23.8	24.1	S1.5	108	96	81	76	86	111	151	198	246	296
22.4	22.4	22.4	22.4	22.4	22.5	22.7	22.9	23.1	23.4	S2	122	109	93	89	104	132	176	227	280	333
21.6	21.6	21.6	21.6	21.6	21.7	21.9	22.1	22.4	22.6	S3	148	132	115	114	134	168	218	273	331	392
21.0	21.0	20.9	21.0	21.0	21.1	21.3	21.5	21.8	22.1	S4	177	158	139	141	165	204	259	319	382	447
20.7	20.6	20.6	20.6	20.7	20.8	21.0	21.2	21.5	21.8	S5	197	175	156	158	184	225	283	348	416	487
20.5	20.5	20.4	20.5	20.5	20.6	20.8	21.1	21.3	21.6	S6	207	186	168	169	193	232	292	364	440	516
30.9	30.9	30.8	30.7	30.7	30.7	30.8	31.0	31.3	31.6	L0	79	70	65	62	56	56	69	93	122	154
28.7	28.7	28.6	28.6	28.6	28.6	28.8	29.0	29.2	29.5	L0.5	85	76	68	62	59	65	84	113	146	182
26.8	26.8	26.7	26.7	26.7	26.8	27.0	27.2	27.5	27.7	L1	95	88	78	73	74	85	108	140	175	215
25.4	25.4	25.3	25.3	25.4	25.5	25.7	25.9	26.2	26.5	L1.5	102	94	83	79	85	101	130	167	205	248
24.1	24.1	24.1	24.1	24.1	24.3	24.5	24.7	25.0	25.3	L2	115	108	97	96	108	129	162	202	243	287
22.4	22.4	22.4	22.4	22.5	22.6	22.8	23.0	23.3	23.6	L3	136	125	112	114	134	165	210	261	312	360
21.4	21.4	21.4	21.4	21.5	21.6	21.7	22.0	22.2	22.5	L4	159	142	125	126	149	187	240	299	359	421
20.9	20.9	20.8	20.9	20.9	21.0	21.2	21.5	21.7	22.0	L5	183	164	146	147	173	213	270	334	399	467
28.8	28.7	28.6	28.5	28.5	28.5	28.6	28.7	28.9	29.1	R0.5	-72	-63	64	63	56	53	62	84	112	143
26.7	26.6	26.5	26.4	26.4	26.4	26.5	26.7	26.9	27.1	R1	75	66	62	58	51	-50	70	101	135	172
25.2	25.2	25.1	25.0	25.0	25.0	25.2	25.3	25.6	25.8	R1.5	81	70	-61	-53	-47	55	84	122	162	205
23.9	23.8	23.7	23.7	23.7	23.7	23.9	24.1	24.3	24.6	R2	93	79	66	55	51	67	106	152	199	248
23.0	22.9	22.9	22.8	22.8	22.9	23.0	23.2	23.5	23.8	R2.5	111	94	76	62	64	87	132	184	238	292
22.2	22.2	22.1	22.1	22.1	22.2	22.3	22.5	22.8	23.0	R3	128	110	89	78	88	117	166	222	280	341
21.4	21.3	21.3	21.3	21.3	21.4	21.6	21.8	22.0	22.3	R4	160	140	118	114	132	168	220	279	342	408
20.8	20.7	20.7	20.7	20.8	20.9	21.1	21.3	21.6	21.8	R5	190	169	149	150	175	214	269	333	400	471

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 36800000

USING BALANCES PERIOD EQUAL TO LAST 10 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF											MORT	INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	
31.2	31.2	31.0	30.8	30.7	30.7	30.7	30.9	31.2	31.6	SC	39	39	56	57	51	44	-53	-78	-109	-140	
28.5	28.6	28.5	28.4	28.3	28.3	28.5	28.7	29.0	29.3	S-.5	33	30	43	43	40	40	64	96	132	168	
26.3	26.4	26.3	26.3	26.3	26.4	26.6	26.8	27.1	27.5	S0	34	30	34	32	35	48	82	119	159	200	
25.0	25.1	25.1	25.1	25.1	25.2	25.4	25.7	26.0	26.4	S0.5	37	35	-32	31	41	60	98	137	179	222	
23.8	23.9	23.9	23.9	24.0	24.2	24.4	24.7	25.1	25.4	S1	43	44	38	38	53	77	118	158	203	248	
22.9	23.0	23.1	23.1	23.2	23.4	23.6	24.0	24.3	24.8	S1.5	46	51	46	49	69	96	139	180	226	272	
22.2	22.3	22.4	22.5	22.6	22.7	23.0	23.3	23.7	24.1	S2	55	64	60	66	88	118	163	206	252	298	
21.3	21.4	21.5	21.6	21.8	22.0	22.2	22.5	22.9	23.3	S3	70	86	85	97	123	155	202	248	300	352	
20.6	20.7	20.8	21.0	21.2	21.4	21.6	22.0	22.3	22.8	S4	84	108	113	130	159	194	243	292	348	407	
20.2	20.3	20.5	20.6	20.8	21.0	21.3	21.7	22.1	22.5	S5	95	124	133	152	181	216	268	322	386	453	
20.0	20.1	20.3	20.4	20.6	20.9	21.1	21.5	21.9	22.3	S6	104	139	149	165	190	223	278	341	415	490	
31.0	31.0	30.9	30.8	30.8	30.8	30.9	31.2	31.5	31.9	L0	-32	-28	43	43	40	-39	63	95	130	166	
28.8	28.8	28.8	28.7	28.8	28.8	29.0	29.2	29.5	29.9	L0.5	34	29	35	34	-34	44	75	109	147	186	
27.0	27.0	27.0	27.0	27.1	27.3	27.6	27.9	28.3	28.3	L1	42	38	34	33	39	55	90	126	166	208	
25.4	25.5	25.5	25.6	25.7	25.8	26.0	26.3	26.7	27.1	L1.5	48	48	41	40	52	72	109	146	188	231	
24.0	24.2	24.2	24.3	24.5	24.6	24.9	25.2	25.6	26.0	L2	61	66	58	60	74	96	133	170	212	256	
22.2	22.4	22.5	22.6	22.7	22.9	23.2	23.5	24.0	24.4	L3	71	84	82	91	114	144	188	225	265	308	
21.1	21.2	21.3	21.4	21.6	21.8	22.1	22.4	22.8	23.2	L4	78	96	97	111	138	174	224	273	328	382	
20.5	20.6	20.7	20.9	21.1	21.3	21.6	21.9	22.3	22.7	L5	91	116	121	138	166	202	255	308	368	429	
28.8	28.8	28.6	28.5	28.5	28.4	28.5	28.7	29.0	29.3	R0.5	36	35	51	50	45	41	59	90	124	159	
26.6	26.6	26.6	26.5	26.4	26.5	26.6	26.8	27.1	27.4	R1	35	33	45	42	39	42	71	107	145	184	
25.1	25.1	25.1	25.0	25.0	25.1	25.2	25.5	25.8	26.2	R1.5	34	32	40	35	37	51	88	128	170	212	
23.7	23.7	23.7	23.7	23.7	23.8	24.0	24.3	24.7	25.1	R2	35	34	36	-30	44	69	112	155	200	246	
22.7	22.8	22.8	22.8	22.8	23.0	23.1	23.5	23.9	24.3	R2.5	37	40	38	39	61	91	139	185	233	281	
21.9	22.0	22.0	22.1	22.2	22.3	22.5	22.8	23.1	23.6	R3	43	53	51	58	84	118	167	216	271	320	
21.0	21.1	21.2	21.3	21.4	21.6	21.9	22.2	22.5	22.9	R4	64	83	85	100	128	162	211	261	319	381	
20.3	20.4	20.6	20.7	20.9	21.1	21.4	21.7	22.1	22.5	R5	88	116	124	143	171	205	254	307	369	437	

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

KENTUCKY POWER COMPANY  
Depreciation Study as of December 31, 2004  
Distribution Plant

Account	<u>369 SERVICES</u>	
Depreciable Balance	\$31,239,944	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	18	22
Iowa Curve	R2.0	RO.5
Gross Removal, %		0%
Gross Salvage, %		15%
Net Salvage %	0%	15%

\*\*\*\*\*

Based on the results of the simulation analyses for the investment in this account, the recommendation is to move to a 22 year average service life following an RO.5 type dispersion.

Scrap sales may result in a salvage value for the investments in this account. The recommendation is for a 15% gross salvage value and 0% removal cost.

STUDY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

LIFE ANALYSIS DATA IN DOLLARS  
FOR ACCOUNT 36900000

YEAR	ADDITIONS	RETIREMENTS	YEAR	ADDITIONS	RETIREMENTS
1936	143212.	0.	1970	423419.	108673.
1937	37203.	11112.	1971	509551.	118146.
1938	46593.	14239.	1972	683325.	158801.
1939	45804.	12835.	1973	654650.	163509.
1940	54016.	15722.	1974	483476.	160210.
1941	25996.	10956.	1975	524332.	168457.
1942	29900.	971.	1976	596974.	176814.
1943	11021.	8861.	1977	723397.	177138.
1944	14444.	3671.	1978	830075.	201569.
1945	39254.	4137.	1979	711506.	322670.
1946	112216.	6923.	1980	864476.	216061.
1947	218255.	11858.	1981	868594.	281371.
1948	243279.	16194.	1982	716135.	166004.
1949	219751.	29813.	1983	969567.	319764.
1950	161544.	24246.	1984	807358.	304542.
1951	139833.	35506.	1985	712353.	281524.
1952	128566.	36275.	1986	733462.	304874.
1953	124065.	43728.	1987	931227.	429089.
1954	115530.	47791.	1988	888422.	392321.
1955	113139.	50921.	1989	1182480.	374843.
1956	136713.	54615.	1990	945888.	396795.
1957	144373.	61021.	1991	1236345.	456573.
1958	169015.	72705.	1992	1167485.	415580.
1959	148227.	65607.	1993	1658958.	696650.
1960	142251.	71016.	1994	1352925.	562012.
1961	166728.	71168.	1995	1107925.	497449.
1962	128946.	70456.	1996	816459.	475561.
1963	125832.	81492.	1997	2636990.	522610.
1964	161204.	84465.	1998	795815.	431172.
1965	186261.	91455.	1999	2508736.	344602.
1966	231692.	101048.	2000	2680192.	569287.
1967	299067.	97914.	2001	1931126.	390080.
1968	328382.	128889.	2002	1907359.	508684.
1969	373867.	126343.	2003	2678347.	630850.
			2004	2034573.	511999.

NUMBER OF CURVES 27

NUMBER OF LIVES 12

MIN LIFE 4

MAXLIFE 100

RATIO 1.33994031

ACCOUNT BALANCE 31239944.

AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 36900000

USING BALANCES PERIOD EQUAL TO LAST 40 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF MORT											INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN										
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	
21.5	21.5	21.6	21.7	21.9	22.0	22.2	22.4	22.6	22.9	SC	-202	-200	-201	-216	-250	-280	-324	-368	-401	-437	
20.4	20.4	20.5	20.6	20.8	20.9	21.1	21.3	21.5	21.8	S-.5	216	216	221	239	277	310	355	398	432	468	
19.4	19.5	19.6	19.7	19.9	20.0	20.2	20.4	20.6	20.8	S0	233	237	245	268	309	343	388	431	464	499	
18.9	19.0	19.1	19.2	19.3	19.5	19.7	19.9	20.1	20.3	S0.5	245	252	264	289	333	368	414	457	489	524	
18.4	18.5	18.6	18.7	18.9	19.0	19.2	19.4	19.6	19.8	S1	263	274	288	316	362	397	443	485	516	549	
18.0	18.1	18.2	18.4	18.5	18.7	18.9	19.1	19.3	19.5	S1.5	281	295	312	342	388	424	469	510	540	572	
17.7	17.8	17.9	18.1	18.2	18.4	18.6	18.8	19.0	19.2	S2	306	323	341	372	418	454	497	537	565	595	
17.2	17.4	17.5	17.7	17.8	18.0	18.2	18.4	18.6	18.8	S3	354	375	396	427	471	505	545	581	607	633	
16.9	17.1	17.2	17.4	17.5	17.7	17.9	18.1	18.3	18.5	S4	397	423	450	486	529	559	595	627	647	668	
16.8	16.9	17.0	17.2	17.4	17.6	17.8	18.0	18.2	18.4	S5	423	450	480	522	570	599	632	659	674	691	
16.7	16.8	17.0	17.1	17.3	17.5	17.7	17.9	18.1	18.3	S6	437	465	497	540	595	625	656	679	690	703	
21.8	21.9	21.9	22.1	22.2	22.4	22.6	22.8	23.0	23.2	L0	205	205	209	226	263	294	338	381	415	450	
20.8	20.8	20.9	21.1	21.2	21.4	21.6	21.8	22.0	22.2	L0.5	223	225	231	250	288	320	363	405	438	473	
19.9	20.0	20.1	20.2	20.3	20.5	20.7	20.9	21.1	21.3	L1	245	249	256	276	315	347	389	430	462	496	
19.2	19.3	19.4	19.6	19.7	19.9	20.1	20.3	20.5	20.7	L1.5	263	269	279	301	341	374	416	457	487	520	
18.6	18.7	18.9	19.0	19.2	19.3	19.5	19.7	19.9	20.1	L2	287	296	307	331	371	403	445	484	514	545	
17.8	17.9	18.0	18.2	18.3	18.5	18.7	18.9	19.1	19.3	L3	327	342	358	385	427	459	499	536	563	592	
17.2	17.3	17.4	17.6	17.8	18.0	18.1	18.3	18.5	18.7	L4	371	395	416	447	490	522	560	593	616	640	
16.9	17.0	17.2	17.3	17.5	17.7	17.9	18.1	18.3	18.5	L5	406	432	461	499	542	572	606	635	653	673	
20.4	20.5	20.5	20.7	20.8	21.0	21.1	21.3	21.6	21.8	R0.5	207	207	212	230	270	303	350	395	430	467	
19.4	19.5	19.6	19.7	19.9	20.0	20.2	20.4	20.6	20.8	R1	213	217	227	251	296	332	381	427	462	499	
18.8	18.9	19.0	19.1	19.3	19.4	19.6	19.8	20.0	20.2	R1.5	224	234	248	277	325	363	412	458	493	529	
18.2	18.3	18.4	18.6	18.7	18.9	19.1	19.3	19.5	19.7	R2	245	260	278	311	360	399	448	492	526	560	
17.8	17.9	18.1	18.2	18.4	18.5	18.7	18.9	19.1	19.3	R2.5	273	291	312	346	395	434	481	524	555	587	
17.5	17.6	17.7	17.9	18.0	18.2	18.4	18.6	18.8	19.0	R3	310	330	352	386	435	472	517	557	586	615	
17.1	17.2	17.3	17.5	17.7	17.8	18.0	18.2	18.4	18.6	R4	368	393	418	451	497	532	572	607	631	655	
16.8	16.9	17.1	17.2	17.4	17.6	17.8	18.0	18.2	18.4	R5	414	440	469	510	556	587	622	651	668	686	

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 36900000

USING BALANCES PERIOD EQUAL TO LAST 20 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF MORT											INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
21.9	22.0	22.0	22.2	22.4	22.5	22.8	23.0	23.3	23.6	SC	108	-100	-99	-115	-148	-176	-216	-257	-287	-318
20.8	20.8	20.9	21.1	21.3	21.4	21.7	21.9	22.1	22.4	S-.5	117	114	117	137	172	201	241	282	311	341
19.8	19.9	20.0	20.1	20.3	20.5	20.7	20.9	21.2	21.4	S0	133	135	143	165	202	231	269	308	335	363
19.2	19.3	19.4	19.6	19.7	19.9	20.2	20.4	20.6	20.9	S0.5	146	153	164	190	228	257	294	332	357	384
18.7	18.8	18.9	19.0	19.2	19.4	19.7	19.9	20.1	20.4	S1	166	177	192	219	257	286	321	357	380	405
18.3	18.4	18.5	18.7	18.9	19.1	19.3	19.5	19.8	20.0	S1.5	186	201	218	247	285	313	347	381	403	425
17.9	18.0	18.2	18.3	18.5	18.7	19.0	19.2	19.5	19.7	S2	212	230	249	278	315	342	375	406	426	445
17.5	17.6	17.7	17.9	18.1	18.3	18.6	18.8	19.0	19.3	S3	260	282	303	333	369	393	422	449	464	480
17.1	17.2	17.4	17.6	17.8	18.0	18.3	18.5	18.7	19.0	S4	303	333	358	389	423	446	470	493	503	513
16.9	17.1	17.2	17.4	17.6	17.8	18.1	18.3	18.6	18.9	S5	326	357	389	425	461	483	505	523	529	534
16.8	17.0	17.1	17.3	17.5	17.8	18.0	18.3	18.5	18.8	S6	338	370	403	447	483	505	526	542	544	546
22.1	22.2	22.3	22.5	22.7	22.9	23.1	23.4	23.7	24.0	L0	123	118	119	136	168	195	233	272	300	329
21.1	21.2	21.3	21.5	21.7	21.9	22.1	22.3	22.6	22.9	L0.5	138	136	138	156	189	215	252	290	317	345
2	20.3	20.4	20.6	20.8	21.0	21.2	21.4	21.7	22.0	L1	157	157	161	179	211	236	272	308	333	359
.5	19.6	19.8	19.9	20.1	20.3	20.6	20.8	21.0	21.3	L1.5	174	178	185	205	238	263	296	331	354	379
18.9	19.0	19.2	19.3	19.5	19.7	20.0	20.2	20.4	20.7	L2	198	205	214	235	267	291	322	355	376	398
18.0	18.2	18.3	18.5	18.7	18.9	19.1	19.3	19.6	19.8	L3	235	250	266	291	324	347	376	405	422	440
17.4	17.5	17.7	17.8	18.0	18.3	18.5	18.7	19.0	19.2	L4	277	300	322	352	387	409	435	460	473	487
17.1	17.2	17.3	17.5	17.7	18.0	18.2	18.5	18.7	19.0	L5	311	341	369	401	436	457	480	500	509	517
20.8	20.9	21.0	21.1	21.3	21.4	21.7	21.9	22.1	22.4	R0.5	-102	101	106	128	166	197	240	282	312	344
19.8	19.9	20.0	20.1	20.3	20.5	20.7	20.9	21.2	21.4	R1	105	110	122	150	192	225	268	310	340	371
19.2	19.2	19.4	19.5	19.7	19.9	20.1	20.3	20.6	20.8	R1.5	119	131	148	179	223	257	299	340	368	397
18.5	18.6	18.8	18.9	19.1	19.3	19.5	19.8	20.0	20.3	R2	145	162	183	216	260	293	332	371	397	423
18.1	18.2	18.3	18.5	18.7	18.9	19.1	19.4	19.6	19.9	R2.5	176	196	219	252	295	327	364	400	423	447
17.7	17.8	18.0	18.1	18.3	18.5	18.8	19.0	19.3	19.5	R3	214	237	260	293	334	364	398	430	450	470
17.3	17.4	17.5	17.7	17.9	18.1	18.4	18.6	18.9	19.1	R4	277	301	324	356	394	420	449	476	490	503
17.0	17.1	17.2	17.4	17.7	17.9	18.1	18.4	18.6	18.9	R5	319	348	379	413	449	472	495	516	523	530

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 36900000

USING BALANCES PERIOD EQUAL TO LAST 10 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF MORT											INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
22.2	22.3	22.3	22.5	22.7	22.9	23.2	23.5	24.0	24.5	SC	39	-42	-51	-79	-129	-162	-204	-241	-253	-261
21.1	21.2	21.2	21.4	21.6	21.8	22.1	22.4	22.8	23.2	S-.5	41	49	61	92	144	178	219	255	265	270
20.1	20.2	20.3	20.5	20.7	20.9	21.2	21.5	21.8	22.2	S0	50	62	76	108	160	193	233	267	276	279
19.6	19.7	19.8	20.0	20.2	20.4	20.7	21.0	21.3	21.7	S0.5	64	77	91	122	174	207	246	279	286	287
19.0	19.2	19.3	19.5	19.7	20.0	20.2	20.5	20.8	21.2	S1	83	96	109	139	188	220	258	289	294	294
18.7	18.8	19.0	19.2	19.4	19.6	19.9	20.2	20.5	20.9	S1.5	103	117	128	155	203	233	269	299	303	301
18.3	18.5	18.7	18.9	19.1	19.3	19.6	19.9	20.2	20.6	S2	126	139	149	173	218	246	280	309	311	307
17.9	18.1	18.3	18.5	18.7	19.0	19.3	19.6	19.9	20.2	S3	167	178	184	204	244	269	300	325	324	318
17.5	17.7	18.0	18.2	18.5	18.7	19.0	19.3	19.6	20.0	S4	206	213	216	234	272	295	322	344	338	327
17.4	17.6	17.8	18.1	18.4	18.6	18.9	19.2	19.5	19.9	S5	228	230	232	252	292	315	340	358	349	333
17.3	17.5	17.7	18.0	18.3	18.6	18.8	19.1	19.5	19.8	S6	241	240	240	260	302	328	353	368	354	335
22.5	22.6	22.7	22.8	23.0	23.3	23.6	24.0	24.4	24.9	L0	41	48	58	88	140	172	213	248	258	263
21.5	21.6	21.7	21.9	22.1	22.3	22.6	22.9	23.3	23.8	L0.5	47	55	66	97	148	181	221	256	265	268
20.6	20.7	20.9	21.0	21.2	21.4	21.7	22.0	22.4	22.8	L1	57	66	77	106	157	189	229	262	270	272
20.0	20.1	20.2	20.4	20.6	20.8	21.1	21.4	21.8	22.1	L1.5	73	83	92	120	170	201	239	271	278	279
19.4	19.5	19.7	19.8	20.1	20.3	20.6	20.9	21.2	21.6	L2	92	102	110	136	183	213	249	279	284	283
18.5	18.6	18.8	19.0	19.3	19.5	19.8	20.1	20.4	20.8	L3	131	141	149	172	215	241	274	301	302	298
17.8	18.0	18.2	18.4	18.7	19.0	19.2	19.5	19.9	20.2	L4	175	185	192	213	253	276	305	328	325	317
17.5	17.7	17.9	18.2	18.5	18.7	19.0	19.3	19.6	20.0	L5	209	216	220	239	278	301	327	346	339	326
21.1	21.1	21.2	21.4	21.6	21.8	22.1	22.4	22.8	23.2	R0.5	-37	47	60	93	145	180	223	259	270	276
20.1	20.2	20.3	20.4	20.7	20.9	21.2	21.5	21.8	22.2	R1	44	58	75	110	164	198	241	276	286	290
19.4	19.5	19.7	19.8	20.1	20.3	20.6	20.9	21.2	21.6	R1.5	60	78	95	129	182	216	257	291	299	301
18.8	19.0	19.1	19.3	19.5	19.8	20.1	20.4	20.7	21.1	R2	85	103	119	151	201	234	272	304	310	310
18.4	18.6	18.8	19.0	19.2	19.5	19.7	20.0	20.4	20.7	R2.5	112	129	142	171	219	249	286	316	320	317
18.1	18.2	18.4	18.6	18.9	19.2	19.4	19.7	20.1	20.4	R3	143	157	167	191	236	264	298	326	328	323
17.7	17.9	18.1	18.3	18.6	18.8	19.1	19.4	19.7	20.1	R4	190	198	201	220	261	286	317	342	339	330
17.4	17.6	17.9	18.1	18.4	18.6	18.9	19.2	19.6	19.9	R5	224	227	228	246	286	309	336	356	348	334

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION



KENTUCKY POWER COMPANY  
Depreciation Study as of December 31, 2004  
Distribution Plant

Account	<u>370 METERS</u>	
Depreciable Balance	\$21,071,793	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	27	20
Iowa Curve	R0.5	R3.0
Gross Removal, %		5%
Gross Salvage, %		30%
Net Salvage %	0%	25%

\*\*\*\*\*

The results of the simulation analyses for the investment in this account point to a shortening of the average service life. Based on the analyses, the recommendation is to move to a 20 year average service life following an R3.0 type dispersion.

Scrap sales of meters are expected to produce a salvage value. The recommendation is a gross salvage of 30% and a removal of 5% for costs associated with removing the meters.

STUDY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

LIFE ANALYSIS DATA IN DOLLARS  
FOR ACCOUNT 37000000

YEAR	ADDITIONS	RETIREMENTS	YEAR	ADDITIONS	RETIREMENTS
1936	370928.	0.	1970	255663.	51994.
1937	50591.	20604.	1971	279535.	60702.
1938	52663.	14262.	1972	371979.	61436.
1939	48100.	15560.	1973	423051.	70531.
1940	59490.	13467.	1974	480510.	105229.
1941	84476.	19344.	1975	497286.	105836.
1942	18454.	460.	1976	667327.	144244.
1943	10056.	9581.	1977	940534.	249384.
1944	25218.	4542.	1978	926639.	174912.
1945	60653.	9191.	1979	614814.	196583.
1946	139554.	8366.	1980	890564.	217875.
1947	271471.	12466.	1981	1149365.	261646.
1948	260771.	12529.	1982	1226850.	248786.
1949	195423.	35189.	1983	1584355.	279281.
1950	177105.	31485.	1984	1266454.	385107.
1951	155600.	36312.	1985	1086299.	388485.
1952	94922.	32524.	1986	1253695.	350900.
1953	119866.	34715.	1987	1107129.	373822.
1954	81155.	31742.	1988	1262548.	409799.
1955	118059.	31785.	1989	1133142.	320905.
1956	128652.	31269.	1990	1278153.	363340.
1957	153490.	46355.	1991	1093280.	293127.
1958	131604.	40319.	1992	999844.	381788.
1959	156474.	47096.	1993	1029446.	502234.
1960	128169.	41245.	1994	1413819.	576545.
1961	122140.	44649.	1995	850393.	631063.
1962	139771.	47026.	1996	669427.	517207.
1963	169199.	68235.	1997	1105728.	836156.
1964	184491.	72715.	1998	1324431.	723727.
1965	209404.	56012.	1999	980778.	979544.
1966	145871.	55662.	2000	1514864.	1709961.
1967	181316.	37032.	2001	648901.	639511.
1968	181449.	84855.	2002	489075.	970185.
1969	205326.	114258.	2003	617066.	624632.
			2004	1006674.	832607.

NUMBER OF CURVES 27  
 NUMBER OF LIVES 12  
 MIN LIFE 4  
 MAXLIFE 100  
 RATIO 1.33994031  
 ACCOUNT BALANCE 21071793.

AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 37000000

USING BALANCES PERIOD EQUAL TO LAST 40 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF MORT											INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN										
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	
28.4	28.3	28.2	28.0	27.8	27.4	27.0	26.6	26.3	26.0	SC	-203	-195	-203	-215	-250	369	429	484	513	536	
26.3	26.3	26.1	26.0	25.8	25.5	25.2	24.9	24.6	24.4	S-.5	231	222	225	232	257	360	411	456	476	489	
24.6	24.5	24.4	24.3	24.2	23.9	23.6	23.4	23.2	23.1	S0	276	264	261	261	274	358	396	429	439	442	
23.6	23.5	23.4	23.3	23.2	23.0	22.8	22.6	22.5	22.3	S0.5	320	307	302	298	305	373	400	422	423	418	
22.7	22.7	22.6	22.5	22.4	22.2	22.1	21.9	21.8	21.7	S1	372	357	347	337	336	386	402	413	407	396	
22.1	22.1	22.0	21.9	21.8	21.7	21.5	21.4	21.3	21.2	S1.5	418	400	388	375	368	405	413	416	404	389	
21.6	21.5	21.5	21.4	21.3	21.2	21.0	20.9	20.9	20.8	S2	465	445	429	412	400	425	425	420	404	386	
20.9	20.9	20.8	20.7	20.7	20.5	20.4	20.3	20.3	20.3	S3	539	515	495	473	455	465	454	440	420	402	
20.4	20.3	20.3	20.2	20.1	20.0	19.9	19.9	19.9	19.9	S4	604	578	555	530	507	505	487	467	447	431	
20.1	20.1	20.0	19.9	19.9	19.7	19.7	19.6	19.6	19.6	S5	644	617	592	564	539	531	509	487	468	454	
20.0	19.9	19.8	19.8	19.7	19.6	19.5	19.5	19.5	19.5	S6	664	637	611	583	556	545	521	498	480	467	
28.4	28.3	28.2	28.1	27.9	27.5	27.2	26.9	26.6	26.4	L0	250	238	236	238	257	354	401	444	463	476	
26.6	26.6	26.5	26.4	26.2	25.9	25.6	25.4	25.1	24.9	L0.5	275	261	256	253	265	349	387	422	434	441	
25.1	25.0	24.9	24.8	24.7	24.4	24.2	24.0	23.8	23.7	L1	307	292	283	275	279	-345	-374	401	406	405	
23.9	23.9	23.8	23.7	23.6	23.4	23.2	23.0	22.9	22.8	L1.5	350	333	322	311	309	361	379	394	391	383	
22.9	22.9	22.8	22.7	22.7	22.5	22.4	22.2	22.1	22.0	L2	403	383	367	352	342	377	384	-388	-379	-366	
21.6	21.6	21.5	21.5	21.4	21.3	21.2	21.1	21.0	21.0	L3	485	462	442	423	407	423	418	409	392	374	
20.8	20.7	20.6	20.6	20.5	20.4	20.3	20.2	20.2	20.2	L4	562	537	515	492	471	476	461	445	425	407	
20.3	20.3	20.2	20.1	20.1	19.9	19.9	19.8	19.8	19.8	L5	617	591	567	540	517	512	492	472	452	436	
26.5	26.4	26.3	26.1	25.9	25.6	25.3	25.0	24.7	24.4	R0.5	216	210	219	232	264	375	430	479	502	518	
24.9	24.8	24.6	24.5	24.3	24.0	23.7	23.5	23.2	23.1	R1	253	247	255	265	291	390	437	478	493	498	
23.7	23.6	23.5	23.4	23.2	22.9	22.7	22.5	22.4	22.2	R1.5	308	301	306	311	330	409	443	468	471	467	
22.7	22.6	22.5	22.4	22.3	22.1	21.9	21.7	21.6	21.5	R2	372	361	359	356	361	420	441	454	448	436	
22.0	22.0	21.9	21.8	21.7	21.5	21.3	21.2	21.1	21.0	R2.5	428	414	406	397	395	437	446	449	436	419	
21.4	21.3	21.3	21.2	21.1	20.9	20.8	20.7	20.6	20.6	R3	484	466	453	438	428	454	453	446	429	409	
20.7	20.6	20.5	20.5	20.4	20.3	20.2	20.1	20.1	20.0	R4	564	541	522	500	481	489	475	459	438	420	
20.2	20.1	20.1	20.0	19.9	19.8	19.7	19.7	19.7	19.7	R5	631	604	580	553	529	524	503	482	462	447	

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 37000000

USING BALANCES PERIOD EQUAL TO LAST 20 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF											INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN										
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	
27.7	27.6	27.4	27.2	27.0	26.5	26.1	25.7	25.4	25.1	SC	-104	-88	-94	108	145	264	319	368	394	415	
25.7	25.6	25.4	25.3	25.1	24.7	24.3	24.0	23.8	23.5	S-.5	128	107	104	106	131	240	285	325	342	354	
23.9	23.8	23.7	23.5	23.4	23.0	22.8	22.6	22.4	22.3	S0	160	134	120	110	118	211	243	271	278	282	
23.0	22.8	22.7	22.6	22.4	22.2	22.0	21.8	21.7	21.6	S0.5	192	161	141	122	117	191	214	232	232	231	
22.1	22.0	21.8	21.7	21.6	21.4	21.2	21.1	21.0	20.9	S1	223	187	160	136	119	172	183	192	186	181	
21.5	21.3	21.2	21.1	21.0	20.8	20.7	20.6	20.5	20.5	S1.5	252	212	181	152	128	163	163	163	154	148	
20.9	20.8	20.6	20.5	20.4	20.3	20.2	20.1	20.0	20.1	S2	281	236	201	169	142	-156	149	141	132	131	
20.1	20.0	19.9	19.8	19.7	19.6	19.5	19.4	19.5	19.5	S3	326	275	235	201	171	164	-145	133	134	149	
19.5	19.4	19.3	19.2	19.1	19.0	19.0	19.0	19.0	19.1	S4	366	310	266	231	203	184	167	158	175	203	
19.2	19.0	18.9	18.9	18.8	18.7	18.7	18.7	18.8	18.9	S5	390	331	285	250	224	201	188	186	211	245	
19.1	18.9	18.7	18.7	18.6	18.6	18.6	18.6	18.6	18.7	S6	402	341	294	259	235	210	202	205	233	267	
27.6	27.5	27.3	27.2	27.0	26.6	26.2	25.9	25.6	25.4	L0	128	106	99	-97	120	227	272	313	331	346	
25.8	25.7	25.6	25.5	25.3	25.0	24.7	24.4	24.2	24.0	L0.5	147	122	109	101	111	207	244	277	290	299	
23	24.2	24.1	24.0	23.8	23.5	23.3	23.1	23.0	22.9	L1	170	143	125	109	-106	187	215	240	246	250	
23.1	23.0	22.9	22.8	22.7	22.5	22.4	22.2	22.1	22.0	L1.5	201	168	144	123	111	172	189	205	205	204	
22.2	22.1	22.0	21.9	21.8	21.6	21.5	21.4	21.3	21.3	L2	230	193	166	142	122	161	166	173	167	164	
20.9	20.8	20.6	20.6	20.5	20.4	20.3	20.2	20.2	20.2	L3	284	239	205	176	150	158	148	139	133	135	
20.0	19.8	19.7	19.6	19.5	19.4	19.4	19.3	19.4	19.4	L4	337	285	244	210	182	170	152	140	147	166	
19.5	19.3	19.2	19.1	19.0	18.9	18.9	18.9	18.9	19.0	L5	373	316	271	237	211	189	174	168	186	216	
25.9	25.8	25.6	25.4	25.2	24.8	24.4	24.1	23.8	23.5	R0.5	123	105	108	116	147	258	306	348	366	379	
24.3	24.2	24.0	23.8	23.6	23.2	22.9	22.6	22.4	22.2	R1	157	135	133	133	152	250	285	313	319	322	
23.2	23.0	22.8	22.6	22.5	22.1	21.9	21.7	21.5	21.4	R1.5	200	173	160	148	149	225	248	265	262	258	
22.2	22.0	21.8	21.7	21.5	21.2	21.0	20.9	20.8	20.7	R2	238	203	179	156	141	196	206	211	201	192	
21.4	21.3	21.1	20.9	20.8	20.6	20.4	20.3	20.2	20.2	R2.5	271	230	199	168	143	176	173	168	153	145	
20.7	20.6	20.4	20.3	20.2	20.0	19.9	19.8	19.7	19.8	R3	302	256	218	183	151	162	147	134	-121	-123	
19.9	19.7	19.6	19.5	19.4	19.3	19.2	19.2	19.2	19.3	R4	347	293	250	212	180	167	146	-131	140	163	
19.3	19.2	19.0	18.9	18.9	18.8	18.8	18.8	18.8	18.9	R5	384	325	279	243	216	193	178	174	198	230	

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

Y AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 37000000

USING BALANCES PERIOD EQUAL TO LAST 10 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF										MORT DISP	INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
27.3	27.3	27.2	27.1	26.9	26.2	25.6	25.0	24.4	23.9	SC	67	62	78	102	155	297	352	391	395	385
25.2	25.2	25.2	25.1	24.9	24.4	24.0	23.5	23.1	22.7	S-.5	68	63	70	85	130	267	316	349	347	334
23.3	23.4	23.4	23.4	23.3	22.9	22.6	22.3	22.1	21.8	S0	71	67	65	66	100	231	272	298	293	279
22.3	22.3	22.4	22.4	22.3	22.1	21.8	21.6	21.4	21.3	S0.5	72	70	63	55	77	203	237	259	253	240
21.3	21.4	21.5	21.5	21.5	21.3	21.2	21.0	20.9	20.8	S1	80	82	72	55	57	173	202	219	213	202
20.6	20.7	20.8	20.9	20.9	20.8	20.7	20.5	20.5	20.4	S1.5	84	90	81	63	51	151	172	185	180	173
20.0	20.1	20.2	20.3	20.4	20.3	20.2	20.1	20.1	20.1	S2	93	104	97	81	61	132	144	152	150	151
19.1	19.2	19.4	19.5	19.6	19.6	19.6	19.6	19.6	19.7	S3	106	125	123	115	95	116	113	112	120	-139
18.4	18.5	18.7	18.9	19.0	19.0	19.1	19.2	19.3	19.4	S4	119	146	152	151	136	123	109	103	127	162
18.0	18.1	18.3	18.5	18.7	18.8	18.8	18.9	19.1	19.2	S5	131	162	171	173	163	137	122	117	148	188
17.7	17.9	18.1	18.3	18.5	18.6	18.7	18.8	19.0	19.1	S6	141	174	182	183	175	144	132	129	160	199
27.1	27.2	27.2	27.1	27.0	26.4	26.0	25.4	25.0	24.6	L0	80	73	72	78	121	260	310	346	348	339
25.3	25.4	25.4	25.4	25.3	24.9	24.5	24.1	23.8	23.5	L0.5	84	78	71	67	100	235	281	313	313	302
23.7	23.8	23.9	23.9	23.9	23.5	23.3	23.0	22.7	22.5	L1	92	89	77	62	79	208	248	277	276	266
22.5	22.6	22.7	22.7	22.7	22.5	22.3	22.1	22.0	21.9	L1.5	93	94	81	61	62	181	215	238	236	226
21.5	21.6	21.7	21.8	21.8	21.7	21.6	21.4	21.3	21.3	L2	103	108	96	75	58	156	181	200	197	190
20.0	20.1	20.3	20.4	20.5	20.4	20.4	20.3	20.3	20.3	L3	109	122	116	101	78	126	134	141	140	144
18.9	19.0	19.2	19.3	19.5	19.5	19.5	19.5	19.6	19.6	L4	114	135	136	129	111	116	108	104	-116	142
18.2	18.4	18.6	18.8	18.9	19.0	19.0	19.1	19.2	19.3	L5	126	153	159	158	146	127	112	105	130	166
25.4	25.4	25.3	25.2	25.0	24.4	23.9	23.4	22.9	22.6	R0.5	59	56	74	56	145	281	330	362	359	342
23.6	23.6	23.5	23.4	23.2	22.8	22.5	22.1	21.8	21.6	R1	50	49	67	86	129	257	295	318	309	291
22.4	22.4	22.3	22.3	22.2	21.9	21.6	21.3	21.1	21.0	R1.5	-45	-44	55	65	99	222	254	271	261	243
21.3	21.3	21.3	21.3	21.2	21.0	20.8	20.7	20.5	20.5	R2	50	51	-49	-44	65	184	209	222	212	199
20.4	20.5	20.5	20.6	20.6	20.4	20.3	20.2	20.1	20.1	R2.5	58	64	58	45	-43	152	171	179	172	167
19.7	19.8	19.8	19.9	20.0	19.9	19.8	19.8	19.8	19.8	R3	74	85	81	69	52	125	135	139	139	147
18.7	18.9	19.0	19.2	19.3	19.3	19.3	19.3	19.4	19.5	R4	99	121	123	118	101	-111	-104	-101	120	150
18.1	18.2	18.4	18.6	18.8	18.8	18.9	19.0	19.1	19.2	R5	124	155	163	164	151	130	116	111	142	181

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

KENTUCKY POWER COMPANY  
Depreciation Study as of December 31, 2004  
Distribution Plant

Account                    371 INSTALLATIONS ON CUSTOMERS PREMISES

Depreciable Balance            \$15,598,882

	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	11	12
Iowa Curve	LO.O	LO.O
Gross Removal, %		30%
Gross Salvage, %		30%
Net Salvage %	30%	0%

\*\*\*\*\*

The simulation analyses for this investment indicates an LO.O type dispersion remains appropriate. The resultant average service life is 12 years.

Sales of equipment in this account may produce a gross salvage value. However, the removal and replacement of equipment is expected to offset any salvage received. The recommendation is for a gross removal of 30% and a corresponding removal of 30%.

STUDY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

LIFE ANALYSIS DATA IN DOLLARS  
FOR ACCOUNT 37100000

YEAR	ADDITIONS	RETIREMENTS	YEAR	ADDITIONS	RETIREMENTS
1950	323.	0.	1977	122908.	58498.
1951	0.	0.	1978	183648.	67643.
1952	0.	0.	1979	195902.	87903.
1953	45.	0.	1980	217442.	114552.
1954	0.	0.	1981	301789.	124056.
1955	0.	0.	1982	259270.	102664.
1956	46.	0.	1983	359728.	156108.
1957	62.	0.	1984	455174.	152915.
1958	0.	0.	1985	430816.	184064.
1959	3085.	0.	1986	500633.	195928.
1960	52064.	513.	1987	478198.	421123.
1961	133773.	7257.	1988	464215.	257746.
1962	155649.	36416.	1989	673733.	291379.
1963	117412.	40351.	1990	574638.	261542.
1964	95784.	49581.	1991	757210.	317371.
1965	113528.	57173.	1992	843872.	292580.
1966	83111.	59600.	1993	1380740.	349338.
1967	112403.	61218.	1994	1062578.	354006.
1968	94059.	73277.	1995	559153.	350093.
1969	134430.	67189.	1996	496928.	246115.
1970	118346.	59938.	1997	1583946.	529850.
1971	118336.	55327.	1998	600987.	553968.
1972	193516.	65976.	1999	1742973.	465115.
1973	226725.	64412.	2000	1331176.	637697.
1974	198910.	65653.	2001	858732.	563686.
1975	182106.	64832.	2002	1536211.	370170.
1976	245454.	66077.	2003	2356246.	155458.
			2004	1563148.	115921.

NUMBER OF CURVES 27

NUMBER OF LIVES 12

MIN LIFE 4

MAXLIFE 100

RATIO 1.33994031

ACCOUNT BALANCE 15598882.

Y AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 37100000

USING BALANCES PERIOD EQUAL TO LAST 40 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF MORT											INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
10.8	10.9	11.0	11.1	11.3	11.4	11.5	11.6	11.8	12.1	SC	687	710	696	-670	-656	-631	-618	-649	-766	-944
10.4	10.5	10.7	10.8	10.9	11.0	11.1	11.2	11.4	11.7	S-.5	731	742	722	695	680	655	643	677	795	973
10.1	10.2	10.3	10.4	10.5	10.6	10.7	10.8	11.0	11.3	S0	774	775	750	721	706	681	671	707	827	1003
9.9	10.0	10.1	10.2	10.3	10.4	10.5	10.6	10.8	11.1	S0.5	805	796	767	737	721	697	688	727	849	1026
9.7	9.8	9.9	10.0	10.1	10.2	10.3	10.4	10.6	10.9	S1	835	819	786	753	738	715	707	749	873	1050
9.6	9.7	9.8	9.9	10.0	10.0	10.1	10.3	10.5	10.7	S1.5	859	839	801	766	750	727	721	766	893	1071
9.5	9.6	9.6	9.7	9.8	9.9	10.0	10.1	10.3	10.6	S2	879	857	818	780	762	740	737	785	914	1094
9.3	9.4	9.5	9.6	9.6	9.7	9.8	10.0	10.2	10.4	S3	912	885	841	801	779	755	755	812	949	1132
9.2	9.3	9.3	9.4	9.5	9.6	9.7	9.8	10.0	10.3	S4	944	915	867	821	792	764	767	837	990	1176
9.1	9.2	9.3	9.4	9.4	9.5	9.6	9.8	10.0	10.2	S5	966	936	885	836	802	769	766	849	1027	1216
9.1	9.2	9.3	9.3	9.4	9.5	9.6	9.7	9.9	10.2	S6	978	950	897	845	810	773	763	849	1057	1250
10.9	11.1	11.2	11.3	11.4	11.5	11.6	11.8	12.0	12.3	L0	-668	-698	-690	672	663	641	632	667	786	964
10.6	10.7	10.8	10.9	11.0	11.1	11.2	11.4	11.6	11.9	L0.5	707	726	713	692	683	661	652	688	808	985
10.2	10.4	10.5	10.6	10.7	10.8	10.9	11.0	11.3	11.5	L1	745	753	735	713	704	682	674	711	831	1007
10.0	10.1	10.2	10.3	10.4	10.5	10.6	10.8	11.0	11.2	L1.5	780	778	754	728	718	698	692	733	855	1030
9.8	9.9	10.0	10.1	10.2	10.3	10.4	10.5	10.7	11.0	L2	816	804	773	744	734	716	713	757	880	1054
9.5	9.6	9.7	9.8	9.9	9.9	10.1	10.2	10.4	10.6	L3	876	854	812	773	756	738	742	796	925	1100
9.3	9.4	9.4	9.5	9.6	9.7	9.8	9.9	10.1	10.4	L4	921	893	847	805	781	755	757	825	970	1148
9.2	9.3	9.3	9.4	9.5	9.6	9.7	9.8	10.0	10.3	L5	951	921	871	824	794	764	765	843	1008	1190
10.4	10.6	10.7	10.8	10.9	11.0	11.1	11.2	11.4	11.7	R0.5	734	743	721	692	676	650	637	670	789	969
10.1	10.2	10.3	10.4	10.5	10.6	10.7	10.8	11.0	11.3	R1	781	777	748	716	697	670	659	694	816	996
9.9	10.0	10.1	10.2	10.3	10.4	10.5	10.6	10.8	11.0	R1.5	816	804	770	736	716	689	678	717	841	1023
9.7	9.8	9.9	10.0	10.0	10.1	10.2	10.4	10.6	10.8	R2	851	831	794	757	736	710	700	742	869	1051
9.5	9.6	9.7	9.8	9.9	10.0	10.1	10.2	10.4	10.7	R2.5	875	856	815	776	753	725	717	762	893	1078
9.4	9.5	9.6	9.7	9.7	9.8	9.9	10.1	10.3	10.5	R3	898	875	835	795	770	742	735	783	920	1107
9.2	9.3	9.4	9.5	9.6	9.7	9.8	9.9	10.1	10.3	R4	930	903	859	816	790	761	755	812	961	1155
9.1	9.2	9.3	9.4	9.5	9.5	9.6	9.8	10.0	10.2	R5	960	930	881	833	801	770	766	839	1010	1206

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION



AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 37100000

USING BALANCES PERIOD EQUAL TO LAST 20 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF											MORT	INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN										
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004		
11.4	11.5	11.6	11.7	11.8	11.9	11.9	12.1	12.3	12.6	SC	-251	302	310	307	315	309	312	358	-483	-651		
11.0	11.1	11.2	11.3	11.4	11.5	11.5	11.7	11.9	12.1	S-.5	259	296	302	298	308	305	311	365	496	668		
10.7	10.8	10.9	11.0	11.0	11.1	11.2	11.3	11.5	11.7	S0	272	298	300	297	309	307	317	377	512	685		
10.5	10.6	10.7	10.7	10.8	10.9	10.9	11.1	11.2	11.5	S0.5	285	302	300	296	309	309	322	385	525	700		
10.3	10.4	10.5	10.5	10.6	10.7	10.7	10.8	11.0	11.3	S1	300	309	304	299	312	314	329	396	539	715		
10.2	10.3	10.4	10.4	10.5	10.5	10.6	10.7	10.9	11.1	S1.5	315	318	310	303	314	317	334	405	551	729		
10.1	10.2	10.2	10.3	10.3	10.4	10.4	10.6	10.7	11.0	S2	331	329	318	308	319	322	341	415	564	745		
9.9	10.0	10.1	10.1	10.1	10.2	10.3	10.4	10.5	10.8	S3	361	354	336	321	326	327	350	432	588	771		
9.8	9.9	9.9	10.0	10.0	10.1	10.1	10.2	10.4	10.6	S4	393	383	361	341	336	331	355	448	616	802		
9.7	9.8	9.9	9.9	9.9	10.0	10.0	10.2	10.3	10.6	S5	418	405	381	357	346	335	352	456	642	829		
9.7	9.8	9.8	9.9	9.9	9.9	10.0	10.1	10.3	10.5	S6	433	421	394	368	356	340	348	455	665	851		
11.5	11.7	11.8	11.8	11.9	12.0	12.1	12.2	12.5	12.8	L0	259	311	323	323	333	330	335	385	511	678		
11.2	11.3	11.4	11.5	11.6	11.6	11.7	11.8	12.0	12.3	L0.5	265	307	316	316	329	327	335	389	518	687		
11.0	11.0	11.1	11.1	11.2	11.3	11.4	11.5	11.7	11.9	L1	274	305	311	312	327	327	337	395	528	698		
10.8	10.7	10.8	10.9	11.0	11.0	11.1	11.2	11.4	11.7	L1.5	289	309	310	308	324	326	340	403	539	711		
10.4	10.5	10.6	10.6	10.7	10.8	10.9	11.0	11.2	11.4	L2	306	316	312	307	323	328	346	413	553	726		
10.1	10.2	10.3	10.3	10.4	10.4	10.5	10.6	10.8	11.0	L3	338	336	323	312	322	327	352	430	577	754		
9.9	10.0	10.0	10.1	10.1	10.2	10.2	10.3	10.5	10.8	L4	372	363	344	327	328	328	352	442	604	783		
9.8	9.9	9.9	9.9	10.0	10.0	10.1	10.2	10.4	10.6	L5	401	390	367	346	339	332	354	453	630	811		
11.0	11.2	11.2	11.3	11.4	11.5	11.5	11.7	11.9	12.1	R0.5	256	294	297	292	301	297	303	-355	489	663		
10.7	10.8	10.9	11.0	11.0	11.1	11.2	11.3	11.5	11.7	R1	268	-291	-290	-284	-293	-290	-299	360	499	676		
10.5	10.6	10.7	10.7	10.8	10.9	10.9	11.0	11.2	11.5	R1.5	282	297	293	286	295	293	305	369	513	693		
10.3	10.4	10.5	10.5	10.6	10.6	10.7	10.8	11.0	11.2	R2	300	307	300	292	300	300	314	382	530	712		
10.2	10.2	10.3	10.3	10.4	10.5	10.5	10.6	10.8	11.0	R2.5	319	321	311	301	307	307	322	394	546	730		
10.0	10.1	10.2	10.2	10.3	10.3	10.4	10.5	10.6	10.9	R3	340	338	325	312	317	316	333	408	564	750		
9.9	9.9	10.0	10.0	10.1	10.1	10.2	10.3	10.5	10.7	R4	376	368	350	332	332	328	346	428	594	785		
9.8	9.8	9.9	9.9	10.0	10.0	10.1	10.2	10.4	10.6	R5	410	399	375	353	344	335	352	447	630	822		

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 37100000

USING BALANCES PERIOD EQUAL TO LAST 10 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF										MORT DISP	INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
11.3	11.4	11.6	11.7	11.9	12.0	12.2	12.4	12.8	13.2	SC	195	282	296	283	267	236	-204	-223	-336	-490
10.9	11.0	11.1	11.3	11.4	11.6	11.7	12.0	12.3	12.7	S-.5	182	265	264	276	266	239	214	242	357	508
10.6	10.6	10.8	10.9	11.0	11.2	11.3	11.5	11.9	12.3	S0	173	251	276	273	270	248	228	262	378	527
10.3	10.4	10.5	10.7	10.8	10.9	11.1	11.3	11.6	12.0	S0.5	-171	242	269	269	271	253	237	275	394	543
10.1	10.2	10.3	10.4	10.6	10.7	10.9	11.1	11.4	11.8	S1	173	234	264	267	274	260	248	290	410	559
10.0	10.1	10.2	10.3	10.4	10.5	10.7	10.9	11.2	11.6	S1.5	180	230	260	266	275	263	255	302	424	574
9.9	9.9	10.0	10.1	10.3	10.4	10.5	10.7	11.0	11.4	S2	188	-228	258	265	277	268	263	314	439	589
9.7	9.7	9.8	9.9	10.0	10.2	10.3	10.5	10.8	11.2	S3	211	237	263	268	278	271	272	332	463	614
9.6	9.6	9.7	9.8	9.9	10.0	10.2	10.4	10.7	11.1	S4	237	255	279	278	280	268	272	347	489	641
9.5	9.5	9.6	9.7	9.8	9.9	10.1	10.3	10.6	11.0	S5	255	270	292	289	284	265	264	353	512	662
9.5	9.5	9.6	9.6	9.8	9.9	10.0	10.2	10.6	10.9	S6	267	281	300	296	289	265	256	351	532	678
11.4	11.5	11.7	11.8	12.0	12.2	12.4	12.6	13.0	13.4	L0	196	290	310	300	287	257	228	250	360	508
11.0	11.1	11.3	11.4	11.6	11.8	11.9	12.2	12.5	13.0	L0.5	187	276	299	293	285	258	233	261	372	520
10.7	10.8	10.9	11.1	11.2	11.4	11.5	11.8	12.1	12.5	L1	179	262	289	287	285	262	241	272	386	532
10.5	10.5	10.7	10.8	11.0	11.1	11.3	11.5	11.8	12.2	L1.5	178	252	280	280	283	264	248	285	401	548
10.2	10.3	10.4	10.5	10.7	10.8	11.0	11.2	11.5	11.9	L2	179	243	271	274	282	269	258	300	418	564
9.9	9.9	10.0	10.1	10.3	10.4	10.6	10.8	11.1	11.5	L3	192	235	262	265	276	269	268	323	447	595
9.7	9.7	9.8	9.9	10.0	10.1	10.3	10.5	10.8	11.2	L4	219	243	267	269	276	268	271	340	476	623
9.5	9.6	9.7	9.7	9.9	10.0	10.1	10.4	10.7	11.0	L5	242	260	282	279	279	265	269	351	501	648
10.9	11.0	11.2	11.3	11.5	11.6	11.7	12.0	12.3	12.7	R0.5	183	262	280	270	259	-231	206	235	353	507
10.6	10.7	10.8	10.9	11.1	11.2	11.3	11.5	11.8	12.3	R1	174	245	266	261	-255	234	214	249	371	526
10.4	10.4	10.5	10.6	10.8	10.9	11.1	11.3	11.6	12.0	R1.5	175	237	261	-258	258	240	224	265	389	544
10.1	10.2	10.3	10.4	10.5	10.6	10.8	11.0	11.3	11.7	R2	179	231	-257	260	264	249	237	282	408	562
10.0	10.0	10.1	10.2	10.3	10.5	10.6	10.8	11.1	11.5	R2.5	190	232	260	264	270	256	247	297	425	579
9.8	9.8	9.9	10.0	10.2	10.3	10.4	10.6	10.9	11.3	R3	203	236	265	269	277	265	258	311	443	597
9.6	9.7	9.7	9.8	10.0	10.1	10.2	10.4	10.7	11.1	R4	230	250	276	278	284	271	267	330	471	626
9.5	9.5	9.6	9.7	9.8	9.9	10.1	10.3	10.6	11.0	R5	251	267	291	287	285	268	267	346	502	656

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

KENTUCKY POWER COMPANY  
Depreciation Study as of December 31, 2004  
Distribution Plant

Account 373 STREET LIGHTING & SIGNAL SYSTEMS

Depreciable Balance \$2,741,234

	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	15	20
Iowa Curve	LO.O	LO.O
Gross Removal, %		15%
Gross Salvage, %		10%
Net Salvage %	15%	-5%

\*\*\*\*\*  
The simulation analyses for the investment in this account show a fluctuation in the retirement dispersion between the L and S type Iowa Curves. Both dispersion types show a slight increase is occurring in the average service life. Based on the analyses, the recommendation is to increase the average service life to 20 years and to retain the LO.O type dispersion.

Sale and reuse salvage is expected from the investments in this account. The recommendation is gross salvage of 10% and removal of 15%.

STUDY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

LIFE ANALYSIS DATA IN DOLLARS  
FOR ACCOUNT 37300000

YEAR	ADDITIONS	RETIREMENTS	YEAR	ADDITIONS	RETIREMENTS
1936	126232.	0.	1970	82272.	25322.
1937	16031.	3042.	1971	29314.	6397.
1938	9692.	5960.	1972	17862.	9816.
1939	6365.	4357.	1973	79104.	21009.
1940	10369.	8981.	1974	37035.	11431.
1941	12616.	9319.	1975	41522.	16546.
1942	13088.	182.	1976	16853.	4177.
1943	1495.	4124.	1977	19464.	15865.
1944	4620.	2723.	1978	56734.	28008.
1945	2011.	568.	1979	22164.	17100.
1946	6221.	663.	1980	80303.	37188.
1947	10446.	4660.	1981	142598.	53310.
1948	23457.	5209.	1982	184014.	44775.
1949	28081.	11552.	1983	93110.	28192.
1950	34099.	7081.	1984	50621.	13841.
1951	45371.	20307.	1985	120997.	37932.
1952	31861.	10628.	1986	209086.	40399.
1953	31804.	20003.	1987	203890.	73264.
1954	22190.	6972.	1988	206152.	110040.
1955	13067.	8335.	1989	347755.	109998.
1956	16379.	6068.	1990	213752.	73803.
1957	25341.	9172.	1991	62428.	48604.
1958	37190.	33373.	1992	13549.	21277.
1959	48955.	20071.	1993	183145.	27095.
1960	34406.	16536.	1994	98733.	37451.
1961	47565.	20623.	1995	65504.	30017.
1962	47237.	20015.	1996	50186.	18665.
1963	60199.	31558.	1997	40819.	26937.
1964	33854.	25886.	1998	41175.	20374.
1965	74139.	46345.	1999	88549.	15450.
1966	65587.	65904.	2000	77936.	26217.
1967	148123.	120454.	2001	105554.	22268.
1968	62051.	77466.	2002	90680.	27698.
1969	54853.	89346.	2003	114834.	39163.
			2004	139549.	33892.

NUMBER OF CURVES 27

NUMBER OF LIVES 12

MIN LIFE 4

MAXLIFE 100

RATIO 1.33994031

ACCOUNT BALANCE 2741234.

AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 37300000

USING BALANCES PERIOD EQUAL TO LAST 40 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF											INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
15.8	16.1	16.4	16.7	17.1	17.5	17.9	18.3	18.7	19.1	SC	1375	1439	1512	1591	1674	1749	1815	1874	-1918	-1955
15.4	15.7	16.0	16.3	16.6	17.0	17.4	17.8	18.2	18.6	S-.5	1376	1436	1509	1590	1676	1759	1836	1902	1955	1999
15.1	15.3	15.6	15.9	16.2	16.6	17.0	17.4	17.8	18.2	S0	1376	1433	1506	1590	1682	1770	1854	1930	1992	2043
14.8	15.1	15.3	15.6	15.9	16.3	16.7	17.1	17.5	17.9	S0.5	1375	1426	1495	1578	1671	1763	1851	1932	2000	2059
14.6	14.8	15.1	15.4	15.7	16.0	16.4	16.8	17.2	17.6	S1	1375	1420	1486	1569	1664	1760	1852	1938	2011	2077
14.5	14.7	14.9	15.2	15.5	15.8	16.2	16.6	17.0	17.4	S1.5	1377	1413	1473	1554	1649	1746	1842	1933	2011	2080
14.3	14.5	14.7	15.0	15.3	15.6	16.0	16.4	16.7	17.2	S2	1381	1409	1464	1542	1638	1737	1837	1933	2016	2090
14.1	14.3	14.5	14.7	15.0	15.4	15.7	16.1	16.4	16.9	S3	1396	1408	1450	1520	1613	1714	1819	1922	2014	2098
14.0	14.1	14.3	14.5	14.8	15.1	15.5	15.8	16.2	16.6	S4	1422	1420	-1445	1503	1588	1689	1798	1907	2007	2100
13.9	14.0	14.2	14.4	14.7	15.0	15.3	15.7	16.1	16.5	S5	1448	1437	1451	1494	1571	1672	1786	1899	1998	2091
13.9	14.0	14.2	14.4	14.6	14.9	15.3	15.6	16.0	16.4	S6	1468	1454	1456	-1487	-1562	-1665	-1782	1898	1993	2079
16.0	16.3	16.6	17.0	17.4	17.7	18.2	18.6	19.0	19.5	L0	-1351	1421	1500	1564	1672	1751	1826	1892	1945	1987
15.6	15.9	16.2	16.5	16.9	17.3	17.7	18.1	18.5	18.9	L0.5	1354	1421	1500	1587	1680	1768	1849	1922	1981	2029
15.2	15.5	15.8	16.1	16.4	16.8	17.2	17.6	18.0	18.5	L1	1357	1421	1501	1592	1690	1785	1874	1955	2020	2074
15.0	15.2	15.5	15.8	16.1	16.5	16.9	17.3	17.7	18.1	L1.5	1356	1413	1490	1580	1681	1780	1875	1964	2038	2100
14.7	14.9	15.2	15.5	15.8	16.2	16.5	16.9	17.4	17.8	L2	1358	1408	1482	1573	1677	1781	1883	1979	2061	2132
14.3	14.5	14.8	15.0	15.3	15.7	16.0	16.4	16.8	17.2	L3	1375	-1403	1461	1544	1646	1752	1860	1963	2056	2140
14.1	14.2	14.4	14.7	15.0	15.3	15.6	16.0	16.4	16.8	L4	1404	1412	1448	1515	1608	1712	1821	1926	2020	2110
14.0	14.1	14.3	14.5	14.8	15.1	15.4	15.8	16.2	16.6	L5	1432	1426	1446	1499	1585	1688	1800	1910	2007	2100
15.5	15.7	16.0	16.3	16.7	17.0	17.4	17.8	18.2	18.6	R0.5	1382	1439	1506	1582	1663	1741	1813	1877	1929	1972
15.1	15.3	15.6	15.9	16.2	16.6	16.9	17.3	17.7	18.1	R1	1386	1435	1498	1572	1653	1732	1807	1876	1935	1986
14.9	15.1	15.3	15.6	15.9	16.3	16.6	17.0	17.4	17.8	R1.5	1385	1426	1484	1556	1638	1720	1799	-1871	1936	1996
14.6	14.8	15.0	15.3	15.6	15.9	16.3	16.7	17.1	17.4	R2	1386	1419	1473	1544	1628	1713	1797	1876	1944	2008
14.4	14.6	14.8	15.1	15.4	15.7	16.1	16.4	16.8	17.2	R2.5	1388	1413	1461	1530	1614	1701	1790	1876	1950	2016
14.3	14.4	14.7	14.9	15.2	15.5	15.8	16.2	16.6	17.0	R3	1393	1410	1453	1520	1605	1696	1790	1882	1963	2036
14.1	14.2	14.4	14.6	14.9	15.2	15.6	15.9	16.3	16.7	R4	1409	1414	1447	1506	1589	1684	1787	1890	1983	2066
13.9	14.1	14.2	14.5	14.7	15.0	15.4	15.7	16.1	16.5	R5	1438	1432	1450	1496	1573	1672	1785	1898	1997	2087

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 37300000

USING BALANCES PERIOD EQUAL TO LAST 20 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF											INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
17.4	17.8	18.3	18.8	19.3	19.8	20.4	21.0	21.6	22.1	SC	671	732	799	867	938	996	1044	1082	1112	1139
17.0	17.4	17.8	18.3	18.7	19.2	19.8	20.3	20.9	21.5	S-.5	638	701	772	847	927	996	1054	1102	1140	1175
16.6	17.0	17.4	17.8	18.3	18.7	19.2	19.8	20.3	20.9	S0	603	665	743	826	916	995	1064	1122	1170	1212
16.3	16.7	17.1	17.5	18.0	18.4	18.9	19.4	20.0	20.5	S0.5	576	629	703	788	882	968	1045	1112	1167	1216
16.1	16.5	16.9	17.3	17.7	18.1	18.6	19.1	19.6	20.1	S1	551	595	665	748	847	941	1026	1102	1166	1223
16.0	16.3	16.7	17.1	17.5	17.9	18.4	18.9	19.4	19.9	S1.5	536	564	624	702	798	896	989	1073	1145	1209
15.8	16.1	16.5	16.9	17.3	17.7	18.1	18.6	19.1	19.6	S2	526	538	588	660	748	852	952	1046	1126	1199
15.6	15.9	16.3	16.6	17.0	17.4	17.8	18.3	18.8	19.3	S3	531	511	535	590	670	758	869	976	1072	1158
15.5	15.8	16.1	16.4	16.7	17.1	17.5	18.0	18.5	18.9	S4	563	513	507	538	605	679	778	894	1001	1101
15.4	15.7	16.0	16.3	16.6	17.0	17.4	17.8	18.3	18.8	S5	596	530	503	518	581	-653	733	838	943	1049
15.4	15.7	15.9	16.2	16.6	16.9	17.3	17.8	18.2	18.7	S6	622	546	503	-510	562	664	-729	-810	-900	-1008
17.6	18.1	18.5	19.0	19.5	20.1	20.7	21.3	22.0	22.6	L0	620	692	772	855	938	1009	1067	1114	1150	1181
17.2	17.6	18.0	18.5	19.0	19.5	20.1	20.7	21.3	21.9	L0.5	596	666	749	838	930	1008	1074	1129	1172	1209
17.0	17.2	17.6	18.0	18.5	19.0	19.5	20.1	20.7	21.3	L1	572	640	727	823	923	1010	1085	1148	1199	1242
16.8	16.9	17.3	17.7	18.1	18.6	19.1	19.7	20.2	20.8	L1.5	546	604	684	781	887	983	1066	1138	1196	1246
16.2	16.6	17.0	17.4	17.8	18.2	18.7	19.3	19.8	20.3	L2	526	572	648	741	854	958	1051	1133	1199	1257
15.8	16.2	16.5	16.9	17.3	17.7	18.2	18.7	19.2	19.7	L3	-519	529	580	657	753	863	970	1067	1150	1224
15.6	15.9	16.2	16.5	16.9	17.3	17.7	18.2	18.7	19.2	L4	541	-509	526	579	660	743	851	958	1056	1148
15.5	15.8	16.0	16.4	16.7	17.1	17.5	18.0	18.4	18.9	L5	575	519	505	535	607	682	772	880	984	1088
17.0	17.4	17.8	18.3	18.8	19.2	19.8	20.4	20.9	21.5	R0.5	652	707	770	839	913	977	1031	1078	1114	1148
16.6	17.0	17.4	17.8	18.3	18.7	19.3	19.8	20.3	20.9	R1	627	675	737	805	882	952	1013	1067	1112	1154
16.4	16.8	17.1	17.5	18.0	18.4	18.9	19.4	19.9	20.4	R1.5	597	634	692	759	839	916	985	1049	1102	1152
16.1	16.5	16.9	17.3	17.6	18.1	18.5	19.0	19.5	20.0	R2	571	596	646	710	793	876	955	1029	1093	1151
15.9	16.3	16.6	17.0	17.4	17.8	18.3	18.7	19.2	19.7	R2.5	553	562	601	658	736	826	914	997	1070	1137
15.8	16.1	16.4	16.8	17.2	17.6	18.0	18.5	19.0	19.5	R3	541	534	562	614	685	775	872	967	1051	1127
15.6	15.9	16.2	16.5	16.9	17.3	17.7	18.1	18.6	19.1	R4	548	512	516	551	619	692	801	910	1008	1097
15.5	15.7	16.0	16.3	16.7	17.0	17.4	17.9	18.4	18.8	R5	585	524	-500	517	-579	656	745	855	957	1057

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

COMPANY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-21-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 37300000

USING BALANCES PERIOD EQUAL TO LAST 10 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF MORT											INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
18.4	18.8	19.4	20.0	20.9	21.8	22.7	23.6	24.6	25.5	SC	464	565	652	710	732	724	701	-676	-647	-606
17.9	18.2	18.7	19.4	20.2	21.0	22.0	22.8	23.7	24.6	S-.5	447	551	646	714	747	748	732	715	690	652
17.4	17.7	18.2	18.8	19.5	20.4	21.3	22.1	23.0	23.8	S0	431	538	640	718	763	773	765	753	734	698
17.1	17.4	17.8	18.4	19.1	19.9	20.8	21.6	22.5	23.3	S0.5	401	505	610	696	750	770	770	764	748	717
16.8	17.1	17.5	18.0	18.7	19.5	20.3	21.2	22.0	22.8	S1	376	474	579	673	738	769	777	777	766	738
16.6	16.9	17.2	17.7	18.4	19.1	20.0	20.8	21.6	22.4	S1.5	348	436	533	633	707	748	765	772	764	739
16.4	16.6	17.0	17.4	18.1	18.8	19.6	20.4	21.2	22.0	S2	326	402	497	590	676	729	756	771	769	746
16.2	16.3	16.6	17.0	17.6	18.3	19.1	19.8	20.6	21.4	S3	300	345	427	515	600	675	720	747	752	735
16.1	16.1	16.3	16.6	17.1	17.8	18.5	19.3	20.1	20.9	S4	301	305	365	455	530	615	678	714	724	711
16.0	16.0	16.1	16.4	16.9	17.5	18.2	19.0	19.8	20.5	S5	319	291	328	419	511	590	-656	690	698	689
16.0	15.9	16.0	16.3	16.8	17.3	18.1	18.8	19.6	20.3	S6	338	-288	-301	-395	510	601	659	679	679	673
18.5	19.0	19.5	20.2	21.1	22.1	23.1	24.1	25.1	26.0	L0	462	568	663	731	762	760	741	718	688	647
18.0	18.4	18.9	19.6	20.4	21.3	22.3	23.2	24.2	25.1	L0.5	446	555	656	732	772	779	766	750	725	686
17.5	17.8	18.3	18.9	19.7	20.6	21.6	22.5	23.4	24.3	L1	431	543	651	737	787	802	795	785	765	728
17.1	17.4	17.8	18.5	19.2	20.1	21.0	21.9	22.7	23.6	L1.5	403	509	620	714	774	797	798	793	778	750
16.7	17.0	17.4	18.0	18.7	19.5	20.4	21.3	22.1	23.0	L2	382	480	590	694	765	799	808	809	800	778
16.3	16.5	16.8	17.3	18.0	18.7	19.5	20.4	21.2	22.0	L3	340	412	512	610	700	753	779	792	791	775
16.1	16.2	16.4	16.8	17.4	18.1	18.9	19.7	20.4	21.2	L4	307	337	417	513	596	672	716	742	749	737
16.0	16.0	16.2	16.5	17.1	17.7	18.4	19.2	20.0	20.7	L5	312	303	357	453	539	619	677	709	719	711
17.9	18.3	18.8	19.4	20.2	21.1	22.0	22.8	23.7	24.6	R0.5	439	539	629	693	724	725	709	692	668	631
17.6	17.9	18.3	18.9	19.6	20.4	21.3	22.1	23.0	23.8	R1	411	509	602	673	712	722	715	705	687	654
17.3	17.6	17.9	18.5	19.2	19.9	20.8	21.6	22.4	23.2	R1.5	374	469	564	642	692	712	713	709	694	663
17.0	17.3	17.6	18.1	18.7	19.5	20.3	21.1	21.9	22.7	R2	341	426	522	608	670	702	713	717	706	675
16.7	17.0	17.3	17.7	18.4	19.1	19.9	20.7	21.5	22.2	R2.5	309	382	465	560	635	680	701	710	702	672
16.5	16.7	17.0	17.4	18.0	18.7	19.4	20.2	21.0	21.8	R3	288	346	425	509	599	659	693	710	706	678
16.2	16.3	16.5	16.9	17.4	18.1	18.9	19.7	20.4	21.2	R4	-278	303	368	448	526	618	673	702	703	679
16.1	16.1	16.2	16.5	17.0	17.6	18.3	19.1	19.9	20.6	R5	309	291	332	418	-502	-588	659	693	698	682

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY  
 ACCOUNT NO.: 10860000  
 DISTRIBUTION PLANT

7-13-2005

YEAR	ADDITIONS	RETIREMENTS	REIMBURSEMENTS		SALVAGE		COST OF REMOVAL		NET SALVAGE	
			AMOUNT	RATIO	AMOUNT	RATIO	AMOUNT	RATIO	W/REIMB.	W/O REIMB.
1954	0.	345614.	0.	0.%	164293.	48.%	66201.	19.%	28.%	28.%
1955	0.	329795.	0.	0.%	163818.	50.%	68960.	21.%	29.%	29.%
1956	0.	340400.	0.	0.%	175639.	52.%	81844.	24.%	28.%	28.%
1957	0.	560530.	0.	0.%	243234.	43.%	141931.	25.%	18.%	18.%
1958	0.	505375.	0.	0.%	206808.	41.%	144792.	29.%	12.%	12.%
1959	0.	624939.	0.	0.%	259031.	41.%	152087.	24.%	17.%	17.%
1960	0.	492849.	0.	0.%	271181.	55.%	161636.	33.%	22.%	22.%
1961	0.	819969.	0.	0.%	381111.	46.%	170331.	21.%	26.%	26.%
1962	0.	558196.	0.	0.%	299388.	54.%	192682.	35.%	19.%	19.%
1963	0.	706977.	0.	0.%	279116.	39.%	194420.	28.%	12.%	12.%
1964	0.	773027.	0.	0.%	304668.	39.%	189822.	25.%	15.%	15.%
1965	0.	1012221.	0.	0.%	374123.	37.%	239135.	24.%	13.%	13.%
1966	0.	1071099.	0.	0.%	450349.	42.%	285103.	27.%	15.%	15.%
1967	0.	1463163.	0.	0.%	413889.	28.%	342901.	23.%	5.%	5.%
1968	0.	1330710.	0.	0.%	670448.	50.%	479783.	36.%	14.%	14.%
1969	0.	1560135.	0.	0.%	646533.	41.%	347617.	22.%	19.%	19.%
1970	0.	1143715.	0.	0.%	400222.	35.%	357897.	31.%	4.%	4.%
1971	0.	1315603.	0.	0.%	543957.	41.%	401721.	31.%	11.%	11.%
1972	0.	1475429.	0.	0.%	752589.	51.%	490837.	33.%	18.%	18.%
1973	0.	1773250.	0.	0.%	703812.	40.%	491738.	28.%	12.%	12.%
1974	0.	1273997.	0.	0.%	921165.	72.%	527796.	41.%	31.%	31.%
1975	0.	1413889.	0.	0.%	633350.	45.%	485488.	34.%	10.%	10.%
1976	0.	1770503.	0.	0.%	905056.	51.%	680443.	38.%	13.%	13.%
1977	0.	1790525.	0.	0.%	1032217.	58.%	928730.	52.%	6.%	6.%
1978	0.	2839810.	0.	0.%	1622814.	57.%	952797.	34.%	24.%	24.%
1979	0.	2379695.	0.	0.%	1368931.	58.%	1048294.	44.%	13.%	13.%
1980	0.	3067886.	0.	0.%	1455926.	47.%	1423814.	46.%	1.%	1.%
1981	0.	4492306.	0.	0.%	1883382.	42.%	1737241.	39.%	3.%	3.%
1982	0.	2552584.	0.	0.%	1586478.	62.%	1503023.	59.%	3.%	3.%
1983	0.	3917704.	0.	0.%	1560432.	40.%	1361570.	35.%	5.%	5.%
1984	0.	2274942.	0.	0.%	1275047.	56.%	1464480.	64.%	-8.%	-8.%
1985	0.	3390814.	0.	0.%	1033246.	30.%	1315547.	39.%	-8.%	-8.%
1986	0.	4122421.	0.	0.%	1703914.	41.%	1814294.	44.%	-3.%	-3.%
1987	0.	5062869.	0.	0.%	2341368.	46.%	1686747.	33.%	13.%	13.%
1988	0.	5092695.	0.	0.%	2009198.	39.%	1881879.	37.%	3.%	3.%
1989	0.	7285672.	0.	0.%	5727263.	79.%	1888999.	26.%	53.%	53.%
1990	0.	6337485.	0.	0.%	2563490.	40.%	2433166.	38.%	2.%	2.%
1991	0.	5330583.	0.	0.%	1639592.	31.%	2601095.	49.%	-18.%	-18.%
1992	0.	5047537.	0.	0.%	1220353.	24.%	2236974.	44.%	-20.%	-20.%
1993	0.	4862356.	0.	0.%	1829402.	38.%	2197784.	45.%	-8.%	-8.%
1994	0.	5874830.	0.	0.%	2155099.	37.%	1954453.	33.%	3.%	3.%
1995	0.	7390800.	0.	0.%	2159120.	29.%	2119861.	29.%	1.%	1.%



STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY  
 ACCOUNT NO.: 10860000  
 DISTRIBUTION PLANT

7-13-2005

YEAR	ADDITIONS	RETIREMENTS	REIMBURSEMENTS		SALVAGE		COST OF REMOVAL		NET SALVAGE	
			AMOUNT	RATIO	AMOUNT	RATIO	AMOUNT	RATIO	W/REIMB.	W/O REIMB.
1996	0.	6260150.	0.	0.%	1342053.	21.%	1245388.	20.%	2.%	2.%
1997	0.	8613849.	0.	0.%	1918643.	22.%	1444506.	17.%	6.%	6.%
1998	0.	5385836.	0.	0.%	1292253.	24.%	804413.	15.%	9.%	9.%
1999	0.	4764283.	0.	0.%	440710.	9.%	262682.	6.%	4.%	4.%
2000	0.	7883448.	0.	0.%	1501740.	19.%	213654.	3.%	16.%	16.%
2001	0.	5934590.	0.	0.%	2190111.	37.%	2918529.	49.%	-12.%	-12.%
2002	0.	6806995.	0.	0.%	5075585.	75.%	1403071.	21.%	54.%	54.%
2003	0.	5434672.	0.	0.%	1560605.	29.%	1192686.	22.%	7.%	7.%
2004	0.	7250554.	0.	0.%	2946107.	41.%	1979653.	27.%	13.%	13.%
	0.	164109276.	0.	0.%	64598859.	39.%	50710495.	31.%	8.%	8.%

ROLLING BAND

1954-1968	0.	10934864.	0.	0.%	4657096.	43.%	2911628.	27.%	16.%	16.%
1955-1969	0.	12149385.	0.	0.%	5139336.	42.%	3193044.	26.%	16.%	16.%
1956-1970	0.	12963305.	0.	0.%	5375740.	41.%	3481981.	27.%	15.%	15.%
1957-1971	0.	13938508.	0.	0.%	5744058.	41.%	3801858.	27.%	14.%	14.%
1958-1972	0.	14853407.	0.	0.%	6253413.	42.%	4150764.	28.%	14.%	14.%
1959-1973	0.	16121282.	0.	0.%	6750417.	42.%	4497710.	28.%	14.%	14.%
1960-1974	0.	16770340.	0.	0.%	7412551.	44.%	4873419.	29.%	15.%	15.%
1961-1975	0.	17691380.	0.	0.%	7774720.	44.%	5197271.	29.%	15.%	15.%
1962-1976	0.	18641914.	0.	0.%	8298665.	45.%	5707383.	31.%	14.%	14.%
1963-1977	0.	19874243.	0.	0.%	9031494.	45.%	6443431.	32.%	13.%	13.%
1964-1978	0.	22007076.	0.	0.%	10375192.	47.%	7201808.	33.%	14.%	14.%
1965-1979	0.	23613744.	0.	0.%	11439455.	48.%	8060280.	34.%	14.%	14.%
1966-1980	0.	25669409.	0.	0.%	12521258.	49.%	9244959.	36.%	13.%	13.%
1967-1981	0.	29090616.	0.	0.%	13954291.	48.%	10697097.	37.%	11.%	11.%
1968-1982	0.	30180037.	0.	0.%	15126880.	50.%	11857219.	39.%	11.%	11.%
1969-1983	0.	32767031.	0.	0.%	16016864.	49.%	12739006.	39.%	10.%	10.%
1970-1984	0.	33481838.	0.	0.%	16645378.	50.%	13855869.	41.%	8.%	8.%
1971-1985	0.	35728937.	0.	0.%	17278402.	48.%	14813519.	41.%	7.%	7.%
1972-1986	0.	38535755.	0.	0.%	18438359.	48.%	16226092.	42.%	6.%	6.%
1973-1987	0.	42123195.	0.	0.%	20027138.	48.%	17422002.	41.%	6.%	6.%
1974-1988	0.	45442640.	0.	0.%	21332524.	47.%	18812143.	41.%	6.%	6.%
1975-1989	0.	51454315.	0.	0.%	26138622.	51.%	20173346.	39.%	12.%	12.%
1976-1990	0.	56377911.	0.	0.%	28068762.	50.%	22121024.	39.%	11.%	11.%
1977-1991	0.	59937991.	0.	0.%	28803298.	48.%	24041676.	40.%	8.%	8.%
1978-1992	0.	63195003.	0.	0.%	28991434.	46.%	25349920.	40.%	6.%	6.%
1979-1993	0.	65217549.	0.	0.%	29198022.	45.%	26594907.	41.%	4.%	4.%
1980-1994	0.	68712684.	0.	0.%	29984190.	44.%	27501066.	40.%	4.%	4.%

STUDY AS OF DECEMBER 31, 2004

PAGE 3

KENTUCKY POWER COMPANY  
 ACCOUNT NO.: 10860000  
 DISTRIBUTION PLANT

7-13-2005

YEAR	ADDITIONS	RETIREMENTS	REIMBURSEMENTS		SALVAGE		COST OF REMOVAL		NET SALVAGE	
			AMOUNT	RATIO	AMOUNT	RATIO	AMOUNT	RATIO	W/REIMB.	W/O REIMB.
1981-1995	0.	73035598.	0.	0.%	30667384.	42.%	28197113.	39.%	3.%	3.%
1982-1996	0.	74803442.	0.	0.%	30146055.	40.%	27705260.	37.%	3.%	3.%
1983-1997	0.	80864707.	0.	0.%	30478220.	38.%	27646743.	34.%	4.%	4.%
1984-1998	0.	82332839.	0.	0.%	30210041.	37.%	27089586.	33.%	4.%	4.%
1985-1999	0.	84822180.	0.	0.%	29375704.	35.%	25887788.	31.%	4.%	4.%
1986-2000	0.	89314814.	0.	0.%	29844198.	33.%	24785895.	28.%	6.%	6.%
1987-2001	0.	91126983.	0.	0.%	30330395.	33.%	25890130.	28.%	5.%	5.%
1988-2002	0.	92871109.	0.	0.%	33064612.	36.%	25606454.	28.%	8.%	8.%
1989-2003	0.	93213086.	0.	0.%	32616019.	35.%	24917261.	27.%	8.%	8.%
1990-2004	0.	93177968.	0.	0.%	29834863.	32.%	25007915.	27.%	5.%	5.%

18-Jul-05

KENTUCKY POWER COMPANY  
Distribution Plant Net Salvage Test

Retirements

Year	361	362	364	365	366	367	368	369	370	371	373	Total	Removal %	Weighted (000)
1990	2,108	289,306	2,752,129	1,114,551	7,201	11,675	959,910	396,795	363,340	261,542	73,803	6,232,360	2%	128
1991	4,188	308,865	1,480,558	1,060,633	1,608	19,317	1,219,271	456,573	293,127	317,371	48,604	5,210,115	-18%	-940
1992	0	107,270	1,465,072	909,965	0	69,723	1,618,101	415,580	381,788	292,580	21,277	5,281,356	-20%	-1,064
1993	972	176,465	1,304,149	758,447	0	9,042	1,105,636	696,650	502,234	349,338	27,095	4,930,028	-8%	-374
1994	19,675	267,934	144,412	1,379,552	199	18,365	1,164,053	562,102	576,545	354,006	37,451	4,524,294	3%	155
1995	2,757	287,579	1,671,011	2,549,129	5,842	19,071	1,313,309	497,449	631,063	350,093	30,017	7,357,320	1%	39
1996	5,030	454,597	1,128,837	1,662,236	1,248	37,421	1,578,917	475,561	517,207	246,115	18,665	6,125,834	2%	95
1997	6,522	734,060	1,542,829	1,666,505	4,035	46,345	2,186,374	522,610	836,156	529,850	26,937	8,102,223	6%	446
1998	57,059	430,669	1,082,705	867,054	1,777	16,729	1,560,837	431,172	723,727	553,968	20,374	5,746,071	9%	520
1999	462	133,384	779,722	767,232	2,608	11,656	1,278,242	344,602	979,544	465,115	15,450	4,778,017	4%	179
2000	0	430,936	1,459,576	1,553,565	6,479	36,561	1,443,110	569,287	1,709,961	637,697	26,217	7,873,489	16%	1,286
2001	0	543,501	1,402,184	1,323,285	9,421	11,194	1,029,459	390,080	639,511	563,686	22,268	5,934,589	-12%	-728
2002	0	163,287	1,100,199	2,020,300	16,953	71,261	1,055,795	508,684	970,185	370,170	27,698	6,304,532	54%	3,401
2003	0	448,926	770,946	1,665,159	2,929	23,089	1,073,924	630,850	624,632	155,458	19,163	5,414,676	7%	367
2004	370	325,880	3,264,700	1,048,651	2,052	37,052	1,076,234	511,999	832,607	115,921	33,892	7,249,358	13%	966
TOTAL	99,143	5,102,659	21,348,629	20,346,264	62,352	438,601	19,663,172	7,409,994	10,581,627	5,562,910	448,911	91,064,262	5%	4,477

EVALUATION BASED ON 1990-2004 ACTUAL

	361	362	364	365	366	367	368	369	370	371	373	Total
Total Retmits	99,143	5,102,659	21,348,629	20,346,264	62,352	438,601	19,663,172	7,409,994	10,581,627	5,562,910	448,911	91,064,262
Gross Removal %	0	0	-40	20	0	15	25	15	25	0	-5	5
Gross Removal \$	0	0	-8,539,452	4,069,253	0	65,790	4,915,793	1,111,499	2,645,407	0	-22,446	4,245,845

KENTUCKY POWER COMPANY  
Distribution Plant Salvage Test

18-Jul-05

Retirements

Year	361	362	364	365	366	367	368	369	370	371	373	Total	Salvage %	Weighted (000)
1990	2,108	289,306	2,752,129	1,114,551	7,201	11,675	959,910	396,795	363,340	261,542	73,803	6,232,360	40	249,294
1991	4,188	308,865	1,480,558	1,060,633	1,608	19,317	1,219,271	456,573	293,127	317,371	48,604	5,210,115	31	161,514
1992	0	107,270	1,465,072	909,965	0	69,723	1,618,101	415,580	381,788	292,580	21,277	5,281,356	24	126,753
1993	972	176,465	1,304,149	758,447	0	9,042	1,105,636	686,650	502,234	349,338	27,095	4,930,028	38	187,341
1994	19,675	267,934	144,412	1,379,552	199	18,365	1,164,053	562,102	576,545	354,006	37,451	4,524,294	37	167,399
1995	2,757	287,579	1,671,011	2,549,129	5,842	19,071	1,313,309	497,449	631,063	350,093	30,017	7,357,320	29	213,362
1996	5,030	454,597	1,128,837	1,662,236	1,248	37,421	1,578,917	475,561	517,207	246,115	18,665	6,125,834	21	128,643
1997	6,522	734,060	1,542,829	1,666,505	4,035	46,345	2,186,374	522,610	836,156	529,850	26,937	8,102,223	22	178,249
1998	57,059	430,669	1,082,705	867,054	1,777	16,729	1,560,837	431,172	723,727	553,968	20,374	5,746,071	24	137,906
1999	462	133,384	779,722	767,232	2,608	11,656	1,278,242	344,602	979,544	465,115	15,450	4,778,017	9	43,002
2000	0	430,936	1,459,576	1,553,565	6,479	36,661	1,443,110	569,287	1,709,961	637,697	26,217	7,873,489	19	149,596
2001	0	543,501	1,402,184	1,323,285	9,421	11,194	1,029,459	390,080	639,511	563,686	22,268	5,934,589	37	219,580
2002	0	163,287	1,100,199	2,020,300	16,953	71,261	1,055,795	508,684	970,185	370,170	27,698	6,304,532	75	472,840
2003	0	448,928	770,546	1,665,159	2,929	23,089	1,073,924	630,850	624,632	155,458	19,163	5,414,676	29	157,026
2004	370	325,890	3,264,700	1,048,651	2,052	37,052	1,076,234	511,999	832,607	115,921	33,892	7,249,358	41	297,224
TOTAL	99,143	5,102,659	21,348,629	20,346,264	62,352	438,601	19,663,172	7,409,994	10,581,627	5,562,910	448,911	91,064,262	32	2,889,727

EVALUATION BASED ON 1990-2004 ACTUAL

Total Retmts	99,143	5,102,659	21,348,629	20,346,264	62,352	438,601	19,663,172	7,409,994	10,581,627	5,562,910	448,911	91,064,262		
Gross Salvage, %	10	35	25	40	0	15	40	15	30	30	10	32		
Gross Salvage \$	9,914	1,785,931	5,337,157	8,138,506	0	65,790	7,865,269	1,111,499	3,174,488	1,668,873	44,891	29,202,318		

KENTUCKY POWER COMPANY  
Distribution Plant Removal Test

18-Jul-05

Retirements

Year	361	362	364	365	366	367	368	369	370	371	373	Total	Removal %	Weighted (000)
1990	2,108	289,306	2,752,129	1,114,551	7,201	11,675	959,910	396,795	363,340	261,542	73,803	6,232,360	38	236,830
1991	4,188	308,865	1,480,558	1,060,633	1,608	19,317	1,219,271	456,573	293,127	317,371	48,604	5,210,115	49	255,296
1992	0	107,270	1,465,072	909,965	0	69,723	1,618,101	415,580	381,788	292,580	21,277	5,281,356	44	232,380
1993	972	176,465	1,304,149	758,447	0	9,042	1,105,636	696,650	502,234	349,338	27,095	4,930,028	45	221,851
1994	19,675	267,934	1,444,412	1,379,552	199	18,365	1,164,053	562,102	576,545	354,006	37,451	4,524,294	33	149,302
1995	2,757	287,579	1,671,011	2,549,129	5,842	19,071	1,313,309	497,449	631,063	350,093	30,017	7,357,320	29	213,362
1996	5,030	454,597	1,128,837	1,662,236	1,248	37,421	1,578,917	475,561	517,207	246,115	18,665	6,125,834	20	122,517
1997	6,522	734,060	1,542,829	1,666,505	4,035	46,345	2,186,374	522,610	836,156	529,850	26,937	8,102,223	17	137,738
1998	57,059	430,669	1,082,705	867,064	1,777	16,729	1,560,837	431,172	723,727	553,968	20,374	5,746,071	15	86,191
1999	462	133,384	779,722	767,232	2,608	11,656	1,278,242	344,602	979,544	465,115	15,450	4,778,017	6	28,668
2000	0	430,936	1,459,576	1,553,565	5,479	36,661	1,443,110	569,287	1,709,961	637,697	26,217	7,873,489	3	23,620
2001	0	543,501	1,402,184	1,323,285	9,421	11,194	1,029,459	390,080	639,511	563,686	22,268	5,934,589	49	290,795
2002	0	163,287	1,100,199	2,020,300	16,953	71,261	1,056,795	508,684	970,165	370,170	27,898	6,304,532	21	132,395
2003	0	448,926	770,546	1,665,159	2,929	23,089	1,073,924	630,850	624,632	155,458	19,163	5,414,676	22	119,123
2004	370	325,880	3,264,700	1,048,651	2,052	37,052	1,076,234	511,999	832,607	115,921	33,892	7,249,358	27	195,733
TOTAL	99,143	5,102,659	21,348,629	20,346,264	92,352	438,601	19,663,172	7,409,994	10,581,627	5,562,910	448,911	91,064,262	27	2,445,800

EVALUATION BASED ON 1990-2004 ACTUAL

	361	362	364	365	366	367	368	369	370	371	373	Total
Total Retmits	99,143	5,102,659	21,348,629	20,346,264	62,352	438,601	19,663,172	7,409,994	10,581,627	5,562,910	448,911	91,064,262
Gross Removal %	10	35	65	20	0	0	15	0	5	30	15	27
Gross Removal \$	9,914	1,785,931	13,876,609	4,069,253	0	0	2,949,476	0	529,081	1,668,873	67,337	24,956,473

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

ANNUAL GROSS ADDITIONS AND RETIREMENTS  
ACCOUNT 36400000

YEAR	GROSS ADDITIONS	GROSS RETIREMENTS	NET
2004	4606829.	3264700.	1342129.
2003	3549389.	770546.	2778843.
2002	4243760.	1100199.	3143561.
2001	6491237.	1402184.	5089053.
2000	6193673.	1459576.	4734097.
1999	7750006.	779722.	6970284.
1998	2259261.	1082705.	1176556.
1997	2175205.	1542829.	632376.
1996	9692760.	1128837.	8563923.
1995	5532239.	1671011.	3861228.
1994	6419736.	144412.	6275324.
1993	5227092.	1304149.	3922943.
1992	6185410.	1465072.	4720338.
1991	6088191.	1480558.	4607633.
1990	5783242.	2752129.	3031113.
1989	5307552.	3823950.	1483602.
1988	4827488.	1966798.	2860690.
1987	5327380.	1607747.	3719633.
1986	5369391.	1438007.	3931384.
1985	4909635.	937730.	3971905.
1984	4313710.	808923.	3504787.
1983	4439316.	768785.	3670531.
1982	4665175.	635786.	4029389.
1981	5803340.	1253167.	4550173.
1980	4804915.	714013.	4090902.
1979	3884010.	638797.	3245213.
1978	3251569.	541825.	2709744.
1977	3061702.	378298.	2683404.
1976	2270319.	328987.	1941332.
1975	1611041.	258071.	1352970.
1974	1552522.	299128.	1253394.
1973	1515199.	360031.	1155168.
1972	1255246.	292633.	962613.
1971	1229340.	314758.	914582.
1970	840500.	269359.	571141.
1969	775929.	321093.	454836.
1968	779145.	366869.	412276.
1967	736064.	292779.	443285.
1966	623348.	243858.	379490.
1965	625458.	234974.	390484.
1964	510960.	197965.	312995.

STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

ANNUAL GROSS ADDITIONS AND RETIREMENTS

ACCOUNT 36400000

YEAR	GROSS ADDITIONS	GROSS RETIREMENTS	NET
1963	412308.	173515.	238793.
1962	374871.	151846.	223025.
1961	499550.	198316.	301234.
1960	350996.	152841.	198155.
1959	417502.	179999.	237503.
1958	460209.	145963.	314246.
1957	421180.	101977.	319203.
1956	364630.	98076.	266554.
1955	300304.	83548.	216756.
1954	286975.	69917.	217058.
1953	314622.	80158.	234464.
1952	352512.	62890.	289622.
1951	535120.	86968.	448152.
1950	649686.	74781.	574905.
1949	716821.	84381.	632440.
1948	927453.	64525.	862928.
1947	1015765.	52850.	962915.
1946	836816.	19182.	817634.
1945	176492.	14956.	161536.
1944	61306.	15239.	46067.
1943	39257.	42381.	-3124.
1942	117724.	4914.	112810.
1941	118223.	48820.	69403.
1940	206783.	83909.	122874.
1939	181871.	88380.	93491.
1938	160568.	160633.	-65.
1937	146719.	139472.	7247.
1936	861093.	0.	861093.
TOTALS	167795640.	43123397.	124672243.

ACTUAL INPUT BALANCE

124672243.

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

## SURVIVOR AGING USING GROSS ADDITIONS

ACCOUNT 36400000

28.0 RD.5

VINTAGE YEAR	GROSS		CALCULATED SURVIVORS	ADJUSTMENT	ADJUSTED SURVIVORS
	ADDITIONS BY VINTAGE	SURVIVOR RATIO			
2004	4606829.	0.9932	4575589.	239508.	4815097.
2003	3549389.	0.9795	3476562.	181980.	3658542.
2002	4243760.	0.9655	4097407.	214478.	4311885.
2001	6491237.	0.9513	6175202.	323240.	6498442.
2000	6193673.	0.9369	5802756.	303744.	6106500.
1999	7750006.	0.9222	7147271.	374123.	7521394.
1998	2259261.	0.9073	2049932.	107303.	2157236.
1997	2175205.	0.8922	1940812.	101591.	2042404.
1996	9692760.	0.8769	8499799.	444920.	8944719.
1995	5532239.	0.8614	4765373.	249443.	5014816.
1994	6419736.	0.8456	5428606.	284159.	5712766.
1993	5227092.	0.8296	4336367.	226986.	4563354.
1992	6185410.	0.8133	5030650.	263328.	5293979.
1991	6088191.	0.7967	4850664.	253907.	5104571.
1990	5783242.	0.7798	4510025.	236076.	4746101.
1989	5307552.	0.7626	4047637.	211873.	4259509.
1988	4827488.	0.7450	3596653.	188266.	3784919.
1987	5327380.	0.7271	3873424.	202754.	4076178.
1986	5369391.	0.7087	3805450.	199196.	4004645.
1985	4909635.	0.6900	3387545.	177320.	3564865.
1984	4313710.	0.6708	2893709.	151471.	3045179.
1983	4439316.	0.6512	2891060.	151332.	3042393.
1982	4665175.	0.6313	2944894.	154150.	3099044.
1981	5803340.	0.6109	3544994.	185562.	3730556.
1980	4804915.	0.5901	2835202.	148408.	2983610.
1979	3884010.	0.5689	2209589.	115661.	2325250.
1978	3251569.	0.5474	1779809.	93164.	1872973.
1977	3061702.	0.5255	1608980.	84222.	1693201.
1976	2270319.	0.5034	1142818.	59821.	1202639.
1975	1611041.	0.4810	774870.	40560.	815430.
1974	1552522.	0.4584	711623.	37250.	748873.
1973	1515199.	0.4356	660017.	34548.	694565.
1972	1255246.	0.4127	518069.	27118.	545187.
1971	1229340.	0.3898	479200.	25084.	504283.
1970	840500.	0.3669	308378.	16142.	324520.
1969	775929.	0.3441	266979.	13975.	280954.
1968	779145.	0.3214	250424.	13108.	263532.
1967	736064.	0.2990	220058.	11519.	231577.
1966	623348.	0.2768	172558.	9032.	181590.
1965	625458.	0.2551	159528.	8350.	167878.
1964	510960.	0.2337	119434.	6252.	125685.



STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

SURVIVOR AGING USING GROSS ADDITIONS

ACCOUNT 36400000

28.0 R0.5

VINTAGE YEAR	GROSS ADDITIONS BY VINTAGE	SURVIVOR RATIO	CALCULATED SURVIVORS	ADJUSTMENT	ADJUSTED SURVIVORS
1963	412308.	0.2130	87804.	4596.	92400.
1962	374871.	0.1928	72265.	3783.	76047.
1961	499550.	0.1733	86551.	4531.	91082.
1960	350996.	0.1545	54223.	2838.	57062.
1959	417502.	0.1365	56993.	2983.	59976.
1958	460209.	0.1194	54943.	2876.	57819.
1957	421180.	0.1032	43448.	2274.	45723.
1956	364630.	0.0879	32035.	1677.	33712.
1955	300304.	0.0735	22071.	1155.	23226.
1954	286975.	0.0601	17238.	902.	18141.
1953	314622.	0.0475	14958.	783.	15740.
1952	352512.	0.0358	12632.	661.	13294.
1951	535120.	0.0248	13273.	695.	13968.
1950	649686.	0.0144	9354.	490.	9844.
1949	716821.	0.0045	3200.	168.	3368.
1948	927453.	0.0000	0.	0.	0.
1947	1015765.	0.0000	0.	0.	0.
1946	836816.	0.0000	0.	0.	0.
1945	176492.	0.0000	0.	0.	0.
1944	61306.	0.0000	0.	0.	0.
1943	39257.	0.0000	0.	0.	0.
1942	117724.	0.0000	0.	0.	0.
1941	118223.	0.0000	0.	0.	0.
1940	206783.	0.0000	0.	0.	0.
1939	181871.	0.0000	0.	0.	0.
1938	160568.	0.0000	0.	0.	0.
1937	146719.	0.0000	0.	0.	0.
1936	861093.	0.0000	0.	0.	0.
TOTALS	167795640.		118470906.	6201337.	124672243.

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

## ANNUAL GROSS ADDITIONS AND RETIREMENTS

ACCOUNT 36500000

YEAR	GROSS ADDITIONS	GROSS RETIREMENTS	NET
2004	5364176.	1048651.	4315525.
2003	4069103.	1665159.	2403944.
2002	5622594.	2020300.	3602294.
2001	5169647.	1323285.	3846362.
2000	5230644.	1553565.	3677079.
1999	6688639.	767232.	5921407.
1998	2314364.	867054.	1447310.
1997	7910940.	1666505.	6244435.
1996	3270420.	1662236.	1608184.
1995	5785493.	2549129.	3236364.
1994	4473083.	1379552.	3093531.
1993	2861816.	758447.	2103369.
1992	3277636.	909965.	2367671.
1991	3654148.	1060633.	2593515.
1990	3794891.	1114551.	2680340.
1989	3611129.	899096.	2712033.
1988	3229945.	1188810.	2041135.
1987	3764540.	1004247.	2760293.
1986	3340589.	919744.	2420845.
1985	2604969.	519259.	2085710.
1984	2380654.	517838.	1862816.
1983	2562107.	598823.	1963284.
1982	2865659.	452557.	2413102.
1981	4443270.	876800.	3566470.
1980	3591035.	532297.	3058738.
1979	3199783.	516238.	2683545.
1978	2734482.	472645.	2261837.
1977	3143781.	369728.	2774053.
1976	1782930.	302893.	1480037.
1975	1026632.	230227.	796405.
1974	1088826.	298710.	790116.
1973	1108750.	379766.	728984.
1972	1152475.	309059.	843416.
1971	1451307.	334232.	1117075.
1970	1150481.	281292.	869189.
1969	992508.	307427.	685081.
1968	949626.	293616.	656010.
1967	869418.	235317.	634101.
1966	728131.	219295.	508836.
1965	688379.	182223.	506156.
1964	500173.	116173.	382000.

STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

ANNUAL GROSS ADDITIONS AND RETIREMENTS  
ACCOUNT 36500000

YEAR	GROSS ADDITIONS	GROSS RETIREMENTS	NET
----	-----	-----	-----
1963	342519.	115279.	227240.
1962	356863.	110412.	246451.
1961	431518.	83006.	348512.
1960	309663.	119535.	190128.
1959	332979.	86363.	246616.
1958	411734.	100947.	310787.
1957	370826.	75501.	295325.
1956	335384.	67420.	267964.
1955	247836.	54244.	193592.
1954	237566.	58761.	178805.
1953	254683.	55985.	198698.
1952	291012.	43132.	247880.
1951	393824.	52380.	341444.
1950	509472.	43539.	465933.
1949	591741.	38785.	552956.
1948	780371.	33031.	747340.
1947	845275.	23250.	822025.
1946	541149.	8911.	532238.
1945	107824.	7008.	100816.
1944	34927.	8392.	26535.
1943	14300.	15652.	-1352.
1942	71460.	1863.	69597.
1941	90549.	26224.	64325.
1940	125801.	56768.	69033.
1939	132698.	43031.	89667.
1938	124001.	56193.	67808.
1937	120859.	109143.	11716.
1936	771885.	0.	771885.
	-----	-----	-----
TOTALS	133627892.	34201331.	99426561.
	*****	*****	*****

ACTUAL INPUT BALANCE

99426561.

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STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

## SURVIVOR AGING USING GROSS ADDITIONS

ACCOUNT 36500000

30.0 R0.5

VINTAGE YEAR	GROSS		CALCULATED SURVIVORS	ADJUSTMENT	ADJUSTED SURVIVORS
	ADDITIONS BY VINTAGE	SURVIVOR RATIO			
2004	5364176.	0.9937	5330235.	89191.	5419426.
2003	4069103.	0.9809	3991246.	66786.	4058031.
2002	5622594.	0.9679	5441871.	91059.	5532930.
2001	5169647.	0.9546	4935192.	82581.	5017773.
2000	5230644.	0.9412	4923279.	82381.	5005661.
1999	6688639.	0.9276	6204574.	103821.	6308396.
1998	2314364.	0.9138	2114920.	35389.	2150309.
1997	7910940.	0.8998	7118441.	119113.	7237554.
1996	3270420.	0.8856	2896386.	48465.	2944851.
1995	5785493.	0.8713	5040614.	84345.	5124959.
1994	4473083.	0.8567	3831985.	64121.	3896106.
1993	2861816.	0.8419	2409357.	40316.	2449673.
1992	3277636.	0.8269	2710278.	45351.	2755629.
1991	3654148.	0.8117	2965943.	49629.	3015572.
1990	3794891.	0.7962	3021399.	50557.	3071956.
1989	3611129.	0.7804	2818169.	47156.	2865325.
1988	3229945.	0.7644	2468831.	41311.	2510142.
1987	3764540.	0.7480	2815848.	47118.	2862966.
1986	3340589.	0.7313	2442986.	40879.	2483864.
1985	2604969.	0.7143	1860671.	31135.	1891805.
1984	2380654.	0.6969	1659081.	27761.	1686842.
1983	2562107.	0.6792	1740108.	29117.	1769226.
1982	2865659.	0.6611	1894430.	31700.	1926130.
1981	4443270.	0.6426	2855372.	47779.	2903151.
1980	3591035.	0.6238	2240156.	37485.	2277640.
1979	3199783.	0.6047	1934775.	32375.	1967150.
1978	2734482.	0.5852	1600103.	26775.	1626877.
1977	3143781.	0.5653	1777273.	29739.	1807012.
1976	1782930.	0.5452	972050.	16265.	988315.
1975	1026632.	0.5248	538760.	9015.	547775.
1974	1088826.	0.5041	548895.	9185.	558079.
1973	1108750.	0.4832	535776.	8965.	544741.
1972	1152475.	0.4621	532613.	8912.	541525.
1971	1451307.	0.4409	639914.	10708.	650622.
1970	1150481.	0.4196	482733.	8078.	490811.
1969	992508.	0.3982	395224.	6613.	401837.
1968	949626.	0.3768	357835.	5988.	363822.
1967	869418.	0.3555	309054.	5171.	314225.
1966	726131.	0.3342	243364.	4072.	247436.
1965	688379.	0.3131	215566.	3607.	219173.
1964	500173.	0.2923	146194.	2446.	148640.

STUDY AS OF DECEMBER 31, 2004

PAGE, 2

KENTUCKY POWER COMPANY

7-15-2005

SURVIVOR AGING USING GROSS ADDITIONS  
 ACCOUNT 36500000  
 30.0 R0.5

VINTAGE YEAR	GROSS		CALCULATED SURVIVORS	ADJUSTMENT	ADJUSTED SURVIVORS
	ADDITIONS BY VINTAGE	SURVIVOR RATIO			
1963	342519.	0.2717	93065.	1557.	94622.
1962	356863.	0.2515	89741.	1502.	91242.
1961	431518.	0.2316	99957.	1673.	101629.
1960	309663.	0.2123	65733.	1100.	66833.
1959	332979.	0.1934	64410.	1078.	65487.
1958	411734.	0.1752	72127.	1207.	73334.
1957	370826.	0.1576	58427.	978.	59404.
1956	335384.	0.1406	47164.	789.	47954.
1955	247836.	0.1244	30838.	516.	31354.
1954	237566.	0.1090	25895.	433.	26329.
1953	254683.	0.0944	24035.	402.	24437.
1952	291012.	0.0806	23444.	392.	23836.
1951	393824.	0.0676	26608.	445.	27054.
1950	509472.	0.0554	28211.	472.	28683.
1949	591741.	0.0439	26006.	435.	26441.
1948	780371.	0.0332	25914.	434.	26347.
1947	845275.	0.0230	19463.	326.	19789.
1946	541149.	0.0134	7248.	121.	7369.
1945	107824.	0.0042	449.	8.	457.
1944	34927.	0.0000	0.	0.	0.
1943	14300.	0.0000	0.	0.	0.
1942	71460.	0.0000	0.	0.	0.
1941	90549.	0.0000	0.	0.	0.
1940	125801.	0.0000	0.	0.	0.
1939	132698.	0.0000	0.	0.	0.
1938	124001.	0.0000	0.	0.	0.
1937	120859.	0.0000	0.	0.	0.
1936	771885.	0.0000	0.	0.	0.
TOTALS	133627892.		97790236.	1636325.	99426561.

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

ANNUAL GROSS ADDITIONS AND RETIREMENTS  
ACCOUNT 36600000

YEAR	GROSS ADDITIONS	GROSS RETIREMENTS	NET
----	-----	-----	-----
2004	173356.	2052.	171304.
2003	118994.	2929.	116065.
2002	134439.	16953.	117486.
2001	123659.	9421.	114238.
2000	182080.	6479.	175601.
1999	137692.	2608.	135084.
1998	60158.	1777.	58381.
1997	291323.	4035.	287288.
1996	131833.	3248.	128585.
1995	133289.	5842.	127447.
1994	118922.	199.	118723.
1993	270669.	0.	270669.
1992	131413.	0.	131413.
1991	51993.	1608.	50385.
1990	207078.	7201.	199877.
1989	49004.	3823.	45181.
1988	25065.	172.	24893.
1987	9664.	6968.	2696.
1986	35696.	896.	34800.
1985	75471.	5819.	69652.
1984	4604.	3998.	606.
1983	39828.	78.	39750.
1982	48652.	0.	48652.
1981	79179.	71.	79108.
1980	46085.	13388.	32697.
1979	8197.	0.	8197.
1978	28154.	216.	27938.
1977	37280.	0.	37280.
1976	51203.	138.	51065.
1975	31345.	0.	31345.
1974	53663.	352.	53311.
1973	60340.	679.	59661.
1972	27833.	104.	27729.
1971	37062.	83.	36979.
1970	30547.	34.	30513.
1969	3136.	0.	3136.
1968	820.	0.	820.
1967	6556.	0.	6556.
1966	4153.	237.	3916.
1951	0.	18.	-18.
1948	0.	78.	-78.

STUDY AS OF DECEMBER 31, 2004

PAGE, 2

KENTUCKY POWER COMPANY

7-15-2005

ANNUAL GROSS ADDITIONS AND RETIREMENTS  
ACCOUNT 36600000

YEAR	GROSS ADDITIONS	GROSS RETIREMENTS	NET
-----	-----	-----	-----
1947	55.	259.	-204.
1946	0.	107.	-107.
1945	0.	389.	-389.
1944	0.	122.	-122.
1943	0.	14.	-14.
1942	144.	0.	144.
1940	77.	115.	-38.
1939	315.	0.	315.
1936	1383.	0.	1383.
-----	-----	-----	-----
TOTALS	3062409.	102510.	2959899.
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ACTUAL INPUT BALANCE 2959899.  
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STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

## SURVIVOR AGING USING GROSS ADDITIONS

ACCOUNT 36600000

50.0 R1.0

VINTAGE YEAR	GROSS		CALCULATED SURVIVORS	ADJUSTMENT	ADJUSTED SURVIVORS
	ADDITIONS BY VINTAGE	SURVIVOR RATIO			
2004	173356.	0.9974	172909.	8791.	181700.
2003	118994.	0.9921	118060.	6002.	124062.
2002	134439.	0.9867	132655.	6744.	139400.
2001	123659.	0.9812	121330.	6169.	127499.
2000	182080.	0.9755	177612.	9030.	186642.
1999	137692.	0.9696	133508.	6788.	140295.
1998	60158.	0.9636	57969.	2947.	60916.
1997	291323.	0.9575	278934.	14182.	293115.
1996	131833.	0.9512	125398.	6375.	131774.
1995	133289.	0.9448	125927.	6402.	132329.
1994	118922.	0.9382	111572.	5673.	117245.
1993	270669.	0.9315	252126.	12819.	264944.
1992	131413.	0.9246	121510.	6178.	127688.
1991	51993.	0.9177	47712.	2426.	50138.
1990	207078.	0.9105	188553.	9586.	198139.
1989	49004.	0.9033	44264.	2250.	46515.
1988	25065.	0.8959	22455.	1142.	23597.
1987	9664.	0.8884	8585.	436.	9022.
1986	35696.	0.8807	31436.	1598.	33035.
1985	75471.	0.8728	65873.	3349.	69222.
1984	4604.	0.8648	3982.	202.	4184.
1983	39828.	0.8567	34119.	1735.	35854.
1982	48652.	0.8483	41273.	2098.	43371.
1981	79179.	0.8398	66495.	3381.	69876.
1980	46085.	0.8311	38301.	1947.	40248.
1979	8197.	0.8222	6739.	343.	7082.
1978	28154.	0.8131	22891.	1164.	24054.
1977	37280.	0.8037	29962.	1523.	31486.
1976	51203.	0.7941	40663.	2067.	42730.
1975	31345.	0.7844	24586.	1250.	25836.
1974	53663.	0.7743	41553.	2113.	43666.
1973	60340.	0.7641	46104.	2344.	48448.
1972	27833.	0.7535	20974.	1066.	22040.
1971	37062.	0.7428	27529.	1400.	28929.
1970	30547.	0.7318	22353.	1136.	23490.
1969	3136.	0.7205	2259.	115.	2374.
1968	820.	0.7090	581.	30.	611.
1967	6556.	0.6972	4571.	232.	4803.
1966	4153.	0.6851	2845.	145.	2990.
1947	55.	0.4142	23.	1.	24.
1942	144.	0.3359	48.	2.	51.



STUDY AS OF DECEMBER 31, 2004

PAGE, 2

KENTUCKY POWER COMPANY

7-15-2005

SURVIVOR AGING USING GROSS ADDITIONS

ACCOUNT 36600000

50.0 R1.0

VINTAGE YEAR	GROSS		CALCULATED		ADJUSTED
	ADDITIONS BY VINTAGE	SURVIVOR RATIO	SURVIVORS	ADJUSTMENT	SURVIVORS
1940	77.	0.3050	23.	1.	25.
1939	315.	0.2897	91.	5.	96.
1936	1383.	0.2448	339.	17.	356.
TOTALS	3062409.		2816693.	143206.	2959899.

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

ANNUAL GROSS ADDITIONS AND RETIREMENTS  
ACCOUNT 36700000

YEAR	GROSS ADDITIONS	GROSS RETIREMENTS	NET
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2004	811825.	37052.	774773.
2003	245976.	23089.	222887.
2002	150681.	71261.	79420.
2001	293525.	11194.	282331.
2000	259570.	36661.	222909.
1999	377491.	11656.	365835.
1998	147054.	16729.	130325.
1997	339985.	46345.	293640.
1996	190902.	37421.	153481.
1995	209851.	19071.	190780.
1994	177719.	18365.	159354.
1993	285294.	9042.	276252.
1992	155416.	69723.	85693.
1991	141320.	19317.	122003.
1990	367094.	11675.	355419.
1989	117298.	8169.	109129.
1988	78161.	12299.	65862.
1987	108890.	20306.	88584.
1986	79589.	8069.	71520.
1985	119906.	5814.	114092.
1984	21545.	1761.	19784.
1983	100965.	8742.	92223.
1982	263053.	5334.	257719.
1981	112466.	6687.	105779.
1980	86392.	18792.	67600.
1979	45415.	8720.	36695.
1978	83270.	175.	83095.
1977	52882.	3175.	49707.
1976	67240.	2083.	65157.
1975	23860.	1477.	22383.
1974	76050.	2226.	73824.
1973	137903.	8385.	129518.
1972	109531.	60.	109471.
1971	86370.	0.	86370.
1970	76458.	927.	75531.
1969	11767.	0.	11767.
1968	4973.	0.	4973.
1967	15264.	0.	15264.
1966	4745.	60.	4685.
1965	2102.	0.	2102.
1963	1638.	0.	1638.

STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

ANNUAL GROSS ADDITIONS AND RETIREMENTS  
ACCOUNT 36700000

YEAR	GROSS ADDITIONS	GROSS RETIREMENTS	NET
1957	474.	58.	416.
1951	0.	513.	-513.
1948	0.	26.	-26.
1947	543.	48.	495.
1946	0.	39.	-39.
1945	0.	851.	-851.
1944	0.	116.	-116.
1943	0.	11.	-11.
1942	306.	0.	306.
1940	198.	563.	-365.
1939	1515.	0.	1515.
1936	1683.	0.	1683.
TOTALS	6046155.	564087.	5482068.

ACTUAL INPUT BALANCE 5482068.

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

## SURVIVOR AGING USING GROSS ADDITIONS

ACCOUNT 36700000

53.0 RO.5

VINTAGE YEAR	GROSS		CALCULATED SURVIVORS	ADJUSTMENT	ADJUSTED SURVIVORS
	ADDITIONS BY VINTAGE	SURVIVOR RATIO			
2004	811825.	0.9964	808922.	1940.	810862.
2003	245976.	0.9892	243326.	584.	243909.
2002	150681.	0.9820	147963.	355.	148318.
2001	293525.	0.9746	286079.	686.	286765.
2000	259570.	0.9672	251066.	602.	251668.
1999	377491.	0.9598	362309.	869.	363178.
1998	147054.	0.9523	140033.	336.	140369.
1997	339985.	0.9447	321174.	770.	321944.
1996	190902.	0.9370	178879.	429.	179308.
1995	209851.	0.9293	195016.	468.	195484.
1994	177719.	0.9215	163773.	393.	164166.
1993	285294.	0.9137	260670.	625.	261296.
1992	155416.	0.9058	140774.	338.	141112.
1991	141320.	0.8978	126881.	304.	127185.
1990	367094.	0.8898	326640.	783.	327424.
1989	117298.	0.8817	103423.	248.	103671.
1988	78161.	0.8736	68279.	164.	68443.
1987	108890.	0.8654	94229.	226.	94455.
1986	79589.	0.8571	68215.	164.	68379.
1985	119906.	0.8488	101771.	244.	102015.
1984	21545.	0.8404	18105.	43.	18149.
1983	100965.	0.8319	83990.	201.	84192.
1982	263053.	0.8233	216579.	519.	217098.
1981	112466.	0.8147	91626.	220.	91846.
1980	86392.	0.8060	69632.	167.	69799.
1979	45415.	0.7972	36205.	87.	36292.
1978	83270.	0.7883	65644.	157.	65802.
1977	52882.	0.7794	41214.	99.	41313.
1976	67240.	0.7703	51795.	124.	51919.
1975	23860.	0.7611	18161.	44.	18204.
1974	76050.	0.7519	57180.	137.	57318.
1973	137903.	0.7425	102395.	246.	102641.
1972	109531.	0.7330	80292.	193.	80484.
1971	86370.	0.7235	62486.	150.	62636.
1970	76458.	0.7138	54575.	131.	54706.
1969	11767.	0.7040	8284.	20.	8304.
1968	4973.	0.6941	3452.	8.	3460.
1967	15264.	0.6841	10441.	25.	10466.
1966	4745.	0.6739	3198.	8.	3205.
1965	2102.	0.6637	1395.	3.	1398.
1963	1638.	0.6428	1053.	3.	1055.

STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

SURVIVOR AGING USING GROSS ADDITIONS

ACCOUNT 36700000

53.0 RD.5

VINTAGE YEAR	GROSS		CALCULATED		ADJUSTED
	ADDITIONS BY VINTAGE	SURVIVOR RATIO	SURVIVORS	ADJUSTMENT	SURVIVORS
1957	474.	0.5775	274.	1.	274.
1947	543.	0.4611	250.	1.	251.
1942	306.	0.4008	123.	0.	123.
1940	198.	0.3766	75.	0.	75.
1939	1515.	0.3645	552.	1.	554.
1936	1683.	0.3284	553.	1.	554.
<b>TOTALS</b>	<b>6046155.</b>		<b>5468952.</b>	<b>13116.</b>	<b>5482068.</b>

BALANCE SHEET AS OF DECEMBER 31, 2004

PAGE, 1

KENTUCKY POWER COMPANY

7-15-2005

## ANNUAL GROSS ADDITIONS AND RETIREMENTS

ACCOUNT 36800000

YEAR	GROSS ADDITIONS	GROSS RETIREMENTS	NET
2004	2607713.	1076234.	1531479.
2003	1347430.	1073924.	273506.
2002	3758604.	1055795.	2702809.
2001	2396046.	1029459.	1366587.
2000	3420485.	1443110.	1977375.
1999	4458378.	1278242.	3180136.
1998	3482894.	1560837.	1922057.
1997	4777388.	2186374.	2591014.
1996	3287901.	1578917.	1708984.
1995	4198526.	1313309.	2885217.
1994	5479512.	1164053.	4315459.
1993	4268448.	1105636.	3162812.
1992	3210065.	1618101.	1591964.
1991	3837537.	1219271.	2618266.
1990	3902514.	959910.	2942604.
1989	3776952.	1161193.	2615759.
1988	2317695.	601750.	1715945.
1987	3159121.	784243.	2374878.
1986	3654901.	714994.	2939907.
1985	2911382.	640462.	2270920.
1984	3261356.	509740.	2751616.
1983	2530699.	816897.	1713802.
1982	2206738.	667258.	1539480.
1981	2989360.	1160266.	1829094.
1980	3636711.	707768.	2928943.
1979	2852002.	411317.	2440685.
1978	3851592.	627160.	3224432.
1977	3541256.	312212.	3229044.
1976	1711891.	265974.	1445917.
1975	1610300.	253830.	1356470.
1974	1473612.	242975.	1230637.
1973	1402782.	229211.	1173571.
1972	1089601.	396582.	693019.
1971	1128076.	205337.	922739.
1970	954361.	193411.	760950.
1969	633909.	349749.	284160.
1968	994850.	191068.	803782.
1967	823498.	131999.	691499.
1966	699015.	131560.	567455.
1965	474052.	144033.	330019.
1964	376312.	57553.	318759.

STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

ANNUAL GROSS ADDITIONS AND RETIREMENTS

ACCOUNT 36800000

YEAR	GROSS ADDITIONS	GROSS RETIREMENTS	NET
1963	318004.	67861.	250143.
1962	290851.	71202.	219649.
1961	386601.	64955.	321646.
1960	377379.	69198.	308181.
1959	463712.	81628.	382084.
1958	493518.	64683.	428835.
1957	284379.	51169.	233210.
1956	694523.	48821.	645702.
1955	438445.	52899.	385546.
1954	265710.	32894.	232816.
1953	295026.	43675.	251351.
1952	222457.	24126.	198331.
1951	500026.	34643.	465383.
1950	463556.	55812.	407744.
1949	433985.	39333.	394652.
1948	489204.	27858.	461346.
1947	491803.	12232.	479571.
1946	332267.	10975.	321292.
1945	161745.	5865.	155880.
1944	30578.	7340.	23238.
1943	6171.	9985.	-3814.
1942	25547.	505.	25042.
1941	126413.	23827.	102586.
1940	83745.	28729.	55016.
1939	107763.	36711.	71052.
1938	101940.	37399.	64541.
1937	94566.	84031.	10535.
1936	370113.	0.	370113.
TOTALS	116845492.	32660070.	84185422.

ACTUAL INPUT BALANCE

84185422.

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

## SURVIVOR AGING USING GROSS ADDITIONS

ACCOUNT 36800000

29.0 R0.5

VINTAGE YEAR	GROSS		CALCULATED		ADJUSTED
	ADDITIONS BY VINTAGE	SURVIVOR RATIO	SURVIVORS	ADJUSTMENT	SURVIVORS
2004	2607713.	0.9935	2590643.	85736.	2676378.
2003	1347430.	0.9802	1320749.	43709.	1364459.
2002	3758604.	0.9667	3633545.	120250.	3753795.
2001	2396046.	0.9530	2283528.	75572.	2359101.
2000	3420485.	0.9391	3212309.	106310.	3318618.
1999	4458378.	0.9250	4124111.	136485.	4260596.
1998	3482894.	0.9107	3171877.	104972.	3276848.
1997	4777388.	0.8962	4281355.	141689.	4423044.
1996	3287901.	0.8814	2898074.	95910.	2993984.
1995	4198526.	0.8665	3638015.	120398.	3758413.
1994	5479512.	0.8514	4664984.	154385.	4819369.
1993	4268448.	0.8360	3568329.	118092.	3686420.
1992	3210065.	0.8204	2633422.	87152.	2720573.
1991	3837537.	0.8045	3087249.	102171.	3189420.
1990	3902514.	0.7883	3076465.	101814.	3178279.
1989	3776952.	0.7719	2915309.	96481.	3011790.
1988	2317695.	0.7551	1750057.	57917.	1807974.
1987	3159121.	0.7380	2331309.	77153.	2408463.
1986	3654901.	0.7205	2633289.	87147.	2720437.
1985	2911382.	0.7026	2045634.	67699.	2113333.
1984	3261356.	0.6844	2232092.	73870.	2305962.
1983	2530699.	0.6658	1684922.	55762.	1740683.
1982	2206738.	0.6468	1427307.	47236.	1474543.
1981	2989360.	0.6274	1875563.	62071.	1937634.
1980	3636711.	0.6077	2209860.	73134.	2282994.
1979	2852002.	0.5875	1675631.	55454.	1731085.
1978	3851592.	0.5671	2184054.	72280.	2256334.
1977	3541256.	0.5462	1934403.	64018.	1998421.
1976	1711891.	0.5251	898982.	29751.	928733.
1975	1610300.	0.5038	811199.	26846.	838045.
1974	1473612.	0.4821	710484.	23513.	733997.
1973	1402782.	0.4603	645731.	21370.	667101.
1972	1089601.	0.4384	477629.	15807.	493435.
1971	1128076.	0.4163	469592.	15541.	485133.
1970	954361.	0.3942	376162.	12449.	388610.
1969	633909.	0.3720	235831.	7805.	243636.
1968	994850.	0.3500	348165.	11522.	359687.
1967	823498.	0.3280	270135.	8940.	279074.
1966	699015.	0.3063	214099.	7085.	221185.
1965	474052.	0.2848	135010.	4468.	139478.
1964	376312.	0.2636	99210.	3283.	102494.



STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

SURVIVOR AGING USING GROSS ADDITIONS

ACCOUNT 36800000

29.0 R0.5

VINTAGE YEAR	GROSS		CALCULATED SURVIVORS	ADJUSTMENT	ADJUSTED SURVIVORS
	ADDITIONS BY VINTAGE	SURVIVOR RATIO			
1963	318004.	0.2429	77234.	2556.	79790.
1962	290851.	0.2226	64733.	2142.	66875.
1961	386601.	0.2028	78397.	2595.	80991.
1960	377379.	0.1836	69287.	2293.	71580.
1959	463712.	0.1651	76546.	2533.	79079.
1958	493518.	0.1473	72674.	2405.	75079.
1957	284379.	0.1302	37028.	1225.	38254.
1956	694523.	0.1140	79154.	2620.	81774.
1955	438445.	0.0986	43220.	1430.	44651.
1954	265710.	0.0841	22334.	739.	23073.
1953	295026.	0.0704	20772.	687.	21459.
1952	222457.	0.0576	12819.	424.	13243.
1951	500026.	0.0457	22838.	756.	23594.
1950	463556.	0.0345	15979.	529.	16508.
1949	433985.	0.0239	10364.	343.	10708.
1948	489204.	0.0139	6789.	225.	7014.
1947	491803.	0.0043	2120.	70.	2190.
1946	332267.	0.0000	0.	0.	0.
1945	161745.	0.0000	0.	0.	0.
1944	30578.	0.0000	0.	0.	0.
1943	6171.	0.0000	0.	0.	0.
1942	25547.	0.0000	0.	0.	0.
1941	126413.	0.0000	0.	0.	0.
1940	83745.	0.0000	0.	0.	0.
1939	107763.	0.0000	0.	0.	0.
1938	101940.	0.0000	0.	0.	0.
1937	94566.	0.0000	0.	0.	0.
1936	370113.	0.0000	0.	0.	0.
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TOTALS	116845492.		81488601.	2696821.	84185422.
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STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

## ANNUAL GROSS ADDITIONS AND RETIREMENTS

ACCOUNT 36900000

YEAR	GROSS ADDITIONS	GROSS RETIREMENTS	NET
2004	2034573.	511999.	1522574.
2003	2678347.	630850.	2047497.
2002	1907359.	508684.	1398675.
2001	1931126.	390080.	1541046.
2000	2680192.	569287.	2110905.
1999	2508736.	344602.	2164134.
1998	795815.	431172.	364643.
1997	2636990.	522610.	2114380.
1996	816459.	475561.	340898.
1995	1107925.	497449.	610476.
1994	1352925.	562012.	790913.
1993	1658958.	696650.	962308.
1992	1167485.	415580.	751905.
1991	1236345.	456573.	779772.
1990	945888.	396795.	549093.
1989	1182480.	374843.	807637.
1988	888422.	392321.	496101.
1987	931227.	429089.	502138.
1986	733462.	304874.	428588.
1985	712353.	281524.	430829.
1984	807358.	304542.	502816.
1983	969567.	319764.	649803.
1982	716135.	166004.	550131.
1981	868594.	281371.	587223.
1980	864476.	216061.	648415.
1979	711506.	322670.	388836.
1978	830075.	201569.	628506.
1977	723397.	177138.	546259.
1976	596974.	176814.	420160.
1975	524332.	168457.	355875.
1974	483476.	160110.	323366.
1973	654650.	163509.	491141.
1972	683325.	158801.	524524.
1971	509551.	118146.	391405.
1970	423419.	108673.	314746.
1969	373867.	126343.	247524.
1968	328382.	128889.	199493.
1967	299067.	97914.	201153.
1966	231692.	101048.	130644.
1965	186261.	91455.	94806.
1964	161204.	84465.	76739.

STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

ANNUAL GROSS ADDITIONS AND RETIREMENTS

ACCOUNT 36900000

YEAR	GROSS ADDITIONS	GROSS RETIREMENTS	NET
1963	125832.	81492.	44340.
1962	128946.	70456.	58490.
1961	166728.	71168.	95560.
1960	142251.	71016.	71235.
1959	148227.	65607.	82620.
1958	169015.	72705.	96310.
1957	144373.	61021.	83352.
1956	136713.	54615.	82098.
1955	113139.	50921.	62218.
1954	115530.	47791.	67739.
1953	124065.	43728.	80337.
1952	128566.	36275.	92291.
1951	139833.	35506.	104327.
1950	161544.	24246.	137298.
1949	219751.	29813.	189938.
1948	243279.	16194.	227085.
1947	218255.	11858.	206397.
1946	112216.	6923.	105293.
1945	39254.	4137.	35117.
1944	14444.	3671.	10773.
1943	11021.	8861.	2160.
1942	29900.	971.	28929.
1941	25996.	10956.	15040.
1940	54016.	15722.	38294.
1939	45804.	12835.	32969.
1938	46593.	14239.	32354.
1937	37203.	11112.	26091.
1936	143212.	0.	143212.
TOTALS	45040081.	13800137.	31239944.

ACTUAL INPUT BALANCE

31239944.

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

## SURVIVOR AGING USING GROSS ADDITIONS

ACCOUNT 36900000

22.0 R0.5

VINTAGE YEAR	GROSS ADDITIONS BY VINTAGE	SURVIVOR RATIO	CALCULATED SURVIVORS	ADJUSTMENT	ADJUSTED SURVIVORS
2004	2034573.	0.9914	2016994.	131138.	2148132.
2003	2678347.	0.9738	2608164.	169574.	2777739.
2002	1907359.	0.9559	1823162.	118536.	1941698.
2001	1931126.	0.9375	1810519.	117714.	1928233.
2000	2680192.	0.9189	2462737.	160119.	2622856.
1999	2508736.	0.8998	2257417.	146770.	2404187.
1998	795815.	0.8804	700654.	45554.	746209.
1997	2636990.	0.8607	2269581.	147561.	2417142.
1996	816459.	0.8405	686269.	44619.	730888.
1995	1107925.	0.8200	908504.	59068.	967572.
1994	1352925.	0.7990	1081003.	70283.	1151287.
1993	1658958.	0.7775	1289866.	83863.	1373729.
1992	1167485.	0.7555	862000.	57345.	939344.
1991	1236345.	0.7328	906036.	58908.	964944.
1990	945888.	0.7096	671177.	43638.	714815.
1989	1182480.	0.6857	810779.	52714.	863493.
1988	888422.	0.6611	587318.	38186.	625504.
1987	931227.	0.6358	592102.	38497.	630599.
1986	733462.	0.6099	447352.	29085.	476437.
1985	712353.	0.5834	415563.	27019.	442582.
1984	807358.	0.5562	449066.	29197.	478262.
1983	969567.	0.5285	512432.	33317.	545749.
1982	716135.	0.5003	358305.	23296.	381601.
1981	868594.	0.4717	409758.	26641.	436399.
1980	864476.	0.4429	382839.	24891.	407730.
1979	711506.	0.4138	294395.	19141.	313536.
1978	830075.	0.3846	319240.	20756.	339996.
1977	723397.	0.3555	257148.	16719.	273867.
1976	596974.	0.3265	194938.	12674.	207612.
1975	524332.	0.2980	156225.	10157.	166383.
1974	483476.	0.2699	130468.	8483.	138950.
1973	654650.	0.2424	158690.	10317.	169007.
1972	683325.	0.2158	147432.	9586.	157018.
1971	509551.	0.1901	96850.	6297.	103147.
1970	423419.	0.1655	70070.	4556.	74625.
1969	373867.	0.1421	53141.	3455.	56596.
1968	328382.	0.1201	39453.	2565.	42018.
1967	299067.	0.0996	29787.	1937.	31723.
1966	231692.	0.0806	18665.	1214.	19878.
1965	186261.	0.0630	11742.	763.	12505.
1964	161204.	0.0470	7575.	493.	8068.

STUDY AS OF DECEMBER 31, 2004

PAGE, 2

KENTUCKY POWER COMPANY

7-15-2005

SURVIVOR AGING USING GROSS ADDITIONS

ACCOUNT 36900000

22.0 R0.5

VINTAGE YEAR	GROSS		CALCULATED SURVIVORS	ADJUSTMENT	ADJUSTED SURVIVORS
	ADDITIONS BY VINTAGE	SURVIVOR RATIO			
1963	125832.	0.0323	4059.	264.	4323.
1962	128946.	0.0186	2396.	156.	2551.
1961	166728.	0.0057	947.	62.	1009.
1960	142251.	0.0000	0.	0.	0.
1959	148227.	0.0000	0.	0.	0.
1958	169015.	0.0000	0.	0.	0.
1957	144373.	0.0000	0.	0.	0.
1956	136713.	0.0000	0.	0.	0.
1955	113139.	0.0000	0.	0.	0.
1954	115530.	0.0000	0.	0.	0.
1953	124065.	0.0000	0.	0.	0.
1952	128566.	0.0000	0.	0.	0.
1951	139833.	0.0000	0.	0.	0.
1950	161544.	0.0000	0.	0.	0.
1949	219751.	0.0000	0.	0.	0.
1948	243279.	0.0000	0.	0.	0.
1947	218255.	0.0000	0.	0.	0.
1946	112216.	0.0000	0.	0.	0.
1945	39254.	0.0000	0.	0.	0.
1944	14444.	0.0000	0.	0.	0.
1943	11021.	0.0000	0.	0.	0.
1942	29900.	0.0000	0.	0.	0.
1941	25996.	0.0000	0.	0.	0.
1940	54016.	0.0000	0.	0.	0.
1939	45804.	0.0000	0.	0.	0.
1938	46593.	0.0000	0.	0.	0.
1937	37203.	0.0000	0.	0.	0.
1936	143212.	0.0000	0.	0.	0.
TOTALS	45040081.		29332819.	1907125.	31239944.

STUDY AS OF DECEMBER 31, 2004

PAGE, 1

KENTUCKY POWER COMPANY

7-15-2005

## ANNUAL GROSS ADDITIONS AND RETIREMENTS

ACCOUNT 37000000

YEAR	GROSS ADDITIONS	GROSS RETIREMENTS	NET
2004	1006674.	832607.	174067.
2003	617066.	624632.	-7566.
2002	489075.	970185.	-481110.
2001	648901.	639511.	9390.
2000	1514864.	1709961.	-195097.
1999	980778.	979544.	1234.
1998	1324431.	723727.	600704.
1997	1105728.	836156.	269572.
1996	669427.	517207.	152220.
1995	850393.	631063.	219330.
1994	1413819.	576545.	837274.
1993	1029446.	502234.	527212.
1992	999844.	381788.	618056.
1991	1093280.	293127.	800153.
1990	1278153.	363340.	914813.
1989	1133142.	320905.	812237.
1988	1262548.	409799.	852749.
1987	1107129.	373822.	733307.
1986	1253695.	350900.	902795.
1985	1086299.	388485.	697814.
1984	1266454.	385107.	881347.
1983	1584355.	279281.	1305074.
1982	1226850.	248786.	978064.
1981	1149365.	261646.	887719.
1980	890564.	217875.	672689.
1979	814814.	196583.	618231.
1978	926839.	174912.	751927.
1977	940534.	249384.	691150.
1976	667327.	144244.	523083.
1975	497286.	105836.	391450.
1974	480510.	105229.	375281.
1973	423051.	70531.	352520.
1972	371979.	61436.	310543.
1971	279535.	60702.	218833.
1970	255663.	51994.	203669.
1969	205326.	114258.	91066.
1968	181449.	84855.	96594.
1967	181316.	37032.	144284.
1966	145871.	55662.	90209.
1965	209404.	56012.	153392.
1964	184491.	72715.	111776.

STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

ANNUAL GROSS ADDITIONS AND RETIREMENTS

ACCOUNT 37000000

YEAR	GROSS ADDITIONS	GROSS RETIREMENTS	NET
1963	169199.	68235.	100964.
1962	139771.	47026.	92745.
1961	122140.	44649.	77491.
1960	128169.	41245.	86924.
1959	156474.	47096.	109378.
1958	131604.	40319.	91285.
1957	153490.	46355.	107135.
1956	128652.	31269.	97383.
1955	118059.	31785.	86274.
1954	81155.	31742.	49413.
1953	119866.	34715.	85151.
1952	94922.	32524.	62398.
1951	155600.	36312.	119288.
1950	177105.	31485.	145620.
1949	195423.	35189.	160234.
1948	260771.	12529.	248242.
1947	271471.	12466.	259005.
1946	139554.	8366.	131188.
1945	60653.	9191.	51462.
1944	25218.	4542.	20676.
1943	10056.	9581.	475.
1942	18454.	460.	17994.
1941	84476.	19344.	65132.
1940	59490.	13467.	46023.
1939	48100.	15560.	32540.
1938	52663.	14262.	38401.
1937	50591.	20604.	29987.
1936	370928.	0.	370928.
TOTALS	37271729.	16199936.	21071793.

ACTUAL INPUT BALANCE

21071793.

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

## SURVIVOR AGING USING GROSS ADDITIONS

ACCOUNT 37000000

20.0 R3.0

VINTAGE YEAR	GROSS ADDITIONS BY VINTAGE	SURVIVOR RATIO	CALCULATED SURVIVORS	ADJUSTMENT	ADJUSTED SURVIVORS
2004	1006674.	0.9996	1006258.	5343.	1011602.
2003	617066.	0.9985	616117.	3272.	619389.
2002	489075.	0.9968	487519.	2589.	490107.
2001	648901.	0.9945	645319.	3427.	648746.
2000	1514864.	0.9912	1501595.	7974.	1509569.
1999	980778.	0.9869	967885.	5140.	973025.
1998	1324431.	0.9810	1299321.	6900.	1306221.
1997	1105728.	0.9735	1076412.	5716.	1082128.
1996	669427.	0.9638	645227.	3426.	648653.
1995	850393.	0.9518	809363.	4298.	813661.
1994	1413819.	0.9368	1324450.	7033.	1331463.
1993	1029446.	0.9185	945564.	5021.	950585.
1992	999844.	0.8964	896298.	4760.	901058.
1991	1093280.	0.8700	951137.	5051.	956188.
1990	1278153.	0.8385	1071739.	5691.	1077430.
1989	1133142.	0.8013	907959.	4821.	912781.
1988	1262548.	0.7575	956437.	5079.	961516.
1987	1107129.	0.7067	782372.	4155.	786526.
1986	1253695.	0.6483	812768.	4316.	817084.
1985	1086299.	0.5827	632943.	3361.	636304.
1984	1266454.	0.5108	646923.	3435.	650358.
1983	1584355.	0.4348	688909.	3658.	692567.
1982	1226850.	0.3577	438832.	2330.	441162.
1981	1149365.	0.2830	325326.	1728.	327053.
1980	890564.	0.2145	191046.	1014.	192061.
1979	814814.	0.1550	126325.	671.	126996.
1978	926839.	0.1062	98475.	523.	98998.
1977	940534.	0.0684	64338.	342.	64680.
1976	667327.	0.0406	27117.	144.	27261.
1975	497286.	0.0215	10692.	57.	10749.
1974	480510.	0.0095	4549.	24.	4573.
1973	423051.	0.0030	1275.	7.	1281.
1972	371979.	0.0000	0.	0.	0.
1971	279535.	0.0000	0.	0.	0.
1970	255663.	0.0000	0.	0.	0.
1969	205326.	0.0000	0.	0.	0.
1968	181449.	0.0000	0.	0.	0.
1967	181316.	0.0000	0.	0.	0.
1966	145871.	0.0000	0.	0.	0.
1965	209404.	0.0000	0.	0.	0.
1964	164491.	0.0000	0.	0.	0.



STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

SURVIVOR AGING USING GROSS ADDITIONS

ACCOUNT 37000000

20.0 R3.0

VINTAGE YEAR	GROSS		CALCULATED		ADJUSTED
	ADDITIONS BY VINTAGE	SURVIVOR RATIO	SURVIVORS	ADJUSTMENT	SURVIVORS
1963	169199.	0.0000	0.	0.	0.
1962	139771.	0.0000	0.	0.	0.
1961	122140.	0.0000	0.	0.	0.
1960	128169.	0.0000	0.	0.	0.
1959	156474.	0.0000	0.	0.	0.
1958	131604.	0.0000	0.	0.	0.
1957	153490.	0.0000	0.	0.	0.
1956	128652.	0.0000	0.	0.	0.
1955	118059.	0.0000	0.	0.	0.
1954	81155.	0.0000	0.	0.	0.
1953	119866.	0.0000	0.	0.	0.
1952	94922.	0.0000	0.	0.	0.
1951	155600.	0.0000	0.	0.	0.
1950	177105.	0.0000	0.	0.	0.
1949	195423.	0.0000	0.	0.	0.
1948	260771.	0.0000	0.	0.	0.
1947	271471.	0.0000	0.	0.	0.
1946	139554.	0.0000	0.	0.	0.
1945	60653.	0.0000	0.	0.	0.
1944	25218.	0.0000	0.	0.	0.
1943	10056.	0.0000	0.	0.	0.
1942	18454.	0.0000	0.	0.	0.
1941	84476.	0.0000	0.	0.	0.
1940	55490.	0.0000	0.	0.	0.
1939	48100.	0.0000	0.	0.	0.
1938	52663.	0.0000	0.	0.	0.
1937	50591.	0.0000	0.	0.	0.
1936	370928.	0.0000	0.	0.	0.
TOTALS	37271729.		20960489.	111304.	21071793.

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

ANNUAL GROSS ADDITIONS AND RETIREMENTS  
ACCOUNT 37100000

YEAR	GROSS ADDITIONS	GROSS RETIREMENTS	NET
----	-----	-----	-----
2004	1563148.	115921.	1447227.
2003	2356246.	155458.	2200788.
2002	1536211.	370170.	1166041.
2001	858732.	563686.	295046.
2000	1331176.	637697.	693479.
1999	1742973.	465115.	1277858.
1998	600987.	553968.	47019.
1997	1583946.	529850.	1054096.
1996	496928.	246115.	250813.
1995	559153.	350093.	209060.
1994	1062578.	354006.	708572.
1993	1380740.	349338.	1031402.
1992	843872.	292580.	551292.
1991	757210.	317371.	439839.
1990	574638.	261542.	313096.
1989	673733.	291379.	382354.
1988	464215.	257746.	206469.
1987	478198.	421123.	57075.
1986	500633.	195928.	304705.
1985	430816.	184064.	246752.
1984	455174.	152915.	302259.
1983	359728.	156108.	203620.
1982	259270.	102664.	156606.
1981	301789.	124056.	177733.
1980	217442.	114552.	102890.
1979	195902.	87903.	107999.
1978	183648.	67643.	116005.
1977	122908.	58498.	64410.
1976	245454.	66077.	179377.
1975	182106.	64832.	117274.
1974	198910.	65653.	133257.
1973	226725.	64412.	162313.
1972	193516.	65976.	127540.
1971	118336.	55327.	63009.
1970	118346.	59930.	58408.
1969	134430.	67189.	67241.
1968	94059.	73277.	20782.
1967	112403.	61218.	51185.
1966	83111.	59600.	23511.
1965	113528.	57173.	56355.
1964	95784.	49581.	46203.

STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

ANNUAL GROSS ADDITIONS AND RETIREMENTS

ACCOUNT 37100000

YEAR	GROSS ADDITIONS	GROSS RETIREMENTS	NET
1963	117412.	40351.	77061.
1962	155649.	36416.	119233.
1961	133773.	7257.	126516.
1960	52064.	513.	51551.
1959	3085.	0.	3085.
1957	62.	0.	62.
1956	46.	0.	46.
1953	45.	0.	45.
1950	323.	0.	323.
TOTALS	24271161.	8672279.	15598882.

ACTUAL INPUT BALANCE 15598882.

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

## SURVIVOR AGING USING GROSS ADDITIONS

ACCOUNT 37100000

12.0 L0.0

VINTAGE YEAR	GROSS		CALCULATED SURVIVORS	ADJUSTMENT	ADJUSTED SURVIVORS
	ADDITIONS BY VINTAGE	SURVIVOR RATIO			
2004	1563148.	0.9914	1549661.	251331.	1800992.
2003	2356246.	0.9605	2263187.	367053.	2630240.
2002	1536211.	0.9202	1413656.	229273.	1642929.
2001	858732.	0.8743	750767.	121763.	872530.
2000	1331176.	0.8248	1097951.	178070.	1276022.
1999	1742973.	0.7734	1348007.	218626.	1566633.
1998	600987.	0.7214	433554.	70316.	503870.
1997	1583946.	0.6696	1060614.	172015.	1232629.
1996	496928.	0.6184	307278.	49836.	357113.
1995	559153.	0.5680	317605.	51511.	369115.
1994	1062578.	0.5189	551364.	89423.	640786.
1993	1380740.	0.4713	650750.	105541.	756291.
1992	843872.	0.4255	359090.	58239.	417328.
1991	757210.	0.3818	289109.	46889.	335998.
1990	574638.	0.3404	195584.	31721.	227305.
1989	673733.	0.3014	203034.	32929.	235963.
1988	464215.	0.2649	122987.	19947.	142934.
1987	478198.	0.2312	110556.	17930.	128487.
1986	500633.	0.2002	100218.	16254.	116472.
1985	430816.	0.1719	74065.	12012.	86077.
1984	455174.	0.1464	66629.	10806.	77435.
1983	359728.	0.1235	44432.	7206.	51638.
1982	259270.	0.1032	26764.	4341.	31104.
1981	301789.	0.0854	25774.	4180.	29954.
1980	217442.	0.0699	15200.	2465.	17665.
1979	195902.	0.0566	11082.	1797.	12880.
1978	183648.	0.0452	8306.	1347.	9653.
1977	122908.	0.0357	4387.	711.	5098.
1976	245454.	0.0278	6818.	1106.	7924.
1975	182106.	0.0213	3879.	629.	4508.
1974	198910.	0.0161	3197.	519.	3716.
1973	226725.	0.0119	2702.	438.	3141.
1972	193516.	0.0087	1679.	272.	1951.
1971	118336.	0.0062	732.	119.	851.
1970	118346.	0.0043	511.	83.	593.
1969	134430.	0.0029	395.	64.	459.
1968	94059.	0.0019	183.	30.	213.
1967	112403.	0.0013	141.	23.	164.
1966	83111.	0.0008	65.	11.	76.
1965	113528.	0.0005	54.	9.	63.
1964	95784.	0.0003	27.	4.	31.

STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

SURVIVOR AGING USING GROSS ADDITIONS

ACCOUNT 37100000

12.0 L0.0

VINTAGE YEAR	GROSS		CALCULATED SURVIVORS	ADJUSTMENT	ADJUSTED SURVIVORS
	ADDITIONS BY VINTAGE	SURVIVOR RATIO			
1963	117412.	0.0002	19.	3.	22.
1962	155649.	0.0001	15.	2.	17.
1961	133773.	0.0001	8.	1.	9.
1960	52064.	0.0000	2.	0.	2.
1959	3085.	0.0000	0.	0.	0.
1957	62.	0.0000	0.	0.	0.
1956	46.	0.0000	0.	0.	0.
1953	45.	0.0000	0.	0.	0.
1950	323.	0.0000	0.	0.	0.
TOTALS	24271161.		13422038.	2176844.	15598882.

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

## ANNUAL GROSS ADDITIONS AND RETIREMENTS

ACCOUNT 37300000

YEAR	GROSS ADDITIONS	GROSS RETIREMENTS	NET
2004	139549.	33892.	105657.
2003	114834.	39163.	75671.
2002	90680.	27698.	62982.
2001	105554.	22268.	83286.
2000	77936.	26217.	51719.
1999	88549.	15450.	73099.
1998	41175.	20374.	20801.
1997	40819.	26937.	13882.
1996	50186.	18665.	31521.
1995	65504.	30017.	35487.
1994	98733.	37451.	61282.
1993	183145.	27095.	156050.
1992	13549.	21277.	-7728.
1991	62428.	48604.	13824.
1990	213752.	73803.	139949.
1989	347755.	109998.	237757.
1988	206152.	110040.	96112.
1987	203890.	73264.	130626.
1986	209086.	40399.	168687.
1985	120997.	37932.	83065.
1984	50621.	13841.	36780.
1983	93110.	28192.	64918.
1982	184014.	44775.	139239.
1981	142598.	53310.	89288.
1980	80303.	37188.	43115.
1979	22164.	17100.	5064.
1978	56734.	28008.	28726.
1977	19464.	15865.	3599.
1976	16853.	4177.	12676.
1975	41522.	16546.	24976.
1974	37035.	11431.	25604.
1973	79104.	21009.	58095.
1972	17862.	9816.	8046.
1971	29314.	6397.	22917.
1970	82272.	25322.	56950.
1969	54853.	89346.	-34493.
1968	62051.	77466.	-15415.
1967	148123.	120454.	27669.
1966	65587.	65904.	-317.
1965	74139.	46345.	27794.
1964	33854.	25886.	7968.

STUDY AS OF DECEMBER 31, 2004

PAGE, 2

KENTUCKY POWER COMPANY

7-15-2005

ANNUAL GROSS ADDITIONS AND RETIREMENTS

ACCOUNT 37300000

YEAR	GROSS ADDITIONS	GROSS RETIREMENTS	NET
1963	60199.	31558.	28641.
1962	47237.	20015.	27222.
1961	47565.	20623.	26942.
1960	34406.	16536.	17870.
1959	48955.	20071.	28884.
1958	37190.	33373.	3817.
1957	25341.	9172.	16169.
1956	16379.	6068.	10311.
1955	13067.	8335.	4732.
1954	22190.	6972.	15218.
1953	31804.	20003.	11801.
1952	31861.	10628.	21233.
1951	45371.	20307.	25064.
1950	34099.	7081.	27018.
1949	28081.	11552.	16529.
1948	23457.	5209.	18248.
1947	10446.	4660.	5786.
1946	6221.	663.	5558.
1945	2011.	568.	1443.
1944	4620.	2723.	1897.
1943	1495.	4124.	-2629.
1942	13088.	182.	12906.
1941	12616.	9319.	3297.
1940	10369.	8981.	1388.
1939	6365.	4357.	2008.
1938	9692.	5960.	3732.
1937	16031.	3042.	12989.
1936	126232.	0.	126232.
TOTALS	4632238.	1891004.	2741234.

ACTUAL INPUT BALANCE 2741234.

STUDY AS OF DECEMBER 31, 2004

PAGE, 1

KENTUCKY POWER COMPANY

7-15-2005

## SURVIVOR AGING USING GROSS ADDITIONS

ACCOUNT 37300000

20.0 L0.0

VINTAGE YEAR	GROSS		CALCULATED		ADJUSTED
	ADDITIONS BY VINTAGE	SURVIVOR RATIO	SURVIVORS	ADJUSTMENT	SURVIVORS
2004	139549.	0.9957	138947.	46326.	185273.
2003	114834.	0.9806	112601.	37542.	150142.
2002	90680.	0.9605	87098.	29039.	116137.
2001	105554.	0.9372	98922.	32981.	131903.
2000	77936.	0.9114	71030.	23682.	94712.
1999	88549.	0.8838	78259.	26092.	104351.
1998	41175.	0.8548	35197.	11735.	46931.
1997	40819.	0.8248	33667.	11225.	44892.
1996	50186.	0.7941	39852.	13287.	53139.
1995	65504.	0.7630	49980.	16664.	66643.
1994	98733.	0.7318	72251.	24089.	96340.
1993	183145.	0.7006	128317.	42782.	171099.
1992	13549.	0.6696	9072.	3025.	12097.
1991	62428.	0.6388	39876.	13295.	53171.
1990	213752.	0.6082	130004.	43344.	173348.
1989	347755.	0.5780	201000.	67015.	268014.
1988	206152.	0.5482	113010.	37678.	150688.
1987	203890.	0.5189	105796.	35273.	141069.
1986	209086.	0.4901	102477.	34167.	136644.
1985	120997.	0.4620	55899.	18637.	74536.
1984	50621.	0.4345	21996.	7334.	29330.
1983	93110.	0.4078	37967.	12658.	50625.
1982	184014.	0.3818	70257.	23424.	93681.
1981	142598.	0.3567	50858.	16956.	67814.
1980	80303.	0.3323	26688.	8898.	35586.
1979	22164.	0.3089	6848.	2283.	9131.
1978	56734.	0.2865	16253.	5419.	21671.
1977	19464.	0.2649	5157.	1719.	6876.
1976	16853.	0.2444	4118.	1373.	5491.
1975	41522.	0.2248	9333.	3112.	12445.
1974	37035.	0.2062	7635.	2546.	10181.
1973	79104.	0.1885	14915.	4973.	19887.
1972	17862.	0.1719	3071.	1024.	4095.
1971	29314.	0.1563	4581.	1527.	6108.
1970	82272.	0.1416	11649.	3884.	15533.
1969	54853.	0.1279	7014.	2339.	9353.
1968	62051.	0.1151	7142.	2381.	9523.
1967	148123.	0.1032	15290.	5098.	20388.
1966	65587.	0.0922	6050.	2017.	8067.
1965	74139.	0.0821	6088.	2030.	8118.
1964	33854.	0.0728	2465.	822.	3287.



STUDY AS OF DECEMBER 31, 2004

PAGE, 2

KENTUCKY POWER COMPANY

7-15-2005

SURVIVOR AGING USING GROSS ADDITIONS

ACCOUNT 37300000

20.0 L0.0

VINTAGE YEAR	GROSS		CALCULATED SURVIVORS	ADJUSTMENT	ADJUSTED SURVIVORS
	ADDITIONS BY VINTAGE	SURVIVOR RATIO			
1963	60199.	0.0643	3872.	1291.	5163.
1962	47237.	0.0566	2672.	891.	3563.
1961	47565.	0.0495	2356.	786.	3142.
1960	34406.	0.0432	1486.	495.	1981.
1959	48955.	0.0375	1834.	611.	2445.
1958	37190.	0.0323	1203.	401.	1604.
1957	25341.	0.0278	704.	235.	939.
1956	16379.	0.0237	389.	130.	518.
1955	13067.	0.0202	263.	88.	351.
1954	22190.	0.0170	378.	126.	504.
1953	31804.	0.0143	455.	152.	606.
1952	31861.	0.0119	380.	127.	506.
1951	45371.	0.0099	448.	149.	597.
1950	34099.	0.0081	277.	92.	369.
1949	28081.	0.0066	186.	62.	248.
1948	23457.	0.0054	126.	42.	168.
1947	10446.	0.0043	45.	15.	60.
1946	6221.	0.0034	21.	7.	28.
1945	2011.	0.0027	5.	2.	7.
1944	4620.	0.0021	10.	3.	13.
1943	1495.	0.0016	2.	1.	3.
1942	13088.	0.0013	16.	5.	22.
1941	12616.	0.0010	12.	4.	16.
1940	10369.	0.0007	7.	2.	10.
1939	6365.	0.0005	3.	1.	4.
1938	9692.	0.0004	4.	1.	5.
1937	16031.	0.0003	5.	2.	6.
1936	126232.	0.0002	26.	9.	34.
-----					
TOTALS	4632238.		2055812.	685422.	2741234.
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STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE  
ACCOUNT 36020000

AGE	VINTAGE YEAR	SURVIVING BALANCE 12/31/2004	REMAINING LIFE		RESERVE RATIO	THEORETICAL RESERVE
			ASL	R4.0		
1.5	2003	188981.	73.5017		0.01998	3775.
2.5	2002	131307.	72.5028		0.03330	4372.
3.5	2001	13252.	71.5041		0.04661	618.
4.5	2000	315016.	70.5057		0.05992	18877.
5.5	1999	9268.	69.5076		0.07323	679.
6.5	1998	108643.	68.5098		0.08654	9402.
7.5	1997	219540.	67.5124		0.09983	21918.
8.5	1996	53347.	66.5155		0.11313	6035.
9.5	1995	106401.	65.5191		0.12641	13450.
10.5	1994	14023.	64.5233		0.13969	1959.
11.5	1993	49128.	63.5281		0.15296	7515.
12.5	1992	94764.	62.5337		0.16622	15751.
13.5	1991	76154.	61.5402		0.17946	13667.
14.5	1990	54838.	60.5476		0.19270	10567.
15.5	1989	31178.	59.5561		0.20592	6420.
16.5	1988	26380.	58.5659		0.21912	5780.
17.5	1987	19016.	57.5770		0.23231	4418.
18.5	1986	47212.	56.5896		0.24547	11589.
19.5	1985	15670.	55.6038		0.25862	4053.
20.5	1984	32618.	54.6199		0.27173	8863.
21.5	1983	61965.	53.6381		0.28483	17649.
22.5	1982	28617.	52.6584		0.29789	8525.
23.5	1981	47948.	51.6812		0.31092	14908.
24.5	1980	29181.	50.7067		0.32391	9452.
25.5	1979	13506.	49.7351		0.33687	4550.
26.5	1978	26054.	48.7666		0.34978	9113.
27.5	1977	22793.	47.8015		0.36265	8266.
28.5	1976	41525.	46.8401		0.37547	15591.
29.5	1975	15107.	45.8827		0.38823	5865.
30.5	1974	13592.	44.9295		0.40094	5450.
31.5	1973	24296.	43.9808		0.41359	10049.
33.5	1971	14047.	42.0984		0.43869	6162.
34.5	1970	387.	41.1652		0.45113	175.

STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE

ACCOUNT 36020000

AGE	VINTAGE YEAR	SURVIVING BALANCE 12/31/2004	REMAINING LIFE		RESERVE RATIO	THEORETICAL RESERVE
			ASL	R4.0		
35.5	1969	7115.	40.2379		0.46350	3298.
36.5	1968	37437.	39.3166		0.47578	17812.
37.5	1967	44071.	38.4018		0.48798	21506.
38.5	1966	9263.	37.4938		0.50008	4632.
39.5	1965	9653.	36.5928		0.51210	4943.
40.5	1964	6951.	35.6993		0.52401	3642.
41.5	1963	9451.	34.8134		0.53582	5064.
42.5	1962	9239.	33.9355		0.54753	5059.
43.5	1961	23561.	33.0660		0.55912	13173.
44.5	1960	17991.	32.2050		0.57060	10266.
45.5	1959	19195.	31.3528		0.58196	11171.
46.5	1958	40375.	30.5097		0.59320	23951.
47.5	1957	21488.	29.6758		0.60432	12986.
48.5	1956	28409.	28.8514		0.61531	17480.
49.5	1955	21993.	28.0367		0.62618	13772.
50.5	1954	44376.	27.2318		0.63691	28263.
51.5	1953	39460.	26.4369		0.64751	25551.
52.5	1952	54416.	25.6519		0.65797	35804.
53.5	1951	136000.	24.8770		0.66831	90890.
54.5	1950	109582.	24.1123		0.67850	74352.
55.5	1949	160886.	23.3577		0.68856	110780.
56.5	1948	284139.	22.6131		0.69849	198469.
57.5	1947	245866.	21.8785		0.70829	174144.
58.5	1946	156952.	21.1537		0.71795	112684.
59.5	1945	17358.	20.4386		0.72749	12628.
60.5	1944	6818.	19.7329		0.73689	5024.
61.5	1943	48163.	19.0364		0.74618	35938.
62.5	1942	17131.	18.3487		0.75535	12940.
63.5	1941	24131.	17.6702		0.76440	18446.
64.5	1940	23518.	17.0015		0.77331	18187.
65.5	1939	33725.	16.3441		0.78208	26376.
66.5	1938	27712.	15.6999		0.79067	21911.
67.5	1937	9623.	15.0708		0.79906	7689.
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		3691802.				1464290.
-----						
			NET SALVAGE VALUE (¢)			0.
-----						
			RESERVE AFTER SALVAGE			1464290.
-----						
			REMAINING LIFE (YRS)			45.25
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STUDY AS OF DECEMBER 31, 2004

PAGE 1, 1

KENTUCKY POWER COMPANY

7-15-2005

## AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 36020000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE	
		BALANCE 12/31/2004	ASL	CURVE LIMIT
---	---	-----	75.0	R4.0 90.0
1.5	2003	188981.	73.50	
2.5	2002	131307.	72.50	
3.5	2001	13252.	71.50	
4.5	2000	315016.	70.51	
5.5	1999	9268.	69.51	
6.5	1998	108643.	68.51	
7.5	1997	219540.	67.51	
8.5	1996	53347.	66.52	
9.5	1995	106401.	65.52	
10.5	1994	14023.	64.52	
11.5	1993	49128.	63.53	
12.5	1992	94764.	62.53	
13.5	1991	76154.	61.54	
14.5	1990	54838.	60.55	
15.5	1989	31178.	59.56	
16.5	1988	26380.	58.57	
17.5	1987	19016.	57.58	
18.5	1986	47212.	56.59	
19.5	1985	15670.	55.60	
20.5	1984	32618.	54.62	
21.5	1983	61965.	53.64	
22.5	1982	28617.	52.66	
23.5	1981	47948.	51.68	
24.5	1980	29181.	50.71	
25.5	1979	13506.	49.74	
26.5	1978	26054.	48.77	
27.5	1977	22793.	47.80	
28.5	1976	41525.	46.84	
29.5	1975	15107.	45.88	
30.5	1974	13592.	44.93	
31.5	1973	24296.	43.98	
33.5	1971	14047.	42.10	
34.5	1970	387.	41.17	
35.5	1969	7115.	40.24	
36.5	1968	37437.	39.32	

STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

## AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 36020000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE
		BALANCE 12/31/2004	ASL CURVE LIMIT 75.0 R4.0 90.0
37.5	1967	44071.	38.40
38.5	1966	9263.	37.49
39.5	1965	9653.	36.59
40.5	1964	6951.	35.70
41.5	1963	9451.	34.81
42.5	1962	9239.	33.94
43.5	1961	23561.	33.07
44.5	1960	17991.	32.20
45.5	1959	19195.	31.35
46.5	1958	40375.	30.51
47.5	1957	21488.	29.68
48.5	1956	28409.	28.85
49.5	1955	21993.	28.04
50.5	1954	44376.	27.23
51.5	1953	39460.	26.44
52.5	1952	54416.	25.65
53.5	1951	136000.	24.88
54.5	1950	109582.	24.11
55.5	1949	160886.	23.36
56.5	1948	284139.	22.61
57.5	1947	245866.	21.88
58.5	1946	156952.	21.15
59.5	1945	17358.	20.44
60.5	1944	6818.	19.73
61.5	1943	48163.	19.04
62.5	1942	17131.	18.35
63.5	1941	24131.	17.67
64.5	1940	23518.	17.00
65.5	1939	33725.	16.34
66.5	1938	27712.	15.70
67.5	1937	9623.	15.07

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3691802.  
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THE WEIGHTED AVERAGE REMAINING LIFE IS 45.25

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

## AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE

ACCOUNT 36100000

AGE	VINTAGE YEAR	REMAINING		RESERVE RATIO	THEORETICAL RESERVE
		SURVIVING BALANCE 12/31/2004	LIFE ASL CURVE 70.0 LI.5		
1.5	2003	395784.	68.5527	0.02068	8183.
2.5	2002	38514.	67.5908	0.03442	1326.
3.5	2001	7028.	66.6356	0.04806	338.
4.5	2000	100753.	65.6872	0.06161	6208.
5.5	1999	392814.	64.7481	0.07503	29472.
6.5	1998	30887.	63.8170	0.08833	2728.
7.5	1997	67937.	62.8970	0.10147	6894.
8.5	1996	37436.	61.9859	0.11449	4286.
9.5	1995	605128.	61.0872	0.12733	77048.
10.5	1994	104061.	60.2000	0.14000	14568.
11.5	1993	254730.	59.3229	0.15253	38854.
12.5	1992	112019.	58.4597	0.16486	18468.
13.5	1991	344187.	57.6068	0.17705	60937.
14.5	1990	32711.	56.7667	0.18902	6183.
15.5	1989	33374.	55.9409	0.20084	6703.
16.5	1988	35799.	55.1286	0.21245	7605.
17.5	1987	127890.	54.3292	0.22387	28631.
18.5	1986	156173.	53.5399	0.23514	36723.
19.5	1985	119083.	52.7664	0.24619	29318.
20.5	1984	10503.	52.0025	0.25711	2700.
21.5	1983	7053.	51.2545	0.26779	1889.
22.5	1982	106010.	50.5154	0.27835	29508.
23.5	1981	103951.	49.7925	0.28868	30008.
24.5	1980	377317.	49.0825	0.29882	112750.
25.5	1979	5950.	48.3824	0.30882	1837.
26.5	1978	44891.	47.7003	0.31857	14301.
27.5	1977	83665.	47.0292	0.32815	27455.
28.5	1976	24921.	46.3777	0.33746	8410.
29.5	1975	72704.	45.7380	0.34660	25199.
30.5	1974	62865.	45.1191	0.35544	22345.
31.5	1973	44691.	44.5170	0.36404	16269.
32.5	1972	49794.	43.9273	0.37247	18547.
33.5	1971	60176.	43.3591	0.38058	22902.

STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE

ACCOUNT 36100000

AGE	VINTAGE YEAR	SURVIVING BALANCE 12/31/2004	REMAINING LIFE ASL CURVE 70.0 L1.5	RESERVE RATIO	THEORETICAL RESERVE
34.5	1970	13257.	42.8030	0.36853	5151.
35.5	1969	6970.	42.2683	0.39617	2761.
36.5	1968	20793.	41.7449	0.40364	8393.
37.5	1967	15108.	41.2424	0.41082	6207.
38.5	1966	31096.	40.7552	0.41778	12991.
39.5	1965	2019.	40.2777	0.42460	857.
40.5	1964	495.	39.8193	0.43115	213.
41.5	1963	5277.	39.3690	0.43759	2309.
42.5	1962	190.	38.9363	0.44377	84.
43.5	1961	1585.	38.5155	0.44978	713.
44.5	1960	291.	38.1009	0.45570	133.
45.5	1959	193.	37.7025	0.46139	89.
47.5	1957	6356.	36.9317	0.47240	3003.
48.5	1956	6180.	36.5582	0.47774	2952.
49.5	1955	863.	36.1992	0.48287	417.
50.5	1954	4906.	35.8489	0.48787	2394.
51.5	1953	9315.	35.5014	0.49284	4591.
52.5	1952	4482.	35.1669	0.49762	2230.
53.5	1951	2866.	34.8341	0.50237	1440.
54.5	1950	3772.	34.5135	0.50695	1912.
55.5	1949	3862.	34.1936	0.51152	1975.
56.5	1948	5174.	33.8850	0.51593	2669.
57.5	1947	2508.	33.5819	0.52026	1305.
58.5	1946	42.	33.2780	0.52460	22.
59.5	1945	946.	32.9843	0.52880	500.
61.5	1943	1672.	32.4029	0.53710	898.
62.5	1942	977.	32.1146	0.54122	529.
63.5	1941	140.	31.8351	0.54521	76.
64.5	1940	3539.	31.5584	0.54917	1943.
66.5	1938	25392.	31.0061	0.55706	14145.
		-----			-----
		4231065.			801496.
		-----			-----
		NET SALVAGE VALUE (%)			0.
		-----			-----
		RESERVE AFTER SALVAGE			801496.
		-----			-----
		REMAINING LIFE (YRS)			56.74
		-----			-----

STUDY AS OF DECEMBER 31, 2004

PAGE, 1

KENTUCKY POWER COMPANY

7-15-2005

## AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 36100000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE
		BALANCE 12/31/2004	ASL CURVE LIMIT 70.0 L1.5 90.0
1.5	2003	395784.	68.55
2.5	2002	38514.	67.59
3.5	2001	7028.	66.64
4.5	2000	100753.	65.69
5.5	1999	392814.	64.75
6.5	1998	30887.	63.82
7.5	1997	67937.	62.90
8.5	1996	37436.	61.99
9.5	1995	605128.	61.09
10.5	1994	104061.	60.20
11.5	1993	254730.	59.32
12.5	1992	112019.	58.46
13.5	1991	344187.	57.61
14.5	1990	32711.	56.77
15.5	1989	33374.	55.94
16.5	1988	35799.	55.13
17.5	1987	127890.	54.33
18.5	1986	156173.	53.54
19.5	1985	119083.	52.77
20.5	1984	10503.	52.00
21.5	1983	7053.	51.25
22.5	1982	106010.	50.52
23.5	1981	103951.	49.79
24.5	1980	377317.	49.08
25.5	1979	5950.	48.38
26.5	1978	44891.	47.70
27.5	1977	83665.	47.03
28.5	1976	24921.	46.38
29.5	1975	72704.	45.74
30.5	1974	62865.	45.12
31.5	1973	44691.	44.52
32.5	1972	49794.	43.93
33.5	1971	60176.	43.36
34.5	1970	13257.	42.80
35.5	1969	6970.	42.27



STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

## AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 36100000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE
		BALANCE 12/31/2004	ASL CURVE LIMIT 70.0 L1.5 90.0
36.5	1968	20793.	41.74
37.5	1967	15108.	41.24
38.5	1966	31096.	40.76
39.5	1965	2019.	40.28
40.5	1964	495.	39.82
41.5	1963	5277.	39.37
42.5	1962	190.	38.94
43.5	1961	1585.	38.52
44.5	1960	291.	38.10
45.5	1959	193.	37.70
47.5	1957	6356.	36.93
48.5	1956	6180.	36.56
49.5	1955	863.	36.20
50.5	1954	4906.	35.85
51.5	1953	9315.	35.50
52.5	1952	4482.	35.17
53.5	1951	2866.	34.83
54.5	1950	3772.	34.51
55.5	1949	3862.	34.19
56.5	1948	5174.	33.88
57.5	1947	2508.	33.58
58.5	1946	42.	33.28
59.5	1945	946.	32.98
61.5	1943	1672.	32.40
62.5	1942	977.	32.11
63.5	1941	140.	31.84
64.5	1940	3539.	31.56
66.5	1938	25392.	31.01

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4231065.  
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THE WEIGHTED AVERAGE REMAINING LIFE IS 56.74

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE  
ACCOUNT 36200000

AGE	VINTAGE YEAR	REMAINING		RESERVE RATIO	THEORETICAL RESERVE
		SURVIVING BALANCE 12/31/2004	LIFE ASL CURVE 30.0 R0.5		
0.5	2004	429072.	29.6910	0.01030	4420.
1.5	2003	1894746.	29.0721	0.03093	58606.
2.5	2002	728048.	28.4561	0.05146	37468.
3.5	2001	2115933.	27.8429	0.07190	152140.
4.5	2000	1776897.	27.2325	0.09225	163918.
5.5	1999	1154441.	26.6247	0.11251	129887.
6.5	1998	903329.	26.0194	0.13269	119861.
7.5	1997	1721502.	25.4164	0.15279	263020.
8.5	1996	1914440.	24.8157	0.17281	330834.
9.5	1995	4528130.	24.2170	0.19277	872866.
10.5	1994	1404566.	23.6205	0.21265	298680.
11.5	1993	3416492.	23.0264	0.23245	794178.
12.5	1992	1048094.	22.4349	0.25217	264296.
13.5	1991	1609389.	21.8467	0.27178	437395.
14.5	1990	407766.	21.2620	0.29127	118769.
15.5	1989	540569.	20.6813	0.31062	167913.
16.5	1988	324381.	20.1052	0.32983	106989.
17.5	1987	1802903.	19.5342	0.34886	628963.
18.5	1986	1579253.	18.9685	0.36772	580716.
19.5	1985	723178.	18.4088	0.38637	279417.
20.5	1984	665308.	17.8553	0.40482	269332.
21.5	1983	736688.	17.3084	0.42305	311659.
22.5	1982	1482602.	16.7683	0.44106	653910.
23.5	1981	892404.	16.2354	0.45882	409451.
24.5	1980	2567304.	15.7099	0.47634	1222900.
25.5	1979	495787.	15.1919	0.49360	244722.
26.5	1978	1148752.	14.6815	0.51062	586572.
27.5	1977	841945.	14.1789	0.52737	444017.
28.5	1976	154083.	13.6840	0.54387	83801.
29.5	1975	370883.	13.1968	0.56011	207734.
30.5	1974	338222.	12.7174	0.57609	194845.
31.5	1973	503705.	12.2456	0.59181	298100.
32.5	1972	768573.	11.7813	0.60729	466747.

STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE

ACCOUNT 36200000

AGE	VINTAGE YEAR	SURVIVING BALANCE 12/31/2004	REMAINING LIFE		THEORETICAL RESERVE
			ASL CURVE 30.0 R0.5	RESERVE RATIO	
33.5	1971	298370.	11.3243	0.62252	185742.
34.5	1970	207636.	10.8746	0.63751	132371.
35.5	1969	34268.	10.4317	0.65228	22352.
36.5	1968	141216.	9.9955	0.66682	94165.
37.5	1967	118552.	9.5657	0.68114	80751.
38.5	1966	57193.	9.1418	0.69527	39765.
39.5	1965	1206.	8.7236	0.70921	855.
40.5	1964	22891.	8.3106	0.72298	16550.
41.5	1963	72112.	7.9022	0.73659	53117.
42.5	1962	10264.	7.4978	0.75007	7699.
43.5	1961	28679.	7.0970	0.76343	21895.
44.5	1960	15707.	6.6988	0.77671	12200.
47.5	1957	20361.	5.5119	0.81627	16620.
		-----			-----
		42017840.			11888206.
		-----			-----
		NET SALVAGE VALUE(%)			0.
					-----
		RESERVE AFTER SALVAGE			11888206.
					-----
		REMAINING LIFE (YRS)			21.51
					-----

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

## AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 36200000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE
		BALANCE 12/31/2004	ASL CURVE LIMIT 30.0 R0.5 90.0
0.5	2004	429072.	29.69
1.5	2003	1894746.	29.07
2.5	2002	728048.	28.46
3.5	2001	2115933.	27.84
4.5	2000	1776897.	27.23
5.5	1999	1154441.	26.62
6.5	1998	903329.	26.02
7.5	1997	1721502.	25.42
8.5	1996	1914440.	24.82
9.5	1995	4528130.	24.22
10.5	1994	1404566.	23.62
11.5	1993	3416492.	23.03
12.5	1992	1048094.	22.43
13.5	1991	1609389.	21.85
14.5	1990	407766.	21.26
15.5	1989	540569.	20.68
16.5	1988	324381.	20.11
17.5	1987	1802903.	19.53
18.5	1986	1579253.	18.97
19.5	1985	723178.	18.41
20.5	1984	665308.	17.86
21.5	1983	736688.	17.21
22.5	1982	1482602.	16.77
23.5	1981	892404.	16.24
24.5	1980	2567304.	15.71
25.5	1979	495787.	15.19
26.5	1978	1148752.	14.68
27.5	1977	841945.	14.18
28.5	1976	154083.	13.68
29.5	1975	370883.	13.20
30.5	1974	338222.	12.72
31.5	1973	503705.	12.25
32.5	1972	768573.	11.78
33.5	1971	298370.	11.32
34.5	1970	207636.	10.87

STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 36200000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE		
		BALANCE 12/31/2004	ASL	CURVE	LIMIT
			30.0	RO.5	90.0
35.5	1969	34268.			10.43
36.5	1968	141216.			10.00
37.5	1967	118552.			9.57
38.5	1966	57193.			9.14
39.5	1965	1206.			8.72
40.5	1964	22891.			8.31
41.5	1963	72112.			7.90
42.5	1962	10264.			7.50
43.5	1961	28679.			7.10
44.5	1960	15707.			6.70
47.5	1957	20361.			5.51
		-----			
		42017840.			
		-----			

THE WEIGHTED AVERAGE REMAINING LIFE IS 21.51

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

## AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE

ACCOUNT 36400000

AGE	VINTAGE YEAR	SURVIVING BALANCE 12/31/2004	REMAINING LIFE		RESERVE RATIO	THEORETICAL RESERVE
			ASL	CURVE 28.0 R0.0		
0.5	2004	4815097.	27.6910		0.01103	53130.
1.5	2003	3658542.	27.0724		0.03313	121203.
2.5	2002	4311885.	26.4568		0.05511	237642.
3.5	2001	6498442.	25.8443		0.07699	500317.
4.5	2000	6106500.	25.2346		0.09876	603103.
5.5	1999	7521394.	24.6277		0.12044	905871.
6.5	1998	2157236.	24.0234		0.14202	306372.
7.5	1997	2042404.	23.4216		0.16351	333962.
8.5	1996	8944719.	22.8221		0.18493	1654112.
9.5	1995	5014816.	22.2248		0.20626	1034345.
10.5	1994	5712766.	21.6299		0.22750	1299667.
11.5	1993	4563354.	21.0379		0.24865	1134661.
12.5	1992	5293979.	20.4492		0.26967	1427644.
13.5	1991	5104571.	19.8642		0.29056	1483208.
14.5	1990	4746101.	19.2836		0.31130	1477466.
15.5	1989	4259509.	18.7078		0.33186	1413573.
16.5	1988	3784919.	18.1375		0.35223	1333167.
17.5	1987	4076178.	17.5731		0.37239	1517919.
18.5	1986	4004645.	17.0152		0.39232	1571087.
19.5	1985	3564865.	16.4640		0.41200	1468727.
20.5	1984	3045179.	15.9200		0.43143	1313778.
21.5	1983	3042393.	15.3835		0.45059	1370866.
22.5	1982	3099044.	14.8548		0.46947	1454908.
23.5	1981	3730556.	14.3341		0.48807	1820758.
24.5	1980	2983610.	13.8216		0.50637	1510814.
25.5	1979	2325250.	13.3173		0.52438	1219318.
26.5	1978	1872973.	12.8213		0.54210	1015330.
27.5	1977	1693201.	12.3337		0.55951	947366.
28.5	1976	1202639.	11.8543		0.57663	693482.
29.5	1975	815430.	11.3830		0.59346	483928.
30.5	1974	748873.	10.9198		0.61001	456818.
31.5	1973	694565.	10.4645		0.62627	434985.
32.5	1972	545187.	10.0167		0.64226	350152.

STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE

ACCOUNT 36400000

AGE	VINTAGE YEAR	SURVIVING BALANCE 12/31/2004	REMAINING LIFE ASL CURVE 28.0 RO.0	RESERVE RATIO	THEORETICAL RESERVE
33.5	1971	504283.	9.5763	0.65799	331813.
34.5	1970	324520.	9.1429	0.67347	218554.
35.5	1969	280954.	8.7162	0.68871	193495.
36.5	1968	263532.	8.2956	0.70373	185455.
37.5	1967	231577.	7.8808	0.71854	166398.
38.5	1966	181590.	7.4712	0.73317	133137.
39.5	1965	167878.	7.0661	0.74764	125512.
40.5	1964	125685.	6.6648	0.76197	95768.
41.5	1963	92400.	6.2666	0.77619	71720.
42.5	1962	76047.	5.8704	0.79034	60103.
43.5	1961	91082.	5.4752	0.80446	73271.
44.5	1960	57062.	5.0799	0.81858	46710.
45.5	1959	59976.	4.6830	0.83275	49945.
46.5	1958	57819.	4.2829	0.84704	48975.
47.5	1957	45723.	3.8780	0.86150	39390.
48.5	1956	33712.	3.4663	0.87620	29539.
49.5	1955	23226.	3.0459	0.89122	20699.
50.5	1954	18141.	2.6150	0.90661	16447.
51.5	1953	15740.	2.1723	0.92242	14519.
52.5	1952	13294.	1.7185	0.93862	12478.
53.5	1951	13968.	1.2605	0.95498	13339.
54.5	1950	9844.	0.8101	0.97107	9559.
55.5	1949	3368.	0.5000	0.98214	3308.
		-----			-----
		124672243.			34909813.
		=====			=====
		NET SALVAGE VALUE (†)			-40.
					-----
		RESERVE AFTER SALVAGE			48873736.
					=====
		REMAINING LIFE (YRS)			20.16
					-----

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

## AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 36400000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE	
		BALANCE 12/31/2004	ASL	CURVE LIMIT
			28.0	90.0
0.5	2004	4815097.	27.69	
1.5	2003	3658542.	27.07	
2.5	2002	4311885.	26.46	
3.5	2001	6498442.	25.84	
4.5	2000	6106500.	25.23	
5.5	1999	7521394.	24.63	
6.5	1998	2157236.	24.02	
7.5	1997	2042404.	23.42	
8.5	1996	8944719.	22.82	
9.5	1995	5014816.	22.22	
10.5	1994	5712766.	21.63	
11.5	1993	4563354.	21.04	
12.5	1992	5293979.	20.45	
13.5	1991	5104571.	19.86	
14.5	1990	4746101.	19.28	
15.5	1989	4259509.	18.71	
16.5	1988	3784919.	18.14	
17.5	1987	4076178.	17.57	
18.5	1986	4004645.	17.02	
19.5	1985	3564865.	16.46	
20.5	1984	3045179.	15.92	
21.5	1983	3042393.	15.38	
22.5	1982	3099044.	14.85	
23.5	1981	3730556.	14.33	
24.5	1980	2983610.	13.82	
25.5	1979	2325250.	13.32	
26.5	1978	1872973.	12.82	
27.5	1977	1693201.	12.33	
28.5	1976	1202639.	11.85	
29.5	1975	815430.	11.38	
30.5	1974	748873.	10.92	
31.5	1973	694565.	10.46	
32.5	1972	545187.	10.02	
33.5	1971	504283.	9.58	
34.5	1970	324520.	9.14	



STUDY AS OF DECEMBER 31, 2004

PAGE, 2

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 36400000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE	
		BALANCE 12/31/2004	ASL	CURVE LIMIT
			28.0	90.0
35.5	1969	280954.	8.72	
36.5	1968	263532.	8.30	
37.5	1967	231577.	7.88	
38.5	1966	181590.	7.47	
39.5	1965	167878.	7.07	
40.5	1964	125685.	6.66	
41.5	1963	92400.	6.27	
42.5	1962	76047.	5.87	
43.5	1961	91082.	5.48	
44.5	1960	57062.	5.08	
45.5	1959	59976.	4.68	
46.5	1958	57819.	4.28	
47.5	1957	45723.	3.88	
48.5	1956	33712.	3.47	
49.5	1955	23226.	3.05	
50.5	1954	18141.	2.61	
51.5	1953	15740.	2.17	
52.5	1952	13294.	1.72	
53.5	1951	13968.	1.26	
54.5	1950	9844.	0.81	
55.5	1949	3368.	0.50	
		-----		
		124672243.		
		=====		

THE WEIGHTED AVERAGE REMAINING LIFE IS 20.16

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

## AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE

ACCOUNT 36500000

AGE	VINTAGE YEAR	SURVIVING BALANCE 12/31/2004	REMAINING LIFE		RESERVE RATIO	THEORETICAL RESERVE
			ASL	CURVE 30.0 R0.5		
0.5	2004	5419426.	29.6910		0.01030	55828.
1.5	2003	4058031.	29.0721		0.03093	125518.
2.5	2002	5532930.	28.4561		0.05146	284742.
3.5	2001	5017773.	27.8429		0.07190	360787.
4.5	2000	5005661.	27.2325		0.09225	461771.
5.5	1999	6308396.	26.6247		0.11251	709760.
6.5	1998	2150309.	26.0194		0.13269	285320.
7.5	1997	7237554.	25.4164		0.15279	1105792.
8.5	1996	2944851.	24.8157		0.17281	508900.
9.5	1995	5124959.	24.2170		0.19277	987914.
10.5	1994	3896106.	23.6205		0.21265	828504.
11.5	1993	2449673.	23.0264		0.23245	569437.
12.5	1992	2755629.	22.4349		0.25217	694883.
13.5	1991	3015572.	21.8467		0.27178	819564.
14.5	1990	3071956.	21.2620		0.29127	894761.
15.5	1989	2865325.	20.6813		0.31062	890033.
16.5	1988	2510142.	20.1052		0.32983	827908.
17.5	1987	2862966.	19.5342		0.34886	998778.
18.5	1986	2483864.	18.9685		0.36772	913356.
19.5	1985	1891805.	18.4088		0.38637	730945.
20.5	1984	1686842.	17.8553		0.40482	682873.
21.5	1983	1769226.	17.3084		0.42305	748479.
22.5	1982	1926130.	16.7683		0.44106	849530.
23.5	1981	2903151.	16.2354		0.45882	1332019.
24.5	1980	2277640.	15.7099		0.47634	1084923.
25.5	1979	1967150.	15.1919		0.49360	970993.
26.5	1978	1626877.	14.6815		0.51062	830710.
27.5	1977	1807012.	14.1789		0.52737	952964.
28.5	1976	988315.	13.6840		0.54387	537512.
29.5	1975	547775.	13.1968		0.56011	306812.
30.5	1974	558079.	12.7174		0.57609	321502.
31.5	1973	544741.	12.2456		0.59181	322385.
32.5	1972	541525.	11.7813		0.60729	328863.

STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE

ACCOUNT 36500000

AGE	VINTAGE YEAR	SURVIVING BALANCE 12/31/2004	REMAINING LIFE		THEORETICAL RESERVE
			ASL CURVE 30.0 R0.5	RESERVE RATIO	
33.5	1971	650622.	11.3243	0.62252	405027.
34.5	1970	490811.	10.8746	0.63751	312899.
35.5	1969	401837.	10.4317	0.65228	262108.
36.5	1968	363822.	9.9955	0.66682	242602.
37.5	1967	314225.	9.5657	0.68114	214032.
38.5	1966	247436.	9.1418	0.69527	172035.
39.5	1965	219173.	8.7236	0.70921	155440.
40.5	1964	148640.	8.3106	0.72298	107464.
41.5	1963	94622.	7.9022	0.73659	69698.
42.5	1962	91242.	7.4978	0.75007	68438.
43.5	1961	101629.	7.0970	0.76343	77587.
44.5	1960	66833.	6.6988	0.77671	51910.
45.5	1959	65487.	6.3025	0.78992	51729.
46.5	1958	73334.	5.9072	0.80309	58894.
47.5	1957	59404.	5.5119	0.81627	48490.
48.5	1956	47954.	5.1153	0.82949	39777.
49.5	1955	31354.	4.7161	0.84280	26425.
50.5	1954	26329.	4.3129	0.85624	22544.
51.5	1953	24437.	3.9039	0.86987	21257.
52.5	1952	23836.	3.4876	0.88375	21065.
53.5	1951	27054.	3.0622	0.89793	24292.
54.5	1950	28683.	2.6263	0.91246	26172.
55.5	1949	26441.	2.1791	0.92736	24520.
56.5	1948	26347.	1.7222	0.94259	24834.
57.5	1947	19789.	1.2626	0.95791	18956.
58.5	1946	7369.	0.8111	0.97296	7170.
59.5	1945	457.	0.5000	0.98333	449.
		-----			-----
		99426558.			24879880.
		-----			-----
		NET SALVAGE VALUE (%)			20.
		-----			-----
		RESERVE AFTER SALVAGE			19903904.
		-----			-----
		REMAINING LIFE (YRS)			22.49
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STUDY AS OF DECEMBER 31, 2004

PAGE, 1

Page 297 of 443

KENTUCKY POWER COMPANY

7-15-2005

## AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 36500000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE
		BALANCE 12/31/2004	ASL CURVE LIMIT 30.0 R0.5 90.0
0.5	2004	5419426.	29.69
1.5	2003	4058031.	29.07
2.5	2002	5532930.	28.46
3.5	2001	5017773.	27.84
4.5	2000	5005661.	27.23
5.5	1999	6308396.	26.62
6.5	1998	2150309.	26.02
7.5	1997	7237554.	25.42
8.5	1996	2944851.	24.82
9.5	1995	5124959.	24.22
10.5	1994	3896106.	23.62
11.5	1993	2449673.	23.03
12.5	1992	2755629.	22.43
13.5	1991	3015572.	21.85
14.5	1990	3071956.	21.26
15.5	1989	2865325.	20.68
16.5	1988	2510142.	20.11
17.5	1987	2862966.	19.53
18.5	1986	2483864.	18.97
19.5	1985	1891805.	18.41
20.5	1984	1686842.	17.86
21.5	1983	1769226.	17.31
22.5	1982	1926130.	16.77
23.5	1981	2903151.	16.24
24.5	1980	2277640.	15.71
25.5	1979	1967150.	15.19
26.5	1978	1626877.	14.68
27.5	1977	1807012.	14.18
28.5	1976	988315.	13.68
29.5	1975	547775.	13.20
30.5	1974	558079.	12.72
31.5	1973	544741.	12.25
32.5	1972	541525.	11.78
33.5	1971	650622.	11.32
34.5	1970	490811.	10.87

AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 36500000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE
		BALANCE 12/31/2004	ASL CURVE LIMIT 30.0 R0.5 90.0
35.5	1969	401837.	10.43
36.5	1968	363822.	10.00
37.5	1967	314225.	9.57
38.5	1966	247436.	9.14
39.5	1965	219173.	8.72
40.5	1964	148640.	8.31
41.5	1963	94622.	7.90
42.5	1962	91242.	7.50
43.5	1961	101629.	7.10
44.5	1960	66833.	6.70
45.5	1959	65487.	6.30
46.5	1958	73334.	5.91
47.5	1957	59404.	5.51
48.5	1956	47954.	5.12
49.5	1955	31354.	4.72
50.5	1954	26329.	4.31
51.5	1953	24437.	3.90
52.5	1952	23836.	3.49
53.5	1951	27054.	3.06
54.5	1950	28683.	2.63
55.5	1949	26441.	2.18
56.5	1948	26347.	1.72
57.5	1947	19789.	1.26
58.5	1946	7369.	0.81
59.5	1945	457.	0.50

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99426558.  
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THE WEIGHTED AVERAGE REMAINING LIFE IS 22.49

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

## AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE

ACCOUNT 36600000

AGE	VINTAGE YEAR	SURVIVING BALANCE 12/31/2004	REMAINING LIFE		THEORETICAL RESERVE
			ASL CURVE 50.0 R1.0	RESERVE RATIO	
0.5	2004	181700.	49.6298	0.00740	1345.
1.5	2003	124062.	48.8908	0.02218	2752.
2.5	2002	139400.	48.1564	0.03687	5140.
3.5	2001	127499.	47.4266	0.05147	6562.
4.5	2000	186642.	46.7011	0.06598	12314.
5.5	1999	140295.	45.9800	0.08040	11280.
6.5	1998	60916.	45.2630	0.09474	5771.
7.5	1997	293115.	44.5501	0.10900	31949.
8.5	1996	131774.	43.8411	0.12318	16232.
9.5	1995	132329.	43.1359	0.13728	18167.
10.5	1994	117245.	42.4343	0.15131	17741.
11.5	1993	264944.	41.7362	0.16528	43789.
12.5	1992	127688.	41.0415	0.17917	22878.
13.5	1991	50138.	40.3501	0.19300	9677.
14.5	1990	198139.	39.6617	0.20677	40968.
15.5	1989	46515.	38.9763	0.22047	10255.
16.5	1988	23597.	38.2939	0.23412	5525.
17.5	1987	9022.	37.6146	0.24771	2235.
18.5	1986	33035.	36.9384	0.26123	8630.
19.5	1985	69222.	36.2656	0.27469	19015.
20.5	1984	4184.	35.5963	0.28807	1205.
21.5	1983	35854.	34.9308	0.30138	10806.
22.5	1982	43371.	34.2692	0.31462	13645.
23.5	1981	69876.	33.6120	0.32776	22903.
24.5	1980	40248.	32.9592	0.34082	13717.
25.5	1979	7082.	32.3112	0.35378	2505.
26.5	1978	24054.	31.6662	0.36664	8819.
27.5	1977	31486.	31.0304	0.37939	11946.
28.5	1976	42730.	30.3979	0.39204	16752.
29.5	1975	25836.	29.7711	0.40458	10453.
30.5	1974	43666.	29.1502	0.41700	18209.
31.5	1973	48448.	28.5352	0.42930	20799.
32.5	1972	22040.	27.9264	0.44147	9730.

STUDY AS OF DECEMBER 31, 2004

PAGE, 2

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE  
ACCOUNT 36600000

AGE	VINTAGE YEAR	SURVIVING BALANCE 12/31/2004	REMAINING LIFE		RESERVE RATIO	THEORETICAL RESERVE
			ASL	R1.0		
33.5	1971	28929.	27.3239		0.45352	13120.
34.5	1970	23490.	26.7277		0.46545	10933.
35.5	1969	2374.	26.1382		0.47724	1133.
36.5	1968	611.	25.5554		0.48889	299.
37.5	1967	4803.	24.9794		0.50041	2403.
38.5	1966	2990.	24.4101		0.51180	1530.
57.5	1947	24.	14.9041		0.70192	17.
62.5	1942	51.	12.7936		0.74413	38.
64.5	1940	25.	11.9904		0.76019	19.
65.5	1939	96.	11.5972		0.76806	74.
68.5	1936	356.	10.4504		0.79099	282.
		-----			-----	
		2959901.				483560.
		=====			=====	
		NET SALVAGE VALUE (%)				0.
		-----			-----	
		RESERVE AFTER SALVAGE				483560.
		=====			=====	
		REMAINING LIFE (YRS)				41.83
		-----			-----	

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

## AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 36600000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE	
		BALANCE 12/31/2004	ASL	CURVE LIMIT
			50.0	R1.0 90.0
0.5	2004	181700.	49.63	
1.5	2003	124062.	48.89	
2.5	2002	139400.	48.16	
3.5	2001	127499.	47.43	
4.5	2000	186642.	46.70	
5.5	1999	140295.	45.98	
6.5	1998	60916.	45.26	
7.5	1997	293115.	44.55	
8.5	1996	131774.	43.84	
9.5	1995	132329.	43.14	
10.5	1994	117245.	42.43	
11.5	1993	264944.	41.74	
12.5	1992	127688.	41.04	
13.5	1991	50138.	40.35	
14.5	1990	198139.	39.66	
15.5	1989	46515.	38.98	
16.5	1988	23597.	38.29	
17.5	1987	9022.	37.61	
18.5	1986	33035.	36.94	
19.5	1985	69222.	36.27	
20.5	1984	4184.	35.60	
21.5	1983	35854.	34.93	
22.5	1982	43371.	34.27	
23.5	1981	69876.	33.61	
24.5	1980	40248.	32.96	
25.5	1979	7082.	32.31	
26.5	1978	24054.	31.67	
27.5	1977	31486.	31.03	
28.5	1976	42730.	30.40	
29.5	1975	25836.	29.77	
30.5	1974	43666.	29.15	
31.5	1973	48448.	28.54	
32.5	1972	22040.	27.93	
33.5	1971	28929.	27.32	
34.5	1970	23490.	26.73	



STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 36600000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE	
		BALANCE 12/31/2004	ASL	CURVE LIMIT
			50.0	R1.0 90.0
35.5	1969	2374.	26.14	
36.5	1968	611.	25.56	
37.5	1967	4803.	24.98	
38.5	1966	2990.	24.41	
57.5	1947	24.	14.90	
62.5	1942	51.	12.79	
64.5	1940	25.	11.99	
65.5	1939	96.	11.60	
68.5	1936	356.	10.45	
		-----		
		2959901.		
		-----		

THE WEIGHTED AVERAGE REMAINING LIFE IS 41.83

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE  
ACCOUNT 36700000

AGE	VINTAGE YEAR	REMAINING		RESERVE RATIO	THEORETICAL RESERVE
		SURVIVING BALANCE 12/31/2004	LIFE ASL CURVE 53.0 R0.5		
0.5	2004	810862.	52.6904	0.00584	4736.
1.5	2003	243909.	52.0702	0.01754	4279.
2.5	2002	148318.	51.4517	0.02921	4333.
3.5	2001	286765.	50.8349	0.04085	11715.
4.5	2000	251668.	50.2196	0.05246	13202.
5.5	1999	363178.	49.6060	0.06404	23257.
6.5	1998	140369.	48.9939	0.07559	10610.
7.5	1997	321944.	48.3833	0.08711	28044.
8.5	1996	179308.	47.7743	0.09860	17679.
9.5	1995	195484.	47.1667	0.11006	21515.
10.5	1994	164166.	46.5605	0.12150	19946.
11.5	1993	261296.	45.9557	0.13291	34729.
12.5	1992	141112.	45.3523	0.14430	20362.
13.5	1991	127185.	44.7501	0.15566	19797.
14.5	1990	327424.	44.1492	0.16700	54678.
15.5	1989	103671.	43.5494	0.17831	18486.
16.5	1988	68443.	42.9509	0.18961	12977.
17.5	1987	94455.	42.3535	0.20088	18974.
18.5	1986	68379.	41.7574	0.21212	14505.
19.5	1985	102015.	41.1626	0.22335	22785.
20.5	1984	18149.	40.5693	0.23454	4257.
21.5	1983	84192.	39.9775	0.24571	20687.
22.5	1982	217098.	39.3874	0.25684	55760.
23.5	1981	91846.	38.7991	0.26794	24609.
24.5	1980	69799.	38.2127	0.27901	19474.
25.5	1979	36292.	37.6286	0.29003	10526.
26.5	1978	65802.	37.0467	0.30101	19807.
27.5	1977	41313.	36.4672	0.31194	12887.
28.5	1976	51919.	35.8904	0.32282	16761.
29.5	1975	18204.	35.3163	0.33366	6074.
30.5	1974	57318.	34.7450	0.34443	19742.
31.5	1973	102641.	34.1768	0.35515	36453.
32.5	1972	80484.	33.6118	0.36582	29442.

STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE  
ACCOUNT 36700000

AGE	VINTAGE YEAR	SURVIVING BALANCE 12/31/2004	REMAINING LIFE		RESERVE RATIO	THEORETICAL RESERVE
			ASL CURVE 53.0 R0.5			
33.5	1971	62636.	33.0500		0.37641	23577.
34.5	1970	54706.	32.4916		0.38695	21168.
35.5	1969	8304.	31.9369		0.39742	3300.
36.5	1968	3460.	31.3857		0.40782	1411.
37.5	1967	10466.	30.8384		0.41814	4376.
38.5	1966	3205.	30.2948		0.42840	1373.
39.5	1965	1398.	29.7553		0.43858	613.
41.5	1963	1055.	28.6883		0.45871	484.
47.5	1957	274.	25.5885		0.51720	142.
57.5	1947	251.	20.7703		0.60811	153.
62.5	1942	123.	18.5190		0.65058	80.
64.5	1940	75.	17.6454		0.66707	50.
65.5	1939	554.	17.2141		0.67520	374.
68.5	1936	554.	15.9407		0.69923	387.
		-----				-----
		5482069.				710578.
		=====				=====
		NET SALVAGE VALUE (%)				15.
		-----				-----
		RESERVE AFTER SALVAGE				603991.
		=====				=====
		REMAINING LIFE (YRS)				46.13
		-----				-----

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

## AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 36700000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE
		BALANCE 12/31/2004	ASL CURVE LIMIT 53.0 R0.5 90.0
0.5	2004	810862.	52.69
1.5	2003	243909.	52.07
2.5	2002	148318.	51.45
3.5	2001	286765.	50.83
4.5	2000	251668.	50.22
5.5	1999	363178.	49.61
6.5	1998	140369.	48.99
7.5	1997	321944.	48.38
8.5	1996	179308.	47.77
9.5	1995	195484.	47.17
10.5	1994	164166.	46.56
11.5	1993	261296.	45.96
12.5	1992	141112.	45.35
13.5	1991	127185.	44.75
14.5	1990	327424.	44.15
15.5	1989	103671.	43.55
16.5	1988	68443.	42.95
17.5	1987	94455.	42.35
18.5	1986	68379.	41.76
19.5	1985	102015.	41.16
20.5	1984	18149.	40.57
21.5	1983	84192.	39.98
22.5	1982	217098.	39.39
23.5	1981	91846.	38.80
24.5	1980	69799.	38.21
25.5	1979	36292.	37.63
26.5	1978	65802.	37.05
27.5	1977	41313.	36.47
28.5	1976	51919.	35.89
29.5	1975	18204.	35.32
30.5	1974	57318.	34.75
31.5	1973	102641.	34.18
32.5	1972	80484.	33.61
33.5	1971	62636.	33.05
34.5	1970	54706.	32.49

STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 36700000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE	
		BALANCE 12/31/2004	ASL	CURVE LIMIT
			53.0	90.0
35.5	1969	8304.	31.94	
36.5	1968	3460.	31.39	
37.5	1967	10466.	30.84	
38.5	1966	3205.	30.29	
39.5	1965	1398.	29.76	
41.5	1963	1055.	28.69	
47.5	1957	274.	25.59	
57.5	1947	251.	20.77	
62.5	1942	123.	18.52	
64.5	1940	75.	17.65	
65.5	1939	554.	17.21	
68.5	1936	554.	15.94	

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5482069.  
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THE WEIGHTED AVERAGE REMAINING LIFE IS 46.13

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE  
ACCOUNT 36800000

AGE	VINTAGE YEAR	REMAINING		RESERVE RATIO	THEORETICAL RESERVE
		SURVIVING BALANCE 12/31/2004	LIFE ASL CURVE 29.0 R0.5		
0.5	2004	2676378.	28.6910	0.01066	28518.
1.5	2003	1364459.	28.0722	0.03199	43652.
2.5	2002	3753795.	27.4564	0.05323	199800.
3.5	2001	2359101.	26.8436	0.07436	175422.
4.5	2000	3318618.	26.2335	0.09540	316581.
5.5	1999	4260596.	25.6262	0.11634	495675.
6.5	1998	3276848.	25.0213	0.13720	449568.
7.5	1997	4423044.	24.4189	0.15797	698698.
8.5	1996	2993984.	23.8188	0.17866	534913.
9.5	1995	3758413.	23.2208	0.19928	748990.
10.5	1994	4819369.	22.6250	0.21983	1059422.
11.5	1993	3686420.	22.0319	0.24028	885772.
12.5	1992	2720573.	21.4417	0.26063	709065.
13.5	1991	3189420.	20.8550	0.28086	895787.
14.5	1990	3178279.	20.2722	0.30096	956530.
15.5	1989	3011790.	19.6939	0.32090	966487.
16.5	1988	1807974.	19.1205	0.34067	615927.
17.5	1987	2408463.	18.5526	0.36026	867665.
18.5	1986	2720437.	17.9905	0.37964	1032778.
19.5	1985	2113333.	17.4348	0.39880	842795.
20.5	1984	2305962.	16.8858	0.41773	963269.
21.5	1983	1740683.	16.3439	0.43642	759662.
22.5	1982	1474543.	15.8093	0.45485	670698.
23.5	1981	1937634.	15.2822	0.47303	916552.
24.5	1980	2282994.	14.7629	0.49093	1120798.
25.5	1979	1731085.	14.2515	0.50857	880376.
26.5	1978	2256334.	13.7480	0.52553	1186672.
27.5	1977	1998421.	13.2526	0.54301	1085169.
28.5	1976	928733.	12.7652	0.55982	519923.
29.5	1975	838045.	12.2858	0.57635	483008.
30.5	1974	733997.	11.8143	0.59261	434974.
31.5	1973	667101.	11.3505	0.60860	405999.
32.5	1972	493435.	10.8943	0.62433	308068.

STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE  
ACCOUNT 36800000

AGE	VINTAGE YEAR	SURVIVING BALANCE 12/31/2004	REMAINING LIFE		RESERVE RATIO	THEORETICAL RESERVE
			ASL	CURVE		
			29.0	RO.5		
33.5	1971	485133.	10.4455		0.63981	310392.
34.5	1970	388610.	10.0039		0.65504	254555.
35.5	1969	243636.	9.5690		0.67003	163244.
36.5	1968	359687.	9.1407		0.68480	246315.
37.5	1967	279074.	8.7185		0.69936	195174.
38.5	1966	221185.	8.3020		0.71373	157865.
39.5	1965	139478.	7.8906		0.72791	101528.
40.5	1964	102494.	7.4838		0.74194	76044.
41.5	1963	79790.	7.0810		0.75583	60307.
42.5	1962	66875.	6.6815		0.76960	51467.
43.5	1961	80991.	6.2844		0.78330	63440.
44.5	1960	71580.	5.8888		0.79694	57045.
45.5	1959	79079.	5.4936		0.81056	64099.
46.5	1958	75079.	5.0978		0.82421	61881.
47.5	1957	38254.	4.6998		0.83794	32054.
48.5	1956	81774.	4.2982		0.85179	69654.
49.5	1955	44651.	3.8913		0.86582	38660.
50.5	1954	23073.	3.4773		0.88009	20306.
51.5	1953	21459.	3.0543		0.89468	19199.
52.5	1952	13243.	2.6208		0.90963	12046.
53.5	1951	23594.	2.1758		0.92497	21824.
54.5	1950	16508.	1.7204		0.94067	15529.
55.5	1949	10708.	1.2616		0.95650	10242.
56.5	1948	7014.	0.8106		0.97205	6818.
57.5	1947	2190.	0.5000		0.98276	2152.
		84185420.				24371054.
		NET SALVAGE VALUE (%)				25.
		RESERVE AFTER SALVAGE				18278290.
		REMAINING LIFE (YRS)				20.60

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

## AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 36800000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE
		BALANCE 12/31/2004	ASL CURVE LIMIT 29.0 R0.5 90.0
0.5	2004	2676378.	28.69
1.5	2003	1364459.	28.07
2.5	2002	3753795.	27.46
3.5	2001	2359101.	26.84
4.5	2000	3318618.	26.23
5.5	1999	4260596.	25.63
6.5	1998	3276848.	25.02
7.5	1997	4423044.	24.42
8.5	1996	2993984.	23.82
9.5	1995	3758413.	23.22
10.5	1994	4819369.	22.63
11.5	1993	3686420.	22.03
12.5	1992	2720573.	21.44
13.5	1991	3189420.	20.86
14.5	1990	3178279.	20.27
15.5	1989	3011790.	19.69
16.5	1988	1807974.	19.12
17.5	1987	2408463.	18.55
18.5	1986	2720437.	17.99
19.5	1985	2113333.	17.43
20.5	1984	2305962.	16.89
21.5	1983	1740683.	16.34
22.5	1982	1474543.	15.81
23.5	1981	1937634.	15.28
24.5	1980	2282994.	14.76
25.5	1979	1731085.	14.25
26.5	1978	2256334.	13.75
27.5	1977	1998421.	13.25
28.5	1976	928733.	12.77
29.5	1975	838045.	12.29
30.5	1974	733997.	11.81
31.5	1973	667101.	11.35
32.5	1972	493435.	10.89
33.5	1971	485133.	10.45
34.5	1970	388610.	10.00



STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

## AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 36800000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE
		BALANCE 12/31/2004	ASL CURVE LIMIT 29.0 R0.5 90.0
35.5	1969	243636.	9.57
36.5	1968	359687.	9.14
37.5	1967	279074.	8.72
38.5	1966	221185.	8.30
39.5	1965	139478.	7.89
40.5	1964	102494.	7.48
41.5	1963	79790.	7.08
42.5	1962	66875.	6.68
43.5	1961	80991.	6.28
44.5	1960	71580.	5.89
45.5	1959	79079.	5.49
46.5	1958	75079.	5.10
47.5	1957	38254.	4.70
48.5	1956	81774.	4.30
49.5	1955	44651.	3.89
50.5	1954	23073.	3.48
51.5	1953	21459.	3.05
52.5	1952	13243.	2.62
53.5	1951	23594.	2.18
54.5	1950	16508.	1.72
55.5	1949	10708.	1.26
56.5	1948	7014.	0.81
57.5	1947	2190.	0.50

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84185420.  
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THE WEIGHTED AVERAGE REMAINING LIFE IS 20.60

STUDY AS OF DECEMBER 31, 2004

PAGE, 1

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE  
ACCOUNT 36900000

AGE	VINTAGE YEAR	REMAINING		RESERVE RATIO	THEORETICAL RESERVE
		SURVIVING BALANCE 12/31/2004	LIFE ASL CURVE 22.0 R0.5		
0.5	2004	2148132.	21.6914	0.01403	30128.
1.5	2003	2777739.	21.0737	0.04211	116961.
2.5	2002	1941698.	20.4598	0.07001	135938.
3.5	2001	1928233.	19.8496	0.09774	188475.
4.5	2000	2622856.	19.2430	0.12532	328695.
5.5	1999	2404187.	18.6396	0.15274	367224.
6.5	1998	746209.	18.0393	0.18003	134341.
7.5	1997	2417142.	17.4418	0.20719	500804.
8.5	1996	730888.	16.8475	0.23420	171176.
9.5	1995	967572.	16.2570	0.26105	252581.
10.5	1994	1151287.	15.6710	0.28768	331205.
11.5	1993	1373729.	15.0904	0.31407	431449.
12.5	1992	939344.	14.5162	0.34017	319539.
13.5	1991	964944.	13.9491	0.36595	353120.
14.5	1990	714815.	13.3900	0.39136	279752.
15.5	1989	863493.	12.8396	0.41638	359544.
16.5	1988	625504.	12.2984	0.44098	275837.
17.5	1987	630599.	11.7669	0.46514	293317.
18.5	1986	476437.	11.2456	0.48884	232901.
19.5	1985	442582.	10.7346	0.51206	226629.
20.5	1984	478262.	10.2342	0.53481	255778.
21.5	1983	545749.	9.7444	0.55707	304022.
22.5	1982	381601.	9.2652	0.57886	220892.
23.5	1981	436399.	8.7962	0.60017	261914.
24.5	1980	407730.	8.3375	0.62102	253210.
25.5	1979	313536.	7.8886	0.64143	201111.
26.5	1978	339996.	7.4490	0.66141	224877.
27.5	1977	273867.	7.0182	0.68099	186500.
28.5	1976	207612.	6.5957	0.70020	145369.
29.5	1975	166383.	6.1807	0.71906	119640.
30.5	1974	138950.	5.7721	0.73763	102494.
31.5	1973	169007.	5.3692	0.75595	127760.
32.5	1972	157018.	4.9705	0.77407	121542.

STUDY AS OF DECEMBER 31, 2004

PAGE, 2

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE  
ACCOUNT 36900000

AGE	VINTAGE YEAR	SURVIVING BALANCE 12/31/2004	REMAINING LIFE		RESERVE RATIO	THEORETICAL RESERVE
			ASL CURVE 22.0 R0.5			
33.5	1971	103147.	4.5747		0.79206	81699.
34.5	1970	74625.	4.1800		0.81000	60446.
35.5	1969	56596.	3.7845		0.82798	46860.
36.5	1968	42018.	3.3858		0.84610	35552.
37.5	1967	31723.	2.9810		0.86450	27424.
38.5	1966	19878.	2.5674		0.88330	17558.
39.5	1965	12505.	2.1420		0.90264	11287.
40.5	1964	8068.	1.7027		0.92260	7444.
41.5	1963	4323.	1.2520		0.94309	4077.
42.5	1962	2551.	0.8058		0.96337	2458.
43.5	1961	1009.	0.5000		0.97727	986.
		31239943.				8150516.
			NET SALVAGE VALUE (%)			15.
			RESERVE AFTER SALVAGE			6927939.
			REMAINING LIFE (YRS)			16.26

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

## AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 36900000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE
		BALANCE 12/31/2004	ASL CURVE LIMIT 22.0 R0.5 90.0
0.5	2004	2148132.	21.69
1.5	2003	2777739.	21.07
2.5	2002	1941698.	20.46
3.5	2001	1928233.	19.85
4.5	2000	2622856.	19.24
5.5	1999	2404187.	18.64
6.5	1998	746209.	18.04
7.5	1997	2417142.	17.44
8.5	1996	730888.	16.85
9.5	1995	967572.	16.26
10.5	1994	1151287.	15.67
11.5	1993	1373729.	15.09
12.5	1992	939344.	14.52
13.5	1991	964944.	13.95
14.5	1990	714815.	13.39
15.5	1989	863493.	12.84
16.5	1988	625504.	12.30
17.5	1987	630599.	11.77
18.5	1986	476437.	11.25
19.5	1985	442582.	10.73
20.5	1984	478262.	10.23
21.5	1983	545749.	9.74
22.5	1982	381601.	9.27
23.5	1981	436399.	8.80
24.5	1980	407730.	8.34
25.5	1979	313536.	7.89
26.5	1978	339996.	7.45
27.5	1977	273867.	7.02
28.5	1976	207612.	6.60
29.5	1975	166383.	6.18
30.5	1974	138950.	5.77
31.5	1973	169007.	5.37
32.5	1972	157018.	4.97
33.5	1971	103147.	4.57
34.5	1970	74625.	4.18

STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 36900000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE	
		BALANCE 12/31/2004	ASL	CURVE LIMIT
			22.0	90.0
35.5	1969	56596.	3.78	
36.5	1968	42018.	3.39	
37.5	1967	31723.	2.98	
38.5	1966	19878.	2.57	
39.5	1965	12505.	2.14	
40.5	1964	8068.	1.70	
41.5	1963	4323.	1.25	
42.5	1962	2551.	0.81	
43.5	1961	1009.	0.50	

31239943.

THE WEIGHTED AVERAGE REMAINING LIFE IS 16.26

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE  
ACCOUNT 37000000

AGE	VINTAGE YEAR	SURVIVING BALANCE 12/31/2004	REMAINING LIFE		RESERVE RATIO	THEORETICAL RESERVE
			ASL	R3.0		
0.5	2004	1011602.	19.5077		0.02461	24900.
1.5	2003	619389.	18.5291		0.07354	45552.
2.5	2002	490107.	17.5589		0.12206	59821.
3.5	2001	648746.	16.5990		0.17005	110320.
4.5	2000	1509569.	15.6516		0.21742	328212.
5.5	1999	973025.	14.7189		0.26405	256931.
6.5	1998	1306221.	13.8032		0.30984	404721.
7.5	1997	1082128.	12.9064		0.35468	383809.
8.5	1996	648653.	12.0305		0.39848	258473.
9.5	1995	813661.	11.1770		0.44115	358945.
10.5	1994	1331483.	10.3476		0.48262	642602.
11.5	1993	950585.	9.5435		0.52283	496991.
12.5	1992	901058.	8.7662		0.56169	506115.
13.5	1991	956188.	8.0175		0.59912	572874.
14.5	1990	1077430.	7.2998		0.63501	684181.
15.5	1989	912781.	6.6157		0.66921	610846.
16.5	1988	961516.	5.9688		0.70156	674564.
17.5	1987	786526.	5.3625		0.73188	575639.
18.5	1986	817084.	4.8003		0.75999	620972.
19.5	1985	636304.	4.2847		0.78576	499985.
20.5	1984	650358.	3.8170		0.80515	526236.
21.5	1983	692567.	3.3968		0.83016	574943.
22.5	1982	441162.	3.0214		0.84893	374516.
23.5	1981	327053.	2.6863		0.86568	283125.
24.5	1980	192061.	2.3847		0.88077	169161.
25.5	1979	126996.	2.1078		0.89461	113612.
26.5	1978	98998.	1.8461		0.90769	89860.
27.5	1977	64680.	1.5908		0.92046	59535.
28.5	1976	27261.	1.3362		0.93319	25440.
29.5	1975	10749.	1.0804		0.94598	10168.
30.5	1974	4573.	0.8183		0.95909	4386.
31.5	1973	1281.	0.5000		0.97500	1249.
		-----				-----
		21071795.				10348663.
		=====				=====
		NET SALVAGE VALUE (%)				25.
		-----				-----
		RESERVE AFTER SALVAGE				7761512.
		=====				=====
		REMAINING LIFE (YRS)				10.18
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STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 37000000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE	
		BALANCE 12/31/2004	ASL	CURVE LIMIT
			20.0	R3.0 90.0
0.5	2004	1011602.	19.51	
1.5	2003	619389.	18.53	
2.5	2002	490107.	17.56	
3.5	2001	648746.	16.60	
4.5	2000	1509569.	15.65	
5.5	1999	973025.	14.72	
6.5	1998	1306221.	13.80	
7.5	1997	1082128.	12.91	
8.5	1996	648653.	12.03	
9.5	1995	813661.	11.18	
10.5	1994	1331483.	10.35	
11.5	1993	950585.	9.54	
12.5	1992	901058.	8.77	
13.5	1991	956188.	8.02	
14.5	1990	1077430.	7.30	
15.5	1989	912781.	6.62	
16.5	1988	961516.	5.97	
17.5	1987	786526.	5.36	
18.5	1986	817084.	4.80	
19.5	1985	636304.	4.28	
20.5	1984	650358.	3.82	
21.5	1983	692567.	3.40	
22.5	1982	441162.	3.02	
23.5	1981	327053.	2.69	
24.5	1980	192061.	2.38	
25.5	1979	126996.	2.11	
26.5	1978	98998.	1.85	
27.5	1977	64680.	1.59	
28.5	1976	27261.	1.34	
29.5	1975	10749.	1.08	
30.5	1974	4573.	0.82	
31.5	1973	1281.	0.50	

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21071795.  
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THE WEIGHTED AVERAGE REMAINING LIFE IS 10.18

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

## AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE

ACCOUNT 37100000

AGE	VINTAGE YEAR	SURVIVING BALANCE 12/31/2004	REMAINING LIFE		THEORETICAL RESERVE
			ASL CURVE 12.0 L0.0	RESERVE RATIO	
0.5	2004	1800992.	11.6042	0.03299	59410.
1.5	2003	2630240.	10.9610	0.08658	227736.
2.5	2002	1642929.	10.4189	0.13176	216466.
3.5	2001	872530.	9.9402	0.17165	149768.
4.5	2000	1276022.	9.5065	0.20779	265146.
5.5	1999	1566633.	9.1051	0.24124	377936.
6.5	1998	503870.	8.7253	0.27289	137503.
7.5	1997	1232629.	8.3616	0.30320	373733.
8.5	1996	357113.	8.0131	0.33224	118646.
9.5	1995	369115.	7.6791	0.36008	132911.
10.5	1994	640786.	7.3586	0.38678	247844.
11.5	1993	756291.	7.0511	0.41241	311899.
12.5	1992	417328.	6.7559	0.43701	182375.
13.5	1991	335998.	6.4722	0.46065	154777.
14.5	1990	227305.	6.1995	0.48338	109874.
15.5	1989	235963.	5.9372	0.50524	119217.
16.5	1988	142934.	5.6846	0.52628	75223.
17.5	1987	128487.	5.4413	0.54656	70226.
18.5	1986	116472.	5.2068	0.56610	65935.
19.5	1985	86077.	4.9806	0.58495	50351.
20.5	1984	77435.	4.7623	0.60314	46704.
21.5	1983	51638.	4.5514	0.62072	32053.
22.5	1982	31104.	4.3476	0.63770	19835.
23.5	1981	29954.	4.1506	0.65412	19593.
24.5	1980	17665.	3.9600	0.67000	11836.
25.5	1979	12880.	3.7756	0.68537	8828.
26.5	1978	9653.	3.5971	0.70024	6759.
27.5	1977	5098.	3.4246	0.71462	3643.
28.5	1976	7924.	3.2576	0.72854	5773.
29.5	1975	4508.	3.0962	0.74198	3345.
30.5	1974	3716.	2.9407	0.75494	2805.
31.5	1973	3141.	2.7913	0.76739	2410.
32.5	1972	1951.	2.6482	0.77931	1520.



STUDY AS OF DECEMBER 31, 2004

PAGE, 2

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE  
ACCOUNT 37100000

AGE	VINTAGE YEAR	REMAINING		RESERVE RATIO	THEORETICAL RESERVE
		SURVIVING BALANCE 12/31/2004	LIFE ASL CURVE 12.0 L0.0		
33.5	1971	851.	2.5126	0.79062	673.
34.5	1970	593.	2.3859	0.80117	475.
35.5	1969	459.	2.2706	0.81078	372.
36.5	1968	213.	2.1699	0.81917	174.
37.5	1967	164.	2.0903	0.82581	135.
38.5	1966	76.	2.0415	0.82988	63.
39.5	1965	63.	2.0381	0.83016	52.
40.5	1964	31.	2.1000	0.82500	26.
41.5	1963	22.	2.2480	0.81266	18.
42.5	1962	17.	2.4763	0.79365	13.
43.5	1961	9.	2.6904	0.77580	7.
44.5	1960	2.	2.6733	0.77722	2.
		15598881.			3614093.
					0.
					3614093.
					9.22

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

## AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 37100000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE
		BALANCE 12/31/2004	ASL CURVE LIMIT 12.0 L0.0 90.0
0.5	2004	1800992.	11.60
1.5	2003	2630240.	10.96
2.5	2002	1642929.	10.42
3.5	2001	872530.	9.94
4.5	2000	1276022.	9.51
5.5	1999	1566633.	9.11
6.5	1998	503870.	8.73
7.5	1997	1232629.	8.36
8.5	1996	357113.	8.01
9.5	1995	369115.	7.68
10.5	1994	640786.	7.36
11.5	1993	756291.	7.05
12.5	1992	417328.	6.76
13.5	1991	335998.	6.47
14.5	1990	227305.	6.20
15.5	1989	235963.	5.94
16.5	1988	142934.	5.68
17.5	1987	128487.	5.44
18.5	1986	116472.	5.21
19.5	1985	86077.	4.98
20.5	1984	77435.	4.76
21.5	1983	51638.	4.55
22.5	1982	31104.	4.35
23.5	1981	29954.	4.15
24.5	1980	17665.	3.96
25.5	1979	12880.	3.78
26.5	1978	9653.	3.60
27.5	1977	5098.	3.42
28.5	1976	7924.	3.26
29.5	1975	4508.	3.10
30.5	1974	3716.	2.94
31.5	1973	3141.	2.79
32.5	1972	1951.	2.65
33.5	1971	851.	2.51
34.5	1970	593.	2.39

STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 37100000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE		
		BALANCE 12/31/2004	ASL CURVE LIMIT		
			12.0	LO.0	90.0
35.5	1969	459.			2.27
36.5	1968	213.			2.17
37.5	1967	164.			2.09
38.5	1966	76.			2.04
39.5	1965	63.			2.04
40.5	1964	31.			2.10
41.5	1963	22.			2.25
42.5	1962	17.			2.48
43.5	1961	9.			2.69
44.5	1960	2.			2.67

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15598881.  
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THE WEIGHTED AVERAGE REMAINING LIFE IS 9.22

STUDY AS OF DECEMBER 31, 2004

PAGE, 1

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE  
ACCOUNT 37300000

AGE	VINTAGE YEAR	SURVIVING BALANCE 12/31/2004	REMAINING LIFE		RESERVE RATIO	THEORETICAL RESERVE
			ASL	CURVE 20.0 L0.0		
0.5	2004	185273.	19.5864		0.02068	3831.
1.5	2003	150142.	18.8811		0.05595	8400.
2.5	2002	116137.	18.2648		0.08676	10076.
3.5	2001	131903.	17.7071		0.11464	15122.
4.5	2000	94712.	17.1937		0.14031	13289.
5.5	1999	104351.	16.7150		0.16425	17139.
6.5	1998	46931.	16.2649		0.18676	8765.
7.5	1997	44892.	15.8387		0.20806	9340.
8.5	1996	53139.	15.4316		0.22842	12138.
9.5	1995	66643.	15.0399		0.24800	16528.
10.5	1994	96340.	14.6603		0.26699	25721.
11.5	1993	171099.	14.2899		0.28550	48850.
12.5	1992	12097.	13.9289		0.30355	3672.
13.5	1991	53171.	13.5775		0.32112	17075.
14.5	1990	173348.	13.2345		0.33828	58640.
15.5	1989	268014.	12.9000		0.35500	95145.
16.5	1988	150688.	12.5742		0.37129	55949.
17.5	1987	141069.	12.2560		0.38720	54622.
18.5	1986	136644.	11.9460		0.40270	55027.
19.5	1985	74536.	11.6430		0.41785	31145.
20.5	1984	29330.	11.3473		0.43264	12689.
21.5	1983	50625.	11.0591		0.44705	22632.
22.5	1982	93681.	10.7771		0.46114	43200.
23.5	1981	67814.	10.5018		0.47491	32206.
24.5	1980	35586.	10.2333		0.48834	17378.
25.5	1979	9131.	9.9704		0.50148	4579.
26.5	1978	21671.	9.7135		0.51433	11146.
27.5	1977	6876.	9.4628		0.52686	3623.
28.5	1976	5491.	9.2171		0.53915	2960.
29.5	1975	12445.	8.9768		0.55116	6859.
30.5	1974	10181.	8.7422		0.56289	5731.
31.5	1973	19887.	8.5121		0.57439	11423.
32.5	1972	4095.	8.2870		0.58565	2398.

STUDY AS OF DECEMBER 31, 2004

PAGE, 2

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE

ACCOUNT 37300000

AGE	VINTAGE YEAR	REMAINING		RESERVE RATIO	THEORETICAL RESERVE
		SURVIVING BALANCE 12/31/2004	LIFE ASL CURVE 20.0 L0.0		
33.5	1971	6108.	8.0669	0.59665	3644.
34.5	1970	15533.	7.8510	0.60745	9436.
35.5	1969	9353.	7.6401	0.61800	5780.
36.5	1968	9523.	7.4328	0.62836	5984.
37.5	1967	20388.	7.2297	0.63852	13018.
38.5	1966	8067.	7.0312	0.64844	5231.
39.5	1965	8118.	6.8360	0.65820	5343.
40.5	1964	3287.	6.6448	0.66776	2195.
41.5	1963	5163.	6.4578	0.67711	3496.
42.5	1962	3563.	6.2737	0.68631	2445.
43.5	1961	3142.	6.0934	0.69533	2185.
44.5	1960	1981.	5.9171	0.70415	1395.
45.5	1959	2445.	5.7435	0.71282	1743.
46.5	1958	1604.	5.5736	0.72132	1157.
47.5	1957	939.	5.4074	0.72963	685.
48.5	1956	518.	5.2441	0.73780	382.
49.5	1955	351.	5.0844	0.74578	262.
50.5	1954	504.	4.9284	0.75358	380.
51.5	1953	606.	4.7756	0.76122	461.
52.5	1952	506.	4.6273	0.76863	389.
53.5	1951	597.	4.4820	0.77590	463.
54.5	1950	369.	4.3412	0.78294	289.
55.5	1949	248.	4.2058	0.78971	196.
56.5	1948	168.	4.0746	0.79627	134.
57.5	1947	60.	3.9498	0.80251	48.
58.5	1946	28.	3.8325	0.80838	23.
59.5	1945	7.	3.7227	0.81387	6.
60.5	1944	13.	3.6233	0.81883	11.
61.5	1943	3.	3.5369	0.82316	2.
62.5	1942	22.	3.4655	0.82672	18.
63.5	1941	16.	3.4146	0.82927	13.
64.5	1940	10.	3.3896	0.83052	8.
65.5	1939	4.	3.3970	0.83015	3.
66.5	1938	5.	3.4473	0.82764	4.
67.5	1937	6.	3.5500	0.82250	5.
68.5	1936	34.	3.7161	0.81420	28.

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2741231.  
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804160.  
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NET SALVAGE VALUE(%)

-----  
-5.  
-----

RESERVE AFTER SALVAGE

-----  
844368.  
-----

REMAINING LIFE (YRS)

-----  
14.13  
-----

STUDY AS OF DECEMBER 31, 2004

PAGE, 1

KENTUCKY POWER COMPANY

7-15-2005

## AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 37300000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE		
		BALANCE 12/31/2004	ASL	CURVE	LIMIT
			20.0	10.0	90.0
0.5	2004	185273.			19.59
1.5	2003	150142.			18.88
2.5	2002	116137.			18.26
3.5	2001	131903.			17.71
4.5	2000	94712.			17.19
5.5	1999	104351.			16.72
6.5	1998	46931.			16.26
7.5	1997	44892.			15.84
8.5	1996	53139.			15.43
9.5	1995	66643.			15.04
10.5	1994	96340.			14.66
11.5	1993	171099.			14.29
12.5	1992	12097.			13.93
13.5	1991	53171.			13.58
14.5	1990	173348.			13.23
15.5	1989	268014.			12.90
16.5	1988	150688.			12.57
17.5	1987	141069.			12.26
18.5	1986	136644.			11.95
19.5	1985	74536.			11.64
20.5	1984	29330.			11.35
21.5	1983	50625.			11.06
22.5	1982	93681.			10.78
23.5	1981	67814.			10.50
24.5	1980	35586.			10.23
25.5	1979	9131.			9.97
26.5	1978	21671.			9.71
27.5	1977	6876.			9.46
28.5	1976	5491.			9.22
29.5	1975	12445.			8.98
30.5	1974	10181.			8.74
31.5	1973	19887.			8.51
32.5	1972	4095.			8.29
33.5	1971	6108.			8.07
34.5	1970	15533.			7.85

STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

## AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 37300000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE	
		BALANCE 12/31/2004	ASL	CURVE LIMIT
---	-----	-----	20.0	90.0
35.5	1969	9353.	7.64	
36.5	1968	9523.	7.43	
37.5	1967	20388.	7.23	
38.5	1966	8067.	7.03	
39.5	1965	8118.	6.84	
40.5	1964	3287.	6.64	
41.5	1963	5163.	6.46	
42.5	1962	3563.	6.27	
43.5	1961	3142.	6.09	
44.5	1960	1981.	5.92	
45.5	1959	2445.	5.74	
46.5	1958	1604.	5.57	
47.5	1957	939.	5.41	
48.5	1956	518.	5.24	
49.5	1955	351.	5.08	
50.5	1954	504.	4.93	
51.5	1953	606.	4.78	
52.5	1952	506.	4.63	
53.5	1951	597.	4.48	
54.5	1950	369.	4.34	
55.5	1949	248.	4.21	
56.5	1948	168.	4.07	
57.5	1947	60.	3.95	
58.5	1946	28.	3.83	
59.5	1945	7.	3.72	
60.5	1944	13.	3.62	
61.5	1943	3.	3.54	
62.5	1942	22.	3.47	
63.5	1941	16.	3.41	
64.5	1940	10.	3.39	
65.5	1939	4.	3.40	
66.5	1938	5.	3.45	
67.5	1937	6.	3.55	
68.5	1936	34.	3.72	

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 2741231.  
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THE WEIGHTED AVERAGE REMAINING LIFE IS 14.13





**KENTUCKY POWER COMPANY**

DEPRECIATION STUDY AS OF  
DECEMBER 31, 2004

GENERAL PLANT

KENTUCKY POWER COMPANY  
Depreciation Study as of December 31, 2004  
General Plant

Account                    3892 RIGHTS OF WAY

Depreciable Balance                    \$84,011

	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	75	75
Iowa Curve	R4.0	R4.0
Gross Removal, %		0%
Gross Salvage, %		0%
Net Salvage %	0%	0%

\*\*\*\*\*  
There have been no retirements in this account. Therefore, no actuarial analysis was done. The recommendation is to continue the current 75 year average service life following an R4.0 type dispersion.

Any retirements from the land rights account would not be expected to produce any salvage and no removal costs should be expected to be incurred. Therefore, the recommendation is 0% for both gross removal and salvage resulting in a recommended 0% net salvage.

DELOITTE HASKINS & SELLS

Page 327 of 443  
DEPRECIATION SYSTEM - DSACT01 RELI

STUDY AS OF DECEMBER 31, 2004

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*  
ACCOUNT NO.: 38920000

AVERAGE AGE AT RETIREMENT BY RETIREMENT YEAR

RETIREMENT YEAR -----	RETIREMENTS -----	AVERAGE AGE -----
-----------------------------	----------------------	-------------------------

TOTAL	0.	
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STUDY AS OF DECEMBER 31, 2004

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*  
ACCOUNT NO.: 38920000

I  
6-

## SURVIVORS AND RETIREMENTS BY VINTAGE YEAR

VINTAGE YEAR -----	SURVIVORS -----	RETIREMENTS -----	CALCULATED ADDITIONS -----
1979	3899.	0.	3899.
1984	678.	0.	678.
1985	1227.	0.	1227.
1986	22442.	0.	22442.
2000	46627.	0.	46627.
2003	9138.	0.	9138.
TOTALS	84011.	0.	84011.

THE AVERAGE AGE OF THE SURVIVING BALANCE IS 9.24 YEARS

KENTUCKY POWER COMPANY  
 Depreciation Study as of December 31, 2004  
 General Plant

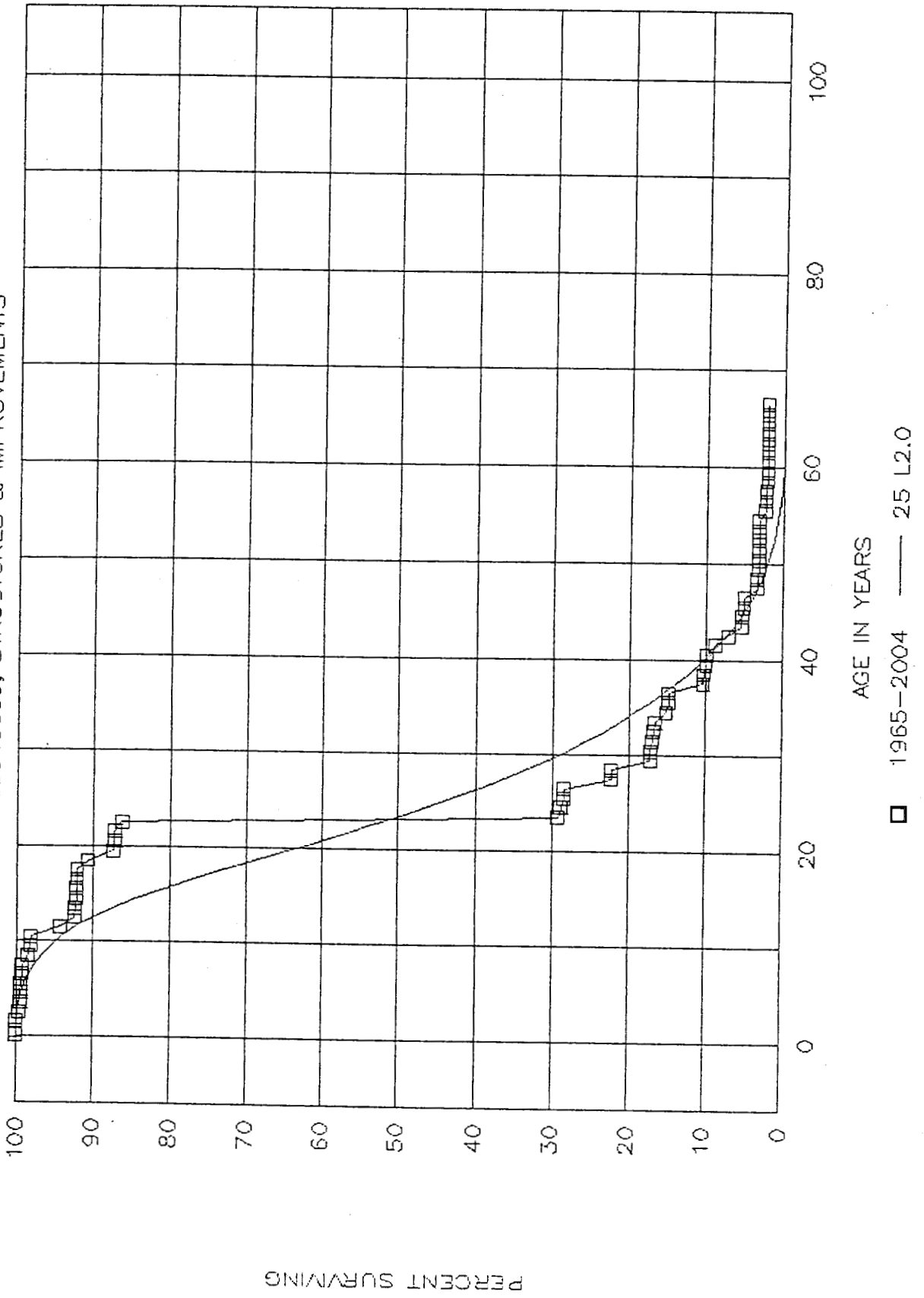
Account	<u>390 STRUCTURES &amp; IMPROVEMENTS</u>	
Depreciable Balance	\$19,295,997	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	45	25
Iowa Curve	L3.0	L2.0
Gross Removal, %		2%
Gross Salvage, %		12%
Net Salvage %	0%	10%

\*\*\*\*\*  
 The actuarial analyses show the average service life for this account has decreased. Based on the results of the analyses, the recommendation is to move to a 25 year average service life following an L2.0 type dispersion.

The sale of investments in this account is expected to result in a positive salvage. There will be selling costs associated with the sales which result in removal costs. The recommendation is for 12% gross salvage and 2% removal costs.

