

Kentucky Power Company

REQUEST

Provide Kentucky Power's projection of the annual year-end balance in the regulatory liability for non-legal AROs shown in its Form 10K, for the next 20 years. If not available for the next twenty years provide for as many years into the future that the projection is available. If this projection has not been made, please explain why not.

- a. For this projection, assume that all of Kentucky Power's proposed depreciation rates are approved as requested. Provide in hard copy and in electronic format with all formulae intact.
- b. Explain all assumptions used to make this projection.

RESPONSE

The requested calculation has not been made.

WITNESS James E. Henderson

Kentucky Power Company

REQUEST

With respect to the Regulatory Liability relating to asset cost of removal which you reclassified out of accumulated depreciation:

- a. Do you agree that this constitutes a regulatory liability for regulatory purposes in Kentucky and for FERC purposes? If not, please explain why not.
- b. Do you agree that this amount is a refundable obligation to ratepayers until it is spent on its intended purpose (cost of removal)? If not, why not?
- c. Please explain the repayment provisions associated with this regulatory liability.
- d. Explain when you expect to spend this money for cost of removal.
- e. Explain what you have done with this money as you have collected it. Please provide all evidence in support of expenditures if the response is that the collected money has been spent on plant additions as it has been collected.
- f. Identify and explain all other similar examples of Kentucky Power's advance collections of estimated future costs for which it does not have a legal obligation.
- g. Does Kentucky Power agree that the Kentucky Public Service Commission will never know whether or not Kentucky Power will actually spend all of this money for cost of removal until and if Kentucky Power goes out of business? If not, why not?
- h. Does Kentucky Power believe that amounts recorded in accumulated depreciation represent capital recovery? If not, why not?
- i. Whose capital is reflected in accumulated depreciation – shareholders' or ratepayers'?

RESPONSE

- a. For financial reporting purposes, the Company believes that these amounts are properly classified as a regulatory liability for SEC reporting purposes and should remain classified in Account 108, Accumulated Depreciation for FERC and Kentucky regulatory reporting purposes in accordance with FERC Order 631.
- b. No. The Company does not believe the approved collection of removal costs through depreciation rates creates a refundable obligation. The definition of depreciation provides that net salvage is to be considered in depreciation.
- c. The Company does not believe there is a repayment provision.
- d. The money is spent on an ongoing basis as plant is retired.
- e. The money has been spent as part of the ongoing operations of all aspects of the business.
- f. The Company has not performed an analysis to identify the data requested.
- g. The Company believes that the Kentucky Public Service Commission will be able to monitor the removal costs on an ongoing basis as a part of monitoring the accumulated provision for depreciation. The Company would agree that the amount of total removal costs cannot be determined until all property is retired.
- h. Yes.
- i. The shareholder's.

WITNESS James E. Henderson

Kentucky Power Company

REQUEST

For all accounts for which Kentucky Power has collected non-legal AROs, but instead recorded a regulatory liability, please provide the fair value of the related asset retirement cost as of December 31, 2002, December 31, 2003, and December 31, 2004. For the purposes of this question, assume that Kentucky Power has legal AROs for these accounts, and use the life and dispersion assumptions reflected in Mr. Henderson's depreciation study.

RESPONSE

The requested calculation has not been made.

WITNESS James E. Henderson

Kentucky Power Company

REQUEST

Provide the calculation of the annual amount of future net salvage incorporated into Kentucky Power's existing depreciation rates and in its proposed depreciation rates by account. If the amount is reduced by the total amount of non-legal AROs included in year-end accumulated depreciation, show that calculation.

RESPONSE

The requested calculation has not been performed.

WITNESS James E. Henderson

Kentucky Power Company

REQUEST

Does Kentucky Power believe that if the non-legal ARO regulatory liability is recognized, as SFAS No. 143 has done, Kentucky Power will be required to refund the prior collections? If not, please identify Kentucky Power's concern, if any, pertaining to the recognition of a regulatory liability for non-legal asset retirement obligations. Provide all documents upon which Kentucky Power relies to respond to this question.

RESPONSE

The Company does not wish to speculate on hypothetical accounting.

WITNESS James E. Henderson

Kentucky Power Company

REQUEST

Identify with specificity each section and paragraph of the "Energy Policy Act of 2005" which has or may have an impact upon, or relates to in any way, the following, by FERC USOA account.

- a. Plant lives
- b. Plant retirement patterns (Iowa Curves).
- c. Gross salvage.
- d. Cost of removal.
- e. Retirement units.
- f. Accounting under FERC Uniform System of Accounts.
- g. Accounting under GAAP.
- h. Accounting under SEC rules.
- i. Deferred tax and any tax credits.
- j. Jurisdictional and class cost allocations.

RESPONSE

Mr. Henderson has not performed an analysis of the "Energy Policy Act of 2005".

WITNESS **James E. Henderson**

Kentucky Power Company

REQUEST

Workpaper page 2 of 443.

- a. Explain and provide documentation of the ‘environmental constraints’ relating to Big Sandy Unit 1.
- b. Identify and explain the guarantees that the company is providing to the Kentucky Commission that it will actually spend the \$32 million demolition cost for Big Sandy, and when it will spend the money.
- c. Identify all alternatives to the conceptual demolition cost that were studied and explain why they were rejected.

RESPONSE

- a. The expectation is that federal environmental regulations may not permit the continued operation of Big Sandy Unit 1 without the addition of FGD equipment.
- b. The Company is not aware of any guarantees required by the Kentucky Commission.
- c. No alternatives were studied.

WITNESS **James E. Henderson**

Kentucky Power Company

REQUEST

Workpaper page 95 of 443. Explain the increase in additions for account 355 beginning in 1991.

RESPONSE

The increases in additions for Account 355 are due to the following new construction activity:

All Transmission Lines Below 69 KV	\$14,388,517
Inez-Johns Creek 138KV Line	5,418,849
Hatfield-Inez 138KV Line	2,014,198
Chadwick 138KV Line Extension	914,472
Hazard-Pineville 161KV Line	814,079
Beaver Creek-Spicewood 138KV Line	681,741
Betsy Layne-Allen 46 KV Line	646,786
Inez-Lovely 138KV Line	561,309

WITNESS James E. Henderson

Kentucky Power Company

REQUEST

Workpaper page 100 of 443. Explain the 1984 and 1999 additions for account 356.

RESPONSE

Please see attached workpapers.

WITNESS James E. Henderson

<u>Company</u>	<u>Asset Location</u>	<u>Major Additions</u>
Kentucky Power - Transm	Hanging Rock - Jefferson 765KV Line : KEP : 0703	\$42,397,970.00

The increase in additions for account 356 for 1984 is mainly due to the Hanging Rock Jefferson 765 KV Line.

<u>Company</u>	<u>Asset Location</u>	<u>Major Additions</u>
Kentucky Power - Transm	Beaver Creek - Johns Creek 138KV Line : KEP : 0129	\$2,759,391.92
Kentucky Power - Transm	Big Sandy - Inez 138KV Line : KEP : 0127	\$49,848.68
Kentucky Power - Transm	Inez - Johns Creek 138KV Line : KEP : 0128	\$4,488,138.48
Kentucky Power - Transm	Johns Creek - Sprigg 138KV Line : KEP : 0130	\$3,691,872.66
Kentucky Power - Transm	Sub-Transmission Lines - =<69KV - Kentucky : KEP : 9069	\$988,336.28
		\$11,977,588.02

The increase in additions for account 356 for 1999 is mainly due to the above projects.

Kentucky Power Company

REQUEST

Workpaper 133 of 433 and elsewhere. Explain and provide an example of the “average life group method limited remaining life.”

- a. How do you determine the limits?

RESPONSE

The depreciation programs provide the analyst an option of selecting a maximum remaining life in the analysis. The remaining life is then either the remaining life designated by the survivor curve or the maximum life selected. In the case of Kentucky, a maximum remaining life of 90 years was selected by the analyst, but in no case did the life of the actual survivor curve exceed the 90 year selected life.

WITNESS James E. Henderson

Kentucky Power Company

REQUEST

Various SPR analyses. Provide aged data sufficient to conduct actuarial analyses for the following accounts: 364, 365, 370, 371, 397.