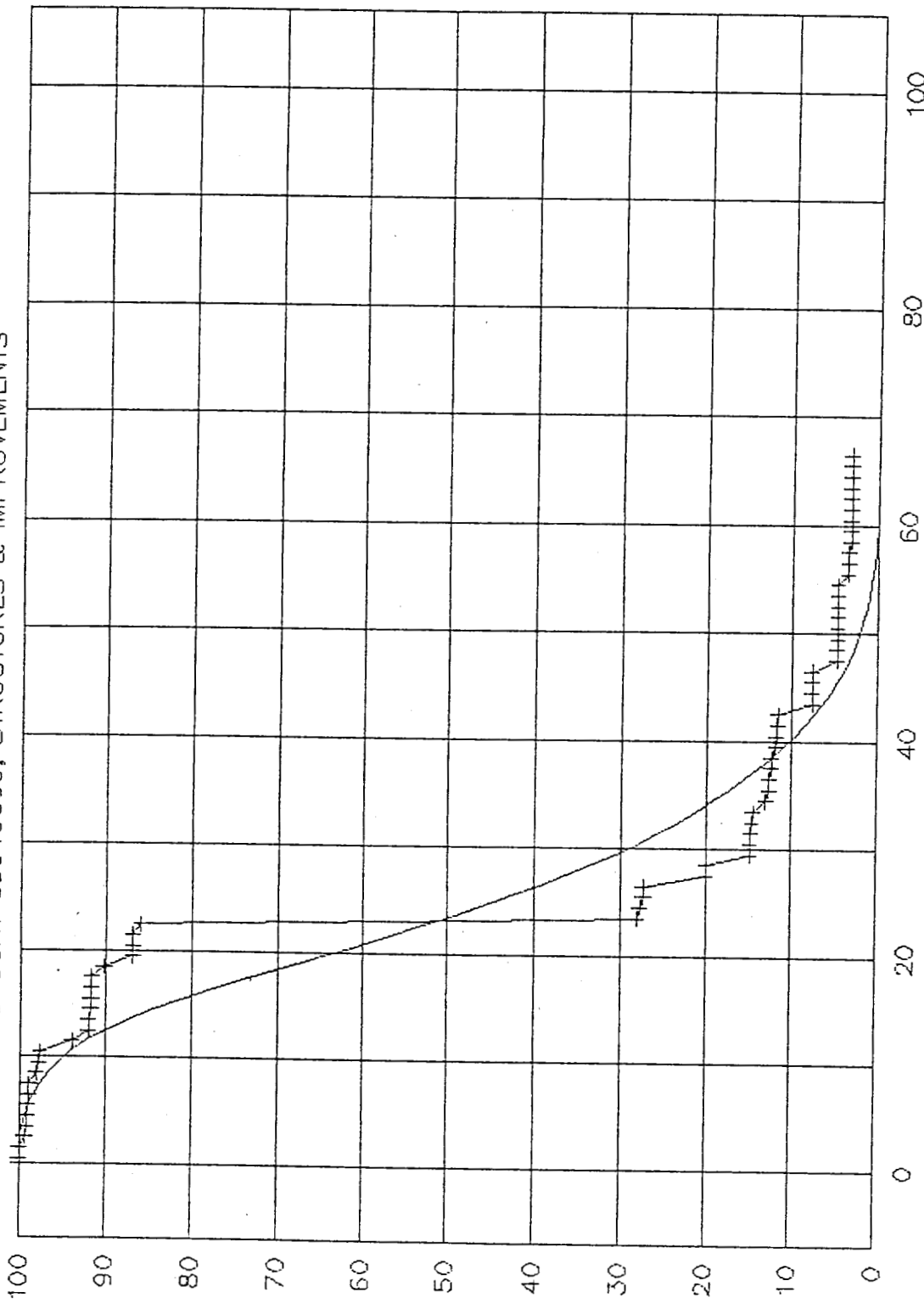
# KENTUCKY POWER COMPANY

ACCOUNT 39010000, STRUCTURES & IMPROVEMENTS



# KENTUCKY POWER COMPANY

ACCOUNT 39010000, STRUCTURES & IMPROVEMENTS

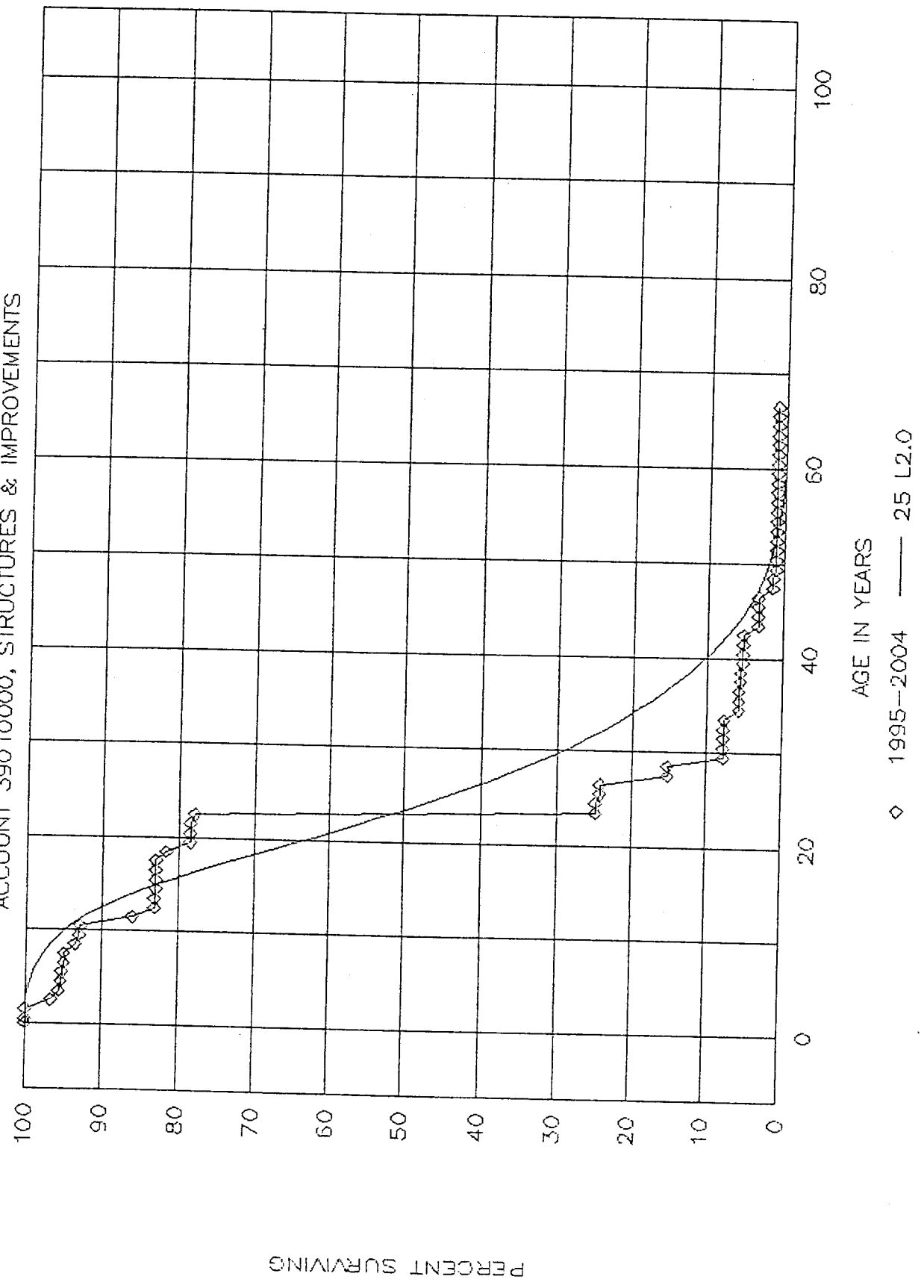


PERCENT SURVIVING

AGE IN YEARS  
+ 1985-2004 — 25 L2.0

# KENTUCKY POWER COMPANY

ACCOUNT 39010000, STRUCTURES & IMPROVEMENTS



PERCENT SURVIVING

AGE IN YEARS

◇ 1995-2004 — 25 L2.0



STUDY AS OF DECEMBER 31, 2004

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

ACCOUNT NO.: 39010000

## AVERAGE AGE AT RETIREMENT BY RETIREMENT YEAR

RETIREMENT YEAR -----	RETIREMENTS -----	AVERAGE AGE -----
1954	1397.	13.09
1955	630.	8.48
1956	439.	4.48
1957	1314.	13.25
1958	3933.	20.49
1959	3820.	15.93
1960	26784.	18.20
1961	944.	19.17
1962	2107.	18.60
1963	4114.	20.59
1964	38711.	25.30
1965	8057.	33.28
1966	148144.	35.46
1967	13597.	39.80
1968	52591.	39.25
1969	81167.	36.25
1970	1879.	25.21
1971	107.	8.00
1972	1839.	16.93
1973	477.	9.52
1974	5972.	29.35
1975	3438.	38.99
1976	50.	13.00
1977	1697.	16.55
1978	7001.	31.70
1987	969.	10.00
1988	2376.	31.00
1990	102966.	14.62
1991	54531.	19.96
1992	87493.	24.30
1993	1500.	19.00
1994	8581.	35.00
1996	290552.	12.29
1998	3693.	19.00
1999	26757.	3.00

STUDY AS OF DECEMBER 31, 2004

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*  
ACCOUNT NO.: 39010000

I  
6-

AVERAGE AGE AT RETIREMENT BY RETIREMENT YEAR

RETIREMENT YEAR -----	RETIREMENTS -----	AVERAGE AGE -----
2001	182029.	26.52
2002	160071.	21.49
2003	1426227.	15.63
2004	10330436.	21.80
TOTAL	13088390.	

STUDY AS OF DECEMBER 31, 2004

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

ACCOUNT NO.: 39010000

## SURVIVORS AND RETIREMENTS BY VINTAGE YEAR

VINTAGE YEAR -----	SURVIVORS -----	RETIREMENTS -----	CALCULATED ADDITIONS -----
1918	0.	439.	439.
1922	0.	11140.	11140.
1926	0.	3463.	3463.
1927	0.	116923.	116923.
1929	0.	142716.	142716.
1930	0.	1690.	1690.
1931	0.	11361.	11361.
1932	0.	6214.	6214.
1935	0.	6114.	6114.
1937	0.	30203.	30203.
1938	43738.	16152.	59890.
1939	342.	4802.	5144.
1940	430.	3212.	3642.
1941	117.	11551.	11668.
1942	1884.	3140.	5024.
1943	0.	255.	255.
1944	322.	414.	736.
1945	434.	542.	976.
1946	0.	1665.	1665.
1947	0.	1209.	1209.
1948	536.	631.	1167.
1949	1116.	9742.	10858.
1950	304.	8077.	8381.
1951	0.	5492.	5492.
1952	97.	894.	991.
1953	505.	515.	1020.
1954	0.	7438.	7438.
1955	0.	2071.	2071.
1956	43955.	60522.	104477.
1957	1317.	2763.	4080.
1958	884.	1499.	2383.
1959	7004.	85257.	92261.
1960	16112.	21818.	37930.
1961	460.	656.	1116.
1962	793.	1291.	2084.

STUDY AS OF DECEMBER 31, 2004

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

ACCOUNT NO.: 39010000

E  
6-

## SURVIVORS AND RETIREMENTS BY VINTAGE YEAR

VINTAGE YEAR -----	SURVIVORS -----	RETIREMENTS -----	CALCULATED ADDITIONS -----
1963	1095.	2759.	3854.
1964	2057.	11621.	13678.
1965	29441.	272.	29713.
1966	1718.	6155.	7873.
1967	6782.	1161.	7943.
1968	35118.	7750.	42868.
1969	19049.	84435.	103484.
1970	2206.	1802.	4008.
1973	4595.	410.	5005.
1974	18888.	333987.	352875.
1975	13362.	0.	13362.
1976	6155.	581.	6736.
1977	3189.	969.	4158.
1978	16821.	282789.	299610.
1979	16921.	32331.	49252.
1980	20403.	15311.	35714.
1981	3741586.	8906128.	12647714.
1982	7057.	103307.	110364.
1983	12063.	392.	12455.
1984	5107.	3158.	8265.
1985	2504.	515809.	518313.
1986	29214.	18596.	47810.
1987	15382.	4355.	19737.
1988	8649.	2277.	10926.
1989	22373.	8752.	31125.
1990	11969857.	38500.	12008357.
1991	389833.	44103.	433936.
1992	159014.	1509292.	1668306.
1993	19258.	9746.	29004.
1994	31610.	172149.	203759.
1995	484522.	66383.	550905.
1996	1129920.	223038.	1352958.
1997	317803.	0.	317803.
1998	79164.	56859.	136023.
1999	0.	19811.	19811.

STUDY AS OF DECEMBER 31, 2004

F

 \*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*  
 ACCOUNT NO.: 39010000

6-

## SURVIVORS AND RETIREMENTS BY VINTAGE YEAR

VINTAGE YEAR -----	SURVIVORS -----	RETIREMENTS -----	CALCULATED ADDITIONS -----
2000	393113.	0.	393113.
2001	11475.	21531.	33006.
2002	4456.	0.	4456.
2004	143887.	0.	143887.
TOTALS	19295997.	13088390.	32384387.

THE AVERAGE AGE OF THE SURVIVING BALANCE IS 15.71 YEARS

STUDY AS OF DECEMBER 31, 2004

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

ACCOUNT NO.: 39010000

## 1965 THRU 2004 BAND ANALYSIS SURVIVOR REPORT

AGE	RETIREMENTS	EXPOSURES	% SURVIVORS	ANNUAL CUMULATIVE % SURVIVORS
---	-----	-----	-----	-----
0.50	0.	31664634.	100.00	100.00
1.50	657.	31534425.	100.00	100.00
2.50	103870.	31537401.	99.67	99.67
3.50	49424.	31431159.	99.84	99.51
4.50	12359.	31371277.	99.96	99.47
5.50	19952.	31003521.	99.94	99.41
6.50	56414.	31074757.	99.82	99.23
7.50	576.	30940692.	100.00	99.23
8.50	254623.	30626393.	99.17	98.40
9.50	79781.	29346327.	99.73	98.13
10.50	36295.	28783075.	99.87	98.01
11.50	1093679.	28722608.	96.19	94.28
12.50	559441.	27610560.	97.97	92.37
13.50	26394.	26893096.	99.90	92.28
14.50	43087.	26476869.	99.84	92.13
15.50	1415.	14468647.	99.99	92.12
16.50	4770.	14446801.	99.97	92.09
17.50	3989.	14434040.	99.97	92.06
18.50	230096.	14415266.	98.40	90.59
19.50	516398.	14157483.	96.35	87.29
20.50	3550.	13639329.	99.97	87.27
21.50	10725.	13631408.	99.92	87.20
22.50	141017.	13608620.	98.96	86.29
23.50	8906128.	13464035.	33.85	29.21
24.50	10829.	817867.	98.68	28.83
25.50	8504.	787304.	98.92	28.51
26.50	772.	762221.	99.90	28.49
27.50	169813.	788734.	78.47	22.35
28.50	2000.	643016.	99.69	22.28
29.50	143749.	634861.	77.36	17.24
30.50	82.	478534.	99.98	17.23
31.50	7501.	459564.	98.37	16.95
32.50	4798.	447468.	98.93	16.77
33.50	4886.	446610.	98.91	16.59
34.50	37541.	441724.	91.50	15.18
35.50	9576.	403313.	97.63	14.82

STUDY AS OF DECEMBER 31, 2004

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

ACCOUNT NO.: 39010000

## 1965 THRU 2004 BAND ANALYSIS SURVIVOR REPORT

AGE	RETIREMENTS	EXPOSURES	% SURVIVORS	ANNUAL % SURVIVORS	CUMULATIVE % SURVIVORS
---	-----	-----	-----	-----	-----
36.50	213.	514102.		99.96	14.81
37.50	142737.	478771.		70.19	10.40
38.50	6351.	446175.		98.58	10.25
39.50	9621.	441569.		97.82	10.02
40.50	3124.	402507.		99.22	9.95
41.50	47915.	397326.		87.94	8.75
42.50	67284.	348316.		80.68	7.06
43.50	71514.	291379.		75.46	5.33
44.50	0.	219405.		100.00	5.33
45.50	12132.	203293.		94.03	5.01
46.50	0.	184157.		100.00	5.01
47.50	59642.	183712.		67.54	3.38
48.50	1200.	122753.		99.02	3.35
49.50	4337.	77598.		94.41	3.16
50.50	0.	73261.		100.00	3.16
51.50	0.	73261.		100.00	3.16
52.50	0.	72756.		100.00	3.16
53.50	344.	72659.		99.53	3.15
54.50	0.	72315.		100.00	3.15
55.50	18000.	72011.		75.00	2.36
56.50	784.	52895.		98.52	2.33
57.50	0.	51575.		100.00	2.33
58.50	3940.	51575.		92.36	2.15
59.50	0.	47635.		100.00	2.15
60.50	0.	47201.		100.00	2.15
61.50	0.	46879.		100.00	2.15
62.50	0.	46879.		100.00	2.15
63.50	368.	44995.		99.18	2.13
64.50	0.	44510.		100.00	2.13
65.50	0.	44080.		100.00	2.13
66.50	0.	43738.		100.00	2.13

TOTAL 13004197.

REALIZED LIFE = 25.95 YEARS

STUDY AS OF DECEMBER 31, 2004

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

ACCOUNT NO.: 39010000

## 1985 THRU 2004 BAND ANALYSIS SURVIVOR REPORT

AGE	RETIREMENTS	EXPOSURES	ANNUAL % SURVIVORS	CUMULATIVE % SURVIVORS
---	-----	-----	-----	-----
0.50	0.	17923235.	100.00	100.00
1.50	574.	17787613.	100.00	100.00
2.50	103069.	17799494.	99.42	99.42
3.50	49424.	17802333.	99.72	99.14
4.50	11372.	30389148.	99.96	99.10
5.50	19811.	30020377.	99.93	99.04
6.50	54476.	30049818.	99.82	98.86
7.50	0.	30215788.	100.00	98.86
8.50	253871.	29902143.	99.15	98.02
9.50	79517.	28525088.	99.72	97.75
10.50	25170.	27974411.	99.91	97.66
11.50	1092933.	28270506.	96.13	93.88
12.50	552068.	27162910.	97.97	91.98
13.50	25199.	26451828.	99.90	91.89
14.50	41731.	26036796.	99.84	91.74
15.50	1141.	14028976.	99.99	91.73
16.50	4355.	14108667.	99.97	91.70
17.50	3336.	14138531.	99.98	91.68
18.50	225103.	14127756.	98.41	90.22
19.50	515194.	13880765.	96.29	86.87
20.50	3550.	13392508.	99.97	86.85
21.50	10311.	13397529.	99.92	86.78
22.50	140385.	13377588.	98.95	85.87
23.50	8906128.	13230939.	32.69	28.07
24.50	7500.	583685.	98.72	27.71
25.50	8380.	588150.	98.58	27.31
26.50	0.	642254.	100.00	27.31
27.50	168926.	626317.	73.03	19.95
28.50	2000.	457895.	99.56	19.86
29.50	141208.	553507.	74.49	14.79
30.50	0.	398937.	100.00	14.79
31.50	2376.	380049.	99.37	14.70
32.50	2569.	373583.	99.31	14.60
33.50	3405.	372005.	99.08	14.47
34.50	37541.	368600.	89.82	12.99
35.50	9576.	329157.	97.09	12.61



STUDY AS OF DECEMBER 31, 2004

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

ACCOUNT NO.: 39010000

1985 THRU 2004 BAND ANALYSIS SURVIVOR REPORT

AGE	RETIREMENTS	EXPOSURES	% SURVIVORS	CUMULATIVE % SURVIVORS
---	-----	-----	-----	-----
36.50	213.	301648.	99.93	12.61
37.50	5608.	266853.	97.90	12.34
38.50	0.	254463.	100.00	12.34
39.50	9621.	252745.	96.19	11.87
40.50	1338.	214117.	99.38	11.80
41.50	2375.	211044.	98.87	11.66
42.50	1775.	207574.	99.14	11.56
43.50	71514.	206890.	65.43	7.57
44.50	0.	135033.	100.00	7.57
45.50	0.	119351.	100.00	7.57
46.50	0.	112689.	100.00	7.57
47.50	59552.	155911.	61.80	4.68
48.50	0.	113042.	100.00	4.68
49.50	894.	69087.	98.71	4.62
50.50	0.	68977.	100.00	4.62
51.50	0.	68977.	100.00	4.62
52.50	0.	68472.	100.00	4.62
53.50	0.	72315.	100.00	4.62
54.50	0.	72315.	100.00	4.62
55.50	18000.	72011.	75.00	3.46
56.50	784.	52895.	98.52	3.41
57.50	0.	51575.	100.00	3.41
58.50	3940.	51575.	92.36	3.15
59.50	0.	47635.	100.00	3.15
60.50	0.	47201.	100.00	3.15
61.50	0.	46879.	100.00	3.15
62.50	0.	46879.	100.00	3.15
63.50	368.	44995.	99.18	3.12
64.50	0.	44510.	100.00	3.12
65.50	0.	44080.	100.00	3.12
66.50	0.	43738.	100.00	3.12

TOTAL 12678181.

REALIZED LIFE = 26.08 YEARS

STUDY AS OF DECEMBER 31, 2004

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

ACCOUNT NO.: 39010000

## 1995 THRU 2004 BAND ANALYSIS SURVIVOR REPORT

AGE	RETIREMENTS	EXPOSURES	% SURVIVORS	ANNUAL	CUMULATIVE
---	-----	-----	-----	-----	-----
0.50	0.	2951962.		100.00	100.00
1.50	574.	3011834.		99.98	99.98
2.50	103069.	3040264.		96.61	96.59
3.50	48288.	4601045.		98.95	95.58
4.50	11372.	4975218.		99.77	95.36
5.50	19811.	16579090.		99.88	95.25
6.50	48668.	16590404.		99.71	94.97
7.50	0.	16472362.		100.00	94.97
8.50	253871.	16174296.		98.43	93.48
9.50	79517.	14838315.		99.46	92.97
10.50	24201.	14786781.		99.84	92.82
11.50	1091407.	14739235.		92.60	85.95
12.50	446008.	13641025.		96.73	83.14
13.50	1647.	13146367.		99.99	83.13
14.50	41731.	25402601.		99.84	82.99
15.50	1141.	13411727.		99.99	82.98
16.50	4355.	13408827.		99.97	82.96
17.50	0.	13607933.		100.00	82.96
18.50	205505.	13595740.		98.49	81.70
19.50	513694.	13367757.		96.16	78.56
20.50	3550.	12864921.		99.97	78.54
21.50	311.	13184705.		100.00	78.54
22.50	103307.	13176926.		99.22	77.92
23.50	8906128.	13066562.		31.84	24.81
24.50	0.	418848.		100.00	24.81
25.50	8380.	402213.		97.92	24.29
26.50	0.	433039.		100.00	24.29
27.50	168926.	451586.		62.59	15.21
28.50	0.	287414.		100.00	15.21
29.50	141208.	288585.		51.07	7.77
30.50	0.	163456.		100.00	7.77
31.50	0.	156246.		100.00	7.77
32.50	0.	154084.		100.00	7.77
33.50	1562.	154877.		98.99	7.69
34.50	37541.	153775.		75.59	5.81
35.50	735.	146396.		99.50	5.78

STUDY AS OF DECEMBER 31, 2004

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

ACCOUNT NO.: 39010000

## 1995 THRU 2004 BAND ANALYSIS SURVIVOR REPORT

AGE	RETIREMENTS	EXPOSURES	% SURVIVORS	ANNUAL	CUMULATIVE
---	-----	-----	-----	% SURVIVORS	% SURVIVORS
36.50	213.	193024.		99.89	5.78
37.50	5608.	158577.		96.46	5.57
38.50	0.	147504.		100.00	5.57
39.50	9621.	249293.		96.14	5.36
40.50	1338.	210231.		99.36	5.32
41.50	2375.	206836.		98.85	5.26
42.50	1775.	203871.		99.13	5.21
43.50	71514.	202294.		64.65	3.37
44.50	0.	130320.		100.00	3.37
45.50	0.	114512.		100.00	3.37
46.50	0.	108624.		100.00	3.37
47.50	59552.	108276.		45.00	1.52
48.50	0.	47407.		100.00	1.52
49.50	894.	3452.		74.10	1.12
50.50	0.	2992.		100.00	1.12
51.50	0.	3314.		100.00	1.12
52.50	0.	2809.		100.00	1.12
53.50	0.	4596.		100.00	1.12
54.50	0.	4713.		100.00	1.12
55.50	0.	4839.		100.00	1.12
56.50	0.	4065.		100.00	1.12
57.50	0.	47635.		100.00	1.12
58.50	0.	47635.		100.00	1.12
59.50	0.	47635.		100.00	1.12
60.50	0.	47201.		100.00	1.12
61.50	0.	46879.		100.00	1.12
62.50	0.	46879.		100.00	1.12
63.50	368.	44995.		99.18	1.12
64.50	0.	44510.		100.00	1.12
65.50	0.	44080.		100.00	1.12
66.50	0.	43738.		100.00	1.12

TOTAL 12419765.

REALIZED LIFE = 22.85 YEARS

KENTUCKY POWER COMPANY  
Depreciation Study as of December 31, 2004  
General Plant

Account                    391 OFFICE FURNITURE AND EQUIPMENT

Depreciable Balance                    \$1,737,579

	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	35	35
Iowa Curve	RO.5	RO.5
Gross Removal, %		0%
Gross Salvage, %		0%
Net Salvage %	10%	0%

\*\*\*\*\*

The simulation analyses for the investments in this account indicate the RO.5 type dispersion remains appropriate for this account. The current average service life of 35 years is also indicated.

The investments in this account are not expected to produce any removal or salvage. The recommendation is 0% for both gross salvage and removal.

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-22-2005

LIFE ANALYSIS DATA IN DOLLARS  
FOR ACCOUNT 39100000

YEAR	ADDITIONS	RETIREMENTS	YEAR	ADDITIONS	RETIREMENTS
1936	13739.	0.	1970	23202.	2297.
1937	0.	0.	1971	7144.	3484.
1938	5462.	0.	1972	23032.	6647.
1939	11380.	0.	1973	14902.	3175.
1940	9407.	0.	1974	15310.	3481.
1941	7148.	0.	1975	15136.	2692.
1942	12215.	0.	1976	16914.	17009.
1943	1166.	0.	1977	30855.	12529.
1944	571.	0.	1978	369325.	8925.
1945	524.	0.	1979	89916.	28046.
1946	2152.	0.	1980	184978.	10465.
1947	10461.	0.	1981	21059.	8892.
1948	10920.	0.	1982	14208.	34292.
1949	9933.	0.	1983	38855.	3043.
1950	8615.	0.	1984	15920.	13057.
1951	9156.	0.	1985	43580.	15247.
1952	7015.	0.	1986	6069.	43634.
1953	5531.	0.	1987	2805.	9297.
1954	4026.	303.	1988	0.	14529.
1955	7438.	3112.	1989	0.	6542.
1956	8508.	2596.	1990	0.	60961.
1957	6231.	1183.	1991	0.	24275.
1958	3324.	810.	1992	0.	17127.
1959	4521.	510.	1993	0.	3279.
1960	16029.	13505.	1994	6656.	1147.
1961	2837.	213.	1995	0.	6412.
1962	3434.	523.	1996	0.	4438.
1963	45709.	727.	1997	0.	1923.
1964	17783.	2420.	1998	0.	81954.
1965	8594.	3642.	1999	0.	0.
1966	26444.	6368.	2000	0.	15335.
1967	24258.	4762.	2001	295463.	0.
1968	8024.	3097.	2002	0.	0.
1969	53699.	4578.	2003	379084.	5790.
			2004	278932.	3747.

NUMBER OF CURVES 27  
NUMBER OF LIVES 12  
MIN LIFE 4  
MAXLIFE 100  
RATIO 1.33994031  
ACCOUNT BALANCE 1737579.

AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-22-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 39100000

USING BALANCES PERIOD EQUAL TO LAST 40 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF MORT											INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
37.6	37.5	37.5	37.2	37.0	36.9	36.8	36.9	37.0	37.2	SC	337	322	314	310	296	287	275	-271	-276	-294
33.5	33.5	33.6	33.5	33.4	33.5	33.5	33.7	33.9	34.2	S-.5	312	309	320	309	297	291	292	309	332	364
30.3	30.5	30.6	30.6	30.7	30.8	30.9	31.1	31.4	31.7	S0	311	328	364	353	352	358	376	409	443	480
28.9	29.0	29.2	29.2	29.3	29.5	29.7	29.9	30.1	30.4	S0.5	328	352	397	389	395	409	436	479	522	566
27.6	27.7	28.0	28.0	28.2	28.3	28.6	28.8	29.1	29.4	S1	354	388	443	440	455	477	514	565	615	662
26.6	26.8	27.0	27.1	27.3	27.5	27.7	28.0	28.3	28.6	S1.5	376	412	470	470	491	521	565	625	681	734
25.8	25.9	26.2	26.3	26.5	26.7	27.0	27.3	27.6	28.0	S2	405	444	507	511	539	577	630	698	761	819
24.6	24.8	25.0	25.2	25.4	25.6	25.9	26.3	26.6	27.0	S3	444	477	539	547	586	638	707	791	868	937
23.7	23.9	24.1	24.2	24.4	24.7	25.1	25.5	25.9	26.3	S4	470	484	532	538	585	655	751	863	963	1048
23.3	23.4	23.6	23.6	23.8	24.1	24.5	24.9	25.4	25.9	S5	476	472	492	486	525	611	747	904	1037	1139
23.2	23.3	23.4	23.3	23.4	23.7	24.1	24.6	25.2	25.7	S6	483	473	472	459	467	544	726	949	1126	1236
37.0	37.0	37.2	37.0	36.9	36.9	37.0	37.2	37.4	37.6	L0	318	315	326	315	302	295	294	306	323	348
33.8	33.9	34.1	34.0	34.1	34.2	34.3	34.5	34.8	35.1	L0.5	323	331	357	344	338	338	347	372	399	432
31.0	31.2	31.4	31.5	31.6	31.8	32.0	32.3	32.6	32.9	L1	340	365	408	399	403	413	435	470	505	541
29.4	29.5	29.7	29.8	29.9	30.1	30.3	30.6	30.9	31.2	L1.5	357	387	438	433	445	465	499	548	596	641
27.9	28.1	28.3	28.4	28.6	28.8	29.0	29.3	29.6	30.0	L2	386	425	486	487	509	540	584	642	698	750
25.8	26.0	26.2	26.4	26.6	26.8	27.1	27.5	27.8	28.2	L3	421	461	530	538	574	621	681	755	823	884
24.4	24.5	24.8	24.9	25.1	25.4	25.7	26.1	26.5	26.9	L4	447	469	525	534	581	648	735	834	918	988
23.6	23.7	23.9	24.0	24.2	24.5	24.9	25.3	25.8	26.2	L5	470	476	511	512	558	642	763	898	1009	1093
33.8	33.8	33.9	33.7	33.6	33.5	33.6	33.7	33.9	34.1	R0.5	315	306	-308	-299	-285	-277	-273	285	304	336
30.7	30.7	30.8	30.8	30.7	30.8	30.9	31.0	31.3	31.6	R1	-297	-298	315	304	295	293	301	328	362	405
29.0	29.1	29.2	29.2	29.2	29.3	29.5	29.6	29.9	30.1	R1.5	309	316	343	332	329	334	353	392	436	486
27.5	27.6	27.8	27.8	27.9	28.0	28.2	28.4	28.7	29.0	R2	331	347	385	376	382	397	429	480	532	587
26.4	26.6	26.7	26.8	26.9	27.1	27.3	27.6	27.8	28.2	R2.5	358	378	421	415	428	451	493	554	615	675
25.4	25.6	25.8	25.9	26.0	26.2	26.5	26.8	27.1	27.4	R3	392	416	465	463	484	517	569	641	711	777
24.3	24.4	24.6	24.7	24.9	25.2	25.5	25.8	26.2	26.6	R4	446	467	515	515	543	589	661	757	850	934
23.5	23.6	23.8	23.9	24.0	24.3	24.7	25.1	25.5	26.0	R5	477	481	511	508	540	607	718	859	988	1095

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-22-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 39100000

USING BALANCES PERIOD EQUAL TO LAST 20 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF MORT											INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
35.5	35.6	35.8	35.5	35.5	35.5	35.6	35.8	36.1	36.4	SC	173	-175	-195	-199	-199	-201	-205	-224	-253	-295
31.8	32.0	32.3	32.2	32.4	32.5	32.7	33.1	33.4	33.8	S-.5	171	195	236	235	239	248	268	300	339	385
29.3	29.5	29.8	29.8	30.0	30.2	30.5	30.9	31.3	31.8	S0	200	244	303	306	321	343	376	417	460	502
27.9	28.1	28.4	28.5	28.8	29.0	29.3	29.7	30.1	30.5	S0.5	223	275	341	348	371	402	445	495	545	591
26.7	26.9	27.2	27.3	27.6	27.9	28.2	28.7	29.1	29.6	S1	254	315	390	404	436	477	530	588	643	691
25.7	26.0	26.3	26.4	26.7	27.0	27.4	27.9	28.3	28.8	S1.5	271	335	416	434	474	525	587	654	716	768
24.8	25.1	25.4	25.6	25.9	26.3	26.6	27.1	27.6	28.1	S2	294	363	451	476	525	586	659	735	803	859
23.6	23.8	24.2	24.4	24.7	25.1	25.6	26.1	26.6	27.2	S3	308	377	473	507	573	654	747	842	925	991
22.8	22.9	23.1	23.3	23.6	24.1	24.6	25.2	25.8	26.4	S4	296	350	437	474	562	673	802	930	1037	1117
22.4	22.5	22.7	22.8	23.0	23.3	23.9	24.6	25.3	25.9	S5	285	322	390	410	482	613	800	964	1126	1220
22.3	22.4	22.5	22.5	22.7	22.9	23.4	24.2	25.0	25.7	S6	289	322	371	376	417	530	772	1041	1230	1327
35.2	35.3	35.6	35.6	35.7	35.9	36.1	36.5	36.8	37.3	L0	171	196	238	236	240	247	264	290	323	362
32.2	32.5	32.8	32.8	33.1	33.3	33.6	34.0	34.5	35.0	L0.5	192	231	285	286	296	313	340	374	413	453
30.1	30.1	30.5	30.6	30.8	31.1	31.4	32.0	32.5	33.0	L1	228	282	348	356	377	406	443	485	526	565
28.3	28.6	28.9	29.0	29.3	29.6	29.9	30.4	30.8	31.4	L1.5	248	308	381	393	423	462	512	569	624	671
26.9	27.1	27.5	27.7	28.0	28.3	28.7	29.2	29.6	30.2	L2	280	350	434	454	494	544	605	671	732	786
24.8	25.1	25.4	25.6	26.0	26.4	26.8	27.3	27.8	28.3	L3	298	375	473	506	565	635	716	798	870	930
23.3	23.5	23.8	24.0	24.4	24.8	25.3	25.9	26.4	27.0	L4	290	349	444	482	563	665	781	892	981	1047
22.6	22.8	23.0	23.1	23.4	23.8	24.4	25.0	25.7	26.3	L5	289	333	408	434	522	656	816	971	1088	1166
32.1	32.3	32.5	32.4	32.4	32.5	32.7	33.0	33.3	33.7	R0.5	-169	183	214	214	215	221	235	266	306	355
29.6	29.8	30.0	29.9	30.0	30.2	30.3	30.6	30.9	31.4	R1	177	201	243	242	248	262	289	331	380	434
28.0	28.2	28.4	28.4	28.6	28.8	29.0	29.3	29.7	30.1	R1.5	194	226	277	278	292	316	355	407	463	521
26.6	26.7	27.0	27.1	27.3	27.5	27.8	28.2	28.6	29.0	R2	219	261	323	329	354	390	442	504	566	624
25.5	25.7	26.0	26.1	26.3	26.6	26.9	27.3	27.8	28.2	R2.5	242	288	357	368	403	449	513	585	655	718
24.5	24.7	25.0	25.1	25.4	25.7	26.1	26.5	27.0	27.5	R3	270	322	399	416	461	521	597	680	758	824
23.3	23.4	23.7	23.9	24.2	24.6	25.0	25.5	26.1	26.7	R4	301	354	436	461	519	598	699	811	912	995
22.5	22.7	22.8	22.9	23.1	23.5	24.1	24.7	25.4	26.0	R5	295	340	413	433	494	611	765	930	1070	1172

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-22-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 39100000

USING BALANCES PERIOD EQUAL TO LAST 10 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF MORT											INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
34.6	35.0	35.5	35.2	35.1	35.4	35.8	36.4	37.0	37.6	SC	-177	-215	-268	-282	-283	-271	-245	-231	-242	-279
31.3	31.9	32.5	32.5	32.6	33.0	33.6	34.3	34.9	35.6	S-.5	200	254	325	331	343	324	290	271	277	308
29.2	29.7	30.3	30.4	30.7	31.1	31.8	32.6	33.3	34.0	S0	245	312	396	398	419	397	358	332	327	346
27.8	28.3	29.0	29.2	29.5	30.0	30.6	31.3	32.1	32.8	S0.5	275	350	441	444	471	450	414	391	384	399
26.5	27.1	27.8	28.1	28.5	29.0	29.7	30.4	31.0	31.8	S1	316	399	498	502	536	516	480	459	451	459
25.5	26.1	26.8	27.2	27.6	28.2	28.8	29.6	30.2	30.9	S1.5	337	430	536	543	583	568	535	518	511	523
24.5	25.2	25.9	26.3	26.8	27.4	28.1	28.9	29.6	30.3	S2	367	470	584	596	643	632	603	588	580	588
23.1	23.8	24.5	25.0	25.5	26.2	27.0	27.8	28.5	29.2	S3	376	496	628	651	717	722	706	702	695	699
22.3	22.8	23.3	23.8	24.3	25.1	25.9	26.8	27.6	28.3	S4	354	459	585	625	723	773	799	822	820	814
22.0	22.4	22.8	23.0	23.4	24.2	25.2	26.1	27.0	27.8	S5	331	414	498	496	601	723	839	926	939	910
21.8	22.3	22.7	22.8	23.0	23.6	24.6	25.7	26.7	27.5	S6	332	408	455	434	470	600	846	1038	1079	1017
34.8	35.4	36.0	36.0	36.1	36.5	37.1	37.8	38.5	39.1	L0	200	253	322	328	338	318	282	257	257	283
31.9	32.6	33.3	33.5	33.8	34.3	35.0	35.7	36.5	37.2	L0.5	234	297	377	379	397	373	332	305	300	322
30.8	30.4	31.1	31.4	31.8	32.4	33.2	34.0	34.8	35.6	L1	282	357	448	449	473	446	401	369	356	368
28.2	28.8	29.5	29.8	30.1	30.7	31.5	32.4	33.2	34.1	L1.5	309	391	489	493	527	509	473	445	431	438
26.7	27.4	28.1	28.5	28.9	29.5	30.2	31.0	31.9	32.8	L2	354	447	554	561	602	588	558	546	528	525
24.5	25.1	25.9	26.3	26.8	27.5	28.2	29.0	29.7	30.5	L3	373	490	617	636	693	689	663	653	651	668
22.9	23.4	24.1	24.6	25.1	25.9	26.7	27.5	28.3	29.0	L4	348	453	592	625	713	748	755	758	742	731
22.2	22.7	23.1	23.5	24.0	24.8	25.7	26.6	27.4	28.2	L5	344	434	532	564	678	765	834	882	876	848
31.4	31.9	32.4	32.4	32.4	32.7	33.2	33.9	34.5	35.2	R0.5	187	234	299	308	315	299	271	258	271	309
29.2	29.6	30.1	30.1	30.2	30.6	31.1	31.8	32.5	33.2	R1	204	262	337	343	358	341	312	301	313	349
27.6	28.1	28.6	28.7	28.9	29.3	29.9	30.5	31.1	31.8	R1.5	227	296	381	385	409	392	364	354	365	397
26.2	26.7	27.3	27.5	27.8	28.3	28.9	29.5	30.1	30.7	R2	261	341	436	442	474	459	432	422	428	453
25.1	25.6	26.2	26.5	26.9	27.4	28.1	28.8	29.4	30.0	R2.5	288	376	479	486	526	516	494	488	492	511
24.1	24.7	25.3	25.7	26.1	26.7	27.4	28.1	28.8	29.4	R3	322	418	528	539	587	583	565	563	565	579
22.8	23.4	24.0	24.4	24.9	25.6	26.3	27.1	27.9	28.6	R4	355	456	576	592	654	667	671	693	705	713
22.1	22.6	23.0	23.3	23.8	24.5	25.4	26.3	27.1	27.9	R5	344	438	530	539	633	705	780	854	881	874

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION



KENTUCKY POWER COMPANY  
Depreciation Study as of December 31, 2004  
General Plant

Account                    392 TRANSPORTATION EQUIPMENT

Depreciable Balance                    \$5,819

	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	30	30
Iowa Curve	R3.0	R3.0
Gross Removal, %		0%
Gross Salvage, %		0%
Net Salvage %	0%	0%

\*\*\*\*\*  
The only investment remaining in this account is a 2001 addition. There is no reason to change the life or curve type.

No salvage or removal is expected from this account.

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-22-2005

LIFE ANALYSIS DATA IN DOLLARS  
FOR ACCOUNT 39200000

YEAR	ADDITIONS	RETIREMENTS	YEAR	ADDITIONS	RETIREMENTS
1936	544.	0.	1970	0.	0.
1937	867.	0.	1971	0.	0.
1938	1240.	0.	1972	21926.	2136.
1939	0.	0.	1973	0.	641.
1940	209.	0.	1974	11603.	1049.
1941	0.	0.	1975	0.	0.
1942	60.	0.	1976	2293.	0.
1943	127.	0.	1977	2757.	0.
1944	0.	0.	1978	9.	0.
1945	0.	0.	1979	775.	245.
1946	0.	0.	1980	0.	1732.
1947	218.	0.	1981	20315.	231.
1948	0.	0.	1982	0.	894.
1949	755.	0.	1983	0.	2051.
1950	693.	0.	1984	0.	0.
1951	683.	0.	1985	0.	238.
1952	0.	0.	1986	1762.	300.
1953	0.	0.	1987	0.	1158.
1954	0.	300.	1988	0.	0.
1955	1732.	0.	1989	0.	0.
1956	0.	0.	1990	0.	0.
1957	0.	0.	1991	0.	55930.
1958	0.	367.	1992	38129.	0.
1959	347.	0.	1993	0.	0.
1960	0.	0.	1994	0.	0.
1961	530.	0.	1995	0.	0.
1962	342.	0.	1996	0.	0.
1963	238.	0.	1997	0.	0.
1964	4107.	0.	1998	0.	11241.
1965	0.	0.	1999	0.	0.
1966	302.	216.	2000	0.	0.
1967	1594.	0.	2001	5819.	0.
1968	0.	0.	2002	0.	0.
1969	2701.	0.	2003	0.	38129.
			2004	0.	0.

NUMBER OF CURVES 27  
NUMBER OF LIVES 12  
MIN LIFE 4  
MAXLIFE 100  
RATIO 1.33994031  
ACCOUNT BALANCE 5819.

AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-22-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 39200000

USING BALANCES PERIOD EQUAL TO LAST 40 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF MORT											INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
26.8	25.3	24.2	22.9	22.1	21.4	20.9	20.6	19.5	18.7	SC	3738	3733	3685	3720	3707	3662	3588	3504	3780	3967
24.7	23.4	22.6	21.7	21.0	20.5	20.1	19.8	18.9	18.2	S-.5	3645	3628	3570	3592	3569	3517	3439	3355	3615	3791
22.9	22.1	21.4	20.7	20.1	19.7	19.4	19.2	18.4	17.8	S0	3537	3511	3446	3457	3426	3370	3290	3206	3453	3619
22.1	21.3	20.8	20.1	19.7	19.3	19.0	18.8	18.1	17.5	S0.5	3454	3417	3346	3348	3311	3252	3171	3089	3332	3496
21.3	20.7	20.2	19.6	19.2	18.9	18.7	18.5	17.9	17.3	S1	3362	3317	3241	3235	3194	3133	3053	2973	3213	3376
20.8	20.2	19.8	19.3	18.9	18.7	18.5	18.3	17.7	17.2	S1.5	3284	3229	3147	3133	3088	3025	2946	2867	3111	3288
20.3	19.8	19.5	19.0	18.7	18.4	18.2	18.1	17.5	17.0	S2	3199	3135	3049	3028	2980	2916	2838	2763	3012	3211
19.7	19.3	19.0	18.7	18.4	18.2	18.0	17.9	17.3	16.8	S3	3065	2986	2893	2859	2805	2740	2664	2592	2861	3109
19.3	18.9	18.7	18.4	18.1	18.0	17.9	17.8	17.2	16.7	S4	2927	2837	2739	2693	2631	2564	2490	2420	2726	3030
19.0	18.7	18.5	18.2	18.0	17.9	17.8	17.7	17.2	16.6	S5	2823	2725	2623	2565	2496	2426	2354	2287	2615	2969
18.9	18.6	18.4	18.1	18.0	17.9	17.8	17.7	17.2	16.6	S6	-2758	-2655	-2549	-2482	-2407	-2337	-2265	-2199	-2538	-2922
27.0	25.7	24.6	23.4	22.6	22.0	21.5	21.2	20.1	19.2	L0	3652	3642	3591	3622	3611	3572	3503	3425	3721	3932
25.2	24.1	23.2	22.3	21.6	21.1	20.7	20.4	19.4	18.7	L0.5	3572	3554	3497	3528	3514	3472	3401	3322	3608	3808
23.7	22.8	22.1	21.3	20.7	20.3	19.9	19.7	18.8	18.2	L1	3482	3460	3406	3433	3416	3371	3298	3220	3494	3684
22.6	21.9	21.3	20.7	20.1	19.7	19.4	19.2	18.5	17.8	L1.5	3391	3364	3303	3321	3300	3253	3181	3104	3378	3565
21.8	21.1	20.7	20.1	19.6	19.3	19.0	18.8	18.1	17.5	L2	3298	3262	3196	3208	3184	3136	3066	2991	3265	3451
20.5	20.0	19.7	19.2	18.9	18.6	18.4	18.2	17.6	17.1	L3	3153	3097	3018	3009	2972	2918	2848	2776	3062	3275
19.6	19.2	19.0	18.6	18.3	18.1	18.0	17.9	17.3	16.8	L4	3021	2941	2848	2812	2757	2693	2619	2548	2839	3110
19.2	18.9	18.7	18.4	18.1	18.0	17.9	17.8	17.2	16.6	L5	2904	2813	2713	2662	2598	2530	2457	2388	2707	3027
24.7	23.4	22.5	21.7	21.0	20.5	20.1	19.8	18.9	18.2	R0.5	3680	3661	3599	3613	3584	3527	3445	3359	3612	3783
22.9	22.0	21.4	20.6	20.1	19.7	19.4	19.1	18.4	17.7	R1	3601	3562	3486	3483	3441	3377	3291	3204	3438	3597
21.9	21.2	20.6	20.0	19.5	19.2	18.9	18.8	18.1	17.5	R1.5	3506	3453	3369	3354	3304	3236	3149	3064	3294	3451
21.1	20.4	20.0	19.5	19.1	18.8	18.6	18.4	17.8	17.3	R2	3396	3333	3243	3218	3162	3091	3006	2924	3152	3311
20.5	20.0	19.6	19.1	18.8	18.5	18.3	18.2	17.6	17.1	R2.5	3293	3220	3124	3091	3031	2960	2876	2797	3029	3214
20.0	19.5	19.2	18.8	18.5	18.3	18.1	18.0	17.5	16.9	R3	3180	3099	3000	2961	2899	2828	2746	2670	2909	3127
19.4	19.1	18.8	18.5	18.2	18.0	17.9	17.8	17.3	16.8	R4	2999	2907	2806	2759	2694	2623	2545	2474	2732	3013
19.1	18.8	18.6	18.3	18.0	17.9	17.8	17.7	17.2	16.6	R5	2840	2742	2639	2584	2515	2444	2370	2303	2616	2958

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-22-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 39200000

USING BALANCES PERIOD EQUAL TO LAST 20 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF											INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	MORT DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
24.2	22.7	21.6	20.4	19.4	18.7	18.1	17.6	16.5	15.5	SC	3285	3342	3358	3443	3477	3477	3493	3488	3918	4267
22.5	21.4	20.6	19.6	18.8	18.2	17.7	17.3	16.4	15.5	S-.5	3191	3237	3248	3325	3355	3356	3375	3379	3824	4192
21.3	20.4	19.7	18.9	18.3	17.8	17.4	17.2	16.3	15.5	S0	3087	3126	3134	3206	3234	3236	3260	3278	3737	4119
20.6	19.8	19.2	18.5	18.0	17.6	17.3	17.0	16.2	15.4	S0.5	3000	3030	3033	3099	3126	3129	3157	3188	3664	4064
19.9	19.3	18.8	18.2	17.7	17.4	17.1	16.9	16.1	15.4	S1	2907	2930	2930	2992	3018	3024	3064	3102	3595	4011
19.4	18.9	18.5	18.0	17.6	17.3	17.1	16.9	16.1	15.4	S1.5	2822	2836	2831	2886	2911	2919	2972	3017	3534	3972
19.0	18.6	18.2	17.8	17.4	17.2	17.0	16.8	16.1	15.4	S2	2733	2740	2732	2782	2805	2827	2885	2935	3476	3934
18.5	18.1	17.9	17.5	17.2	17.0	16.9	16.7	16.0	15.3	S3	2585	2579	2565	2605	2629	2671	2736	2793	3390	3897
18.1	17.8	17.7	17.3	17.1	16.9	16.8	16.7	16.0	15.3	S4	2424	2410	2393	2422	2467	2509	2577	2639	3312	3890
17.9	17.7	17.5	17.2	17.0	16.9	16.8	16.7	16.0	15.3	S5	2288	2269	2250	2280	2335	2373	2438	2501	3243	3898
17.8	17.6	17.4	17.1	17.0	16.9	16.8	16.7	16.0	15.3	S6	-2191	-2171	-2150	-2198	-2243	-2275	-2337	-2399	-3199	3919
24.6	23.2	22.3	21.1	20.2	19.4	18.8	18.3	17.1	16.0	L0	3208	3265	3291	3391	3440	3456	3486	3495	3960	4351
23.1	22.1	21.3	20.3	19.5	18.8	18.3	17.9	16.8	15.9	L0.5	3129	3186	3210	3307	3356	3372	3405	3418	3886	4260
22.0	21.1	20.4	19.6	18.9	18.3	17.9	17.6	16.6	15.7	L1	3052	3105	3127	3222	3271	3289	3324	3342	3817	4213
21.1	20.4	19.8	19.1	18.5	18.0	17.7	17.4	16.5	15.6	L1.5	2965	3008	3025	3114	3163	3184	3225	3250	3748	4154
20.4	19.7	19.3	18.6	18.1	17.7	17.4	17.2	16.3	15.5	L2	2873	2909	2922	3008	3058	3083	3129	3165	3683	4098
19.2	18.8	18.5	18.0	17.6	17.3	17.1	16.9	16.1	15.4	L3	2715	2732	2733	2800	2839	2862	2925	2981	3548	4001
18.4	18.1	17.9	17.5	17.3	17.1	16.9	16.7	16.0	15.3	L4	2543	2538	2526	2565	2589	2631	2699	2759	3390	3917
18.1	17.8	17.6	17.3	17.1	17.0	16.8	16.7	16.0	15.3	L5	2396	2382	2366	2391	2434	2475	2542	2606	3308	3906
22.4	21.3	20.5	19.5	18.7	18.1	17.6	17.3	16.3	15.5	R0.5	3213	3250	3252	3318	3339	3332	3346	3346	3793	4164
21.1	20.2	19.6	18.7	18.1	17.7	17.3	17.1	16.2	15.4	R1	3116	3138	3130	3181	3192	3183	3199	3217	3675	4065
20.3	19.6	19.0	18.3	17.8	17.4	17.2	16.9	16.1	15.4	R1.5	3012	3023	3009	3052	3060	3052	3080	3109	3592	4008
19.6	19.0	18.5	18.0	17.6	17.3	17.0	16.8	16.1	15.3	R2	2899	2901	2884	2921	2928	2925	2971	3008	3513	3954
19.1	18.6	18.3	17.8	17.4	17.2	16.9	16.8	16.0	15.3	R2.5	2789	2783	2763	2794	2802	2815	2866	2911	3449	3922
18.7	18.3	18.0	17.6	17.3	17.1	16.9	16.7	16.0	15.3	R3	2672	2661	2640	2669	2678	2711	2768	2818	3388	3892
18.3	17.9	17.7	17.4	17.1	16.9	16.8	16.7	16.0	15.3	R4	2477	2458	2437	2463	2502	2543	2607	2664	3300	-3867
18.0	17.7	17.5	17.2	17.0	16.9	16.8	16.7	16.0	15.3	R5	2300	2279	2258	2286	2346	2386	2451	2513	3236	3883

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-22-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 39200000

USING BALANCES PERIOD EQUAL TO LAST 10 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF MORT											INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
18.6	17.0	15.9	14.6	13.5	12.6	13.2	13.8	13.4	12.9	SC	4138	4090	3922	3696	3120	1690	1356	1187	2340	3249
18.2	16.8	15.8	14.6	13.6	12.6	13.3	13.8	13.4	12.9	S-.5	4064	4030	3886	3681	3108	1590	1294	1174	2317	3210
17.8	16.7	15.8	14.6	13.6	12.6	13.3	13.8	13.4	12.9	S0	3988	3973	3850	3667	3097	1491	1233	1162	2296	3171
17.6	16.6	15.8	14.7	13.7	12.7	13.3	13.8	13.3	12.8	S0.5	3906	3907	3805	3644	3083	1390	1156	1118	2278	3143
17.5	16.6	15.8	14.7	13.7	12.7	13.3	13.8	13.3	12.7	S1	3824	3843	3759	3621	3070	1291	1061	1075	2262	3113
17.4	16.6	15.8	14.8	13.8	12.8	13.3	13.8	13.2	12.6	S1.5	3738	3774	3709	3595	3061	1217	1011	1013	2254	3085
17.3	16.5	15.9	14.9	13.9	12.8	13.3	13.8	13.2	12.5	S2	3653	3706	3659	3568	3053	1149	948	955	2249	3053
17.2	16.6	16.0	15.0	14.0	12.9	13.3	13.8	13.1	12.3	S3	3511	3588	3571	3522	3048	1135	891	850	2279	2998
17.1	16.6	16.1	15.2	14.2	13.0	13.4	13.8	12.9	12.1	S4	3344	3453	3476	3473	3047	1276	948	795	2420	2970
17.1	16.6	16.2	15.3	14.3	13.0	13.4	13.8	12.8	12.0	S5	3175	3319	3382	3432	3052	1478	1066	796	2638	3038
17.0	16.6	16.2	15.4	14.4	13.1	13.5	13.9	12.7	11.9	S6	-3039	-3215	-3310	-3409	3075	1647	1174	796	2916	3212
19.6	17.9	16.5	15.0	13.7	12.5	13.2	13.9	13.3	12.8	L0	4135	4113	3967	3761	3150	1502	1240	1145	2307	3182
19.0	17.5	16.3	14.9	13.7	12.5	13.2	13.8	13.3	12.8	L0.5	4075	4060	3933	3744	3139	1445	1215	1156	2289	3143
18.5	17.2	16.1	14.8	13.6	12.5	13.2	13.8	13.3	12.8	L1	4015	4009	3901	3728	3128	1389	1191	1170	2272	3106
18.3	17.1	16.1	14.8	13.6	12.5	13.1	13.7	13.2	12.7	L1.5	3938	3943	3851	3699	3111	1288	1111	1124	2233	3038
18.0	17.0	16.1	14.8	13.7	12.5	13.1	13.7	13.2	12.6	L2	3862	3878	3800	3670	3097	1192	1037	1084	2197	2973
17.6	16.8	16.1	14.9	13.8	12.6	13.2	13.7	13.1	12.5	L3	3707	3750	3696	3592	3056	-1105	900	933	-2153	-2873
17.2	16.7	16.1	15.1	14.0	12.9	13.3	13.7	13.0	12.2	L4	3478	3573	3569	3520	-3040	1203	-887	784	2286	2918
17.1	16.6	16.2	15.3	14.2	13.0	13.4	13.8	12.8	12.1	L5	3311	3435	3471	3475	3049	1352	975	-756	2492	2978
18.0	16.7	15.8	14.6	13.6	12.7	13.2	13.9	13.4	12.9	R0.5	4040	3998	3855	3655	3093	1594	1274	1144	2326	3242
17.5	16.5	15.7	14.7	13.7	12.8	13.3	13.9	13.4	12.9	R1	3934	3911	3790	3614	3067	1501	1200	1105	2315	3236
17.3	16.4	15.7	14.7	13.8	12.8	13.4	13.9	13.4	12.8	R1.5	3833	3837	3741	3594	3059	1406	1131	1060	2316	3231
17.2	16.4	15.7	14.8	13.8	12.9	13.4	13.9	13.3	12.7	R2	3741	3765	3692	3571	3052	1314	1065	1016	2318	3219
17.1	16.4	15.8	14.9	13.9	12.9	13.4	13.9	13.3	12.5	R2.5	3641	3689	3643	3555	3057	1263	1019	960	2337	3205
17.0	16.4	15.9	15.0	14.0	13.0	13.4	13.9	13.2	12.4	R3	3544	3612	3590	3534	3060	1217	976	908	2361	3179
17.0	16.5	16.0	15.1	14.1	13.0	13.4	13.9	13.0	12.2	R4	3352	3455	3477	3486	3068	1262	978	848	2451	3129
17.1	16.6	16.2	15.3	14.2	13.0	13.4	13.9	12.9	12.0	R5	3168	3306	3365	3423	3055	1439	1063	827	2632	3082

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

KENTUCKY POWER COMPANY  
Depreciation Study as of December 31, 2004  
General Plant

Account	<u>393 STORES EQUIPMENT</u>	
Depreciable Balance	\$189,262	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	30	30
Iowa Curve	R1.0	LO.0
Gross Removal, %		0%
Gross Salvage, %		0%
Net Salvage %	0%	0%

\*\*\*\*\*

The results of the simulation analyses for the investments in this account show that a change to an LO.0 type dispersion is warranted. The resultant average service life remains at 30 years.

No salvage or removal is expected from this account.

STUDY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-22-2005

LIFE ANALYSIS DATA IN DOLLARS  
FOR ACCOUNT 39300000

YEAR	ADDITIONS	RETIREMENTS	YEAR	ADDITIONS	RETIREMENTS
1937	1121.	0.	1971	180.	47.
1938	137.	0.	1972	779.	67.
1939	27.	0.	1973	1165.	294.
1940	293.	0.	1974	12970.	125.
1941	86.	0.	1975	0.	1386.
1942	203.	0.	1976	14740.	5571.
1943	0.	0.	1977	0.	325.
1944	272.	0.	1978	0.	0.
1945	272.	0.	1979	17332.	5992.
1946	145.	0.	1980	35929.	0.
1947	67.	0.	1981	39753.	0.
1948	0.	0.	1982	11888.	3557.
1949	161.	0.	1983	0.	1439.
1950	421.	0.	1984	13448.	686.
1951	664.	0.	1985	712.	0.
1952	964.	0.	1986	0.	0.
1953	524.	0.	1987	0.	5503.
1954	0.	0.	1988	0.	2235.
1955	290.	307.	1989	0.	0.
1956	792.	0.	1990	0.	0.
1957	0.	0.	1991	0.	524.
1958	0.	0.	1992	4331.	48111.
1959	347.	0.	1993	0.	0.
1960	0.	0.	1994	5341.	3479.
1961	0.	0.	1995	47092.	0.
1962	491.	0.	1996	0.	0.
1963	0.	0.	1997	0.	0.
1964	0.	12.	1998	0.	1690.
1965	20069.	222.	1999	0.	0.
1966	260.	0.	2000	0.	0.
1967	2175.	0.	2001	0.	0.
1968	119.	0.	2002	0.	0.
1969	3886.	273.	2003	0.	7347.
1970	206.	0.	2004	39481.	779.

NUMBER OF CURVES 27

NUMBER OF LIVES 12

MIN LIFE 4

MAXLIFE 100

RATIO 1.33994031

ACCOUNT BALANCE 189262.