RESPONSE

Aged data sufficient to conduct an actuarial analyses is not available.

WITNESS James E. Henderson

Kentucky Power Company

REQUEST

Workpaper 338 of 443. Explain the \$8,906,128 retirement amount at age 23.5 for account 390.

RESPONSE

Please see attached worksheet.

WITNESS James E. Henderson

<u>Company</u>	<u>Asset Location</u>	<u>Major Additions</u>
Kentucky Power	Ashland (Inactive) Office : KEP : 1094	-\$8,906,128.00

The \$8,906,128 retirement was applicable to the Company's former office building in Ashland, KY.

Kentucky Power Company

REQUEST

Please provide Mr. Foust's Exhibit LCF-1, the Cost of Service Study, in an electronic format. Please also include the type of software with which the study was prepared (ex. EXCEL 97).

RESPONSE

Please see the response to KIUC Question No. 92.

WITNESS Larry C. Foust

Kentucky Power Company

REQUEST

Please provide all calculations, assumptions, and workpapers used in preparation of the Cost of Service Study (Foust Exhibit LCF-1).

RESPONSE

Calculations and assumptions are included in the attachment to KIUC-1st Set, Item No. 92.

WITNESS Larry C. Foust

Kentucky Power Company

REQUEST

Please provide all calculations, assumptions, and workpapers used to develop each of the allocators used in the Cost of Service Study (Foust Exhibit LCF-1).

RESPONSE

Please see the attached 21 pages for workpapers used to develop the allocators used in the cost of service study. In addition Section III of the Filing, pages 1 and 8 of 373, were used as workpapers.

WITNESS Larry C. Foust

KENTUCKY POWER COMPANY
 TEST YEAR ENDED JUNE 30, 2005

CUSTOMER & DEMAND ALLOCATION FACTORS

Class (1)	Customer Allocation Factors			Generation Allocation Factor (5)	Trans. Allocation Factor (6)	Subtran. Allocation Factor (7)	Primary Allocation Factor (8)	Secondary Allocation Factor		
	Year-End Customer (2)	Primary Customers (3)	Secondary Customers (4)					Maximum NCP (9)	Annual SNCP (10)	Demand Alloc. Factor (11)=(9+10)/2
RS	144,458	144,458	144,458	511,167	511,167	391,165	521,509	792,354	1,391,849	1,092,102
SGS	17,873	17,873	17,873	11,009	11,009	8,327	11,628	22,194	42,782	32,488
MGS-Sec	11,449	11,449	11,449	101,296	101,296	80,506	96,280	125,290	181,655	153,473
MGS-Pri	83	83	0	3,263	3,263	2,582	3,109	0	0	0
MGS-Sub	22	0	0	794	794	786	0	0	0	0
LGS-Sec	700	700	700	96,557	96,557	75,707	86,208	108,164	136,164	122,164
LGS-Pri	103	103	0	20,856	20,856	16,318	18,595	0	0	0
LGS-Sub	60	0	0	19,175	19,175	19,314	0	0	0	0
QP-Pri-C	1	1	0	175	175	153	177	0	0	0
QP-Pri	30	30	0	33,444	33,444	25,422	30,476	0	0	0
QP-Sub	51	0	0	101,648	101,648	101,653	0	0	0	0
QP-Tran	3	0	0	4,630	4,630	0	0	0	0	0
CIP-TOD-Sub	11	0	0	240,024	240,024	235,173	0	0	0	0
CIP-TOD-Tran	3	0	0	27,090	27,090	0	0	0	0	0
MW	21	21	21	975	975	757	963	1,295	2,039	1,667
OL	47,510	47,510	47,510	774	774	0	1,736	12,263	12,263	12,263
SL	55	55	55	183	183	0	357	2,090	2,090	2,090
Total	222,433	222,283	222,066	1,173,060	1,173,060	957,863	771,038	1,063,650	1,768,842	1,416,247
String Name	TOTCUST	PRICUST	SECCUST	CPG	CPT	CPST	CPD			SECDEM

KENTUCKY POWER COMPANY
TEST YEAR ENDED JUNE 30, 2005

REVENUE ALLOCATION FACTORS

Class (1)	Base Revenue (2)	Fuel Revenue (3)	Total Revenue (4)	Year-End Customer Adjustment (5)	Forfeited Discounts (6)	Customer Deposits (7)
RS	121,011,015	9,184,476	130,195,491	(105,526)	866,529	7,698,955
SGS	6,008,844	271,538	6,280,382	116,329	74,711	285,664
MGS-Sec	36,221,159	2,320,215	38,541,374	51,297	284,854	1,246,954
MGS-Pri	1,055,293	76,523	1,131,816	50,984	3,732	173,566
MGS-Sub	283,352	18,453	301,805	(27,437)	2,129	17,768
LGS-Sec	27,311,807	2,208,890	29,520,697	106,201	80,138	315,132
LGS-Pri	6,193,781	484,564	6,678,345	53,949	29,404	178,952
LGS-Sub	4,838,172	456,567	5,294,739	(14,668)	26,666	95,323
QP-Pri-C	88,217	5,036	93,253	0	0	0
QP-Pri	8,812,324	938,587	9,750,911	(635,144)	22,639	190,574
QP-Sub	25,130,554	2,686,151	27,816,705	903,072	65,000	121,291
QP-Tran	1,320,678	138,760	1,459,438	(364,858)	7,302	76,084
CIP-TOD-Sub	57,314,135	7,578,545	64,892,680	0	0	0
CIP-TOD-Tran	8,328,324	963,651	9,291,975	0	0	150,000
MW	337,195	28,385	365,580	1,457	0	0
OL	4,555,360	159,923	4,715,283	61,686	13,184	84,255
SL	785,834	32,256	818,090	(2,218)	0	0
Total Retail	309,596,044	27,552,520	337,148,564	195,124	1,476,288	10,634,518
String Name		FUELR	RSALE	RYEC	FORDIS	CUSTDEP