Y AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-22-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 39300000

USING BALANCES PERIOD EQUAL TO LAST 40 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF MORT											INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
32.1	31.0	30.5	30.1	29.8	29.7	29.8	29.9	29.9	30.0	SC	1338	1304	1252	1197	1142	1092	1050	1019	985	950
28.2	27.6	27.2	27.0	26.9	26.9	27.1	27.3	27.4	27.6	S-.5	1254	1213	1157	1102	1052	1011	984	971	950	930
25.2	24.8	24.6	24.5	24.6	24.7	24.9	25.2	25.4	25.7	S0	1153	1104	1049	999	960	939	935	948	946	946
23.4	23.2	23.1	23.1	23.2	23.4	23.7	24.0	24.3	24.6	S0.5	1100	1047	994	950	925	921	938	972	985	1000
22.2	22.1	22.1	22.2	22.3	22.5	22.7	23.0	23.3	23.6	S1	1041	987	940	907	-897	915	956	1016	1048	1078
21.4	21.3	21.4	21.5	21.6	21.9	22.1	22.4	22.7	23.0	S1.5	1014	960	919	897	904	939	998	1075	1121	1170
20.7	20.6	20.7	20.8	21.0	21.3	21.6	21.9	22.2	22.5	S2	981	929	-898	-892	920	975	1053	1144	1202	1260
19.7	19.7	19.8	20.0	20.3	20.6	20.9	21.2	21.6	21.9	S3	-971	-924	913	934	993	1079	1180	1291	1363	1434
18.9	18.9	19.1	19.3	19.6	20.0	20.3	20.7	21.1	21.4	S4	1015	971	978	1027	1115	1223	1338	1457	1537	1618
18.4	18.4	18.6	18.9	19.3	19.7	20.1	20.4	20.8	21.1	S5	1083	1034	1051	1125	1236	1349	1458	1567	1646	1733
18.1	18.1	18.3	18.7	19.1	19.5	19.9	20.3	20.6	21.0	S6	1123	1067	1092	1209	1347	1452	1533	1618	1690	1790
31.0	30.4	30.0	29.7	29.7	29.7	29.8	30.0	30.1	30.3	L0	1235	1196	1142	1089	1039	999	970	954	931	-908
28.2	27.8	27.5	27.4	27.4	27.5	27.7	27.9	28.1	28.3	L0.5	1178	1132	1076	1024	981	950	935	936	-922	913
25.8	25.5	25.4	25.4	25.4	25.6	25.8	26.1	26.4	26.6	L1	1102	1051	997	951	919	-903	-906	-926	929	933
24.0	23.8	23.7	23.8	23.9	24.2	24.5	24.8	25.1	25.4	L1.5	1062	1007	957	920	904	909	935	976	992	1010
22.5	22.4	22.4	22.5	22.7	22.9	23.2	23.6	24.0	24.3	L2	1010	956	915	894	902	937	993	1056	1087	1116
20.7	20.7	20.8	21.0	21.2	21.5	21.8	22.1	22.4	22.8	L3	975	925	904	911	954	1026	1119	1226	1298	1368
19.5	19.5	19.6	19.8	20.1	20.4	20.8	21.1	21.4	21.8	L4	988	943	942	976	1046	1137	1242	1360	1444	1530
18.7	18.8	19.0	19.2	19.6	19.9	20.3	20.6	21.0	21.4	L5	1034	990	1007	1073	1169	1273	1381	1496	1582	1675
28.5	27.8	27.4	27.1	27.0	27.0	27.1	27.3	27.4	27.5	R0.5	1298	1258	1202	1146	1093	1049	1016	998	972	948
25.5	25.0	24.7	24.6	24.6	24.7	24.9	25.1	25.3	25.5	R1	1240	1193	1135	1079	1033	1001	986	987	976	969
23.5	23.1	23.0	23.0	23.0	23.1	23.4	23.7	24.0	24.3	R1.5	1180	1127	1070	1019	984	969	975	1000	1007	1019
22.1	21.9	21.8	21.9	22.0	22.2	22.4	22.7	22.9	23.2	R2	1113	1058	1004	963	945	952	984	1036	1065	1100
21.2	21.0	21.0	21.1	21.3	21.5	21.7	22.0	22.3	22.6	R2.5	1072	1016	969	939	938	966	1019	1091	1135	1184
20.3	20.3	20.3	20.4	20.6	20.9	21.2	21.5	21.8	22.1	R3	1033	978	940	927	949	1003	1078	1168	1225	1284
19.3	19.3	19.4	19.6	19.9	20.2	20.5	20.9	21.2	21.5	R4	1010	959	940	960	1024	1115	1217	1324	1393	1463
18.6	18.6	18.8	19.0	19.4	19.7	20.1	20.5	20.8	21.2	R5	1051	1001	1005	1067	1175	1294	1408	1516	1588	1666

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION



AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-22-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 39300000

USING BALANCES PERIOD EQUAL TO LAST 20 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF MORT											INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
29.7	29.0	28.6	28.2	28.2	28.3	28.4	28.6	28.7	28.8	SC	1026	1007	972	934	905	890	892	905	910	910
26.4	25.9	25.7	25.5	25.7	25.8	26.1	26.4	26.6	26.8	S-.5	956	931	894	858	835	830	846	877	894	912
23.7	23.5	23.4	23.4	23.6	23.9	24.2	24.6	25.0	25.3	S0	875	845	811	781	769	781	818	872	906	943
22.4	22.3	22.3	22.3	22.6	22.8	23.1	23.6	24.0	24.4	S0.5	831	799	769	747	747	774	830	902	950	1000
21.3	21.3	21.4	21.5	21.8	22.0	22.4	22.8	23.1	23.6	S1	784	753	730	720	-732	778	853	946	1012	1077
20.6	20.6	20.7	20.9	21.2	21.5	21.8	22.2	22.6	23.0	S1.5	760	730	715	717	745	806	896	1003	1082	1166
19.9	19.9	20.1	20.3	20.6	21.0	21.4	21.8	22.2	22.6	S2	732	707	-704	722	767	844	950	1070	1159	1253
18.9	19.0	19.3	19.5	19.9	20.3	20.7	21.2	21.6	22.0	S3	721	706	726	772	844	945	1072	1208	1313	1421
18.1	18.3	18.6	18.9	19.3	19.8	20.2	20.7	21.1	21.6	S4	758	751	795	869	963	1079	1218	1362	1476	1598
17.5	17.7	18.1	18.5	19.0	19.5	20.0	20.4	20.8	21.3	S5	820	810	868	968	1078	1197	1328	1463	1576	1708
17.2	17.3	17.7	18.3	18.9	19.4	19.8	20.3	20.7	21.1	S6	846	833	905	1052	1183	1289	1395	1508	1616	1763
29.1	28.7	28.4	28.3	28.4	28.5	28.6	29.1	29.3	29.5	L0	947	923	888	853	828	821	834	861	-874	-888
26.6	26.3	26.2	26.1	26.3	26.6	26.8	27.2	27.5	27.8	L0.5	897	868	833	801	783	786	811	-851	876	903
24.5	24.3	24.3	24.3	24.6	24.9	25.2	25.6	26.0	26.3	L1	834	802	771	746	738	-754	-795	853	890	929
22.8	22.8	22.8	22.9	23.2	23.5	23.9	24.4	24.8	25.2	L1.5	799	767	742	727	735	770	832	907	957	1008
21.6	21.7	21.8	21.9	22.2	22.6	22.9	23.4	23.8	24.3	L2	756	726	712	-712	740	799	889	989	1050	1112
19.9	20.0	20.2	20.5	20.8	21.2	21.6	22.0	22.4	22.9	L3	-719	-700	710	741	799	889	1009	1145	1251	1362
18.7	18.8	19.1	19.4	19.8	20.2	20.6	21.1	21.5	21.9	L4	731	722	757	817	895	999	1129	1273	1390	1517
17.9	18.1	18.4	18.8	19.3	19.7	20.2	20.6	21.1	21.5	L5	770	765	823	915	1014	1126	1257	1399	1519	1655
26.6	26.1	25.8	25.6	25.6	25.8	26.0	26.3	26.5	26.7	R0.5	990	965	928	890	864	856	868	895	910	925
23.9	23.5	23.3	23.3	23.4	23.7	24.0	24.4	24.6	25.0	R1	938	908	871	836	819	824	853	900	930	964
22.3	22.1	22.1	22.1	22.3	22.5	22.8	23.1	23.5	23.9	R1.5	887	854	820	792	786	806	856	925	972	1023
21.1	21.0	21.1	21.1	21.4	21.7	22.0	22.4	22.7	23.0	R2	834	801	773	757	766	805	876	965	1030	1102
20.3	20.2	20.3	20.5	20.8	21.1	21.4	21.8	22.2	22.5	R2.5	804	772	751	748	772	829	918	1022	1100	1184
19.5	19.5	19.7	19.9	20.2	20.6	20.9	21.4	21.7	22.1	R3	776	746	738	752	795	872	978	1097	1184	1278
18.5	18.6	18.8	19.1	19.5	20.0	20.4	20.8	21.2	21.6	R4	759	737	752	799	877	983	1110	1242	1340	1446
17.7	17.9	18.2	18.6	19.1	19.6	20.0	20.5	20.9	21.3	R5	794	779	822	911	1022	1148	1283	1417	1521	1641

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

BY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-22-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 39300000

USING BALANCES PERIOD EQUAL TO LAST 10 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF MORT										INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN										
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
28.5	27.1	26.3	25.7	25.1	24.7	24.4	25.8	26.9	28.0	SC	1235	1206	1161	1102	1020	-919	-813	-790	-718	-605
25.7	24.7	24.2	23.9	23.6	23.4	23.3	24.6	25.7	26.8	S-.5	1162	1133	1097	1054	1002	948	905	877	802	687
23.5	22.9	22.7	22.6	22.6	22.5	22.6	23.7	24.7	25.8	S0	1077	1053	1031	1009	990	981	992	968	869	772
22.3	22.0	21.9	21.9	21.9	22.0	22.1	23.1	24.1	25.2	S0.5	1028	1006	993	988	997	1024	1077	1055	970	845
21.4	21.2	21.2	21.3	21.4	21.5	21.7	22.7	23.6	24.7	S1	974	957	957	973	1010	1073	1163	1135	1054	922
20.6	20.5	20.6	20.7	20.9	21.1	21.3	22.3	23.2	24.3	S1.5	945	931	944	979	1044	1138	1259	1225	1152	1009
20.0	19.9	20.1	20.3	20.5	20.8	21.0	22.0	22.9	23.9	S2	912	904	-934	993	1087	1211	1360	1318	1242	1101
19.0	19.0	19.2	19.5	19.9	20.2	20.6	21.5	22.4	23.3	S3	896	900	964	1064	1204	1371	1557	1498	1419	1308
18.1	18.2	18.5	18.9	19.3	19.7	20.2	21.1	21.9	22.8	S4	931	946	1051	1198	1379	1576	1782	1694	1614	1545
17.5	17.5	17.9	18.4	19.0	19.5	19.9	20.8	21.6	22.4	S5	984	994	1139	1338	1552	1755	1950	1824	1736	1702
17.2	17.1	17.4	18.1	18.8	19.3	19.8	20.6	21.3	22.2	S6	971	952	1168	1456	1707	1896	2057	1885	1783	1782
28.6	27.6	27.0	26.6	26.2	25.9	25.7	27.1	28.2	29.3	L0	1157	1135	1101	1056	995	922	846	826	757	650
26.3	25.6	25.2	25.0	24.8	24.7	24.6	25.9	27.0	28.1	L0.5	1100	1076	1049	1018	982	945	917	889	816	704
23.3	23.8	23.7	23.6	23.6	23.6	23.6	24.9	26.0	27.0	L1	1030	1008	992	981	-972	974	990	952	873	757
22.8	22.5	22.5	22.6	22.6	22.8	22.9	24.1	25.2	26.2	L1.5	990	970	965	974	1000	1046	1117	1070	978	849
21.7	21.5	21.6	21.8	21.9	22.1	22.4	23.5	24.5	25.6	L2	939	924	937	-970	1033	1121	1234	1200	1091	946
20.0	20.0	20.2	20.4	20.7	21.0	21.3	22.3	23.3	24.4	L3	-895	-893	943	1021	1137	1282	1452	1433	1377	1194
18.7	18.8	19.0	19.4	19.8	20.1	20.5	21.4	22.3	23.2	L4	905	918	1005	1127	1281	1455	1647	1589	1535	1473
17.9	17.9	18.3	18.8	19.2	19.7	20.1	21.0	21.8	22.7	L5	937	955	1088	1263	1455	1647	1842	1746	1678	1646
25.7	24.6	24.0	23.6	23.3	23.1	23.0	24.3	25.3	26.5	R0.5	1194	1161	1120	1072	1013	954	908	881	804	687
23.2	22.6	22.4	22.2	22.1	22.1	22.1	23.1	24.1	25.2	R1	1138	1105	1072	1040	1012	996	1006	985	903	780
22.0	21.6	21.5	21.4	21.4	21.5	21.6	22.6	23.4	24.5	R1.5	1084	1054	1031	1018	1020	1045	1101	1073	996	869
21.0	20.7	20.7	20.7	20.8	21.0	21.1	22.1	22.9	24.0	R2	1029	1003	995	1004	1038	1103	1201	1166	1089	961
20.2	20.0	20.1	20.2	20.4	20.6	20.8	21.8	22.6	23.5	R2.5	995	974	979	1009	1074	1174	1305	1258	1176	1057
19.6	19.4	19.5	19.7	20.0	20.3	20.6	21.5	22.3	23.2	R3	963	948	970	1026	1124	1258	1417	1358	1268	1158
18.6	18.6	18.8	19.1	19.5	19.8	20.2	21.2	21.9	22.8	R4	939	932	989	1096	1252	1433	1625	1535	1433	1333
17.7	17.7	18.0	18.5	19.0	19.5	20.0	20.9	21.6	22.4	R5	961	961	1075	1254	1467	1680	1882	1759	1658	1594

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

KENTUCKY POWER COMPANY  
 Depreciation Study as of December 31, 2004  
 General Plant

Account                    394 TOOLS, SHOP AND GARAGE EQUIPMENT

Depreciable Balance            \$1,711,318

	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	30	32
Iowa Curve	RO.5	LO.O
Gross Removal, %		0%
Gross Salvage, %		0%
Net Salvage %	0%	0%

\*\*\*\*\*  
 The simulation analyses for the investment in this account indicate that the dispersion has moved to that of an LO.O type curve. The recommendation is to move to the LO.O type dispersion and an average service life of 32 years.

No salvage or removal is expected from this account.

STUDY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-22-2005

LIFE ANALYSIS DATA IN DOLLARS  
FOR ACCOUNT 39400000

YEAR	ADDITIONS	RETIREMENTS	YEAR	ADDITIONS	RETIREMENTS
1936	442.	0.	1970	4450.	0.
1937	431.	0.	1971	5476.	1684.
1938	425.	0.	1972	66706.	848.
1939	412.	0.	1973	20104.	2402.
1940	966.	0.	1974	8852.	342.
1941	62.	0.	1975	9832.	2230.
1942	2094.	0.	1976	6378.	351.
1943	521.	0.	1977	12388.	1944.
1944	1042.	0.	1978	7257.	0.
1945	531.	0.	1979	15765.	922.
1946	423.	0.	1980	121208.	2627.
1947	0.	0.	1981	101640.	9537.
1948	467.	0.	1982	9853.	30693.
1949	2273.	0.	1983	87918.	17260.
1950	3724.	0.	1984	26017.	1310.
1951	725.	0.	1985	68520.	3502.
1952	2414.	0.	1986	19796.	6863.
1953	1628.	0.	1987	15868.	3838.
1954	258.	270.	1988	0.	29896.
1955	1544.	1085.	1989	2098.	20344.
1956	389.	0.	1990	3420.	13247.
1957	1170.	0.	1991	25135.	188.
1958	8748.	1523.	1992	62373.	57500.
1959	2592.	1333.	1993	18792.	7269.
1960	2206.	183.	1994	2744.	0.
1961	1557.	714.	1995	0.	1329.
1962	760.	0.	1996	0.	734.
1963	1062.	204.	1997	115158.	1113.
1964	1748.	282.	1998	91919.	25510.
1965	7151.	638.	1999	152828.	0.
1966	7874.	282.	2000	62723.	2272.
1967	13049.	0.	2001	354277.	0.
1968	4060.	539.	2002	223494.	0.
1969	3632.	890.	2003	110037.	5105.
			2004	64391.	3477.

NUMBER OF CURVES 27

NUMBER OF LIVES 12

MIN LIFE 4

MAXLIFE 100

RATIO 1.33994031

ACCOUNT BALANCE 1711318.

BY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-22-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 39400000

USING BALANCES PERIOD EQUAL TO LAST 40 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF MORT											INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
30.4	30.4	30.4	30.4	30.5	30.7	31.2	31.8	32.6	33.5	SC	572	539	512	481	460	-457	-472	-508	-550	-595
26.8	26.8	27.0	27.1	27.3	27.6	28.0	28.5	29.0	29.6	S-.5	525	502	492	470	465	481	510	553	595	639
23.8	24.0	24.2	24.4	24.7	25.0	25.5	25.9	26.5	27.0	S0	482	478	498	492	508	541	579	621	658	695
22.4	22.5	22.8	22.9	23.2	23.6	24.0	24.5	25.1	25.6	S0.5	477	489	528	534	565	609	652	695	730	763
21.3	21.4	21.7	21.9	22.2	22.5	22.9	23.3	23.8	24.4	S1	476	509	569	590	633	689	740	785	816	842
20.5	20.7	20.9	21.2	21.5	21.8	22.2	22.6	23.0	23.5	S1.5	487	533	608	638	691	754	809	858	897	924
19.7	20.0	20.2	20.5	20.8	21.2	21.6	22.0	22.4	22.8	S2	502	565	656	698	760	830	888	937	974	1007
18.8	19.0	19.3	19.6	20.0	20.4	20.8	21.2	21.7	22.1	S3	527	610	722	781	859	941	1005	1056	1093	1125
18.0	18.3	18.6	18.9	19.3	19.7	20.2	20.6	21.1	21.5	S4	533	623	756	839	941	1041	1112	1163	1198	1228
17.6	17.8	18.2	18.5	19.0	19.4	19.9	20.3	20.8	21.2	S5	509	586	742	858	992	1108	1180	1224	1251	1279
17.3	17.5	17.9	18.3	18.8	19.2	19.7	20.1	20.6	21.0	S6	497	539	715	880	1042	1157	1216	1247	1270	1300
29.5	29.6	29.7	29.8	30.0	30.3	30.7	31.3	32.0	32.8	L0	508	487	-480	-458	-454	470	496	535	573	614
26.8	26.9	27.2	27.3	27.6	27.9	28.3	28.8	29.4	30.0	L0.5	488	-477	489	477	486	513	547	589	627	666
24.5	24.7	24.9	25.2	25.5	25.9	26.3	26.8	27.3	27.9	L1	-468	479	513	516	539	577	616	656	690	722
22.8	22.9	23.2	23.5	23.8	24.3	24.7	25.2	25.8	26.3	L1.5	473	500	555	570	607	655	699	739	770	797
21.5	21.7	22.0	22.2	22.6	22.9	23.3	23.9	24.4	25.0	L2	481	529	605	637	691	755	808	846	871	892
19.8	20.0	20.3	20.6	21.0	21.3	21.7	22.2	22.6	23.1	L3	509	583	684	733	802	876	939	992	1034	1073
18.5	18.8	19.1	19.5	19.8	20.2	20.6	21.1	21.5	22.0	L4	524	616	743	813	898	981	1044	1094	1132	1169
17.9	18.1	18.5	18.8	19.2	19.7	20.1	20.5	21.0	21.5	L5	517	610	763	863	972	1070	1135	1181	1215	1249
27.2	27.2	27.3	27.3	27.5	27.8	28.1	28.6	29.2	29.8	R0.5	553	524	505	478	466	475	501	543	588	633
24.3	24.3	24.5	24.6	24.9	25.2	25.6	26.1	26.7	27.3	R1	532	510	506	487	490	515	552	600	645	690
22.5	22.6	22.7	22.9	23.1	23.4	23.9	24.4	25.0	25.6	R1.5	517	507	522	515	535	575	621	672	717	759
21.1	21.3	21.5	21.7	21.9	22.2	22.6	23.0	23.5	24.1	R2	501	512	551	561	598	652	707	762	806	844
20.2	20.4	20.7	20.9	21.1	21.5	21.8	22.2	22.7	23.1	R2.5	500	528	588	612	662	727	787	842	887	930
19.4	19.6	19.9	20.1	20.4	20.8	21.2	21.6	22.0	22.4	R3	505	554	635	674	739	814	878	932	973	1010
18.4	18.7	19.0	19.3	19.6	20.0	20.4	20.9	21.3	21.7	R4	519	588	695	761	852	948	1021	1074	1108	1138
17.7	17.9	18.3	18.6	19.0	19.5	19.9	20.4	20.8	21.3	R5	510	584	722	827	959	1078	1154	1199	1225	1250

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-22-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 39400000

USING BALANCES PERIOD EQUAL TO LAST 20 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF MORT											INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
29.5	29.4	29.4	29.3	29.3	29.5	29.8	30.5	31.4	32.6	SC	414	387	368	-336	-320	-331	-369	-425	-475	-523
26.1	26.1	26.2	26.2	26.3	26.6	27.0	27.6	28.4	29.2	S-.5	378	362	362	345	348	377	424	476	518	561
23.2	23.3	23.6	23.7	24.0	24.3	24.7	25.4	26.1	26.9	S0	348	354	384	385	408	451	501	544	574	606
22.0	22.1	22.3	22.5	22.7	23.0	23.4	24.0	24.8	25.5	S0.5	344	367	415	429	465	519	573	613	638	663
20.8	21.0	21.3	21.5	21.8	22.1	22.4	23.0	23.6	24.4	S1	347	391	458	486	532	593	650	691	712	729
20.1	20.3	20.6	20.8	21.1	21.4	21.8	22.3	22.9	23.6	S1.5	357	415	495	532	586	654	714	754	780	798
19.3	19.6	19.9	20.1	20.5	20.8	21.2	21.8	22.3	22.9	S2	371	446	541	587	649	723	785	823	846	869
18.3	18.6	19.0	19.3	19.6	20.0	20.5	21.0	21.6	22.2	S3	392	488	602	665	740	824	891	928	949	970
17.6	17.8	18.2	18.6	19.0	19.4	19.9	20.5	21.0	21.6	S4	390	497	633	719	818	918	991	1025	1040	1059
17.2	17.3	17.7	18.1	18.6	19.1	19.6	20.2	20.7	21.3	S5	361	454	616	737	866	983	1056	1081	1088	1102
17.0	17.1	17.4	17.9	18.4	18.9	19.4	20.0	20.6	21.1	S6	342	406	585	754	912	1030	1092	1104	1105	1121
28.8	28.8	28.9	28.9	29.1	29.3	29.7	30.4	31.2	32.3	L0	366	352	-354	338	340	367	410	458	497	537
26.2	26.3	26.5	26.6	26.8	27.1	27.5	28.2	28.9	29.7	L0.5	350	-348	370	365	381	419	466	511	545	581
24.9	24.0	24.3	24.5	24.8	25.1	25.6	26.3	27.0	27.8	L1	-337	359	403	413	442	488	537	575	600	626
22.3	22.5	22.8	22.9	23.2	23.6	24.1	24.8	25.6	26.3	L1.5	343	380	442	466	510	565	617	651	671	691
21.1	21.3	21.6	21.8	22.1	22.5	22.9	23.5	24.3	25.0	L2	352	411	492	529	583	650	711	746	758	769
19.4	19.6	20.0	20.3	20.6	21.0	21.4	22.0	22.6	23.2	L3	379	465	568	621	688	765	829	869	897	925
18.1	18.4	18.8	19.1	19.5	19.9	20.4	20.9	21.5	22.1	L4	385	491	621	695	778	864	928	962	983	1008
17.4	17.7	18.1	18.5	18.9	19.4	19.8	20.4	21.0	21.5	L5	370	480	637	741	847	946	1013	1041	1056	1077
26.4	26.3	26.4	26.3	26.4	26.7	27.0	27.7	28.5	29.3	R0.5	400	376	367	343	339	363	409	465	512	559
23.6	23.6	23.7	23.8	24.0	24.3	24.7	25.4	26.1	26.9	R1	383	369	376	364	376	415	469	524	567	608
22.0	22.1	22.2	22.3	22.5	22.8	23.1	23.8	24.6	25.3	R1.5	369	370	397	399	428	480	542	594	632	667
20.7	20.8	21.1	21.2	21.5	21.7	22.1	22.6	23.2	24.0	R2	358	381	433	452	496	559	623	673	710	738
19.8	20.0	20.2	20.4	20.7	21.0	21.4	21.9	22.5	23.1	R2.5	359	401	471	504	559	631	697	744	777	809
19.0	19.2	19.5	19.7	20.0	20.4	20.8	21.4	21.9	22.5	R3	367	430	519	565	632	711	780	823	849	875
18.0	18.2	18.6	18.9	19.3	19.7	20.1	20.7	21.3	21.8	R4	361	464	575	645	735	833	909	947	965	982
17.3	17.5	17.9	18.2	18.7	19.2	19.7	20.2	20.8	21.4	R5	365	454	599	707	834	953	1031	1058	1065	1077

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-22-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 39400000

USING BALANCES PERIOD EQUAL TO LAST 10 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF MORT											INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
27.7	27.7	27.7	27.9	28.5	29.1	29.9	31.6	33.7	35.8	SC	302	301	-310	-316	-344	-384	-427	-414	398	390
24.7	24.9	25.1	25.5	26.1	26.8	27.5	28.9	30.3	31.9	S-.5	269	299	349	368	399	436	472	442	411	393
22.5	22.7	23.0	23.5	24.2	24.9	25.7	26.9	28.1	29.3	S0	-249	320	408	436	465	495	522	471	422	392
21.3	21.7	22.0	22.4	23.0	23.7	24.5	25.7	26.9	28.1	S0.5	257	349	457	491	524	553	575	513	454	415
20.4	20.7	21.2	21.6	22.2	22.8	23.5	24.7	25.9	27.0	S1	276	391	515	554	586	616	634	559	488	439
19.6	20.0	20.5	21.0	21.6	22.2	22.8	24.0	25.1	26.2	S1.5	298	427	562	606	640	669	689	611	532	475
18.9	19.4	19.9	20.4	21.0	21.7	22.3	23.2	24.4	25.5	S2	328	471	617	665	700	728	743	669	580	514
18.0	18.5	19.0	19.6	20.2	20.9	21.6	22.5	23.4	24.5	S3	360	524	689	749	789	818	830	749	672	595
17.3	17.8	18.3	18.9	19.6	20.3	21.0	21.8	22.7	23.6	S4	344	525	719	804	865	902	907	813	735	679
17.0	17.3	17.9	18.5	19.3	20.0	20.7	21.5	22.3	23.1	S5	296	456	689	817	911	958	952	836	742	709
16.8	17.1	17.6	18.3	19.1	19.8	20.5	21.3	22.0	22.8	S6	257	391	648	831	956	1002	976	835	722	697
27.4	27.6	27.9	28.3	28.9	29.6	30.4	32.0	33.8	35.6	L0	261	-292	344	360	387	421	455	421	-386	-369
25.1	25.4	25.8	26.2	26.9	27.6	28.4	29.7	31.1	32.7	L0.5	251	309	385	409	437	469	498	454	413	385
1.1	23.5	23.9	24.5	25.2	26.0	26.8	28.0	29.3	30.5	L1	253	341	442	471	497	523	544	487	433	398
-1.8	22.2	22.6	23.0	23.8	24.6	25.4	26.6	27.8	29.0	L1.5	268	375	495	535	564	588	604	536	471	428
20.7	21.1	21.5	22.0	22.7	23.4	24.3	25.5	26.6	27.7	L2	297	424	559	604	641	671	678	594	516	462
19.0	19.5	20.0	20.5	21.2	21.9	22.5	23.6	24.7	25.8	L3	343	496	651	703	738	768	786	711	618	547
17.8	18.3	18.9	19.4	20.1	20.8	21.4	22.3	23.2	24.3	L4	345	525	710	781	825	849	852	765	700	633
17.2	17.6	18.2	18.8	19.5	20.2	20.9	21.7	22.6	23.5	L5	314	500	722	827	895	925	919	814	736	698
24.8	24.9	25.1	25.4	25.9	26.6	27.4	28.8	30.2	31.9	R0.5	285	301	335	351	383	424	465	442	417	402
22.5	22.6	22.9	23.1	23.8	24.6	25.3	26.7	28.0	29.3	R1	269	310	375	401	438	478	515	479	442	419
21.2	21.4	21.7	22.1	22.6	23.2	24.0	25.3	26.5	27.7	R1.5	262	332	423	458	497	538	571	522	474	441
20.1	20.4	20.7	21.2	21.7	22.3	22.9	24.1	25.3	26.5	R2	268	368	484	525	564	602	632	572	510	467
19.3	19.6	20.1	20.5	21.1	21.7	22.3	23.2	24.4	25.6	R2.5	283	403	535	582	623	660	685	623	551	499
18.6	19.0	19.4	19.9	20.5	21.2	21.8	22.7	23.7	24.8	R3	308	445	591	644	687	723	743	671	596	534
17.7	18.1	18.6	19.2	19.9	20.5	21.2	22.1	22.9	23.9	R4	333	484	652	723	782	826	841	752	667	601
17.1	17.5	18.0	18.6	19.3	20.1	20.8	21.6	22.4	23.2	R5	305	460	670	784	879	933	935	824	725	677

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

KENTUCKY POWER COMPANY  
Depreciation Study as of December 31, 2004  
General Plant

Account                    395 LABORATORY EQUIPMENT

Depreciable Balance                    \$394,394

	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	30	32
Iowa Curve	L5.0	S5.0
Gross Removal, %		0%
Gross Salvage, %		0%
Net Salvage %	0%	0%

\*\*\*\*\*  
The additions and retirements from this account have become more sporadic since the last study. This is evident in the simulation analyses. The analyses indicate the average service life is increasing and retirement dispersions are scattered among the various curves. The recommendation is to move to a 32 year average service life following an S5.0 type dispersion.

No salvage or removal is expected from this account.



STUDY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-22-2005

LIFE ANALYSIS DATA IN DOLLARS  
FOR ACCOUNT 39500000

YEAR	ADDITIONS	RETIREMENTS	YEAR	ADDITIONS	RETIREMENTS
1936	10466.	0.	1970	6293.	225.
1937	12621.	0.	1971	2615.	1026.
1938	1022.	0.	1972	8556.	358.
1939	1216.	0.	1973	5096.	176.
1940	503.	0.	1974	5020.	2201.
1941	590.	0.	1975	111.	0.
1942	217.	0.	1976	8022.	2459.
1943	20.	0.	1977	8144.	2311.
1944	1068.	0.	1978	125756.	6756.
1945	605.	0.	1979	24209.	3291.
1946	1895.	0.	1980	4929.	426.
1947	6604.	0.	1981	37951.	567.
1948	1080.	0.	1982	29976.	10243.
1949	1504.	0.	1983	11112.	7984.
1950	1152.	0.	1984	4112.	0.
1951	755.	0.	1985	22533.	4749.
1952	596.	0.	1986	0.	0.
1953	1077.	0.	1987	0.	2217.
1954	2360.	0.	1988	63078.	6705.
1955	974.	321.	1989	0.	4712.
1956	6767.	0.	1990	0.	0.
1957	1497.	691.	1991	0.	0.
1958	1715.	133.	1992	0.	0.
1959	1414.	81.	1993	0.	971.
1960	1797.	170.	1994	0.	0.
1961	5358.	5.	1995	0.	0.
1962	1704.	32.	1996	28363.	7565.
1963	955.	107.	1997	0.	0.
1964	3383.	47.	1998	0.	29020.
1965	2932.	177.	1999	9244.	0.
1966	1113.	2165.	2000	0.	5215.
1967	5248.	4684.	2001	0.	0.
1968	3816.	454.	2002	11157.	0.
1969	9069.	769.	2003	0.	2558.
			2004	0.	3405.

NUMBER OF CURVES 27

NUMBER OF LIVES 12

MIN LIFE 4

MAXLIFE 100

RATIO 1.33994031

ACCOUNT BALANCE 394394.

AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-22-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 39500000

USING BALANCES PERIOD EQUAL TO LAST 40 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF										MORT	INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
63.0	63.0	63.2	62.2	61.4	60.7	60.2	59.9	59.7	59.5	SC	336	321	313	314	305	296	283	268	-254	-242
52.1	52.2	52.4	51.9	51.5	51.2	51.0	51.0	50.9	51.0	S-.5	347	335	331	326	314	302	288	277	268	261
44.8	44.9	45.2	44.9	44.7	44.5	44.5	44.6	44.7	44.9	S0	367	359	360	350	335	322	310	304	303	304
41.2	41.3	41.5	41.3	41.2	41.2	41.2	41.3	41.4	41.5	S0.5	362	354	357	347	333	319	310	307	310	316
38.9	39.0	39.2	39.0	38.9	38.9	38.9	39.0	39.2	39.3	S1	364	356	359	349	335	322	314	315	322	334
37.4	37.5	37.7	37.5	37.4	37.3	37.4	37.5	37.6	37.8	S1.5	353	344	345	336	323	310	303	305	314	328
36.0	36.1	36.2	36.0	35.9	35.9	35.9	36.0	36.2	36.4	S2	349	338	336	330	318	305	298	301	313	331
34.4	34.4	34.5	34.3	34.1	34.0	34.0	34.1	34.3	34.4	S3	340	325	316	322	313	303	293	292	301	320
33.4	33.4	33.4	33.1	32.9	32.7	32.6	32.6	32.7	32.9	S4	339	324	311	336	338	336	325	315	313	321
33.0	32.9	32.9	32.6	32.3	32.1	32.0	31.9	31.9	32.0	S5	342	329	315	351	363	370	365	353	342	336
32.8	32.7	32.7	32.4	32.1	31.9	31.7	31.6	31.6	31.6	S6	347	335	321	361	375	385	382	372	361	350
57.2	57.4	57.7	57.0	56.6	56.2	56.0	55.9	56.0	56.0	L0	364	352	349	342	328	315	301	290	282	276
51.0	51.1	51.4	50.9	50.7	50.5	50.4	50.4	50.5	50.6	L0.5	366	355	353	345	331	317	304	296	292	290
45.6	45.7	46.0	45.7	45.5	45.4	45.4	45.5	45.7	45.9	L1	378	368	368	357	342	328	317	314	316	321
41.9	42.0	42.3	42.0	41.8	41.7	41.7	41.9	42.0	42.3	L1.5	367	357	357	348	333	320	310	309	315	324
39.3	39.3	39.5	39.3	39.2	39.1	39.2	39.3	39.4	39.6	L2	370	359	356	348	334	321	313	315	325	340
36.1	36.1	36.3	36.0	35.9	35.8	35.9	36.0	36.1	36.3	L3	358	344	337	336	324	311	303	305	318	338
34.2	34.2	34.2	33.9	33.8	33.6	33.6	33.7	33.8	33.9	L4	342	327	316	327	322	314	302	297	301	316
33.3	33.3	33.3	33.0	32.7	32.5	32.4	32.4	32.5	32.6	L5	340	326	313	341	346	347	337	326	319	321
53.6	53.6	53.8	53.2	52.8	52.4	52.1	52.0	51.9	51.9	R0.5	335	322	317	315	304	294	281	268	257	247
46.9	47.0	47.3	46.8	46.5	46.2	46.1	46.0	46.0	46.1	R1	332	322	320	316	304	293	260	270	262	257
42.4	42.5	42.8	42.4	42.2	42.0	41.9	41.9	42.0	42.1	R1.5	324	317	318	313	301	289	278	270	267	266
39.3	39.4	39.6	39.4	39.3	39.2	39.1	39.2	39.3	39.4	R2	319	313	316	310	298	287	276	272	272	277
37.5	37.6	37.8	37.6	37.4	37.3	37.3	37.4	37.5	37.6	R2.5	-309	302	304	301	-289	-279	-269	-265	269	276
35.8	35.9	36.0	35.8	35.7	35.6	35.6	35.7	35.8	35.9	R3	312	-301	301	-300	291	281	271	269	273	284
34.1	34.1	34.2	33.9	33.8	33.6	33.6	33.6	33.7	33.9	R4	322	308	-298	311	306	299	288	282	284	293
33.1	33.1	33.1	32.8	32.5	32.3	32.2	32.2	32.2	32.3	R5	338	325	311	342	350	353	345	333	325	323

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

Page 367 of 443

AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-22-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 39500000

USING BALANCES PERIOD EQUAL TO LAST 20 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF MORT											INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
56.2	56.8	57.6	57.2	57.2	57.0	56.9	57.4	58.1	58.6	SC	216	219	229	233	229	228	225	219	207	-200
48.0	48.4	49.0	48.8	48.9	48.9	49.0	49.5	50.1	50.6	S-.5	234	240	253	252	246	241	239	235	224	219
41.3	41.7	42.2	42.2	42.4	42.6	42.8	43.4	44.1	44.7	S0	260	270	287	282	275	270	270	270	263	262
38.9	39.2	39.6	39.6	39.7	39.8	40.0	40.4	40.9	41.4	S0.5	256	265	284	279	273	269	271	276	274	278
36.7	36.9	37.3	37.2	37.4	37.5	37.7	38.1	38.6	39.1	S1	254	262	282	277	272	269	275	286	290	300
35.4	35.5	35.8	35.7	35.8	35.9	36.1	36.5	37.0	37.5	S1.5	240	245	262	258	254	252	259	274	284	300
34.0	34.1	34.3	34.2	34.2	34.3	34.5	34.9	35.4	35.9	S2	231	229	243	239	236	234	244	266	284	308
32.6	32.5	32.6	32.3	32.2	32.2	32.3	32.6	33.1	33.6	S3	220	203	201	201	195	189	196	226	259	297
31.8	31.6	31.5	31.0	30.8	30.6	30.6	30.7	31.0	31.5	S4	224	196	175	187	181	168	161	185	219	267
31.5	31.2	31.0	30.5	30.2	30.0	30.0	30.1	30.3	30.5	S5	229	198	-169	189	183	169	-154	-174	-201	238
31.3	31.0	30.8	30.3	30.0	29.7	29.7	29.8	30.0	30.2	S6	231	200	171	193	189	173	159	181	204	226
52.5	52.9	53.6	53.5	53.6	53.7	53.8	54.3	55.0	55.6	L0	248	256	270	267	260	255	253	249	237	231
47.0	47.4	48.0	47.9	48.1	48.2	48.4	49.0	49.7	50.3	L0.5	251	259	275	271	264	259	259	258	250	248
42.3	42.8	42.8	43.0	43.2	43.5	44.1	44.9	45.5	45.5	L1	259	269	288	282	277	273	276	281	279	262
39.3	39.5	39.9	39.9	40.0	40.1	40.3	40.7	41.3	41.8	L1.5	251	259	277	272	267	264	269	278	281	290
36.8	37.0	37.3	37.3	37.4	37.5	37.7	38.2	38.7	39.2	L2	247	252	270	265	262	260	269	285	296	313
33.9	33.9	34.1	33.9	34.0	34.0	34.2	34.6	35.1	35.7	L3	228	220	230	227	223	221	234	261	287	318
32.3	32.2	32.2	31.9	31.7	31.6	31.6	31.9	32.4	32.9	L4	220	198	190	193	187	178	179	207	241	283
31.7	31.4	31.3	30.8	30.6	30.4	30.4	30.5	30.8	31.0	L5	224	-194	171	-185	-179	-165	157	180	209	247
49.3	49.7	50.3	50.1	50.1	50.1	50.1	50.5	51.0	51.4	R0.5	222	227	239	240	235	232	229	224	212	206
43.4	43.8	44.3	44.2	44.3	44.3	44.4	44.8	45.4	45.9	R1	230	237	250	249	243	239	236	233	223	218
40.1	40.3	40.7	40.6	40.6	40.7	40.8	41.1	41.5	42.0	R1.5	229	237	253	250	244	240	239	238	231	229
37.5	37.7	38.0	37.9	37.9	38.0	38.1	38.4	38.8	39.3	R2	225	231	247	245	240	236	237	241	239	244
35.8	36.0	36.2	36.1	36.1	36.1	36.2	36.5	36.9	37.3	R2.5	216	218	232	232	227	223	225	232	237	247
34.2	34.3	34.4	34.2	34.2	34.2	34.2	34.5	35.0	35.4	R3	-213	210	219	219	215	210	212	226	238	257
32.5	32.4	32.4	32.1	31.9	31.8	31.8	32.0	32.4	32.9	R4	219	199	191	196	190	181	178	199	225	257
31.6	31.3	31.2	30.7	30.5	30.3	30.2	30.3	30.6	30.8	R5	227	197	172	189	183	170	158	179	207	242

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

Page 368 of 443

BY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-22-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 39500000

USING BALANCES PERIOD EQUAL TO LAST 10 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF											INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	MORT DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
58.6	60.2	62.0	61.6	61.7	61.4	61.1	60.9	60.6	60.2	SC	197	194	197	214	211	221	226	225	222	212
49.4	50.6	51.9	51.8	52.1	52.1	52.2	52.3	52.3	52.3	S-.5	216	215	219	222	207	206	205	205	205	203
42.4	43.6	44.9	45.1	45.6	45.8	46.1	46.5	46.8	47.0	S0	243	245	251	239	209	193	184	185	193	203
39.6	40.4	41.3	41.5	41.9	42.2	42.6	43.0	43.4	43.7	S0.5	244	247	257	242	209	188	177	180	192	209
37.0	37.8	38.7	38.9	39.3	39.6	39.9	40.2	40.6	40.9	S1	245	251	264	245	209	184	171	-176	196	221
35.4	36.1	36.9	37.1	37.5	37.8	38.1	38.5	38.8	39.2	S1.5	231	239	254	238	204	180	169	179	201	231
33.6	34.3	35.1	35.3	35.6	35.9	36.3	36.7	37.1	37.5	S2	216	227	245	232	199	175	166	182	211	248
31.6	32.1	32.7	32.7	33.0	33.3	33.6	34.0	34.5	34.9	S3	174	185	206	206	183	-166	165	190	229	275
30.4	30.6	31.0	30.8	30.9	30.9	31.1	31.4	31.9	32.4	S4	145	148	158	186	179	176	179	202	244	298
29.9	30.1	30.5	30.2	30.2	30.2	30.3	30.5	30.6	30.8	S5	134	136	145	163	183	183	186	203	235	279
29.7	29.9	30.2	29.9	29.9	29.9	30.0	30.2	30.3	30.4	S6	-128	-128	-134	184	187	188	192	211	235	261
54.0	55.3	57.0	57.1	57.5	57.7	57.9	58.1	58.2	58.2	L0	228	228	232	229	209	203	199	199	201	-200
48.2	49.4	50.7	50.9	51.3	51.5	51.8	52.0	52.3	52.4	L0.5	235	235	242	233	207	195	188	189	195	202
47.7	43.9	45.2	45.5	46.0	46.4	46.8	47.3	47.7	48.0	L1	248	251	261	244	209	187	175	178	-190	209
49.6	40.5	41.4	41.5	42.0	42.4	42.9	43.3	43.8	44.2	L1.5	241	246	256	240	206	183	171	178	196	220
36.8	37.6	38.5	38.7	39.1	39.4	39.8	40.1	40.5	40.9	L2	237	245	258	240	204	178	167	180	207	242
33.3	33.9	34.7	34.8	35.2	35.5	35.9	36.3	36.8	37.2	L3	204	215	233	223	192	170	-164	188	224	268
31.1	31.6	32.1	32.1	32.3	32.5	32.8	33.2	33.6	34.1	L4	161	171	191	198	180	169	167	191	230	280
30.2	30.5	30.8	30.6	30.7	30.7	30.8	31.0	31.3	31.7	L5	139	141	151	-182	-177	176	179	200	236	286
50.9	52.0	53.2	53.1	53.2	53.1	53.0	53.0	52.9	52.8	R0.5	204	202	205	217	208	214	216	216	214	208
44.8	45.8	47.0	47.0	47.2	47.2	47.3	47.4	47.4	47.4	R1	213	212	217	221	206	205	204	204	205	204
40.9	41.6	42.7	42.7	43.0	43.1	43.2	43.4	43.6	43.7	R1.5	216	218	224	224	205	199	195	196	200	204
37.9	38.7	39.5	39.5	39.8	39.9	40.1	40.3	40.5	40.6	R2	216	220	230	226	203	192	186	188	197	208
35.9	36.6	37.4	37.4	37.6	37.8	38.0	38.2	38.4	38.6	R2.5	206	212	224	222	199	188	182	186	199	215
33.9	34.5	35.2	35.2	35.5	35.6	35.9	36.2	36.5	36.7	R3	196	204	219	218	195	182	176	184	203	228
31.4	31.9	32.5	32.4	32.6	32.7	32.9	33.3	33.6	34.0	R4	165	174	191	200	185	176	173	189	218	256
30.1	30.3	30.7	30.5	30.5	30.5	30.6	30.8	31.0	31.3	R5	141	143	153	186	182	182	183	202	234	278

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

KENTUCKY POWER COMPANY  
Depreciation Study as of December 31, 2004  
General Plant

Account                    396 TRANSPORTATION EQUIPMENT

Depreciable Balance                    \$5,931

	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)		8
lowa Curve		SQ
Gross Removal, %		0%
Gross Salvage, %		0%
Net Salvage %		0%

\*\*\*\*\*  
This investment consists of a trailer. Any future investments for this type of equipment are expected to be leases.

No salvage or removal is expected from this account.

STUDY AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

7-14-2005

LIFE ANALYSIS DATA IN DOLLARS  
FOR ACCOUNT 39600000

YEAR	ADDITIONS	RETIREMENTS	YEAR	ADDITIONS	RETIREMENTS
2002	5931.	0.	2003	0.	0.
			2004	0.	0.

NUMBER OF CURVES 27

NUMBER OF LIVES 12

MIN LIFE 4

MAXLIFE 100

RATIO 1.33994031

ACCOUNT BALANCE 5931.

KENTUCKY POWER COMPANY  
Depreciation Study as of December 31, 2004  
General Plant

Account                    397 COMMUNICATION EQUIPMENT

Depreciable Balance                    \$4,666,769

	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	22	19
Iowa Curve	L3.0	S6.0
Gross Removal, %		0%
Gross Salvage, %		10%
Net Salvage %	0%	10%

\*\*\*\*\*  
The results of the simulation analyses are very clear for the investment in this account. The dispersion has been following an S6.0 type Iowa Curve for a good period of time. Based on the results of the analyses, the recommendation is to move to the S6.0 type curve with a corresponding average service life of 19 years.

The disposal and reuse of equipment is expected to result in a positive salvage value. The recommendation is gross salvage of 10% and removal of 0%.

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-22-2005

LIFE ANALYSIS DATA IN DOLLARS  
FOR ACCOUNT 39700000

YEAR	ADDITIONS	RETIREMENTS	YEAR	ADDITIONS	RETIREMENTS
1937	5423.	0.	1971	10916.	0.
1938	498.	0.	1972	60869.	2651.
1939	2265.	0.	1973	166418.	7247.
1940	6464.	0.	1974	424832.	22798.
1941	544.	0.	1975	19202.	5998.
1942	5181.	0.	1976	26966.	13865.
1943	610.	0.	1977	78092.	5630.
1944	117.	0.	1978	530015.	3716.
1945	103.	0.	1979	42767.	28536.
1946	813.	0.	1980	59665.	0.
1947	6770.	0.	1981	174479.	54217.
1948	4927.	0.	1982	122961.	14212.
1949	38466.	0.	1983	41410.	21624.
1950	8230.	0.	1984	18068.	10296.
1951	7812.	0.	1985	343881.	131086.
1952	12820.	0.	1986	298200.	8289.
1953	4559.	0.	1987	178205.	28250.
1954	6665.	958.	1988	183826.	2396.
1955	4521.	6106.	1989	210921.	36936.
1956	7452.	9934.	1990	108036.	18191.
1957	8894.	8547.	1991	571959.	27394.
1958	9894.	4999.	1992	292748.	135867.
1959	6453.	280.	1993	68008.	69700.
1960	1664.	570.	1994	163431.	18899.
1961	2607.	1644.	1995	27775.	523.
1962	8607.	4484.	1996	774547.	157954.
1963	46002.	24161.	1997	465379.	219173.
1964	7758.	1253.	1998	761558.	982587.
1965	21185.	0.	1999	87073.	0.
1966	15840.	0.	2000	105107.	0.
1967	15283.	1154.	2001	126881.	47157.
1968	195609.	661.	2002	113648.	51409.
1969	12069.	1584.	2003	317011.	244213.
1970	6702.	544.	2004	521211.	874410.

NUMBER OF CURVES 27  
NUMBER OF LIVES 12  
MIN LIFE 4  
MAXLIFE 100  
RATIO 1.33994031  
ACCOUNT BALANCE 4666769.



AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-22-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 39700000

USING BALANCES PERIOD EQUAL TO LAST 40 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF MORT											INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
39.9	39.9	39.4	36.3	34.2	32.7	31.6	30.9	30.3	29.0	SC	-200	-188	236	909	1073	1108	1097	1063	1045	1206
33.6	33.7	33.3	30.9	29.6	28.8	28.2	27.7	27.3	26.3	S-.5	220	202	228	881	1035	1065	1049	1012	988	1139
29.1	29.2	29.1	27.7	26.6	26.0	25.5	25.2	24.9	24.1	S0	259	239	240	853	996	1018	997	956	927	1066
27.1	27.2	27.2	25.9	25.0	24.4	24.1	23.8	23.6	22.9	S0.5	283	263	253	834	965	980	955	913	882	1015
25.2	25.4	25.4	24.3	23.5	23.1	22.9	22.7	22.6	22.1	S1	318	300	278	814	932	941	914	872	841	972
23.9	24.2	24.2	23.2	22.7	22.4	22.2	22.1	22.0	21.5	S1.5	344	328	301	796	906	912	884	842	809	939
22.8	23.0	23.1	22.4	22.0	21.8	21.6	21.5	21.4	21.0	S2	380	367	335	786	886	888	857	815	782	911
21.8	22.0	22.1	21.5	21.2	21.0	20.9	20.8	20.8	20.4	S3	432	424	389	775	860	854	821	780	746	875
21.0	21.2	21.4	20.9	20.6	20.4	20.3	20.3	20.3	20.0	S4	485	481	444	771	842	831	796	755	721	851
20.6	20.8	21.0	20.6	20.3	20.1	20.1	20.1	20.0	19.7	S5	516	515	477	770	832	819	784	743	708	839
20.4	20.6	20.8	20.4	20.1	20.0	19.9	19.9	19.9	19.6	S6	526	529	494	765	-823	-812	-779	-737	-701	-827
37.3	37.4	37.1	34.6	32.9	31.7	30.9	30.4	29.9	28.8	L0	225	207	230	884	1040	1071	1056	1020	998	1153
33.0	33.1	32.9	30.8	29.7	29.0	28.4	28.0	27.6	26.7	L0.5	247	226	235	863	1012	1040	1023	985	960	1110
29.6	29.8	29.7	28.3	27.4	26.7	26.3	26.0	25.7	24.9	L1	281	260	253	845	985	1007	987	948	921	1063
27.5	27.7	27.6	26.4	25.6	25.1	24.7	24.5	24.2	23.5	L1.5	307	288	270	827	956	972	948	907	878	1015
25.5	25.8	25.8	24.8	24.0	23.6	23.3	23.1	23.0	22.5	L2	352	334	307	812	927	936	909	867	837	976
22.9	23.1	23.2	22.6	22.2	21.9	21.8	21.7	21.6	21.2	L3	419	411	376	785	882	884	855	814	782	918
21.6	21.8	21.9	21.4	21.1	20.9	20.8	20.7	20.7	20.3	L4	456	450	414	773	852	846	813	771	738	871
20.9	21.1	21.3	20.8	20.5	20.4	20.3	20.3	20.2	19.9	L5	497	495	458	771	839	829	794	753	718	849
34.5	34.6	34.1	31.5	30.0	29.1	28.4	27.9	27.5	26.4	R0.5	210	194	230	892	1048	1078	1062	1025	1002	1152
30.0	30.0	29.8	28.2	27.1	26.3	25.8	25.5	25.1	24.2	R1	226	207	-226	868	1013	1035	1014	973	945	1083
27.5	27.6	27.5	26.1	25.1	24.5	24.0	23.8	23.5	22.9	R1.5	246	226	229	841	974	988	961	917	885	1016
25.2	25.4	25.3	24.1	23.3	22.9	22.7	22.6	22.4	22.0	R2	276	258	245	811	928	936	907	864	832	961
23.6	23.8	23.8	22.9	22.4	22.1	22.0	21.9	21.8	21.3	R2.5	306	291	268	786	894	898	867	824	791	919
22.5	22.6	22.7	22.1	21.7	21.4	21.3	21.2	21.2	20.8	R3	351	340	310	772	868	866	834	791	757	885
21.4	21.6	21.7	21.2	20.9	20.7	20.6	20.5	20.5	20.2	R4	428	421	386	-762	841	832	798	757	723	851
20.7	20.9	21.1	20.6	20.4	20.2	20.1	20.1	20.1	19.8	R5	499	495	458	766	829	817	782	741	707	836

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

Y AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-22-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 39700000

USING BALANCES PERIOD EQUAL TO LAST 20 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF										MORT	INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
41.5	41.3	40.5	36.8	34.2	32.3	31.0	30.2	29.4	27.9	SC	-123	123	181	752	895	929	924	898	880	1014
34.9	34.9	34.4	31.4	29.8	28.7	27.9	27.4	26.8	25.5	S-.5	129	122	167	730	867	897	890	862	842	968
29.9	30.0	29.8	28.1	26.8	26.0	25.4	25.0	24.6	23.6	S0	152	140	162	707	836	862	851	823	800	918
27.8	28.0	27.8	26.3	25.2	24.5	24.0	23.7	23.4	22.7	S0.5	170	158	167	690	811	832	819	789	765	883
25.9	26.1	26.0	24.7	23.8	23.2	22.9	22.7	22.5	21.9	S1	197	186	182	672	784	799	786	758	736	853
24.6	24.8	24.8	23.5	22.9	22.5	22.2	22.1	21.9	21.4	S1.5	219	209	198	656	760	775	760	732	710	828
23.3	23.6	23.6	22.7	22.2	21.8	21.7	21.6	21.4	20.9	S2	249	242	225	645	742	754	738	710	689	807
22.2	22.3	22.4	21.8	21.3	21.1	20.9	20.9	20.8	20.4	S3	294	291	270	633	718	724	706	679	658	779
21.3	21.5	21.6	21.1	20.7	20.5	20.4	20.4	20.3	20.0	S4	336	338	316	627	700	702	683	656	635	759
20.9	21.1	21.2	20.7	20.4	20.2	20.1	20.1	20.1	19.7	S5	362	365	343	623	690	690	670	643	622	748
20.6	20.9	21.0	20.5	20.2	20.1	20.0	20.0	20.0	19.6	S6	369	377	357	-617	-681	-684	-664	-637	-614	-737
38.6	38.6	38.1	35.1	33.1	31.6	30.6	30.0	29.4	28.0	L0	132	123	166	732	871	903	897	872	853	983
34.2	34.3	33.9	31.3	29.9	28.9	28.3	27.8	27.3	26.1	L0.5	145	134	163	715	849	879	872	846	826	954
31.4	30.5	30.3	28.7	27.6	26.8	26.2	25.9	25.4	24.5	L1	170	158	169	699	827	854	846	819	799	922
28.2	28.4	28.3	26.8	25.8	25.2	24.7	24.4	24.1	23.3	L1.5	190	178	179	683	803	825	814	787	766	887
26.2	26.4	26.4	25.1	24.3	23.7	23.4	23.2	23.0	22.4	L2	226	214	204	668	779	796	782	755	735	861
23.4	23.7	23.7	22.8	22.3	22.0	21.8	21.8	21.6	21.1	L3	284	277	256	642	737	750	735	709	690	815
21.9	22.1	22.2	21.6	21.2	20.9	20.8	20.8	20.7	20.3	L4	313	314	292	629	710	716	698	671	650	776
21.2	21.4	21.5	21.0	20.6	20.4	20.4	20.3	20.3	19.9	L5	346	350	328	625	697	700	680	653	632	757
36.0	35.8	35.2	32.0	30.1	28.9	28.1	27.5	26.8	25.5	R0.5	125	-120	173	738	876	905	897	869	847	972
30.9	30.9	30.5	28.6	27.2	26.2	25.6	25.1	24.6	23.6	R1	131	123	163	719	848	872	860	829	804	919
28.3	28.4	28.1	26.4	25.2	24.4	23.9	23.6	23.2	22.5	R1.5	143	133	-157	697	817	833	817	785	758	874
26.0	26.1	26.0	24.5	23.5	22.9	22.7	22.5	22.3	21.7	R2	166	155	162	672	780	792	775	746	721	836
24.3	24.5	24.4	23.1	22.5	22.2	22.0	21.8	21.7	21.2	R2.5	190	181	176	648	750	760	743	714	690	806
22.9	23.0	23.0	22.3	21.8	21.5	21.3	21.2	21.1	20.7	R3	225	221	206	634	727	734	716	688	665	782
21.8	21.9	22.0	21.4	21.0	20.8	20.6	20.6	20.5	20.1	R4	289	287	267	622	702	705	685	658	637	757
21.0	21.2	21.3	20.8	20.5	20.3	20.2	20.2	20.1	19.8	R5	348	349	327	621	689	689	669	643	621	746

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-22-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 39700000

USING BALANCES PERIOD EQUAL TO LAST 10 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF MORT											INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
41.2	41.1	40.2	35.2	31.7	29.6	28.2	27.2	26.2	24.2	SC	-103	101	177	796	926	931	891	842	788	873
35.1	35.2	34.5	30.6	28.5	27.0	25.8	25.1	24.3	22.7	S-.5	113	100	164	781	909	913	873	825	773	852
30.3	30.5	30.2	27.8	26.1	24.8	23.9	23.3	22.8	21.7	S0	130	107	151	765	890	893	853	807	758	834
28.3	28.5	28.4	26.2	24.7	23.6	22.9	22.5	22.1	21.1	S0.5	142	115	144	750	871	872	834	792	745	822
26.5	26.8	26.7	24.8	23.5	22.7	22.2	21.9	21.5	20.6	S1	160	129	139	734	849	852	818	778	734	812
25.2	25.5	25.5	23.8	22.8	22.2	21.7	21.4	21.1	20.3	S1.5	178	144	138	717	830	835	803	766	725	806
24.0	24.4	24.4	23.0	22.2	21.7	21.3	21.0	20.8	20.0	S2	203	167	144	700	814	819	790	755	716	802
22.6	22.9	23.0	22.1	21.5	21.1	20.8	20.6	20.4	19.6	S3	247	214	172	679	786	793	769	739	705	800
21.7	22.1	22.2	21.5	21.0	20.7	20.4	20.3	20.1	19.4	S4	286	255	204	659	760	768	750	725	697	803
21.3	21.6	21.8	21.2	20.8	20.5	20.2	20.1	19.9	19.3	S5	309	278	222	644	740	750	735	714	690	807
21.0	21.4	21.6	21.0	20.7	20.4	20.2	20.0	19.9	19.2	S6	314	288	232	-629	-724	-737	-725	-704	-682	806
38.9	39.0	38.4	34.2	31.3	29.6	28.3	27.5	26.7	24.8	L0	115	101	164	784	915	921	883	835	783	864
34.7	34.9	34.4	30.9	28.9	27.5	26.4	25.7	25.0	23.4	L0.5	125	104	155	772	902	907	870	823	772	851
31.2	30.9	28.6	27.0	25.7	24.8	24.2	23.6	22.3		L1	141	114	146	760	887	893	856	811	761	840
28.8	29.0	28.9	26.9	25.5	24.4	23.6	23.2	22.7	21.6	L1.5	156	125	141	745	869	874	839	796	751	832
26.9	27.2	27.2	25.4	24.2	23.3	22.7	22.4	22.0	21.0	L2	180	145	141	730	850	855	825	787	743	825
24.1	24.5	24.7	23.2	22.5	22.0	21.5	21.3	21.0	20.1	L3	229	191	156	692	808	819	795	763	725	813
22.3	22.6	22.8	22.0	21.5	21.0	20.7	20.6	20.3	19.6	L4	264	233	186	668	774	784	764	737	706	806
21.6	21.9	22.1	21.4	21.0	20.7	20.4	20.3	20.1	19.3	L5	295	265	212	652	752	763	747	723	697	807
35.8	35.9	35.2	30.8	28.6	27.0	25.8	25.1	24.3	22.7	R0.5	108	-98	169	785	912	914	872	823	770	849
31.0	31.1	30.7	28.0	26.1	24.8	23.8	23.2	22.7	21.7	R1	115	100	158	769	891	889	847	800	750	829
28.5	28.7	28.4	26.1	24.5	23.4	22.7	22.4	22.0	21.0	R1.5	126	105	147	751	866	861	822	780	734	815
26.3	26.5	26.4	24.4	23.1	22.4	21.9	21.7	21.3	20.5	R2	145	118	138	729	837	838	803	764	722	804
24.7	25.0	25.0	23.2	22.4	21.8	21.4	21.2	20.9	20.1	R2.5	166	136	-133	705	815	817	785	750	711	797
23.2	23.6	23.7	22.5	21.8	21.3	21.0	20.8	20.6	19.8	R3	197	166	142	689	796	798	770	738	702	-792
22.1	22.4	22.5	21.7	21.2	20.8	20.5	20.4	20.2	19.5	R4	247	215	172	667	768	773	751	723	692	794
21.4	21.7	21.9	21.3	20.8	20.5	20.3	20.2	20.0	19.3	R5	296	264	210	648	743	752	736	713	687	799

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

KENTUCKY POWER COMPANY  
Depreciation Study as of December 31, 2004  
General Plant

Account                    398 MISCELLANEOUS EQUIPMENT

Depreciable Balance                    \$584,684

	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	20	19
Iowa Curve	S5.0	L2.0
Gross Removal, %		0%
Gross Salvage, %		0%
Net Salvage %	0%	0%

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Based on the results seen in the simulation analyses, the recommendation is to move to an L2.0 type dispersion with a corresponding average service life of 19 years.