KENTUCKY POWER COMPANY
 YEAR END CUSTOMER
 TEST YEAR ENDED JUNE 30, 2005

NO. OF CUSTOMERS BY TARIFF

Tariff	July 2004	August	September	October	November	December	January 2005	February	March	April	May	June	Total	12 Month Average
RS	144,037	144,066	144,081	144,158	144,360	144,623	144,900	144,418	145,259	144,955	144,303	144,342	1,733,500	144,458
204 SGS-MTRD	703	683	683	683	683	683	683	682	675	680	674	674	8,186	
211 SGS	16,683	16,741	16,799	16,822	16,804	16,805	16,816	16,771	16,918	16,986	17,025	17,118	202,288	
212 SGS - M	0	0	0	0	0	0	0	0	0	0	0	0	0	
213 SGS-UMR	286	286	288	290	290	313	319	335	356	369	390	413	3,935	
225 SGSTOD ON SGS	6	6	6	6	6	6	6	6	6	6	6	6	72	
214 MGS - AF	67	67	66	66	65	69	70	68	74	70	70	69	821	
215 MGS SEC	11,104	11,103	11,100	11,126	11,116	11,130	11,182	11,152	11,215	11,159	11,166	11,158	133,711	
216 MGSCC SEC	89	90	90	90	93	90	90	89	93	89	89	89	1,081	
218 MGS M SEC	18	18	18	18	18	18	18	18	18	18	18	18	216	
223 MGS LM ON	54	54	54	54	54	54	55	53	57	55	53	56	653	
229 MGS-TOD	75	75	75	74	77	76	76	74	76	74	76	75	903	
MGS-Sec	11,407	11,407	11,403	11,428	11,423	11,437	11,491	11,454	11,533	11,465	11,472	11,465	137,385	11,449
217 MGS PRI	34	35	36	36	34	34	33	33	34	33	34	34	410	
220 MGSCC PRI	48	49	46	45	45	50	50	52	50	51	50	53	589	
MGS-Pri	82	84	82	81	79	84	83	85	84	84	84	87	999	83
MGS-Sub	23	23	23	23	24	23	22	23	21	20	19	20	264	22
MGS-Total	11,512	11,514	11,508	11,532	11,526	11,544	11,596	11,562	11,638	11,569	11,575	11,572	138,648	
240 LGS SEC	683	682	687	684	685	686	681	690	682	686	681	687	8,214	
242 LGS M SEC	7	7	7	7	7	7	7	7	7	7	7	7	84	
251 LGS-LM-TD	8	8	8	8	8	8	8	8	8	8	8	8	96	
LGS-Sec	698	697	702	699	700	701	696	705	697	701	696	702	8,394	700
244 LGS PRI	102	103	104	105	107	101	103	100	101	100	97	103	1,226	
246 LGS M PRI	1	1	1	1	1	1	1	1	1	1	1	1	12	
LGS-Pri	103	104	105	106	108	102	104	101	102	101	98	104	1,238	103
248 LGS-Sub	61	60	58	58	61	61	63	61	59	58	62	60	722	60
LGS-Total	862	861	865	863	869	864	863	867	858	860	856	866	10,354	
357 QPC PRI	1	1	1	1	1	1	1	1	1	1	1	1	12	1
358 QP PRI	30	30	30	31	30	31	30	32	30	30	28	28	360	30
359 QP-Sub	51	52	53	52	50	50	50	50	51	50	54	53	616	51
360 QP-Tran	3	3	3	3	2	3	3	3	3	2	2	2	32	3
QP-Total	54	55	56	55	52	53	53	53	54	52	56	55	648	
371 CIP-TOD-Sub	11	11	11	11	11	10	12	10	12	11	11	12	133	11
372 CIP-TOD-Tran	3	3	3	3	3	4	4	4	2	3	3	3	38	3
CIP-TOD-Total	14	14	14	14	14	14	16	14	14	14	14	15	171	
540 MW	21	21	21	21	21	21	21	21	21	20	21	21	251	21
OL	47,237	47,160	47,234	47,346	47,388	47,391	47,467	47,613	47,651	47,932	47,810	47,896	570,125	47,510
SL	54	54	54	54	54	54	57	55	55	55	55	55	656	55
Total	221,500	221,492	221,640	221,876	222,098	222,403	222,828	222,428	223,536	223,529	222,814	223,062	2,669,206	222,433