No salvage or removal is expected from this account.

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-22-2005

LIFE ANALYSIS DATA IN DOLLARS  
FOR ACCOUNT 39800000

YEAR	ADDITIONS	RETIREMENTS	YEAR	ADDITIONS	RETIREMENTS
1936	599.	0.	1970	9259.	221.
1937	946.	0.	1971	2627.	1279.
1938	309.	0.	1972	1396.	1093.
1939	65.	0.	1973	5609.	174.
1940	435.	0.	1974	1193.	1064.
1941	639.	0.	1975	5059.	743.
1942	234.	0.	1976	2693.	336.
1943	459.	0.	1977	5021.	2007.
1944	165.	0.	1978	6913.	780.
1945	207.	0.	1979	63274.	4645.
1946	631.	0.	1980	52641.	2367.
1947	1719.	0.	1981	30140.	66.
1948	264.	0.	1982	20048.	11220.
1949	44.	0.	1983	235624.	1769.
1950	1892.	0.	1984	13638.	3561.
1951	274.	0.	1985	14384.	4185.
1952	1721.	0.	1986	7809.	0.
1953	334.	0.	1987	4770.	254.
1954	1198.	0.	1988	4764.	6132.
1955	700.	336.	1989	0.	12253.
1956	1287.	0.	1990	0.	50178.
1957	272.	46.	1991	2667.	2396.
1958	714.	215.	1992	0.	4563.
1959	3041.	75.	1993	1822.	176925.
1960	1263.	0.	1994	0.	2416.
1961	761.	693.	1995	0.	0.
1962	2346.	0.	1996	0.	63224.
1963	15388.	0.	1997	1166.	14210.
1964	2704.	252.	1998	0.	34504.
1965	740.	0.	1999	0.	0.
1966	2605.	0.	2000	1406.	0.
1967	3256.	1179.	2001	27671.	0.
1968	2001.	756.	2002	0.	0.
1969	1787.	1724.	2003	302551.	0.
			2004	81420.	0.

NUMBER OF CURVES 27  
NUMBER OF LIVES 12  
MIN LIFE 4  
MAXLIFE 100  
RATIO 1.33994031  
ACCOUNT BALANCE 584684.

AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-22-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 39800000

USING BALANCES PERIOD EQUAL TO LAST 40 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF MORT											INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
42.8	35.7	30.8	27.7	25.5	23.9	22.8	22.0	21.5	21.1	SC	2573	2798	2930	3064	3110	3102	3052	2983	2817	2639
35.2	30.0	27.0	24.6	22.9	21.9	21.2	20.7	20.3	20.1	S-.5	2528	2726	2829	2928	2944	2910	2840	2758	2593	2426
29.6	26.3	23.9	22.3	21.2	20.5	19.9	19.6	19.3	19.2	S0	2459	2625	2696	2760	2746	2690	2607	2519	2364	2215
27.2	24.2	22.4	21.1	20.2	19.6	19.2	18.9	18.8	18.7	S0.5	2450	2597	2643	2677	2639	2565	2472	2383	2238	2107
24.9	22.5	21.1	20.0	19.3	18.8	18.5	18.4	18.3	18.3	S1	-2433	2553	2569	2574	2513	2426	2330	2248	2123	2016
23.4	21.5	20.3	19.3	18.6	18.2	18.0	18.0	18.0	18.0	S1.5	2457	2551	2545	2523	2442	2346	2252	2185	2084	2005
22.3	20.6	19.4	18.5	18.0	17.7	17.6	17.6	17.6	17.6	S2	2469	2538	2507	2459	2363	2265	2185	2141	2073	2026
20.9	19.2	18.2	17.5	17.2	17.1	17.1	17.1	17.3	17.5	S3	2528	2578	2515	2430	2317	2231	2192	2215	2227	2225
19.8	18.1	17.1	16.8	16.7	16.6	16.7	16.9	17.1	17.3	S4	2629	2691	2596	2450	2334	2286	2315	2422	2515	2613
19.2	17.3	16.8	16.5	16.4	16.4	16.5	16.7	17.0	17.2	S5	2728	2830	2644	2484	2380	2375	2474	2665	2822	2969
18.8	17.0	16.6	16.3	16.2	16.3	16.4	16.7	16.9	17.2	S6	2807	2876	2676	2511	2409	2437	2611	2874	3066	3222
38.7	33.3	29.8	27.3	25.5	24.1	23.2	22.6	22.1	21.8	L0	2494	2685	2785	2888	2910	2883	2821	2749	2592	2427
33.8	29.5	27.0	24.9	23.3	22.4	21.8	21.3	21.0	20.8	L0.5	2477	2643	2716	2786	2780	2738	2666	2586	2430	2273
29.7	26.7	24.5	22.8	21.9	21.2	20.7	20.3	20.1	20.0	L1	2440	2573	2615	2655	2634	2576	2494	2409	2260	2115
27.3	24.5	22.7	21.5	20.7	20.2	19.8	19.6	19.4	19.3	L1.5	2443	2561	2579	2587	2534	2454	2360	2272	2132	2002
24.9	22.6	21.3	20.4	19.7	19.3	19.0	18.9	18.8	18.8	L2	2445	-2530	2508	2480	2401	2306	2210	2129	-2007	-1901
22.1	20.5	19.4	18.6	18.2	18.0	17.9	17.9	18.0	18.1	L3	2502	2538	-2472	-2393	-2284	-2187	-2114	-2075	2009	1957
20.6	18.9	17.9	17.2	17.0	17.0	17.0	17.2	17.3	17.5	L4	2564	2612	2537	2434	2317	2251	2245	2300	2323	2314
19.6	17.8	17.0	16.7	16.6	16.6	16.7	16.9	17.1	17.3	L5	2665	2734	2612	2460	2350	2324	2386	2523	2626	2709
36.6	30.6	27.4	24.8	22.9	21.9	21.1	20.6	20.2	20.0	R0.5	2560	2775	2895	3009	3034	3002	2931	2847	2676	2505
31.0	27.2	24.4	22.4	21.2	20.3	19.7	19.4	19.1	19.0	R1	2541	2743	2844	2928	2921	2866	2778	2685	2520	2365
28.1	24.7	22.4	21.0	20.0	19.3	18.9	18.6	18.5	18.5	R1.5	2529	2715	2792	2842	2808	2732	2634	2541	2392	2262
25.4	22.6	21.0	19.7	18.9	18.4	18.1	18.0	17.9	18.0	R2	2513	2675	2716	2735	2676	2585	2485	2405	2284	2189
23.5	21.4	19.9	18.8	18.1	17.8	17.6	17.5	17.6	17.7	R2.5	2519	2657	2677	2668	2587	2488	2398	2343	2259	2201
22.1	20.2	18.9	18.0	17.4	17.2	17.2	17.2	17.3	17.5	R3	2517	2633	2628	2591	2495	2394	2323	2309	2282	2261
20.6	18.8	17.6	17.0	16.8	16.7	16.8	16.9	17.1	17.3	R4	2567	2662	2622	2517	2388	2308	2297	2367	2435	2521
19.4	17.5	16.9	16.5	16.4	16.4	16.5	16.7	17.0	17.2	R5	2686	2788	2639	2482	2369	2341	2414	2586	2740	2889

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-22-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 39800000

USING BALANCES PERIOD EQUAL TO LAST 20 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF MORT											INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
31.5	27.7	25.0	22.7	21.4	20.4	19.6	19.0	18.6	18.3	SC	1764	1952	2062	2172	2235	2268	2268	2261	2214	2136
27.3	24.3	22.3	20.8	19.8	19.0	18.5	18.1	17.9	17.7	S-.5	1704	1864	1944	2021	2055	2063	2046	2029	1986	1927
23.8	21.8	20.4	19.3	18.5	18.0	17.6	17.4	17.3	17.3	S0	1621	1748	1798	1844	1852	1841	1813	1796	1767	1736
22.1	20.5	19.3	18.3	17.7	17.3	17.1	17.0	17.0	17.0	S0.5	1592	1693	1718	1737	1722	1695	1664	1654	1643	1638
20.8	19.3	18.3	17.5	17.1	16.8	16.7	16.7	16.7	16.8	S1	1548	1622	1622	1614	1581	1548	1519	1523	1538	1567
19.8	18.4	17.5	17.0	16.7	16.5	16.4	16.4	16.5	16.6	S1.5	1541	1592	1568	1534	1488	1451	1431	1457	1502	1568
18.8	17.6	16.9	16.5	16.3	16.2	16.2	16.2	16.3	16.5	S2	1526	1551	1501	1444	1389	1358	1355	1410	1492	1597
17.4	16.7	16.2	15.9	15.8	15.8	15.8	16.0	16.1	16.3	S3	1565	1522	1433	1348	1294	1290	1338	1458	1609	1779
16.6	16.0	15.7	15.5	15.5	15.5	15.6	15.8	16.0	16.2	S4	1605	1515	-1403	-1309	1282	1330	1446	1640	1862	2094
16.2	15.6	15.4	15.3	15.3	15.3	15.5	15.7	15.9	16.2	S5	1640	1526	1411	1325	1322	1413	1585	1841	2118	2389
16.0	15.5	15.3	15.1	15.1	15.2	15.4	15.7	15.9	16.2	S6	1672	1541	1432	1352	1355	1472	1699	2006	2313	2597
29.9	26.9	24.7	22.8	21.7	20.9	20.2	19.8	19.5	19.2	L0	1670	1829	1913	2000	2048	2071	2067	2060	2022	1959
25.9	24.3	22.6	21.3	20.4	19.7	19.2	18.9	18.7	18.5	L0.5	1632	1763	1822	1886	1911	1916	1899	1885	1848	1796
22.2	22.3	21.0	19.9	19.2	18.7	18.3	18.1	18.0	18.0	L1	1570	1673	1711	1750	1755	1744	1718	1702	1673	1639
22.3	20.8	19.8	18.9	18.3	17.9	17.7	17.6	17.6	17.6	L1.5	1556	1629	1633	1636	1613	1583	1548	1536	1522	1512
20.8	19.6	18.7	18.0	17.5	17.3	17.2	17.2	17.2	17.3	L2	1514	1551	1524	1494	1450	1411	1384	1388	-1398	-1421
18.7	17.6	17.0	16.7	16.5	16.4	16.4	16.5	16.6	16.7	L3	-1513	-1503	1433	1365	1310	-1284	-1289	-1349	1431	1528
17.1	16.5	16.1	15.8	15.8	15.8	15.8	16.0	16.2	16.4	L4	1587	1518	1417	1326	-1279	1297	1374	1520	1690	1869
16.5	15.9	15.6	15.4	15.4	15.5	15.6	15.8	16.0	16.2	L5	1621	1518	1405	1313	1292	1360	1502	1718	1951	2183
27.8	24.6	22.4	20.8	19.7	18.9	18.3	18.0	17.7	17.6	R0.5	1746	1920	2011	2094	2130	2138	2118	2098	2052	1992
24.6	22.1	20.5	19.2	18.3	17.7	17.3	17.1	17.0	17.0	R1	1720	1871	1934	1987	1996	1982	1949	1927	1895	1866
22.4	20.5	19.2	18.0	17.3	17.0	16.8	16.7	16.7	16.8	R1.5	1693	1817	1856	1880	1864	1829	1790	1778	1772	1781
20.8	19.1	18.0	17.1	16.7	16.5	16.4	16.4	16.4	16.5	R2	1652	1750	1762	1751	1706	1664	1633	1645	1675	1728
19.6	18.1	17.1	16.6	16.3	16.2	16.1	16.2	16.3	16.4	R2.5	1637	1714	1695	1642	1583	1544	1532	1577	1650	1750
18.4	17.1	16.6	16.2	16.0	15.9	15.9	16.0	16.1	16.3	R3	1619	1663	1594	1520	1458	1433	1450	1536	1657	1805
17.0	16.3	15.9	15.7	15.6	15.6	15.6	15.8	16.0	16.2	R4	1631	1574	1473	1379	1331	1347	1428	1591	1793	2013
16.3	15.7	15.5	15.3	15.3	15.4	15.5	15.7	15.9	16.2	R5	1633	1529	1414	1324	1310	1381	1534	1776	2050	2321

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION

AS OF DECEMBER 31, 2004

PAGE 1

\*\*\*\* KENTUCKY POWER COMPANY \*\*\*\*

6-22-2005

SIMULATED PLANT BALANCE METHOD OF LIFE ANALYSIS FOR ACCOUNT 39800000

USING BALANCES PERIOD EQUAL TO LAST 10 YEARS

AVERAGE LIFE AT WHICH BOOK BALS EQUAL SIMULATED BALS AT END OF MORT											INDEX OF VARIATION FOR ANALYSIS OF DATA ENDING IN									
1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	DISP	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
26.2	22.4	20.0	17.8	16.3	15.5	14.8	14.2	14.6	15.0	SC	1785	2085	2274	2426	2395	2359	2030	993	1159	1357
22.9	20.5	18.6	17.0	16.0	15.4	14.9	14.4	14.8	15.2	S-.5	1699	1964	2120	2240	2194	2168	1900	1090	1234	1397
20.8	19.0	17.5	16.4	15.7	15.3	14.9	14.6	15.1	15.5	S0	1589	1821	1950	2049	1997	1994	1804	1249	1352	1472
19.5	17.9	16.8	16.0	15.4	15.2	15.0	14.8	15.2	15.7	S0.5	1526	1723	1822	1891	1832	1855	1750	1425	1496	1596
18.3	17.0	16.3	15.7	15.3	15.1	15.0	14.9	15.4	15.8	S1	1446	1609	1684	1731	1678	1739	1734	1630	1666	1745
17.3	16.5	15.9	15.4	15.1	15.0	15.0	15.0	15.5	16.0	S1.5	1399	1522	1566	1588	1544	1654	1761	1862	1869	1937
16.6	16.0	15.5	15.1	14.9	15.0	15.0	15.0	15.6	16.1	S2	1329	1418	1440	1449	1434	1608	1832	2113	2094	2154
15.7	15.2	15.0	14.8	14.7	14.8	15.0	15.1	15.7	16.4	S3	1238	1267	1263	1270	-1344	1652	2073	2622	2581	2652
15.0	14.7	14.5	14.5	14.5	14.7	14.9	15.2	15.8	16.6	S4	1159	1146	-1162	-1226	1444	1875	2462	3239	3233	3365
14.6	14.3	14.3	14.3	14.4	14.7	14.9	15.2	15.9	16.7	S5	1128	-1113	1192	1330	1631	2116	2806	3747	3833	4045
14.3	14.2	14.2	14.2	14.3	14.6	14.9	15.2	15.9	16.8	S6	-1122	1140	1288	1459	1770	2272	3055	4123	4294	4541
25.6	22.6	20.6	18.7	17.3	16.5	15.8	15.2	15.5	15.8	L0	1676	1954	2137	2293	2274	2272	1980	-891	-991	-1124
23.0	21.0	19.4	17.9	16.8	16.2	15.7	15.2	15.5	15.9	L0.5	1604	1854	2008	2137	2119	2128	1879	953	1058	1189
20.3	19.7	18.3	17.2	16.4	16.0	15.6	15.2	15.5	15.9	L1	1515	1734	1864	1976	1969	1992	1793	1049	1145	1262
19.8	18.4	17.4	16.6	16.1	15.8	15.5	15.2	15.7	16.1	L1.5	1455	1624	1704	1792	1771	1814	1696	1208	1275	1379
18.5	17.4	16.8	16.2	15.8	15.6	15.5	15.3	15.8	16.3	L2	1358	1477	1545	1610	1590	1665	-1644	1410	1440	1522
16.6	16.0	15.7	15.4	15.2	15.3	15.3	15.3	15.9	16.5	L3	1265	1328	1342	1354	1356	-1537	1765	2026	2000	2042
15.5	15.1	14.9	14.7	14.7	14.9	15.0	15.2	15.9	16.6	L4	1208	1216	1214	1234	1353	1704	2189	2821	2790	2851
14.9	14.6	14.5	14.5	14.5	14.7	15.0	15.2	15.9	16.7	L5	1151	1137	1172	1255	1493	1949	2586	3424	3439	3560
23.1	20.4	18.4	16.7	15.7	15.2	14.7	14.3	14.7	15.2	R0.5	1750	2021	2175	2279	2202	2159	1893	1176	1329	1505
20.9	18.7	17.1	16.0	15.3	14.9	14.6	14.4	14.9	15.3	R1	1694	1931	2047	2099	1998	1977	1818	1450	1556	1691
19.4	17.4	16.4	15.6	15.0	14.8	14.7	14.6	15.0	15.5	R1.5	1635	1839	1904	1919	1814	1836	1796	1686	1743	1851
17.9	16.6	15.8	15.2	14.9	14.8	14.7	14.7	15.2	15.7	R2	1563	1712	1744	1736	1649	1737	1832	1954	1964	2044
16.9	16.0	15.4	15.0	14.7	14.7	14.8	14.8	15.3	15.9	R2.5	1503	1597	1600	1574	1521	1686	1911	2218	2203	2280
16.2	15.5	15.1	14.8	14.6	14.7	14.8	14.9	15.5	16.0	R3	1406	1463	1451	1429	1437	1689	2040	2507	2473	2555
15.4	14.9	14.7	14.5	14.5	14.7	14.9	15.0	15.6	16.3	R4	1261	1264	1254	1275	1421	1802	2319	3005	3002	3145
14.7	14.4	14.3	14.3	14.4	14.7	14.9	15.1	15.8	16.6	R5	1141	1121	1176	1295	1573	2034	2685	3583	3672	3891

THE INDEX OF VARIATION IS MULTIPLIED BY 10 TO OBTAIN A HIGHER LEVEL OF RANKING PRECISION



KENTUCKY POWER COMPANY  
General Plant Net Salvage Test

18-Jul-05

Retirements

Year	390	391	392	393	394	395	396	397	398	Total	Salvage %	Weighted (000)
1990	102,966	60,961	0	0	13,247	0	0	18,191	50,179	245,544	9%	21
1991	54,531	24,275	55,930	524	188	0	0	27,394	2,396	165,238	-27%	-44
1992	87,473	17,127	0	48,111	57,500	0	0	135,867	4,563	350,641	8%	26
1993	1,500	3,279	0	0	7,269	971	0	69,700	176,925	259,644	-26%	-67
1994	8,581	1,147	0	3,479	0	0	0	18,899	2,416	34,522	11%	4
1995	0	6,412	0	0	1,329	0	0	523	0	8,264	-35%	-3
1996	290,552	4,438	0	0	734	7,565	0	157,954	63,224	524,467	16%	86
1997	0	1,923	0	0	1,113	0	0	219,173	14,210	236,419	14%	33
1998	3,693	81,954	11,241	1,690	25,510	29,020	0	982,587	34,504	1,170,199	0%	0
1999	26,757	0	0	0	0	0	0	0	0	26,757	-36%	-10
2000	0	15,335	0	0	2,272	5,215	0	0	0	22,822	16%	4
2001	182,029	0	0	0	0	0	0	47,157	0	229,186	-32%	-74
2002	160,071	0	0	0	0	0	0	51,409	0	211,480	0%	0
2003	1,426,227	5,790	38,129	7,347	5,105	2,558	0	244,213	0	1,729,369	-14%	-245
2004	10,330,436	3,747	0	779	3,477	3,405	0	874,410	0	11,216,254	16%	1,741
TOTAL	12,674,816	226,388	105,300	61,930	117,744	48,734	0	2,847,477	348,417	16,430,806	9%	1,472

EVALUATION BASED ON 1990-2004 ACTUAL

	390	391	392	393	394	395	396	397	398	Total
Total Retmts	12,674,816	226,388	105,300	61,930	117,744	48,734	0	2,847,477	348,417	16,082,389
Gross Salvage, %	10	0	0	0	0	0	0	10	0	10
Gross Salvage \$	1,267,482	0	0	0	0	0	0	284,748	0	1,552,229

18-Jul-05

KENTUCKY POWER COMPANY  
General Plant Salvage Test

Retirements

Year	390	391	392	393	394	395	396	397	398	Total	Salvage %	Weighted (000)
1990	102,966	60,951	0	0	13,247	0	0	18,191	50,179	245,544	13%	33
1991	54,531	24,275	55,930	524	188	0	0	27,394	2,396	165,238	8%	12
1992	87,473	17,127	0	48,111	57,500	0	0	135,867	4,563	350,641	7%	24
1993	1,500	3,279	0	0	7,269	971	0	69,700	176,925	259,644	0%	1
1994	8,581	1,147	0	3,479	0	0	0	18,899	2,416	34,522	11%	4
1995	0	6,412	0	0	1,329	0	0	523	0	8,264	11%	1
1996	290,552	4,438	0	0	734	7,565	0	157,954	63,224	524,467	1%	5
1997	0	1,923	0	0	1,113	0	0	219,173	14,210	236,419	23%	55
1998	3,693	81,954	11,241	1,690	25,510	29,020	0	982,587	34,504	1,170,199	0%	0
1999	26,757	0	0	0	0	0	0	0	0	26,757	-35%	-9
2000	0	15,335	0	0	2,272	5,215	0	0	0	22,822	0%	0
2001	182,029	0	0	0	0	0	0	47,157	0	229,186	0%	0
2002	160,071	0	0	0	0	0	0	51,409	0	211,480	0%	0
2003	1,426,227	5,790	38,129	7,347	5,105	2,558	0	244,213	0	1,729,369	-6%	-100
2004	10,330,436	3,747	0	779	3,477	3,405	0	874,410	0	11,216,254	16%	1,741
TOTAL	12,674,816	226,388	105,300	61,930	117,744	48,734	0	2,847,477	348,417	16,430,806	11%	1,767

EVALUATION BASED ON 1990-2004 ACTUAL

	390	391	392	393	394	395	396	397	398	Total
Total Retmts	12,674,816	226,388	105,300	61,930	117,744	48,734	0	2,847,477	348,417	16,082,389
Gross Salvage, %	12	0	0	0	0	0	0	10	0	11
Gross Salvage \$	1,520,978	0	0	0	0	0	0	284,748	0	1,805,726

18-Jul-05

KENTUCKY POWER COMPANY  
General Plant Removal Test

Retirements

Year	390	391	392	393	394	395	396	397	398	Total	Salvage %	Weighted (000)
1990	102,966	60,961	0	0	13,247	0	0	18,191	50,179	245,544	5%	12
1991	54,531	24,275	55,930	524	188	0	0	27,394	2,396	165,238	34%	56
1992	87,473	17,127	0	48,111	57,500	0	0	135,867	4,563	350,641	-1%	-4
1993	1,500	3,279	0	0	7,269	971	0	69,700	176,925	259,644	26%	68
1994	8,581	1,147	0	3,479	0	0	0	18,899	2,416	34,522	0%	0
1995	0	6,412	0	0	1,329	0	0	523	0	8,264	46%	4
1996	290,552	4,438	0	0	734	7,565	0	157,954	63,224	524,467	-16%	-84
1997	0	1,923	0	0	1,113	0	0	219,173	14,210	236,419	9%	21
1998	3,693	81,954	11,241	1,690	25,510	29,020	0	982,587	34,504	1,170,199	0%	0
1999	26,757	0	0	0	0	0	0	0	0	26,757	1%	0
2000	0	15,335	0	0	2,272	5,215	0	0	0	22,822	-16%	-4
2001	182,029	0	0	0	0	0	0	47,157	0	229,186	32%	73
2002	160,071	0	0	0	0	0	0	51,409	0	211,480	0%	0
2003	1,426,227	5,790	38,129	7,347	5,105	2,558	0	244,213	0	1,729,369	8%	138
2004	10,330,436	3,747	0	779	3,477	3,405	0	874,410	0	11,216,254	0%	0
TOTAL	12,674,816	226,388	105,300	61,930	117,744	48,734	0	2,847,477	348,417	16,430,806	2%	282

EVALUATION BASED ON 1990-2004 ACTUAL

	390	391	392	393	394	395	396	397	398	Total
Total Retmts	12,674,816	226,388	105,300	61,930	117,744	48,734	0	2,847,477	348,417	16,082,389
Gross Salvage, %	2	0	0	0	0	0	0	0	0	2
Gross Salvage \$	253,496	0	0	0	0	0	0	0	0	253,496

STATE OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY  
ACCOUNT NO.: 10872000  
GENERAL PLANT

7-15-2005

YEAR	ADDITIONS	RETIREMENTS	REIMBURSEMENTS		SALVAGE		COST OF REMOVAL		NET SALVAGE	
			AMOUNT	RATIO	AMOUNT	RATIO	AMOUNT	RATIO	W/REIMB.	W/O REIMB.
1954	0.	6604.	0.	0.%	1932.	29.%	857.	13.%	16.%	16.%
1955	0.	4156.	0.	0.%	1153.	28.%	296.	7.%	21.%	21.%
1956	0.	11547.	0.	0.%	1175.	10.%	56.	0.%	10.%	10.%
1957	0.	17234.	0.	0.%	741.	4.%	261.	2.%	3.%	3.%
1958	0.	15852.	0.	0.%	631.	4.%	1442.	9.%	-5.%	-5.%
1959	0.	7961.	0.	0.%	315.	4.%	238.	3.%	1.%	1.%
1960	0.	35975.	0.	0.%	3171.	9.%	2193.	6.%	3.%	3.%
1961	0.	32219.	0.	0.%	1414.	4.%	949.	3.%	1.%	1.%
1962	0.	5803.	0.	0.%	3494.	60.%	1607.	28.%	33.%	33.%
1963	0.	29313.	0.	0.%	2469.	8.%	3333.	11.%	-3.%	-3.%
1964	0.	66108.	0.	0.%	570.	1.%	4221.	6.%	-6.%	-6.%
1965	0.	162447.	0.	0.%	888.	1.%	3091.	2.%	-1.%	-1.%
1966	0.	2451.	0.	0.%	342.	14.%	9583.	391.%	-377.%	-377.%
1967	0.	12153.	0.	0.%	3237.	27.%	-2422.	-20.%	47.%	47.%
1968	0.	24450.	0.	0.%	1281.	5.%	623.	3.%	3.%	3.%
1969	0.	97196.	0.	0.%	-3795.	-4.%	2768.	3.%	-7.%	-7.%
1970	0.	11186.	0.	0.%	2888.	26.%	103.	1.%	25.%	25.%
1971	0.	2926.	0.	0.%	-2089.	-71.%	71.	2.%	-74.%	-74.%
1972	0.	11324.	0.	0.%	514.	5.%	348.	3.%	1.%	1.%
1973	0.	16756.	0.	0.%	1921.	11.%	255.	2.%	10.%	10.%
1974	0.	36359.	0.	0.%	5212.	14.%	1097.	3.%	11.%	11.%
1975	0.	16603.	0.	0.%	747.	4.%	162.	1.%	4.%	4.%
1976	0.	43932.	0.	0.%	2256.	5.%	63.	0.%	5.%	5.%
1977	0.	20375.	0.	0.%	848.	4.%	206.	1.%	3.%	3.%
1978	0.	29848.	0.	0.%	449.	2.%	947.	3.%	-2.%	-2.%
1979	0.	110455.	0.	0.%	38474.	35.%	1771.	2.%	33.%	33.%
1980	0.	-26283.	0.	0.%	379792.	-1445.%	-193.	1.%	-1446.%	-1446.%
1981	0.	62146.	0.	0.%	2204.	4.%	0.	0.%	4.%	4.%
1982	0.	114845.	0.	0.%	37.	0.%	-300.	0.%	0.%	0.%
1983	0.	56853.	0.	0.%	69.	0.%	-624.	-1.%	1.%	1.%
1984	0.	28929.	0.	0.%	1152.	4.%	624.	2.%	2.%	2.%
1985	0.	180319.	0.	0.%	1726.	1.%	-635.	0.%	1.%	1.%
1986	0.	61942.	0.	0.%	603.	1.%	3785.	6.%	-5.%	-5.%
1987	0.	65632.	0.	0.%	4797.	7.%	2604.	4.%	3.%	3.%
1988	0.	66486.	0.	0.%	1612.	2.%	0.	0.%	2.%	2.%
1989	0.	80142.	0.	0.%	51.	0.%	11628.	15.%	-14.%	-14.%
1990	0.	1063124.	0.	0.%	141149.	13.%	50399.	5.%	9.%	9.%
1991	0.	289538.	0.	0.%	21722.	8.%	99427.	34.%	-27.%	-27.%
1992	0.	704613.	0.	0.%	49167.	7.%	-3992.	-1.%	8.%	8.%
1993	0.	437544.	0.	0.%	2090.	0.%	114740.	26.%	-26.%	-26.%
1994	0.	347501.	0.	0.%	37443.	11.%	804.	0.%	11.%	11.%
1995	0.	104629.	0.	0.%	11107.	11.%	47957.	46.%	-35.%	-35.%

D W HASKINS & SELLS

STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY  
ACCOUNT NO.: 10872000  
GENERAL PLANT

7-15-2005

YEAR	ADDITIONS	RETIREMENTS	REIMBURSEMENTS		SALVAGE		COST OF REMOVAL		NET SALVAGE	
			AMOUNT	RATIO	AMOUNT	RATIO	AMOUNT	RATIO	W/REIMB.	W/O REIMB.
1996	0.	451507.	0.	0.%	4006.	1.%	-70222.	-16.%	16.%	16.%
1997	0.	295506.	0.	0.%	68506.	23.%	27111.	9.%	14.%	14.%
1998	0.	1326363.	0.	0.%	0.	0.%	524.	0.%	0.%	0.%
1999	0.	26757.	0.	0.%	-9336.	-35.%	393.	1.%	-36.%	-36.%
2000	0.	224558.	0.	0.%	0.	0.%	-35438.	-16.%	16.%	16.%
2001	0.	27540.	0.	0.%	0.	0.%	8861.	32.%	-32.%	-32.%
2003	0.	1740509.	0.	0.%	-100160.	-6.%	146609.	8.%	-14.%	-14.%
2004	0.	12449685.	0.	0.%	1532476.	16.%	0.	0.%	16.%	16.%
	0.	21011618.	0.	0.%	2620451.	12.%	438181.	2.%	10.%	10.%

ROLLING BAND

1954-1968	0.	434273.	0.	0.%	22813.	5.%	26328.	6.%	-1.%	-1.%
1955-1969	0.	524865.	0.	0.%	17086.	3.%	28239.	5.%	-2.%	-2.%
1956-1970	0.	531895.	0.	0.%	18821.	4.%	28046.	5.%	-2.%	-2.%
1957-1971	0.	523274.	0.	0.%	15557.	3.%	28061.	5.%	-2.%	-2.%
1958-1972	0.	517364.	0.	0.%	15330.	3.%	28148.	5.%	-2.%	-2.%
1959-1973	0.	518268.	0.	0.%	16620.	3.%	26961.	5.%	-2.%	-2.%
1960-1974	0.	546666.	0.	0.%	21517.	4.%	27820.	5.%	-1.%	-1.%
1961-1975	0.	527294.	0.	0.%	19093.	4.%	25789.	5.%	-1.%	-1.%
1962-1976	0.	539007.	0.	0.%	19935.	4.%	24903.	5.%	-1.%	-1.%
1963-1977	0.	553579.	0.	0.%	17289.	3.%	23502.	4.%	-1.%	-1.%
1964-1978	0.	554114.	0.	0.%	15269.	3.%	21116.	4.%	-1.%	-1.%
1965-1979	0.	598461.	0.	0.%	53173.	9.%	18666.	3.%	6.%	6.%
1966-1980	0.	409731.	0.	0.%	432077.	105.%	15382.	4.%	102.%	102.%
1967-1981	0.	469426.	0.	0.%	433939.	92.%	5799.	1.%	91.%	91.%
1968-1982	0.	572118.	0.	0.%	430739.	75.%	7921.	1.%	74.%	74.%
1969-1983	0.	604521.	0.	0.%	429527.	71.%	6674.	1.%	70.%	70.%
1970-1984	0.	536254.	0.	0.%	434474.	81.%	4530.	1.%	80.%	80.%
1971-1985	0.	705387.	0.	0.%	433312.	61.%	3792.	1.%	61.%	61.%
1972-1986	0.	764403.	0.	0.%	436004.	57.%	7506.	1.%	56.%	56.%
1973-1987	0.	818711.	0.	0.%	440287.	54.%	9762.	1.%	53.%	53.%
1974-1988	0.	866441.	0.	0.%	439978.	51.%	9507.	1.%	50.%	50.%
1975-1989	0.	912224.	0.	0.%	434817.	48.%	20038.	2.%	45.%	45.%
1976-1990	0.	1958745.	0.	0.%	575219.	29.%	70275.	4.%	26.%	26.%
1977-1991	0.	2204351.	0.	0.%	594685.	27.%	169639.	8.%	19.%	19.%
1978-1992	0.	2888589.	0.	0.%	643004.	22.%	165441.	6.%	17.%	17.%
1979-1993	0.	3296285.	0.	0.%	644645.	20.%	279234.	8.%	11.%	11.%
1980-1994	0.	3533331.	0.	0.%	643614.	18.%	278267.	8.%	10.%	10.%
1981-1995	0.	3664243.	0.	0.%	274929.	8.%	326417.	9.%	-1.%	-1.%

WATTE HASKINS & SELLS

STUDY AS OF DECEMBER 31, 2004

PAGE 3

KENTUCKY POWER COMPANY  
 ACCOUNT NO.: 10872000  
 GENERAL PLANT

7-15-2005

YEAR	ADDITIONS	RETIREMENTS	REIMBURSEMENTS		SALVAGE		COST OF REMOVAL		NET SALVAGE	
			AMOUNT	RATIO	AMOUNT	RATIO	AMOUNT	RATIO	W/REIMB.	W/O REIMB.
1982-1996	0.	4053604.	0.	0.%	276731.	7.%	256195.	6.%	1.%	1.%
1983-1997	0.	4234265.	0.	0.%	345200.	8.%	283606.	7.%	1.%	1.%
1984-1998	0.	5503775.	0.	0.%	345131.	6.%	284754.	5.%	1.%	1.%
1985-1999	0.	5501603.	0.	0.%	334643.	6.%	284523.	5.%	1.%	1.%
1986-2000	0.	5545842.	0.	0.%	332917.	6.%	249720.	5.%	2.%	2.%
1987-2001	0.	5511440.	0.	0.%	332314.	6.%	254796.	5.%	1.%	1.%
1988-2002	0.	5445808.	0.	0.%	327517.	6.%	252192.	5.%	1.%	1.%
1989-2003	0.	7119831.	0.	0.%	225745.	3.%	398801.	6.%	-2.%	-2.%
1990-2004	0.	19489374.	0.	0.%	2158170.	11.%	387173.	2.%	9.%	9.%

PROPERTY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

## ANNUAL GROSS ADDITIONS AND RETIREMENTS

ACCOUNT 39100000

YEAR	GROSS ADDITIONS	GROSS RETIREMENTS	NET
2004	278932.	3747.	275185.
2003	379084.	5790.	373294.
2001	295463.	0.	295463.
2000	0.	15335.	-15335.
1998	0.	81954.	-81954.
1997	0.	1923.	-1923.
1996	0.	4438.	-4438.
1995	0.	6412.	-6412.
1994	6656.	1147.	5509.
1993	0.	3279.	-3279.
1992	0.	17127.	-17127.
1991	0.	24275.	-24275.
1990	0.	60961.	-60961.
1989	0.	6542.	-6542.
1988	0.	14529.	-14529.
1987	2805.	9297.	-6492.
1986	6069.	43634.	-37565.
1985	43580.	15247.	28333.
1984	15920.	13057.	2863.
1983	38855.	3043.	35812.
1982	14208.	34292.	-20084.
1981	21059.	8892.	12167.
1980	184978.	10465.	174513.
1979	89916.	28046.	61870.
1978	369325.	8925.	360400.
1977	30855.	12529.	18326.
1976	16914.	17009.	-95.
1975	15136.	2692.	12444.
1974	15310.	3481.	11829.
1973	14902.	3175.	11727.
1972	23032.	6647.	16385.
1971	7144.	3484.	3660.
1970	23202.	2297.	20905.
1969	53699.	4578.	49121.
1968	8024.	3097.	4927.
1967	24258.	4762.	19496.
1966	26444.	6368.	20076.
1965	8594.	3642.	4952.
1964	17783.	2420.	15363.
1963	45709.	727.	44982.
1962	3434.	523.	2911.

AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

ANNUAL GROSS ADDITIONS AND RETIREMENTS

ACCOUNT 39100000

YEAR	GROSS ADDITIONS	GROSS RETIREMENTS	NET
1961	2837.	213.	2624.
1960	16029.	13505.	2524.
1959	4521.	510.	4011.
1958	3324.	810.	2514.
1957	6231.	1183.	5048.
1956	8508.	2596.	5912.
1955	7438.	3112.	4326.
1954	4026.	303.	3723.
1953	5531.	0.	5531.
1952	7015.	0.	7015.
1951	9156.	0.	9156.
1950	8615.	0.	8615.
1949	9933.	0.	9933.
1948	10920.	0.	10920.
1947	10461.	0.	10461.
1946	2152.	0.	2152.
1945	524.	0.	524.
1944	571.	0.	571.
1943	1166.	0.	1166.
1942	12215.	0.	12215.
1941	7148.	0.	7148.
1940	9407.	0.	9407.
1939	11380.	0.	11380.
1938	5462.	0.	5462.
1936	13739.	0.	13739.
TOTALS	2259599.	522020.	1737579.

ACTUAL INPUT BALANCE 1737579.



STUDY AS OF DECEMBER 31, 2004

PAGE, 1

KENTUCKY POWER COMPANY

7-15-2005

SURVIVOR AGING USING GROSS ADDITIONS

ACCOUNT 39100000

35.0 R0.5

VINTAGE YEAR	GROSS ADDITIONS BY VINTAGE	SURVIVOR RATIO	CALCULATED SURVIVORS	ADJUSTMENT	ADJUSTED SURVIVORS
2004	278932.	0.9946	277420.	10181.	287601.
2003	379084.	0.9836	372878.	13684.	386561.
2001	295463.	0.9613	284022.	10423.	294445.
1994	6656.	0.8785	5847.	215.	6062.
1987	2805.	0.7883	2211.	81.	2292.
1986	6069.	0.7747	4702.	173.	4874.
1985	43580.	0.7609	33159.	1217.	34376.
1984	15920.	0.7468	11889.	436.	12326.
1983	38855.	0.7325	28462.	1044.	29506.
1982	14208.	0.7180	10201.	374.	10575.
1981	21059.	0.7031	14808.	543.	15351.
1980	184978.	0.6881	127280.	4671.	131951.
1979	89916.	0.6728	60491.	2220.	62711.
1978	369325.	0.6572	242705.	8907.	251612.
1977	30855.	0.6413	19787.	726.	20513.
1976	16914.	0.6252	10574.	388.	10962.
1975	15136.	0.6088	9215.	338.	9553.
1974	15310.	0.5922	9066.	333.	9399.
1973	14902.	0.5753	8573.	315.	8887.
1972	23032.	0.5582	12856.	472.	13328.
1971	7144.	0.5408	3864.	142.	4006.
1970	23202.	0.5233	12142.	446.	12588.
1969	53699.	0.5056	27150.	996.	28147.
1968	8024.	0.4877	3913.	144.	4057.
1967	24258.	0.4697	11394.	418.	11812.
1966	26444.	0.4516	11941.	438.	12379.
1965	8594.	0.4333	3724.	137.	3861.
1964	17783.	0.4150	7380.	271.	7651.
1963	45709.	0.3967	18132.	665.	18797.
1962	3434.	0.3783	1299.	48.	1347.
1961	2837.	0.3600	1021.	37.	1059.
1960	16029.	0.3418	5479.	201.	5680.
1959	4521.	0.3237	1463.	54.	1517.
1958	3324.	0.3057	1016.	37.	1053.
1957	6231.	0.2879	1794.	66.	1859.
1956	8508.	0.2702	2299.	84.	2384.
1955	7438.	0.2529	1861.	69.	1950.
1954	4026.	0.2359	950.	35.	984.
1953	5531.	0.2191	1212.	44.	1257.
1952	7015.	0.2028	1423.	52.	1475.
1951	9156.	0.1868	1711.	63.	1774.

STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

SURVIVOR AGING USING GROSS ADDITIONS

ACCOUNT 39100000

35.0 R0.5

VINTAGE YEAR	GROSS		CALCULATED SURVIVORS	ADJUSTMENT	ADJUSTED SURVIVORS
	ADDITIONS BY VINTAGE	SURVIVOR RATIO			
1950	8615.	0.1713	1476.	54.	1530.
1949	9933.	0.1563	1553.	57.	1610.
1948	10920.	0.1418	1549.	57.	1605.
1947	10461.	0.1278	1337.	49.	1386.
1946	2152.	0.1144	246.	9.	255.
1945	524.	0.1016	53.	2.	55.
1944	571.	0.0893	51.	2.	53.
1943	1166.	0.0777	91.	3.	94.
1942	12215.	0.0667	814.	30.	844.
1941	7148.	0.0562	402.	15.	417.
1940	9407.	0.0463	436.	16.	452.
1939	11380.	0.0370	421.	15.	436.
1938	5462.	0.0280	153.	6.	159.
1936	13739.	0.0114	157.	6.	162.
TOTALS	2259599.		1676071.	61508.	1737579.

AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

ANNUAL GROSS ADDITIONS AND RETIREMENTS

ACCOUNT 39200000

YEAR	GROSS ADDITIONS	GROSS RETIREMENTS	NET
2003	0.	38129.	-38129.
2001	5819.	0.	5819.
1998	0.	11241.	-11241.
1992	38129.	0.	38129.
1991	0.	55930.	-55930.
1987	0.	1158.	-1158.
1986	1762.	300.	1462.
1985	0.	238.	-238.
1983	0.	2051.	-2051.
1982	0.	894.	-894.
1981	20315.	231.	20084.
1980	0.	1732.	-1732.
1979	775.	245.	530.
1978	9.	0.	9.
1977	2757.	0.	2757.
1976	2293.	0.	2293.
1974	11603.	1049.	10554.
1973	0.	641.	-641.
1972	21926.	2136.	19790.
1969	2701.	0.	2701.
1967	1594.	0.	1594.
1966	302.	216.	86.
1964	4107.	0.	4107.
1963	238.	0.	238.
1962	342.	0.	342.
1961	530.	0.	530.
1959	347.	0.	347.
1958	0.	367.	-367.
1955	1732.	0.	1732.
1954	0.	300.	-300.
1951	683.	0.	683.
1950	693.	0.	693.
1949	755.	0.	755.
1947	218.	0.	218.
1943	127.	0.	127.
1942	60.	0.	60.
1940	209.	0.	209.
1938	1240.	0.	1240.
1927	867.	0.	867.
1936	544.	0.	544.
TOTALS	122677.	116858.	5819.

ACTUAL INPUT BALANCE

5819.

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STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

SURVIVOR AGING USING GROSS ADDITIONS

ACCOUNT 39200000

30.0 R3.0

VINTAGE YEAR	GROSS		CALCULATED		ADJUSTED
	ADDITIONS BY VINTAGE	SURVIVOR RATIO	SURVIVORS	ADJUSTMENT	SURVIVORS
2001	5819.	0.9971	5802.	-5385.	417.
1992	38129.	0.9656	36818.	-34171.	2647.
1986	1762.	0.9004	1587.	-1472.	114.
1981	20315.	0.7945	16140.	-14979.	1160.
1979	775.	0.7330	568.	-527.	41.
1978	9.	0.6975	6.	-6.	0.
1977	2757.	0.6585	1816.	-1685.	131.
1976	2293.	0.6163	1413.	-1312.	102.
1974	11603.	0.5231	6070.	-5634.	436.
1972	21926.	0.4220	9252.	-8587.	665.
1969	2701.	0.2711	732.	-680.	53.
1967	1594.	0.1835	293.	-271.	21.
1966	302.	0.1461	44.	-41.	3.
1964	4107.	0.0860	353.	-328.	25.
1963	238.	0.0631	15.	-14.	1.
1962	342.	0.0446	15.	-14.	1.
1961	530.	0.0301	16.	-15.	1.
1959	347.	0.0110	4.	-4.	0.
1955	1732.	0.0000	0.	0.	0.
1951	683.	0.0000	0.	0.	0.
1950	693.	0.0000	0.	0.	0.
1949	755.	0.0000	0.	0.	0.
1947	218.	0.0000	0.	0.	0.
1943	127.	0.0000	0.	0.	0.
1942	60.	0.0000	0.	0.	0.
1940	209.	0.0000	0.	0.	0.
1938	1240.	0.0000	0.	0.	0.
1937	867.	0.0000	0.	0.	0.
1936	544.	0.0000	0.	0.	0.
TOTALS	122677.		80944.	-75125.	5819.

AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

## ANNUAL GROSS ADDITIONS AND RETIREMENTS

ACCOUNT 39300000

YEAR	GROSS ADDITIONS	GROSS RETIREMENTS	NET
2004	39481.	779.	38702.
2003	0.	7347.	-7347.
1998	0.	1690.	-1690.
1995	47092.	0.	47092.
1994	5341.	3479.	1862.
1992	4331.	48111.	-43780.
1991	0.	524.	-524.
1988	0.	2235.	-2235.
1987	0.	5503.	-5503.
1985	712.	0.	712.
1984	13448.	686.	12762.
1983	0.	1439.	-1439.
1982	11988.	3557.	8431.
1981	39753.	0.	39753.
1980	35929.	0.	35929.
1979	17332.	5992.	11340.
1977	0.	325.	-325.
1976	14740.	5571.	9169.
1975	0.	1386.	-1386.
1974	12970.	125.	12845.
1973	1165.	294.	871.
1972	779.	67.	712.
1971	180.	47.	133.
1970	206.	0.	206.
1969	3886.	273.	3613.
1968	119.	0.	119.
1967	2175.	0.	2175.
1966	260.	0.	260.
1965	20069.	222.	19847.
1964	0.	12.	-12.
1962	491.	0.	491.
1959	347.	0.	347.
1956	792.	0.	792.
1955	290.	307.	-17.
1953	524.	0.	524.
1952	964.	0.	964.
1951	664.	0.	664.
1950	421.	0.	421.
1949	161.	0.	161.
1947	67.	0.	67.
1946	145.	0.	145.

AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

ANNUAL GROSS ADDITIONS AND RETIREMENTS

ACCOUNT 39300000

YEAR	GROSS ADDITIONS	GROSS RETIREMENTS	NET
1945	272.	0.	272.
1944	272.	0.	272.
1942	203.	0.	203.
1941	86.	0.	86.
1940	293.	0.	293.
1939	27.	0.	27.
1938	137.	0.	137.
1937	1121.	0.	1121.
TOTALS	279233.	89971.	189262.

ACTUAL INPUT BALANCE

189262.

AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

SURVIVOR AGING USING GROSS ADDITIONS

ACCOUNT 39300000

30.0 LD.0

VINTAGE YEAR	GROSS		CALCULATED		ADJUSTED
	ADDITIONS BY VINTAGE	SURVIVOR RATIO	SURVIVORS	ADJUSTMENT	SURVIVORS
2004	39481.	0.9975	39382.	2406.	41788.
1995	47092.	0.8597	40486.	2474.	42960.
1994	5341.	0.8399	4486.	274.	4760.
1992	4331.	0.7993	3462.	211.	3673.
1985	712.	0.6542	466.	28.	494.
1984	13448.	0.6337	8521.	521.	9042.
1982	11988.	0.5931	7110.	434.	7544.
1981	39753.	0.5730	22779.	1392.	24170.
1980	35929.	0.5531	19874.	1214.	21088.
1979	17332.	0.5335	9246.	565.	9811.
1976	14740.	0.4760	7016.	429.	7445.
1974	12970.	0.4391	5695.	348.	6043.
1973	1165.	0.4211	491.	30.	521.
1972	779.	0.4034	314.	19.	333.
1971	180.	0.3861	69.	4.	74.
1970	206.	0.3691	76.	5.	81.
1969	3886.	0.3526	1370.	84.	1454.
1968	119.	0.3363	40.	2.	42.
1967	2175.	0.3205	697.	43.	740.
1966	260.	0.3051	79.	5.	84.
1965	20069.	0.2902	5823.	356.	6179.
1962	491.	0.2477	122.	7.	129.
1959	347.	0.2092	73.	4.	77.
1956	792.	0.1746	138.	8.	147.
1955	290.	0.1640	48.	3.	50.
1953	524.	0.1440	75.	5.	80.
1952	964.	0.1346	130.	8.	138.
1951	664.	0.1257	83.	5.	89.
1950	421.	0.1172	49.	3.	52.
1949	161.	0.1091	18.	1.	19.
1947	67.	0.0940	6.	0.	7.
1946	145.	0.0871	13.	1.	13.
1945	272.	0.0805	22.	1.	23.
1944	272.	0.0743	20.	1.	21.
1942	203.	0.0630	13.	1.	14.
1941	86.	0.0578	5.	0.	5.
1940	293.	0.0530	16.	1.	16.
1939	27.	0.0484	1.	0.	1.
1938	137.	0.0442	6.	0.	6.
1937	1121.	0.0402	45.	3.	48.
TOTALS	279233.		178365.	10897.	189262.

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

## ANNUAL GROSS ADDITIONS AND RETIREMENTS

ACCOUNT 39400000

YEAR	GROSS ADDITIONS	GROSS RETIREMENTS	NET
----	-----	-----	-----
2004	64391.	3477.	60914.
2003	110037.	5105.	104932.
2002	223494.	0.	223494.
2001	354277.	0.	354277.
2000	62723.	2272.	60451.
1999	152828.	0.	152828.
1998	91919.	25510.	66409.
1997	115158.	1113.	114045.
1996	0.	734.	-734.
1995	0.	1329.	-1329.
1994	2744.	0.	2744.
1993	18792.	7269.	11523.
1992	62373.	57500.	4873.
1991	25135.	188.	24947.
1990	3420.	13247.	-9827.
1989	2098.	20344.	-18246.
1988	0.	29896.	-29896.
1987	15868.	3838.	12030.
1986	19796.	6863.	12933.
1985	68520.	3502.	65018.
1984	26017.	1310.	24707.
1983	87918.	17260.	70658.
1982	9853.	30693.	-20840.
1981	101640.	9537.	92103.
1980	121208.	2627.	118581.
1979	15765.	922.	14843.
1978	7257.	0.	7257.
1977	12388.	1944.	10444.
1976	6378.	351.	6027.
1975	9832.	2230.	7602.
1974	8852.	342.	8510.
1973	20104.	2402.	17702.
1972	66706.	848.	65858.
1971	5476.	1884.	3592.
1970	4450.	0.	4450.
1969	3632.	890.	2742.
1968	4060.	539.	3521.
1967	13049.	0.	13049.
1966	7874.	282.	7592.
1965	7151.	638.	6513.
1964	1748.	282.	1466.



AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

ANNUAL GROSS ADDITIONS AND RETIREMENTS  
ACCOUNT 39400000

YEAR	GROSS ADDITIONS	GROSS RETIREMENTS	NET
1963	1063.	204.	859.
1962	760.	0.	760.
1961	1557.	714.	843.
1960	2206.	183.	2023.
1959	2592.	1333.	1259.
1958	8748.	1523.	7225.
1957	1170.	0.	1170.
1956	389.	0.	389.
1955	1544.	1085.	459.
1954	258.	270.	-12.
1953	1628.	0.	1628.
1952	2414.	0.	2414.
1951	725.	0.	725.
1950	3724.	0.	3724.
1949	2273.	0.	2273.
1948	467.	0.	467.
1946	423.	0.	423.
1945	531.	0.	531.
1944	1042.	0.	1042.
1943	521.	0.	521.
1942	2094.	0.	2094.
1941	62.	0.	62.
1940	966.	0.	966.
1939	412.	0.	412.
1938	425.	0.	425.
1937	431.	0.	431.
1936	442.	0.	442.
TOTALS	1973798.	262480.	1711318.

ACTUAL INPUT BALANCE

1711318.

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STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

## SURVIVOR AGING USING GROSS ADDITIONS

ACCOUNT 39400000

32.0 L0.0

VINTAGE YEAR	GROSS		CALCULATED SURVIVORS	ADJUSTMENT	ADJUSTED SURVIVORS
	ADDITIONS BY VINTAGE	SURVIVOR RATIO			
2004	64391.	0.9977	64242.	4536.	68778.
2003	110037.	0.9899	108921.	7691.	116612.
2002	223494.	0.9794	218894.	15456.	234350.
2001	354277.	0.9672	342648.	24195.	366842.
2000	62723.	0.9535	59807.	4223.	64030.
1999	152828.	0.9387	143459.	10130.	153589.
1998	91919.	0.9229	84835.	5990.	90826.
1997	115158.	0.9063	104373.	7370.	111743.
1994	2744.	0.8530	2340.	165.	2506.
1993	18792.	0.8343	15678.	1107.	16785.
1992	62373.	0.8153	50850.	3591.	54441.
1991	25135.	0.7960	20008.	1413.	21421.
1990	3420.	0.7766	2656.	188.	2844.
1989	2098.	0.7571	1588.	112.	1701.
1987	15868.	0.7181	11396.	805.	12200.
1986	19796.	0.6987	13831.	977.	14808.
1985	68520.	0.6793	46544.	3287.	49831.
1984	26017.	0.6599	17169.	1212.	18382.
1983	87918.	0.6407	56328.	3977.	60305.
1982	9853.	0.6215	6124.	432.	6556.
1981	101640.	0.6025	61239.	4324.	65563.
1980	121208.	0.5836	70740.	4995.	75735.
1979	15765.	0.5649	8906.	629.	9534.
1978	7257.	0.5464	3965.	280.	4245.
1977	12388.	0.5280	6541.	462.	7003.
1976	6378.	0.5098	3252.	230.	3481.
1975	9832.	0.4919	4836.	342.	5178.
1974	8852.	0.4742	4198.	296.	4494.
1973	20104.	0.4568	9183.	648.	9832.
1972	66706.	0.4396	29325.	2071.	31396.
1971	5476.	0.4227	2315.	163.	2478.
1970	4450.	0.4061	1807.	128.	1935.
1969	3632.	0.3898	1416.	100.	1516.
1968	4060.	0.3739	1518.	107.	1625.
1967	13049.	0.3582	4674.	330.	5004.
1966	7874.	0.3429	2700.	191.	2890.
1965	7151.	0.3279	2345.	166.	2510.
1964	1748.	0.3133	548.	39.	586.
1963	1063.	0.2990	318.	22.	340.
1962	760.	0.2851	217.	15.	232.
1961	1557.	0.2716	423.	30.	453.

STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

SURVIVOR AGING USING GROSS ADDITIONS

ACCOUNT 39400000

32.0 LD.0

VINTAGE YEAR	GROSS		CALCULATED SURVIVORS	ADJUSTMENT	ADJUSTED SURVIVORS
	ADDITIONS BY VINTAGE	SURVIVOR RATIO			
1960	2206.	0.2584	570.	40.	610.
1959	2592.	0.2456	637.	45.	682.
1958	8748.	0.2332	2040.	144.	2184.
1957	1170.	0.2212	259.	18.	277.
1956	389.	0.2096	82.	6.	87.
1955	1544.	0.1983	306.	22.	328.
1954	258.	0.1875	48.	3.	52.
1953	1628.	0.1770	288.	20.	309.
1952	2414.	0.1669	403.	28.	431.
1951	725.	0.1572	114.	8.	122.
1950	3724.	0.1479	551.	39.	590.
1949	2273.	0.1389	316.	22.	338.
1948	467.	0.1304	61.	4.	65.
1946	423.	0.1143	48.	3.	52.
1945	531.	0.1068	57.	4.	61.
1944	1042.	0.0997	104.	7.	111.
1943	521.	0.0929	48.	3.	52.
1942	2094.	0.0864	181.	13.	194.
1941	62.	0.0803	5.	0.	5.
1940	966.	0.0745	72.	5.	77.
1939	412.	0.0690	28.	2.	30.
1938	425.	0.0638	27.	2.	29.
1937	431.	0.0589	25.	2.	27.
1936	442.	0.0543	24.	2.	26.
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TOTALS	1973798.		1598451.	112867.	1711318.
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STUDY AS OF DECEMBER 31, 2004

PAGE, 1

KENTUCKY POWER COMPANY

7-15-2005

ANNUAL GROSS ADDITIONS AND RETIREMENTS  
ACCOUNT 39500000

YEAR	GROSS ADDITIONS	GROSS RETIREMENTS	NET
-----	-----	-----	-----
2004	0.	3405.	-3405.
2003	0.	2558.	-2558.
2002	11157.	0.	11157.
2000	0.	5215.	-5215.
1999	9244.	0.	9244.
1998	0.	29020.	-29020.
1996	28363.	7565.	20798.
1993	0.	971.	-971.
1989	0.	4712.	-4712.
1988	63078.	6705.	56373.
1987	0.	2217.	-2217.
1985	22533.	4749.	17784.
1984	4112.	0.	4112.
1983	11112.	7984.	3128.
1982	29976.	10243.	19733.
1981	37951.	567.	37384.
1980	4929.	426.	4503.
1979	24209.	3291.	20918.
1978	125756.	6756.	119000.
1977	8144.	2311.	5833.
1976	8022.	2459.	5563.
1975	111.	0.	111.
1974	5020.	2201.	2819.
1973	5096.	176.	4920.
1972	8556.	358.	8198.
1971	2615.	1026.	1589.
1970	6293.	225.	6068.
1969	9069.	769.	8300.
1968	3816.	454.	3362.
1967	5248.	4684.	564.
1966	1113.	2165.	-1052.
1965	2932.	177.	2755.
1964	3383.	47.	3336.
1963	955.	107.	848.
1962	1704.	32.	1672.
1961	5358.	5.	5353.
1960	1797.	170.	1627.
1959	1414.	81.	1333.
1958	1715.	133.	1582.
1957	1497.	691.	806.
1956	6767.	0.	6767.

STUDY AS OF DECEMBER 31, 2004

PAGE, 2

KENTUCKY POWER COMPANY

7-15-2005

ANNUAL GROSS ADDITIONS AND RETIREMENTS

ACCOUNT 39500000

YEAR	GROSS ADDITIONS	GROSS RETIREMENTS	NET
1955	974.	321.	653.
1954	2360.	0.	2360.
1953	1077.	0.	1077.
1952	596.	0.	596.
1951	755.	0.	755.
1950	1152.	0.	1152.
1949	1504.	0.	1504.
1948	1080.	0.	1080.
1947	6604.	0.	6604.
1946	1895.	0.	1895.
1945	605.	0.	605.
1944	1068.	0.	1068.
1943	20.	0.	20.
1942	217.	0.	217.
1941	590.	0.	590.
1940	503.	0.	503.
1939	1216.	0.	1216.
1938	1022.	0.	1022.
1937	12621.	0.	12621.
1936	10466.	0.	10466.
TOTALS	509370.	114976.	394394.

ACTUAL INPUT BALANCE 394394.

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

## SURVIVOR AGING USING GROSS ADDITIONS

ACCOUNT 39500000

32.0 S5.0

VINTAGE YEAR	GROSS		CALCULATED SURVIVORS	ADJUSTMENT	ADJUSTED SURVIVORS
	ADDITIONS BY VINTAGE	SURVIVOR RATIO			
2002	11157.	1.0000	11157.	117.	11274.
1999	9244.	1.0000	9244.	97.	9341.
1996	28363.	1.0000	28363.	298.	28661.
1988	63078.	1.0000	63078.	662.	63740.
1985	22533.	0.9997	22527.	236.	22764.
1984	4112.	0.9992	4109.	43.	4152.
1983	11112.	0.9979	11088.	116.	11205.
1982	29976.	0.9948	29821.	313.	30134.
1981	37951.	0.9886	37519.	394.	37912.
1980	4929.	0.9770	4816.	51.	4866.
1979	24209.	0.9573	23174.	243.	23418.
1978	125756.	0.9262	116477.	1222.	117700.
1977	8144.	0.8810	7175.	75.	7251.
1976	8022.	0.8199	6577.	69.	6646.
1975	111.	0.7428	82.	1.	83.
1974	5020.	0.6520	3273.	34.	3307.
1973	5096.	0.5518	2812.	30.	2841.
1972	8556.	0.4482	3835.	40.	3875.
1971	2615.	0.3480	910.	10.	920.
1970	6293.	0.2572	1618.	17.	1635.
1969	9069.	0.1801	1633.	17.	1650.
1968	3816.	0.1190	454.	5.	459.
1967	5248.	0.0738	387.	4.	391.
1966	1113.	0.0427	48.	0.	48.
1965	2932.	0.0230	67.	1.	68.
1964	3383.	0.0114	39.	0.	39.
1963	955.	0.0052	5.	0.	5.
1962	1704.	0.0021	4.	0.	4.
1961	5358.	0.0008	4.	0.	4.
1960	1797.	0.0003	0.	0.	0.
1959	1414.	0.0001	0.	0.	0.
1958	1715.	0.0000	0.	0.	0.
1957	1497.	0.0000	0.	0.	0.
1956	6767.	0.0000	0.	0.	0.
1955	974.	0.0000	0.	0.	0.
1954	2360.	0.0000	0.	0.	0.
1953	1077.	0.0000	0.	0.	0.
1952	596.	0.0000	0.	0.	0.
1951	755.	0.0000	0.	0.	0.
1950	1152.	0.0000	0.	0.	0.
1949	1504.	0.0000	0.	0.	0.

STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

SURVIVOR AGING USING GROSS ADDITIONS

ACCOUNT 39500000

32.0 S5.0

VINTAGE YEAR	GROSS		CALCULATED		ADJUSTED
	ADDITIONS BY VINTAGE	SURVIVOR RATIO	SURVIVORS	ADJUSTMENT	SURVIVORS
1948	1080.	0.0000	0.	0.	0.
1947	6604.	0.0000	0.	0.	0.
1946	1895.	0.0000	0.	0.	0.
1945	605.	0.0000	0.	0.	0.
1944	1068.	0.0000	0.	0.	0.
1943	20.	0.0000	0.	0.	0.
1942	217.	0.0000	0.	0.	0.
1941	590.	0.0000	0.	0.	0.
1940	503.	0.0000	0.	0.	0.
1939	1216.	0.0000	0.	0.	0.
1938	1022.	0.0000	0.	0.	0.
1937	12621.	0.0000	0.	0.	0.
1936	10466.	0.0000	0.	0.	0.
S	509370.		390298.	4096.	394394.

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

ANNUAL GROSS ADDITIONS AND RETIREMENTS

ACCOUNT 39600000

YEAR	GROSS ADDITIONS	GROSS RETIREMENTS	NET
2002	5931.	0.	5931.
TOTALS	5931.	0.	5931.

ACTUAL INPUT BALANCE 5931.



STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

SURVIVOR AGING USING GROSS ADDITIONS

ACCOUNT 39600000

B.0 SQ.0

VINTAGE YEAR	GROSS		CALCULATED		ADJUSTED
	ADDITIONS BY VINTAGE	SURVIVOR RATIO	SURVIVORS	ADJUSTMENT	SURVIVORS
2002	5931.	0.9192	5452.	479.	5931.
TOTALS	5931.		5452.	479.	5931.

STUDY AS OF DECEMBER 31, 2004

PAGE, 1

KENTUCKY POWER COMPANY

7-15-2005

ANNUAL GROSS ADDITIONS AND RETIREMENTS  
ACCOUNT 39700000

YEAR	GROSS ADDITIONS	GROSS RETIREMENTS	NET
2004	521211.	874410.	-353199.
2003	317011.	244213.	72798.
2002	113648.	51409.	62239.
2001	126881.	47157.	79724.
2000	105107.	0.	105107.
1999	87073.	0.	87073.
1998	761558.	982587.	-221029.
1997	465379.	219173.	246206.
1996	774547.	157954.	616593.
1995	27775.	523.	27252.
1994	163431.	18899.	144532.
1993	68008.	69700.	-1692.
1992	292748.	135867.	156881.
1991	571959.	27394.	544565.
1990	108036.	18191.	89845.
1989	210921.	36936.	173985.
1988	183826.	2396.	181430.
1987	178205.	28250.	149955.
1986	298200.	8289.	289911.
1985	343881.	131086.	212795.
1984	18068.	10296.	7772.
1983	41410.	21624.	19786.
1982	122961.	14212.	108749.
1981	174479.	54217.	120262.
1980	59665.	0.	59665.
1979	42767.	28536.	14231.
1978	530015.	3716.	526299.
1977	78092.	5630.	72462.
1976	26966.	13865.	13101.
1975	19202.	5998.	13204.
1974	424832.	22798.	402034.
1973	166418.	7247.	159171.
1972	60869.	2651.	58218.
1971	10916.	0.	10916.
1970	6702.	544.	6158.
1969	12069.	1584.	10485.
1968	195609.	661.	194948.
1967	15283.	1154.	14129.
1966	15840.	0.	15840.
1965	21185.	0.	21185.
1964	7758.	1253.	6505.

STUDY AS OF DECEMBER 31, 2004

PAGE, 2

KENTUCKY POWER COMPANY

7-15-2005

ANNUAL GROSS ADDITIONS AND RETIREMENTS  
ACCOUNT 39700000

YEAR	GROSS ADDITIONS	GROSS RETIREMENTS	NET
1963	46002.	24161.	21841.
1962	8607.	4484.	4123.
1961	2607.	1644.	963.
1960	1664.	570.	1094.
1959	6453.	280.	6173.
1958	9894.	4999.	4895.
1957	8894.	8547.	347.
1956	7452.	9934.	-2482.
1955	4521.	6106.	-1585.
1954	6665.	958.	5707.
1953	4559.	0.	4559.
1952	12820.	0.	12820.
1951	7812.	0.	7812.
1950	8230.	0.	8230.
1949	38466.	0.	38466.
1948	4927.	0.	4927.
1947	6770.	0.	6770.
1946	813.	0.	813.
1945	103.	0.	103.
1944	117.	0.	117.
1943	610.	0.	610.
1942	5181.	0.	5181.
1941	544.	0.	544.
1940	6464.	0.	6464.
1939	2265.	0.	2265.
1938	498.	0.	498.
1937	5423.	0.	5423.
TOTALS	7978872.	3312103.	4666769.

ACTUAL INPUT BALANCE 4666769.

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

SURVIVOR AGING USING GROSS ADDITIONS

ACCOUNT 39700000

19.0 S6.0

VINTAGE YEAR	GROSS ADDITIONS BY VINTAGE	SURVIVOR RATIO	CALCULATED SURVIVORS	ADJUSTMENT	ADJUSTED SURVIVORS
2004	521211.	1.0000	521211.	-67585.	453626.
2003	317011.	1.0000	317011.	-41106.	275905.
2002	113648.	1.0000	113648.	-14737.	98911.
2001	126881.	1.0000	126881.	-16452.	110429.
2000	105107.	1.0000	105107.	-13629.	91478.
1999	87073.	1.0000	87073.	-11291.	75782.
1998	761558.	1.0000	761558.	-98750.	662808.
1997	465379.	1.0000	465379.	-60345.	405034.
1996	774547.	1.0000	774547.	-100434.	674113.
1995	27775.	1.0000	27775.	-3602.	24173.
1994	163431.	1.0000	163431.	-21192.	142239.
1993	68008.	1.0000	68008.	-8819.	59189.
1992	292748.	1.0000	292748.	-37960.	254788.
1991	571959.	1.0000	571940.	-74163.	497777.
1990	108036.	0.9993	107964.	-14000.	93965.
1989	210921.	0.9932	209482.	-27163.	182319.
1988	183826.	0.9596	176403.	-22874.	153529.
1987	178205.	0.8512	151697.	-19670.	132026.
1986	298200.	0.6355	189494.	-24571.	164923.
1985	343881.	0.3646	125386.	-16259.	109127.
1984	18068.	0.1488	2688.	-349.	2339.
1983	41410.	0.0404	1672.	-217.	1456.
1982	122961.	0.0068	839.	-109.	730.
1981	174479.	0.0007	116.	-15.	101.
1980	59665.	0.0000	2.	0.	2.
1979	42767.	0.0000	0.	0.	0.
1978	530015.	0.0000	0.	0.	0.
1977	78092.	0.0000	0.	0.	0.
1976	26966.	0.0000	0.	0.	0.
1975	19202.	0.0000	0.	0.	0.
1974	424832.	0.0000	0.	0.	0.
1973	166418.	0.0000	0.	0.	0.
1972	60869.	0.0000	0.	0.	0.
1971	10916.	0.0000	0.	0.	0.
1970	6702.	0.0000	0.	0.	0.
1969	12069.	0.0000	0.	0.	0.
1968	195609.	0.0000	0.	0.	0.
1967	15283.	0.0000	0.	0.	0.
1966	15840.	0.0000	0.	0.	0.
1965	21185.	0.0000	0.	0.	0.
1964	7758.	0.0000	0.	0.	0.

STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

SURVIVOR AGING USING GROSS ADDITIONS

ACCOUNT 39700000

19.0 S6.0

VINTAGE YEAR	GROSS ADDITIONS BY VINTAGE	SURVIVOR RATIO	CALCULATED SURVIVORS	ADJUSTMENT	ADJUSTED SURVIVORS
1963	46002.	0.0000	0.	0.	0.
1962	8607.	0.0000	0.	0.	0.
1961	2607.	0.0000	0.	0.	0.
1960	1664.	0.0000	0.	0.	0.
1959	6453.	0.0000	0.	0.	0.
1958	9894.	0.0000	0.	0.	0.
1957	8894.	0.0000	0.	0.	0.
1956	7452.	0.0000	0.	0.	0.
1955	4521.	0.0000	0.	0.	0.
1954	6665.	0.0000	0.	0.	0.
1953	4559.	0.0000	0.	0.	0.
1952	12820.	0.0000	0.	0.	0.
1951	7812.	0.0000	0.	0.	0.
1950	8230.	0.0000	0.	0.	0.
1949	38466.	0.0000	0.	0.	0.
1948	4927.	0.0000	0.	0.	0.
1947	6770.	0.0000	0.	0.	0.
1946	813.	0.0000	0.	0.	0.
1945	103.	0.0000	0.	0.	0.
1944	117.	0.0000	0.	0.	0.
1943	610.	0.0000	0.	0.	0.
1942	5181.	0.0000	0.	0.	0.
1941	544.	0.0000	0.	0.	0.
1940	6464.	0.0000	0.	0.	0.
1939	2265.	0.0000	0.	0.	0.
1938	498.	0.0000	0.	0.	0.
1937	5423.	0.0000	0.	0.	0.
TOTALS	7978872.		5362060.	-695291.	4666769.

STUDY AS OF DECEMBER 31, 2004

PAGE, 1

KENTUCKY POWER COMPANY

7-15-2005

ANNUAL GROSS ADDITIONS AND RETIREMENTS  
ACCOUNT 39800000

YEAR	GROSS ADDITIONS	GROSS RETIREMENTS	NET
2004	81420.	0.	81420.
2003	302551.	0.	302551.
2001	27671.	0.	27671.
2000	1406.	0.	1406.
1998	0.	34504.	-34504.
1997	1166.	14210.	-13044.
1996	0.	63224.	-63224.
1994	0.	2416.	-2416.
1993	1822.	176925.	-175103.
1992	0.	4563.	-4563.
1991	2667.	2396.	271.
1990	0.	50178.	-50178.
1989	0.	12293.	-12293.
1988	4764.	6132.	-1368.
1987	4770.	254.	4516.
1986	7809.	0.	7809.
1985	14384.	4185.	10199.
1984	13638.	3561.	10077.
1983	235624.	1769.	233855.
1982	20048.	11220.	8828.
1981	30140.	66.	30074.
1980	52641.	2367.	50274.
1979	83274.	4645.	78629.
1978	6913.	780.	6133.
1977	5021.	2007.	3014.
1976	2693.	336.	2357.
1975	5059.	743.	4316.
1974	1193.	1064.	129.
1973	5609.	174.	5435.
1972	1396.	1093.	303.
1971	2627.	1279.	1348.
1970	9259.	221.	9038.
1969	1787.	1724.	63.
1968	2001.	756.	1245.
1967	3256.	1179.	2077.
1966	2605.	0.	2605.
1965	740.	0.	740.
1964	2704.	252.	2452.
1963	15388.	0.	15388.
1962	2346.	0.	2346.
1961	761.	693.	68.

STUDY AS OF DECEMBER 31, 2004

PAGE, 2

KENTUCKY POWER COMPANY

7-15-2005

ANNUAL GROSS ADDITIONS AND RETIREMENTS  
ACCOUNT 39800000

YEAR	GROSS ADDITIONS	GROSS RETIREMENTS	NET
1960	1263.	0.	1263.
1959	3041.	75.	2966.
1958	714.	215.	499.
1957	272.	46.	226.
1956	1287.	0.	1287.
1955	700.	336.	364.
1954	1198.	0.	1198.
1953	334.	0.	334.
1952	1721.	0.	1721.
1951	274.	0.	274.
1950	1892.	0.	1892.
1949	44.	0.	44.
1948	264.	0.	264.
1947	1719.	0.	1719.
1946	631.	0.	631.
1945	207.	0.	207.
1944	165.	0.	165.
1943	459.	0.	459.
1942	234.	0.	234.
1941	639.	0.	639.
1940	435.	0.	435.
1939	65.	0.	65.
1938	309.	0.	309.
1937	946.	0.	946.
1936	599.	0.	599.
TOTALS	976565.	407881.	568684.

ACTUAL INPUT BALANCE 584684.

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

## SURVIVOR AGING USING GROSS ADDITIONS

ACCOUNT 39800000

19.0 L2.0

VINTAGE YEAR	GROSS		CALCULATED SURVIVORS	ADJUSTMENT	ADJUSTED SURVIVORS
	ADDITIONS BY VINTAGE	SURVIVOR RATIO			
2004	81420.	1.0000	81418.	2689.	84108.
2003	302551.	0.9994	302384.	9988.	312372.
2001	27671.	0.9937	27497.	908.	28406.
2000	1406.	0.9874	1388.	46.	1434.
1997	1166.	0.9504	1108.	37.	1145.
1993	1822.	0.8234	1500.	50.	1550.
1991	2667.	0.7249	1933.	64.	1997.
1988	4764.	0.5653	2693.	89.	2782.
1987	4770.	0.5143	2453.	81.	2534.
1986	7809.	0.4659	3638.	120.	3758.
1985	14384.	0.4204	6047.	200.	6246.
1984	13638.	0.3780	5155.	170.	5325.
1983	235624.	0.3387	79812.	2636.	82448.
1982	20048.	0.3025	6064.	200.	6264.
1981	30140.	0.2691	8110.	268.	8378.
1980	52641.	0.2383	12546.	414.	12960.
1979	83274.	0.2101	17492.	578.	18070.
1978	6913.	0.1841	1273.	42.	1315.
1977	5021.	0.1603	805.	27.	831.
1976	2693.	0.1385	373.	12.	385.
1975	5059.	0.1188	601.	20.	621.
1974	1193.	0.1009	120.	4.	124.
1973	5609.	0.0849	476.	16.	492.
1972	1396.	0.0707	99.	3.	102.
1971	2627.	0.0582	153.	5.	158.
1970	9259.	0.0473	438.	14.	453.
1969	1787.	0.0379	68.	2.	70.
1968	2001.	0.0299	60.	2.	62.
1967	3256.	0.0232	76.	3.	78.
1966	2605.	0.0177	46.	2.	48.
1965	740.	0.0132	10.	0.	10.
1964	2704.	0.0096	26.	1.	27.
1963	15388.	0.0068	105.	3.	109.
1962	2346.	0.0047	11.	0.	11.
1961	761.	0.0031	2.	0.	2.
1960	1263.	0.0020	2.	0.	3.
1959	3041.	0.0012	4.	0.	4.
1958	714.	0.0007	0.	0.	0.
1957	272.	0.0003	0.	0.	0.
1956	1287.	0.0002	0.	0.	0.
1955	700.	0.0001	0.	0.	0.



STUDY AS OF DECEMBER 31, 2004

PAGE, 2

KENTUCKY POWER COMPANY

7-15-2005

SURVIVOR AGING USING GROSS ADDITIONS

ACCOUNT 39800000

19.0 L2.0

VINTAGE YEAR	GROSS		CALCULATED SURVIVORS	ADJUSTMENT	ADJUSTED SURVIVORS
	ADDITIONS BY VINTAGE	SURVIVOR RATIO			
1954	1198.	0.0000	0.	0.	0.
1953	334.	0.0000	0.	0.	0.
1952	1721.	0.0000	0.	0.	0.
1951	274.	0.0000	0.	0.	0.
1950	1892.	0.0000	0.	0.	0.
1949	44.	0.0000	0.	0.	0.
1948	264.	0.0000	0.	0.	0.
1947	1719.	0.0000	0.	0.	0.
1946	631.	0.0000	0.	0.	0.
1945	207.	0.0000	0.	0.	0.
1944	165.	0.0000	0.	0.	0.
1943	459.	0.0000	0.	0.	0.
1942	234.	0.0000	0.	0.	0.
1941	639.	0.0000	0.	0.	0.
1940	435.	0.0000	0.	0.	0.
1939	65.	0.0000	0.	0.	0.
1938	309.	0.0000	0.	0.	0.
1937	946.	0.0000	0.	0.	0.
1936	599.	0.0000	0.	0.	0.
TOTALS	976565.		565989.	18695.	584684.

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE  
ACCOUNT 38920000

AGE	VINTAGE YEAR	SURVIVING BALANCE 12/31/2004	REMAINING LIFE		RESERVE RATIO	THEORETICAL RESERVE
			ASL	CURVE R4.0		
1.5	2003	9138.	73.5017		0.01998	183.
4.5	2000	46627.	70.5057		0.05992	2794.
18.5	1986	22442.	56.5896		0.24547	5509.
19.5	1985	1227.	55.6038		0.25862	317.
20.5	1984	678.	54.6199		0.27173	184.
25.5	1979	3899.	49.7351		0.33687	1313.
		84011.				10301.
		NET SALVAGE VALUE(%)				0.
		RESERVE AFTER SALVAGE				10301.
		REMAINING LIFE (YRS)				65.80

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 38920000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE	
		BALANCE 12/31/2004	ASL	CURVE LIMIT
---	---	-----	75.0	90.0
1.5	2003	9138.	73.50	
4.5	2000	46627.	70.51	
16.5	1986	22442.	56.59	
19.5	1985	1227.	55.60	
20.5	1984	678.	54.62	
25.5	1979	3899.	49.74	
		-----		
		84011.		
		-----		

THE WEIGHTED AVERAGE REMAINING LIFE IS 65.80

STUDY AS OF DECEMBER 31, 2004

PAGE 1

page 416 of 443

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE  
ACCOUNT 39010000

AGE	VINTAGE YEAR	REMAINING		RESERVE RATIO	THEORETICAL RESERVE
		SURVIVING BALANCE 12/31/2004	LIFE ASL CURVE 25.0 L2.0		
0.5	2004	143887.	24.5000	0.02000	2878.
2.5	2002	4456.	22.5254	0.09899	441.
3.5	2001	11475.	21.5649	0.13740	1577.
4.5	2000	393113.	20.6284	0.17487	68742.
6.5	1998	79164.	18.8340	0.24664	19525.
7.5	1997	317803.	17.9768	0.28093	89280.
8.5	1996	1129920.	17.1455	0.31418	354997.
9.5	1995	484522.	16.3453	0.34619	167736.
10.5	1994	31610.	15.5877	0.37649	11901.
11.5	1993	19258.	14.8827	0.40469	7794.
12.5	1992	159014.	14.2360	0.43056	68465.
13.5	1991	389833.	13.6489	0.45404	177001.
14.5	1990	11969857.	13.1196	0.47521	5688252.
15.5	1989	22373.	12.6444	0.49423	11057.
16.5	1988	8649.	12.2178	0.51129	4422.
17.5	1987	15382.	11.8340	0.52664	8101.
18.5	1986	29214.	11.4868	0.54053	15791.
19.5	1985	2504.	11.1700	0.55320	1385.
20.5	1984	5107.	10.8780	0.56488	2885.
21.5	1983	12063.	10.6052	0.57579	6946.
22.5	1982	7057.	10.3467	0.58613	4136.
23.5	1981	3741586.	10.0977	0.59609	2230325.
24.5	1980	20403.	9.8550	0.60580	12360.
25.5	1979	16921.	9.6153	0.61539	10413.
26.5	1978	16821.	9.3761	0.62496	10512.
27.5	1977	3189.	9.1357	0.63457	2024.
28.5	1976	6155.	8.8931	0.64428	3966.
29.5	1975	13362.	8.6479	0.65408	8740.
30.5	1974	18888.	8.4002	0.66399	12541.
31.5	1973	4595.	8.1503	0.67399	3097.
34.5	1970	2206.	7.3952	0.70419	1553.
35.5	1969	19049.	7.1448	0.71421	13605.
36.5	1968	35118.	6.8963	0.72415	25431.

STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE  
ACCOUNT 39010000

AGE	VINTAGE YEAR	SURVIVING BALANCE 12/31/2004	REMAINING LIFE		THEORETICAL RESERVE
			ASL CURVE 25.0 L2.0	RESERVE RATIO	
37.5	1967	6782.	6.6506	0.73398	4978.
38.5	1966	1718.	6.4079	0.74368	1278.
39.5	1965	29441.	6.1690	0.75324	22176.
40.5	1964	2057.	5.9341	0.76264	1569.
41.5	1963	1095.	5.7031	0.77188	845.
42.5	1962	793.	5.4759	0.78096	619.
43.5	1961	460.	5.2529	0.78988	363.
44.5	1960	16112.	5.0337	0.79865	12868.
45.5	1959	7004.	4.8182	0.80727	5654.
46.5	1958	884.	4.6062	0.81575	721.
47.5	1957	1317.	4.3974	0.82410	1085.
48.5	1956	43955.	4.1919	0.83232	36585.
51.5	1953	505.	3.5932	0.85627	432.
52.5	1952	97.	3.3988	0.86405	84.
54.5	1950	304.	3.0177	0.87929	267.
55.5	1949	1116.	2.8305	0.88678	990.
56.5	1948	536.	2.6453	0.89419	479.
59.5	1945	434.	2.1009	0.91596	398.
60.5	1944	322.	1.9223	0.92311	297.
62.5	1942	1884.	1.5655	0.93738	1766.
63.5	1941	117.	1.3849	0.94461	111.
64.5	1940	430.	1.1988	0.95205	409.
65.5	1939	342.	1.0007	0.95997	328.
66.5	1938	43738.	0.7766	0.96894	42379.
		-----			-----
		19295997.			9184559.
		-----			-----
		NET SALVAGE VALUE (%)			10.
		-----			-----
		RESERVE AFTER SALVAGE			8266103.
		-----			-----
		REMAINING LIFE (YRS)			13.10
		-----			-----

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

## AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 39010000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE		
		BALANCE 12/31/2004	ASL	CURVE	LIMIT
			25.0	L2.0	90.0
0.5	2004	143887.			24.50
2.5	2002	4456.			22.53
3.5	2001	11475.			21.56
4.5	2000	393113.			20.63
6.5	1998	79164.			18.83
7.5	1997	317803.			17.98
8.5	1996	1129920.			17.15
9.5	1995	484522.			16.35
10.5	1994	31610.			15.59
11.5	1993	19258.			14.88
12.5	1992	159014.			14.24
13.5	1991	389833.			13.65
14.5	1990	11969857.			13.12
15.5	1989	22373.			12.64
16.5	1988	8649.			12.22
17.5	1987	15382.			11.83
18.5	1986	29214.			11.49
19.5	1985	2504.			11.17
20.5	1984	5107.			10.88
21.5	1983	12063.			10.61
22.5	1982	7057.			10.35
23.5	1981	3741586.			10.10
24.5	1980	20403.			9.86
25.5	1979	16921.			9.62
26.5	1978	16821.			9.38
27.5	1977	3189.			9.14
28.5	1976	6155.			8.89
29.5	1975	13362.			8.65
30.5	1974	18888.			8.40
31.5	1973	4595.			8.15
34.5	1970	2206.			7.40
35.5	1969	19049.			7.14
36.5	1968	35118.			6.90
37.5	1967	6782.			6.65
38.5	1966	1718.			6.41

STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 39010000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE		
		BALANCE 12/31/2004	ASL	CURVE	LIMIT
---	-----	-----	25.0	L2.0	90.0
39.5	1965	29441.	6.17		
40.5	1964	2057.	5.93		
41.5	1963	1095.	5.70		
42.5	1962	793.	5.48		
43.5	1961	460.	5.25		
44.5	1960	16112.	5.03		
45.5	1959	7004.	4.82		
46.5	1958	884.	4.61		
47.5	1957	1317.	4.40		
48.5	1956	43955.	4.19		
51.5	1953	505.	3.59		
52.5	1952	97.	3.40		
54.5	1950	304.	3.02		
55.5	1949	1116.	2.83		
56.5	1948	536.	2.65		
59.5	1945	434.	2.10		
60.5	1944	322.	1.92		
62.5	1942	1884.	1.57		
63.5	1941	117.	1.38		
64.5	1940	430.	1.20		
65.5	1939	342.	1.00		
66.5	1938	43738.	0.78		
		-----			
		19295997.			
		-----			

THE WEIGHTED AVERAGE REMAINING LIFE IS 13.10

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

## AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE

ACCOUNT 39100000

AGE	VINTAGE YEAR	SURVIVING BALANCE 12/31/2004	REMAINING LIFE		RESERVE RATIO	THEORETICAL RESERVE
			ASL	CURVE R0.5		
0.5	2004	287601.	34.6908		0.00884	2541.
1.5	2003	386561.	34.0715		0.02653	10255.
3.5	2001	294445.	32.8403		0.06171	18169.
10.5	1994	6062.	28.6017		0.18281	1108.
17.5	1987	2292.	24.4657		0.30098	690.
18.5	1986	4874.	23.8869		0.31752	1548.
19.5	1985	34376.	23.3122		0.33394	11479.
20.5	1984	12326.	22.7419		0.35023	4317.
21.5	1983	29506.	22.1762		0.36639	10811.
22.5	1982	10575.	21.6156		0.38241	4044.
23.5	1981	15351.	21.0602		0.39828	6114.
24.5	1980	131951.	20.5104		0.41399	54626.
25.5	1979	62711.	19.9664		0.42953	26936.
26.5	1978	251612.	19.4283		0.44491	111944.
27.5	1977	20513.	18.8964		0.46010	9438.
28.5	1976	10962.	18.3709		0.47512	5208.
29.5	1975	9553.	17.8518		0.48995	4680.
30.5	1974	9399.	17.3391		0.50460	4743.
31.5	1973	8887.	16.8331		0.51905	4613.
32.5	1972	13328.	16.3338		0.53332	7108.
33.5	1971	4006.	15.8410		0.54740	2193.
34.5	1970	12588.	15.3550		0.56129	7065.
35.5	1969	28147.	14.8754		0.57499	16184.
36.5	1968	4057.	14.4025		0.58850	2388.
37.5	1967	11812.	13.9360		0.60183	7109.
38.5	1966	12379.	13.4759		0.61497	7613.
39.5	1965	3861.	13.0220		0.62794	2424.
40.5	1964	7651.	12.5741		0.64074	4902.
41.5	1963	18797.	12.1322		0.65336	12281.
42.5	1962	1347.	11.6960		0.66583	897.
43.5	1961	1059.	11.2651		0.67814	718.
44.5	1960	5680.	10.8396		0.69030	3921.
45.5	1959	1517.	10.4189		0.70232	1065.



STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE

ACCOUNT 39100000

AGE	VINTAGE YEAR	SURVIVING BALANCE 12/31/2004	REMAINING LIFE		RESERVE RATIO	THEORETICAL RESERVE
			ASL	CURVE R0.5		
46.5	1958	1053.	10.0029		0.71420	752.
47.5	1957	1859.	9.5911		0.72597	1350.
48.5	1956	2384.	9.1832		0.73762	1758.
49.5	1955	1950.	8.7788		0.74918	1461.
50.5	1954	984.	8.3773		0.76065	748.
51.5	1953	1257.	7.9783		0.77205	970.
52.5	1952	1475.	7.5812		0.78339	1156.
53.5	1951	1774.	7.1854		0.79470	1410.
54.5	1950	1530.	6.7900		0.80600	1233.
55.5	1949	1610.	6.3944		0.81730	1316.
56.5	1948	1605.	5.9976		0.82864	1330.
57.5	1947	1386.	5.5986		0.84004	1164.
58.5	1946	255.	5.1964		0.85153	217.
59.5	1945	55.	4.7898		0.86315	47.
60.5	1944	53.	4.3776		0.87493	46.
61.5	1943	94.	3.9584		0.88690	83.
62.5	1942	844.	3.5310		0.89911	759.
63.5	1941	417.	3.0944		0.91159	380.
64.5	1940	452.	2.6478		0.92435	418.
65.5	1939	436.	2.1917		0.93738	409.
66.5	1938	159.	1.7298		0.95058	151.
68.5	1936	162.	0.8132		0.97677	158.
		-----				-----
		1737580.				386452.
		=====				=====
		NET SALVAGE VALUE (%)				0.
		-----				-----
		RESERVE AFTER SALVAGE				386452.
		=====				=====
		REMAINING LIFE (YRS)				27.22
		-----				-----

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

## AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 39100000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE
		BALANCE 12/31/2004	ASL CURVE LIMIT 35.0 R0.5 90.0
0.5	2004	287601.	34.69
1.5	2003	386561.	34.07
3.5	2001	294445.	32.84
10.5	1994	6062.	28.60
17.5	1987	2292.	24.47
18.5	1986	4874.	23.89
19.5	1985	34376.	23.31
20.5	1984	12326.	22.74
21.5	1983	29506.	22.18
22.5	1982	10575.	21.62
23.5	1981	15351.	21.06
24.5	1980	131951.	20.51
25.5	1979	62711.	19.97
26.5	1978	251612.	19.43
27.5	1977	20513.	18.90
28.5	1976	10962.	18.37
29.5	1975	9553.	17.85
30.5	1974	9399.	17.34
31.5	1973	8887.	16.83
32.5	1972	13328.	16.33
33.5	1971	4006.	15.84
34.5	1970	12588.	15.35
35.5	1969	28147.	14.88
36.5	1968	4057.	14.40
37.5	1967	11812.	13.94
38.5	1966	12379.	13.48
39.5	1965	3861.	13.02
40.5	1964	7651.	12.57
41.5	1963	18797.	12.13
42.5	1962	1347.	11.70
43.5	1961	1059.	11.27
44.5	1960	5680.	10.84
45.5	1959	1517.	10.42
46.5	1958	1053.	10.00
47.5	1957	1859.	9.59

STUDY AS OF DECEMBER 31, 2004

PAGE, 2

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 39100000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE	
		BALANCE 12/31/2004	ASL	CURVE LIMIT
			35.0	90.0
48.5	1956	2384.	9.18	
49.5	1955	1950.	8.78	
50.5	1954	984.	8.38	
51.5	1953	1257.	7.98	
52.5	1952	1475.	7.58	
53.5	1951	1774.	7.19	
54.5	1950	1530.	6.79	
55.5	1949	1610.	6.39	
56.5	1948	1605.	6.00	
57.5	1947	1386.	5.60	
58.5	1946	255.	5.20	
59.5	1945	55.	4.79	
60.5	1944	53.	4.38	
61.5	1943	94.	3.96	
62.5	1942	844.	3.53	
63.5	1941	417.	3.09	
64.5	1940	452.	2.65	
65.5	1939	436.	2.19	
66.5	1938	159.	1.73	
68.5	1936	162.	0.81	
		-----		
		1737580.		
		*****		

THE WEIGHTED AVERAGE REMAINING LIFE IS 27.22

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE  
ACCOUNT 39200000

AGE	VINTAGE YEAR	SURVIVING BALANCE 12/31/2004	REMAINING LIFE		RESERVE RATIO	THEORETICAL RESERVE
			ASL	CURVE R3.0		
3.5	2001	417.	26.5798		0.11401	48.
12.5	1992	2647.	18.2617		0.39128	1036.
18.5	1986	114.	13.3389		0.55537	63.
23.5	1981	1160.	9.7541		0.67486	783.
25.5	1979	41.	8.4856		0.71715	29.
27.5	1977	131.	7.3297		0.75568	99.
28.5	1976	102.	6.7973		0.77342	79.
30.5	1974	436.	5.8276		0.80575	351.
32.5	1972	665.	4.9838		0.83387	555.
35.5	1969	53.	3.9324		0.86892	46.
37.5	1967	21.	3.3427		0.88858	19.
38.5	1966	3.	3.0696		0.89768	3.
40.5	1964	25.	2.5457		0.91514	23.
41.5	1963	1.	2.2873		0.92376	1.
42.5	1962	1.	2.0279		0.93240	1.
43.5	1961	1.	1.7662		0.94113	1.
		5818.				3136.
		NET SALVAGE VALUE(%)				0.
		RESERVE AFTER SALVAGE				3136.
		REMAINING LIFE (YRS)				13.83

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 39200000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE		
		BALANCE 12/31/2004	ASL	CURVE	LIMIT
			30.0	R3.0	90.0
3.5	2001	417.	26.58		
12.5	1992	2647.	18.26		
18.5	1986	114.	13.34		
23.5	1981	1160.	9.75		
25.5	1979	41.	8.49		
27.5	1977	131.	7.33		
28.5	1976	102.	6.80		
30.5	1974	436.	5.83		
32.5	1972	665.	4.98		
35.5	1969	53.	3.93		
37.5	1967	21.	3.34		
38.5	1966	3.	3.07		
40.5	1964	25.	2.55		
41.5	1963	1.	2.29		
42.5	1962	1.	2.03		
43.5	1961	1.	1.77		
		5818.			

THE WEIGHTED AVERAGE REMAINING LIFE IS 13.83

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

## AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE

ACCOUNT 39300000

AGE	VINTAGE YEAR	SURVIVING BALANCE 12/31/2004	REMAINING LIFE		RESERVE RATIO	THEORETICAL RESERVE
			ASL	CURVE 30.0 L0.0		
0.5	2004	41788.	29.5764		0.01412	590.
9.5	1995	42960.	24.5054		0.18315	7868.
10.5	1994	4760.	24.0715		0.19762	941.
12.5	1992	3673.	23.2449		0.22517	827.
19.5	1985	494.	20.6252		0.31249	154.
20.5	1984	9042.	20.2764		0.32412	2931.
22.5	1982	7544.	19.5961		0.34680	2616.
23.5	1981	24170.	19.2644		0.35785	8649.
24.5	1980	21088.	18.9382		0.36873	7776.
25.5	1979	9811.	18.6178		0.37941	3722.
26.5	1976	7445.	17.6864		0.41045	3056.
30.5	1974	6043.	17.0901		0.43033	2600.
31.5	1973	521.	16.7991		0.44003	229.
32.5	1972	333.	16.5128		0.44957	150.
33.5	1971	74.	16.2309		0.45897	34.
34.5	1970	81.	15.9534		0.46822	38.
35.5	1969	1454.	15.6802		0.47733	694.
36.5	1968	42.	15.4117		0.48628	20.
37.5	1967	740.	15.1468		0.49511	366.
38.5	1966	84.	14.8859		0.50380	42.
39.5	1965	6179.	14.6289		0.51237	3166.
42.5	1962	129.	13.8809		0.53730	69.
45.5	1959	77.	13.1652		0.56116	43.
48.5	1956	147.	12.4803		0.58399	86.
49.5	1955	50.	12.2582		0.59139	30.
51.5	1953	80.	11.8232		0.60589	48.
52.5	1952	138.	11.6102		0.61299	85.
53.5	1951	89.	11.4001		0.62000	55.
54.5	1950	52.	11.1929		0.62690	33.
55.5	1949	19.	10.9884		0.63372	12.
57.5	1947	7.	10.5881		0.64706	5.
58.5	1946	13.	10.3916		0.65361	8.
59.5	1945	23.	10.1977		0.66008	15.

STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE  
ACCOUNT 39300000

AGE	VINTAGE YEAR	REMAINING		RESERVE RATIO	THEORETICAL RESERVE
		SURVIVING BALANCE 12/31/2004	LIFE ASL CURVE 30.0 L0.0		
60.5	1944	21.	10.0063	0.66646	14.
62.5	1942	14.	9.6309	0.67897	10.
63.5	1941	5.	9.4469	0.68510	3.
64.5	1940	16.	9.2653	0.69116	11.
65.5	1939	1.	9.0861	0.69713	1.
66.5	1938	6.	8.9097	0.70301	4.
67.5	1937	48.	8.7349	0.70884	34.
		-----			-----
		189261.			47037.
		=====			=====
		NET SALVAGE VALUE (\$)			0.
					-----
		RESERVE AFTER SALVAGE			47037.
					=====
		REMAINING LIFE (YRS)			22.54
					-----

STUDY AS OF DECEMBER 31, 2004

PAGE 1

Page 428 of 443

KENTUCKY POWER COMPANY

7-15-2005

## AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 39300000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE		
		BALANCE 12/31/2004	ASL	CURVE	LIMIT
			30.0	10.0	90.0
0.5	2004	41788.			29.58
9.5	1995	42960.			24.51
10.5	1994	4760.			24.07
12.5	1992	3673.			23.24
19.5	1985	494.			20.63
20.5	1984	9042.			20.28
22.5	1982	7544.			19.60
23.5	1981	24170.			19.26
24.5	1980	21088.			18.94
25.5	1979	9811.			18.62
28.5	1976	7445.			17.69
30.5	1974	6043.			17.09
31.5	1973	521.			16.80
32.5	1972	333.			16.51
33.5	1971	74.			16.23
34.5	1970	81.			15.95
35.5	1969	1454.			15.68
36.5	1968	42.			15.41
37.5	1967	740.			15.15
38.5	1966	84.			14.89
39.5	1965	6179.			14.63
42.5	1962	129.			13.88
45.5	1959	77.			13.17
48.5	1956	147.			12.48
49.5	1955	50.			12.26
51.5	1953	80.			11.82
52.5	1952	138.			11.61
53.5	1951	89.			11.40
54.5	1950	52.			11.19
55.5	1949	19.			10.99
57.5	1947	7.			10.59
58.5	1946	13.			10.39
59.5	1945	23.			10.20
60.5	1944	21.			10.01
62.5	1942	14.			9.63



STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 39300000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE	
		BALANCE 12/31/2004	ASL	CURVE LIMIT
			30.0	LO.0 90.0
63.5	1941	5.	9.45	
64.5	1940	16.	9.27	
65.5	1939	1.	9.09	
66.5	1938	6.	8.91	
67.5	1937	48.	8.73	
		189261.		

THE WEIGHTED AVERAGE REMAINING LIFE IS 22.54

STUDY AS OF DECEMBER 31, 2004

PAGE, 1

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE  
ACCOUNT 39400000

AGE	VINTAGE YEAR	REMAINING		RESERVE RATIO	THEORETICAL RESERVE
		SURVIVING BALANCE 12/31/2004	LIFE ASL CURVE 32.0 L0.0		
0.5	2004	68778.	31.5744	0.01330	915.
1.5	2003	116612.	30.8202	0.03687	4299.
2.5	2002	234350.	30.1434	0.05802	13597.
3.5	2001	366842.	29.5186	0.07755	28447.
4.5	2000	64030.	28.9342	0.09581	6134.
5.5	1999	153589.	28.3831	0.11303	17360.
6.5	1998	90826.	27.8593	0.12940	11753.
7.5	1997	111743.	27.3600	0.14500	16203.
10.5	1994	2506.	25.9777	0.18820	472.
11.5	1993	16785.	25.5483	0.20162	3384.
12.5	1992	54441.	25.1323	0.21462	11684.
13.5	1991	21421.	24.7276	0.22726	4868.
14.5	1990	2844.	24.3323	0.23961	681.
15.5	1989	1701.	23.9458	0.25169	428.
17.5	1987	12200.	23.1918	0.27526	3358.
18.5	1986	14808.	22.8241	0.28675	4246.
19.5	1985	49831.	22.4617	0.29807	14853.
20.5	1984	18382.	22.1056	0.30920	5684.
21.5	1983	60305.	21.7547	0.32017	19308.
22.5	1982	6556.	21.4097	0.33095	2170.
23.5	1981	65563.	21.0697	0.34157	22395.
24.5	1980	75735.	20.7354	0.35202	26660.
25.5	1979	9534.	20.4064	0.36230	3454.
26.5	1978	4245.	20.0820	0.37244	1581.
27.5	1977	7003.	19.7630	0.38241	2678.
28.5	1976	3481.	19.4485	0.39223	1365.
29.5	1975	5178.	19.1392	0.40190	2081.
30.5	1974	4494.	18.8347	0.41142	1849.
31.5	1973	9832.	18.5342	0.42081	4137.
32.5	1972	31396.	18.2387	0.43004	13502.
33.5	1971	2478.	17.9472	0.43915	1088.
34.5	1970	1935.	17.6604	0.44811	867.
35.5	1969	1516.	17.3780	0.45694	693.

STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE  
ACCOUNT 39400000

AGE	VINTAGE YEAR	REMAINING		RESERVE RATIO	THEORETICAL RESERVE
		SURVIVING BALANCE 12/31/2004	LIFE ASL CURVE 32.0 L0.0		
36.5	1968	1625.	17.0991	0.46565	757.
37.5	1967	5004.	16.8248	0.47422	2373.
38.5	1966	2890.	16.5540	0.48269	1395.
39.5	1965	2510.	16.2876	0.49101	1232.
40.5	1964	586.	16.0250	0.49922	293.
41.5	1963	340.	15.7656	0.50733	172.
42.5	1962	232.	15.5103	0.51530	120.
43.5	1961	453.	15.2582	0.52318	237.
44.5	1960	610.	15.0100	0.53094	324.
45.5	1959	682.	14.7654	0.53858	367.
46.5	1958	2184.	14.5234	0.54614	1193.
47.5	1957	277.	14.2854	0.55358	153.
48.5	1956	87.	14.0500	0.56094	49.
49.5	1955	328.	13.8183	0.56818	186.
50.5	1954	52.	13.5896	0.57532	30.
51.5	1953	309.	13.3636	0.58239	180.
52.5	1952	431.	13.1410	0.58934	254.
53.5	1951	122.	12.9209	0.59622	73.
54.5	1950	590.	12.7040	0.60300	356.
55.5	1949	338.	12.4901	0.60968	206.
56.5	1948	65.	12.2781	0.61631	40.
58.5	1946	52.	11.8631	0.62928	33.
59.5	1945	61.	11.6597	0.63564	39.
60.5	1944	111.	11.4591	0.64190	71.
61.5	1943	52.	11.2600	0.64812	34.
62.5	1942	194.	11.0642	0.65424	127.
63.5	1941	5.	10.8702	0.66031	3.
64.5	1940	77.	10.6790	0.66628	51.
65.5	1939	30.	10.4906	0.67217	20.
66.5	1938	29.	10.3033	0.67802	20.
67.5	1937	27.	10.1192	0.68377	18.
68.5	1936	26.	9.9367	0.68948	18.
		-----			-----
		1711319.			262618.
		-----			-----
		NET SALVAGE VALUE (%)			0.
		-----			-----
		RESERVE AFTER SALVAGE			262618.
		-----			-----
		REMAINING LIFE (YRS)			27.09
		-----			-----

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

## AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 39400000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE	
		BALANCE 12/31/2004	ASL	CURVE LIMIT
---	-----	-----	32.0	10.0 90.0
0.5	2004	68778.	31.57	
1.5	2003	116612.	30.82	
2.5	2002	234350.	30.14	
3.5	2001	366842.	29.52	
4.5	2000	64030.	28.93	
5.5	1999	153589.	28.38	
6.5	1998	90826.	27.86	
7.5	1997	111743.	27.36	
10.5	1994	2506.	25.98	
11.5	1993	16785.	25.55	
12.5	1992	54441.	25.13	
13.5	1991	21421.	24.73	
14.5	1990	2844.	24.33	
15.5	1989	1701.	23.95	
17.5	1987	12200.	23.19	
18.5	1986	14808.	22.82	
19.5	1985	49831.	22.46	
20.5	1984	18382.	22.11	
21.5	1983	60305.	21.75	
22.5	1982	6556.	21.41	
23.5	1981	65563.	21.07	
24.5	1980	75735.	20.74	
25.5	1979	9534.	20.41	
26.5	1978	4245.	20.08	
27.5	1977	7003.	19.76	
28.5	1976	3481.	19.45	
29.5	1975	5178.	19.14	
30.5	1974	4494.	18.83	
31.5	1973	9832.	18.53	
32.5	1972	31396.	18.24	
33.5	1971	2478.	17.95	
34.5	1970	1935.	17.66	
35.5	1969	1516.	17.38	
36.5	1968	1625.	17.10	
37.5	1967	5004.	16.82	

AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 39400000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE	
		BALANCE 12/31/2004	ASL	CURVE LIMIT
			32.0	LO.0 90.0
38.5	1966	2890.	16.55	
39.5	1965	2510.	16.29	
40.5	1964	586.	16.03	
41.5	1963	340.	15.77	
42.5	1962	232.	15.51	
43.5	1961	453.	15.26	
44.5	1960	610.	15.01	
45.5	1959	682.	14.77	
46.5	1958	2184.	14.52	
47.5	1957	277.	14.29	
48.5	1956	87.	14.05	
49.5	1955	328.	13.82	
50.5	1954	52.	13.59	
51.5	1953	309.	13.36	
52.5	1952	431.	13.14	
53.5	1951	122.	12.92	
54.5	1950	590.	12.70	
55.5	1949	338.	12.49	
56.5	1948	65.	12.28	
58.5	1946	52.	11.86	
59.5	1945	61.	11.66	
60.5	1944	111.	11.46	
61.5	1943	52.	11.26	
62.5	1942	194.	11.06	
63.5	1941	5.	10.87	
64.5	1940	77.	10.68	
65.5	1939	30.	10.49	
66.5	1938	29.	10.30	
67.5	1937	27.	10.12	
68.5	1936	26.	9.94	

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1711319.  
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THE WEIGHTED AVERAGE REMAINING LIFE IS 27.09

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE  
ACCOUNT 39500000

AGE	VINTAGE YEAR	REMAINING		RESERVE RATIO	THEORETICAL RESERVE
		SURVIVING BALANCE 12/31/2004	LIFE ASL CURVE 32.0 55.0		
2.5	2002	11274.	29.5000	0.07813	881.
5.5	1999	9341.	26.5000	0.17188	1605.
8.5	1996	28661.	23.5000	0.26563	7613.
16.5	1988	63740.	15.5000	0.51562	32866.
19.5	1985	22764.	12.5033	0.60927	13869.
20.5	1984	4152.	11.5097	0.64032	2659.
21.5	1983	11205.	10.5245	0.67111	7520.
22.5	1982	30134.	9.5552	0.70140	21136.
23.5	1981	37912.	8.6122	0.73087	27709.
24.5	1980	4866.	7.7084	0.75911	3694.
25.5	1979	23418.	6.8572	0.78571	18400.
26.5	1978	117700.	6.0703	0.81030	95373.
27.5	1977	7251.	5.3559	0.83263	6037.
28.5	1976	6646.	4.7178	0.85257	5666.
29.5	1975	83.	4.1556	0.87014	72.
30.5	1974	3307.	3.6650	0.88547	2928.
31.5	1973	2841.	3.2399	0.89875	2553.
32.5	1972	3875.	2.8727	0.91023	3527.
33.5	1971	920.	2.5559	0.92013	847.
34.5	1970	1635.	2.2823	0.92868	1518.
35.5	1969	1650.	2.0453	0.93608	1545.
36.5	1968	459.	1.8393	0.94252	433.
37.5	1967	391.	1.6593	0.94815	371.
38.5	1966	48.	1.5013	0.95309	46.
39.5	1965	68.	1.3619	0.95744	65.
40.5	1964	39.	1.2383	0.96130	37.
41.5	1963	5.	1.1283	0.96474	5.
42.5	1962	4.	1.0296	0.96782	4.
43.5	1961	4.	0.9405	0.97061	4.
		-----			-----
		394393.			258983.
		=====			=====
		NET SALVAGE VALUE (%)			0.
		-----			-----
		RESERVE AFTER SALVAGE			258983.
		=====			=====
		REMAINING LIFE (YRS)			10.99
		-----			-----

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

## AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 39500000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE	
		BALANCE 12/31/2004	ASL	CURVE LIMIT
			32.0	55.0 90.0
2.5	2002	11274.	29.50	
5.5	1999	9341.	26.50	
8.5	1996	28661.	23.50	
16.5	1988	63740.	15.50	
19.5	1985	22764.	12.50	
20.5	1984	4152.	11.51	
21.5	1983	11205.	10.52	
22.5	1982	30134.	9.56	
23.5	1981	37912.	8.61	
24.5	1980	4866.	7.71	
25.5	1979	23418.	6.86	
26.5	1978	117700.	6.07	
27.5	1977	7251.	5.36	
28.5	1976	6646.	4.72	
29.5	1975	83.	4.16	
30.5	1974	3307.	3.67	
31.5	1973	2841.	3.24	
32.5	1972	3875.	2.87	
33.5	1971	920.	2.56	
34.5	1970	1635.	2.28	
35.5	1969	1650.	2.05	
36.5	1968	459.	1.84	
37.5	1967	391.	1.66	
38.5	1966	48.	1.50	
39.5	1965	68.	1.36	
40.5	1964	39.	1.24	
41.5	1963	5.	1.13	
42.5	1962	4.	1.03	
43.5	1961	4.	0.94	
		-----		
		394393.		
		-----		

THE WEIGHTED AVERAGE REMAINING LIFE IS 10.99

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE  
ACCOUNT 39600000

AGE	VINTAGE YEAR	SURVIVING BALANCE 12/31/2004	REMAINING LIFE ASL CURVE 8.0 SQ.0	RESERVE RATIO	THEORETICAL RESERVE
2.5	2002	5931.	5.5000	0.31250	1853.
		5931.			1853.
NET SALVAGE VALUE (%)					0.
RESERVE AFTER SALVAGE					1853.
REMAINING LIFE (YRS)					5.50



STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 39600000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE	
		BALANCE 12/31/2004	ASL	CURVE LIMIT
2.5	2002	5931.	8.0	90.0
		5931.	5.50	

THE WEIGHTED AVERAGE REMAINING LIFE IS 5.50

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE  
ACCOUNT 39700000

AGE	VINTAGE YEAR	SURVIVING BALANCE 12/31/2004	REMAINING LIFE		RESERVE RATIO	THEORETICAL RESERVE
			ASL	CURVE		
0.5	2004	453626.	18.5001	19.0 S6.0	0.02631	11935.
1.5	2003	275905.	17.5001		0.07894	21780.
2.5	2002	98911.	16.5001		0.13157	13014.
3.5	2001	110429.	15.5001		0.18420	20342.
4.5	2000	91478.	14.5001		0.23684	21665.
5.5	1999	75782.	13.5001		0.28947	21936.
6.5	1998	662808.	12.5001		0.34210	226746.
7.5	1997	405034.	11.5001		0.39473	159880.
8.5	1996	674113.	10.5001		0.44736	301573.
9.5	1995	24173.	9.5001		0.49999	12086.
10.5	1994	142239.	8.5001		0.55263	78605.
11.5	1993	59189.	7.5001		0.60526	35825.
12.5	1992	254788.	6.5001		0.65789	167622.
13.5	1991	497777.	5.5003		0.71051	353676.
14.5	1990	93965.	4.5035		0.76298	71693.
15.5	1989	182319.	3.5283		0.81430	148463.
16.5	1988	153529.	2.6342		0.86136	132244.
17.5	1987	132026.	1.9059		0.89969	118782.
18.5	1986	164923.	1.3833		0.92720	152916.
19.5	1985	109127.	1.0394		0.94529	103157.
20.5	1984	2339.	0.8220		0.95674	2238.
21.5	1983	1456.	0.6862		0.96389	1403.
22.5	1982	730.	0.6021		0.96831	707.
23.5	1981	101.	0.5503		0.97103	98.
24.5	1980	2.	0.5000		0.97368	2.
		-----			-----	
		4666769.				2178388.
		-----			-----	
		NET SALVAGE VALUE(%)				10.
		-----			-----	
		RESERVE AFTER SALVAGE				1960549.
		-----			-----	
		REMAINING LIFE (YRS)				10.13
		-----			-----	

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 39700000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE	
		BALANCE 12/31/2004	ASL	CURVE LIMIT
			19.0	86.0 90.0
0.5	2004	453626.	18.50	
1.5	2003	275905.	17.50	
2.5	2002	98911.	16.50	
3.5	2001	110429.	15.50	
4.5	2000	91478.	14.50	
5.5	1999	75782.	13.50	
6.5	1998	662808.	12.50	
7.5	1997	405034.	11.50	
8.5	1996	674113.	10.50	
9.5	1995	24173.	9.50	
10.5	1994	142239.	8.50	
11.5	1993	59189.	7.50	
12.5	1992	254788.	6.50	
13.5	1991	497777.	5.50	
14.5	1990	93965.	4.50	
15.5	1989	182319.	3.53	
16.5	1988	153529.	2.63	
17.5	1987	132026.	1.91	
18.5	1986	164923.	1.38	
19.5	1985	109127.	1.04	
20.5	1984	2339.	0.82	
21.5	1983	1456.	0.69	
22.5	1982	730.	0.60	
23.5	1981	101.	0.55	
24.5	1980	2.	0.50	
		-----		
		4666769.		
		-----		

THE WEIGHTED AVERAGE REMAINING LIFE IS 10.13

STUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

## AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE

ACCOUNT 39800000

AGE	VINTAGE YEAR	REMAINING		RESERVE RATIO	THEORETICAL RESERVE
		SURVIVING BALANCE 12/31/2004	LIFE ASL CURVE 19.0 L2.0		
0.5	2004	84108.	18.5002	0.02630	2212.
1.5	2003	312372.	17.5098	0.07843	24500.
3.5	2001	28406.	15.6039	0.17874	5077.
4.5	2000	1434.	14.7005	0.22629	325.
7.5	1997	1145.	12.2067	0.35754	409.
11.5	1993	1550.	9.7402	0.48736	755.
13.5	1991	1997.	8.9244	0.53029	1059.
16.5	1988	2782.	8.0210	0.57784	1608.
17.5	1987	2534.	7.7665	0.59124	1498.
18.5	1986	3758.	7.5224	0.60408	2270.
19.5	1985	6246.	7.2826	0.61670	3852.
20.5	1984	5325.	7.0432	0.62930	3351.
21.5	1983	82448.	6.8016	0.64202	52933.
22.5	1982	6264.	6.5567	0.65491	4102.
23.5	1981	8378.	6.3086	0.66797	5596.
24.5	1980	12960.	6.0579	0.68116	8828.
25.5	1979	18070.	5.8061	0.69441	12548.
26.5	1978	1315.	5.5549	0.70764	931.
27.5	1977	831.	5.3056	0.72076	599.
28.5	1976	385.	5.0597	0.73370	282.
29.5	1975	621.	4.8180	0.74642	464.
30.5	1974	124.	4.5812	0.75888	94.
31.5	1973	492.	4.3497	0.77107	379.
32.5	1972	102.	4.1235	0.78298	80.
33.5	1971	158.	3.9024	0.79461	126.
34.5	1970	453.	3.6865	0.80597	365.
35.5	1969	70.	3.4752	0.81710	57.
36.5	1968	62.	3.2682	0.82799	51.
37.5	1967	78.	3.0654	0.83866	65.
38.5	1966	48.	2.8664	0.84913	41.
39.5	1965	10.	2.6713	0.85940	9.
40.5	1964	27.	2.4795	0.86950	23.
41.5	1963	109.	2.2910	0.87942	96.

STUDY AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD THEORETICAL RESERVE  
ACCOUNT 39800000

AGE	VINTAGE YEAR	SURVIVING BALANCE 12/31/2004	REMAINING LIFE		RESERVE RATIO	THEORETICAL RESERVE
			ASL	CURVE 19.0 12.0		
42.5	1962	11.	2.1055	0.88918	10.	
43.5	1961	2.	1.9230	0.89879	2.	
44.5	1960	3.	1.7432	0.90825	3.	
45.5	1959	4.	1.5657	0.91759	4.	
		584682.				134604.
		NET SALVAGE VALUE (%)				0.
		RESERVE AFTER SALVAGE				134604.
		REMAINING LIFE (YRS)				14.63

AUDY AS OF DECEMBER 31, 2004

PAGE 1

KENTUCKY POWER COMPANY

7-15-2005

## AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 39800000

AGE	VINTAGE YEAR	SURVIVING	REMAINING LIFE	
		BALANCE 12/31/2004	ASL	CURVE LIMIT
			19.0	L2.0 90.0
0.5	2004	84108.		18.50
1.5	2003	312372.		17.51
3.5	2001	28406.		15.60
4.5	2000	1434.		14.70
7.5	1997	1145.		12.21
11.5	1993	1550.		9.74
13.5	1991	1987.		8.92
16.5	1988	2782.		8.02
17.5	1987	2534.		7.77
18.5	1986	3758.		7.52
19.5	1985	6246.		7.28
20.5	1984	5325.		7.04
21.5	1983	82448.		6.80
22.5	1982	6264.		6.56
23.5	1981	8378.		6.31
24.5	1980	12960.		6.06
25.5	1979	18070.		5.81
26.5	1978	1315.		5.55
27.5	1977	831.		5.31
28.5	1976	385.		5.06
29.5	1975	621.		4.82
30.5	1974	124.		4.58
31.5	1973	492.		4.35
32.5	1972	102.		4.12
33.5	1971	158.		3.90
34.5	1970	453.		3.69
35.5	1969	70.		3.48
36.5	1968	62.		3.27
37.5	1967	78.		3.07
38.5	1966	48.		2.87
39.5	1965	10.		2.67
40.5	1964	27.		2.48
41.5	1963	109.		2.29
42.5	1962	11.		2.11
43.5	1961	2.		1.92

AS OF DECEMBER 31, 2004

PAGE 2

KENTUCKY POWER COMPANY

7-15-2005

AVERAGE LIFE GROUP METHOD LIMITED REMAINING LIFE

ACCOUNT 39800000

AGE	VINTAGE YEAR	SURVIVING BALANCE 12/31/2004	REMAINING LIFE		
			ASL	CURVE	LIMIT
44.5	1960	3.	19.0	12.0	90.0
45.5	1959	4.			
		584682.			

THE WEIGHTED AVERAGE REMAINING LIFE IS 14.63