KENTUCKY POWER COMPANY
 CUSTOMER MIGRATIONS
 TEST YEAR ENDED JUNE 30, 2005

NO. OF CUSTOMERS BY TARIFF

Tariff	July 2004	August	September	October	November	December	January 2005	February	March	April	May	June	Total	12 Month Average
RS	0	0	0	0	0	0	0	0	0	0	0	0	0	0
204 SGS-MTRD	0	0	0	0	0	0	0	0	0	0	0	0	0	0
211 SGS	(474)	(485)	(493)	(511)	(518)	(512)	(326)	(244)	(166)	(67)	(25)	0	(3,821)	
212 SGS - M	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0	0	0	0	0	(7)	
213 SGS-UMR	0	0	0	0	0	0	0	0	0	0	0	0	0	
225 SGSTOD ON	2	2	2	2	2	2	2	0	0	0	0	0	14	
SGS	(473)	(484)	(492)	(510)	(517)	(511)	(325)	(244)	(166)	(67)	(25)	0	(3,814)	(318)
214 MGS - AF	0	0	0	0	(1)	2	2	1	1	(2)	(2)	0	1	
215 MGS SEC	489	482	487	507	515	509	323	241	161	66	28	0	3,786	
216 MGSCC SEC	(3)	(3)	(2)	(3)	(3)	(3)	(3)	(1)	(2)	0	1	0	(22)	
218 MGS M SEC	0	0	0	0	0	0	0	0	0	0	0	0	0	
223 MGS LM ON	0	0	0	0	0	0	0	0	0	0	0	0	0	
229 MGS-TOD	0	0	0	0	0	0	0	0	0	0	0	0	0	
MGS-Sec	466	479	485	504	511	508	322	241	160	64	25	0	3,765	314
217 MGS PRI	(2)	(2)	(1)	(1)	(1)	(1)	0	(1)	0	0	(1)	0	(10)	
220 MGSCC PRI	0	0	(3)	(3)	(3)	(4)	(3)	(1)	0	(2)	(1)	0	(20)	
MGS-Pri	(2)	(2)	(4)	(4)	(4)	(5)	(3)	(2)	0	(2)	(2)	0	(30)	(3)
236 MGS-Sub	1	-2	(2)	(1)	(2)	(2)	(1)	0	0	0	0	0	(9)	(1)
MGS-Total	465	475	479	499	505	501	318	239	160	62	23	0	3,726	
240 LGS SEC	9	7	8	7	7	4	4	4	6	4	0	0	60	
242 LGS M SEC	0	0	0	0	0	0	0	0	0	0	0	0	0	
251 LGS-LM-TD	0	0	0	0	0	0	0	0	0	0	0	0	0	
LGS-Sec	9	7	8	7	7	4	4	4	6	4	0	0	60	5
244 LGS PRI	3	3	5	4	4	5	3	2	1	2	2	0	34	
246 LGS M PRI	0	0	0	0	0	0	0	0	0	0	0	0	0	
LGS-Pri	3	3	5	4	4	5	3	2	1	2	2	0	34	3
248 LGS-Sub	(2)	3	2	1	3	3	2	1	(1)	0	0	0	12	1
LGS-Total	10	13	15	12	14	12	9	7	6	6	2	0	106	
357 QPC PRI	0	0	0	0	0	0	0	0	0	0	0	0	0	0
358 QP PRI	(2)	(2)	(2)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0	0	(13)	(1)
359 QP-Sub	2	0	1	1	0	0	0	(1)	1	0	0	0	4	0
360 QP-Tran	0	0	0	0	0	0	0	0	0	0	0	0	0	0
QP-Total	0	(2)	(1)	0	(1)	(1)	(1)	(2)	0	(1)	0	0	(9)	
371 CIP-TOD-Sub	(1)	(1)	(1)	(1)	(1)	(2)	(2)	(1)	(1)	(1)	(1)	0	(13)	(1)
372 CIP-TOD-Tran	0	0	0	0	0	1	1	1	1	1	1	0	6	1
CIP-TOD-Total	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0	0	0	0	0	(7)	
540 MW	(1)	(1)	0	0	0	0	0	0	0	0	0	0	(2)	0
OL	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SL	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0

KENTUCKY POWER COMPANY
 PER BOOKS
 TEST YEAR ENDED JUNE 30, 2005

NO. OF CUSTOMERS BY TARIFF

Tariff	July 2004	August	September	October	November	December	January 2005	February	March	April	May	June	Total
RS	144,037	144,066	144,081	144,158	144,360	144,623	144,900	144,416	145,259	144,955	144,303	144,342	1,733,500
204 SGS-MTRD	703	683	683	683	683	683	683	682	675	680	674	674	8,186
211 SGS	17,167	17,226	17,292	17,333	17,322	17,317	17,142	17,015	17,084	17,053	17,050	17,118	206,109
212 SGS - M	1	1	1	1	1	1	1	0	0	0	0	0	7
213 SGS-UMR	286	286	288	290	290	313	319	335	356	369	390	413	3,935
225 SGSTOD ON SGS	4	4	4	4	4	4	4	6	6	6	6	6	58
	18,151	18,200	18,268	18,311	18,300	18,318	18,149	18,038	18,121	18,108	18,120	18,211	218,295
214 MGS - AF	67	67	68	66	66	67	68	67	73	72	72	69	820
215 MGS SEC	10,635	10,621	10,613	10,619	10,601	10,621	10,859	10,911	11,054	11,093	11,140	11,158	129,925
216 MGSCC SEC	92	93	92	93	96	93	93	90	95	89	88	89	1,103
218 MGS M SEC	18	18	18	18	18	18	18	18	18	18	18	18	216
223 MGS LM ON	54	54	54	54	54	54	55	53	57	55	53	56	653
229 MGS-TOD	75	75	75	74	77	78	76	74	78	74	76	75	903
MGS-Sec	10,941	10,928	10,918	10,924	10,912	10,929	11,169	11,213	11,373	11,401	11,447	11,465	133,620
217 MGS PRI	36	37	37	37	35	35	33	34	34	33	35	34	420
220 MGSCC PRI	48	49	49	48	48	54	53	53	50	53	51	53	609
MGS-Pri	84	86	86	85	83	89	86	87	84	88	86	87	1,029
236 MGS-Sub	22	25	25	24	26	26	23	23	21	20	19	20	273
MGS-Total	11,047	11,039	11,029	11,033	11,021	11,043	11,278	11,323	11,478	11,507	11,552	11,572	134,922
240 LGS SEC	674	675	679	677	678	682	677	686	678	682	681	687	8,154
242 LGS M SEC	7	7	7	7	7	7	7	7	7	7	7	7	84
251 LGS-LM-TD	8	8	8	8	8	8	8	8	8	8	8	8	96
LGS-Sec	689	690	694	692	693	697	692	701	691	697	696	702	8,334
244 LGS PRI	99	100	99	101	103	96	100	98	100	98	95	103	1,192
246 LGS M PRI	1	1	1	1	1	1	1	1	1	1	1	1	12
LGS-Pri	100	101	100	102	104	97	101	99	101	99	96	104	1,204
248 LGS-Sub	63	57	56	57	58	58	61	60	60	58	62	60	710
LGS-Total	852	848	850	851	855	852	854	860	852	854	854	866	10,248
357 QPC PRI	1	1	1	1	1	1	1	1	1	1	1	1	12
358 QP PRI	32	32	32	32	31	32	31	33	31	31	28	28	373
359 QP-Sub	49	52	52	51	50	50	50	51	50	50	54	53	612
360 QP-Tran	3	3	3	3	2	3	3	3	3	2	2	2	32
QP-Total	52	55	55	54	52	53	53	54	53	52	56	55	644
371 CIP-TOD-Sub	12	12	12	12	12	12	14	11	13	12	12	12	146
372 CIP-TOD-Tran	3	3	3	3	3	3	3	3	1	2	2	3	32
CIP-TOD-Total	15	15	15	15	15	15	17	14	14	14	14	15	178
540 MW	22	22	21	21	21	21	21	21	21	20	21	21	253
OL	47,237	47,160	47,234	47,346	47,388	47,391	47,467	47,613	47,651	47,932	47,810	47,896	570,125
SL	54	54	54	54	54	54	57	55	55	55	55	55	656
Total Retail	221,500	221,492	221,640	221,876	222,098	222,403	222,828	222,428	223,536	223,529	222,814	223,062	2,669,206
887 VANCEBURG	1	1	1	1	1	1	1	1	1	1	1	1	12
888 OLIVEHILL	2	2	2	2	2	2	2	2	2	2	2	2	24
Total Company	221,503	221,495	221,643	221,879	222,101	222,406	222,831	222,431	223,539	223,532	222,817	223,065	2,669,242

KENTUCKY POWER COMPANY
TWELVE MONTHS ENDED JUNE 30, 2005

LOSS ADJUSTED COINCIDENT PEAK DEMANDS
AT TIME OF GENERATION SYSTEM PEAK

CLASS	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	AVG
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
RS - SECONDARY	471,525	497,263	393,345	240,162	430,282	843,113	884,340	567,297	693,439	348,391	370,056	394,788	511,167
SGS - SECONDARY	11,784	14,547	8,132	6,409	9,662	17,209	13,230	8,116	11,809	9,735	8,567	12,910	11,009
MGS - SECONDARY	116,734	122,872	103,370	76,266	91,128	117,273	111,442	94,886	95,334	68,319	97,163	120,764	101,296
MGS - PRIMARY	2,882	5,706	2,979	2,650	3,371	4,946	3,079	3,560	3,092	1,958	1,960	2,969	3,263
MGS - SUBTRAN	1,398	1,491	1,624	1,117	761	687	185	188	419	293	300	1,061	794
LGS - SECONDARY	92,577	89,974	86,206	84,756	109,414	120,737	97,398	97,935	110,841	66,211	104,069	98,571	96,557
LGS - PRIMARY	19,781	16,977	16,104	18,714	25,873	27,231	22,139	21,836	25,880	12,634	23,713	19,387	20,856
LGS - SUBTRAN	8,523	15,207	14,893	17,562	22,626	23,659	21,063	21,677	26,583	15,954	24,035	18,312	19,175
QP - PRI-C	116	97	90	236	93	317	198	179	282	28	257	206	175
QP - PRIMARY	35,988	37,590	30,265	33,257	38,651	33,781	31,742	34,407	39,439	17,387	33,421	35,396	33,444
QP - SUBTRAN	100,498	91,408	88,009	100,954	120,459	103,712	80,930	102,638	108,726	91,818	119,749	110,879	101,648
QP - TRAN	5,762	4,714	4,718	2,142	4,907	4,374	4,870	7,463	4,488	2,909	4,940	4,273	4,630
CIP - SUBTRAN	237,024	230,951	242,316	227,453	251,935	230,492	246,344	249,930	208,313	251,215	236,299	268,020	240,024
CIP - TRAN	25,780	24,835	23,039	38,331	41,470	25,773	25,935	27,057	18,391	27,883	21,474	25,115	27,090
MW - SECONDARY	1,000	739	1,060	845	1,014	1,151	906	924	1,034	954	1,290	808	975
OL - SECONDARY	0	0	0	0	0	0	0	0	0	9,291	0	0	774
SL - SECONDARY	0	0	0	0	0	0	0	0	0	2,193	0	0	183
TOTAL	1,131,372	1,154,371	1,016,150	850,854	1,151,646	1,554,435	1,543,801	1,238,093	1,348,070	927,173	1,047,293	1,113,459	1,173,060
DATE	13	3	1	18	15	20	24	2	3	2	3	14	
HOUR	16	17	18	9	9	9	8	8	8	20	9	16	CAG

KENTUCKY POWER COMPANY
TWELVE MONTHS ENDED JUNE 30, 2005

LOSS ADJUSTED COINCIDENT PEAK DEMANDS
AT TIME OF SUBTRANSMISSION SYSTEM PEAK

CLASS	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	AVG
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
RS - SECONDARY	378,948	377,706	299,054	185,715	326,837	637,963	648,489	428,502	525,828	281,584	281,301	322,048	391,165
SGS - SECONDARY	8,248	11,050	6,183	4,777	7,339	13,021	12,168	7,422	8,955	6,363	6,513	7,890	8,327
MGS - SECONDARY	87,781	93,330	78,591	57,561	69,219	88,738	100,960	80,634	72,291	63,661	73,859	99,441	80,506
MGS - PRIMARY	2,167	4,334	2,265	2,000	2,560	3,742	2,790	3,026	2,344	1,825	1,490	2,444	2,582
MGS - SUBTRAN	1,343	1,447	1,578	1,078	739	664	214	204	406	349	291	1,114	786
LGS - SECONDARY	67,490	68,341	65,541	66,169	83,110	91,359	78,651	78,469	84,050	64,963	79,108	81,234	75,707
LGS - PRIMARY	14,417	12,895	12,244	14,610	19,653	20,605	17,876	17,493	19,625	12,397	18,025	15,974	16,318
LGS - SUBTRAN	7,935	14,761	14,473	17,529	21,964	22,862	21,717	22,179	25,752	19,988	23,352	19,258	19,314
QP - PRI-C	95	74	68	149	70	240	209	131	214	213	196	173	153
QP - PRIMARY	25,013	28,552	23,010	26,518	29,359	25,561	22,405	26,387	29,907	15,629	25,406	27,321	25,422
QP - SUBTRAN	97,531	88,729	85,529	96,772	116,932	100,219	84,440	109,260	105,326	111,080	116,347	107,667	101,653
QP - TRAN	0	0	0	0	0	0	0	0	0	0	0	0	0
CIP - SUBTRAN	232,027	224,183	235,487	245,516	244,559	222,730	237,131	242,066	201,799	239,834	229,586	267,154	235,173
CIP - TRAN	0	0	0	0	0	0	0	0	0	0	0	0	0
MW - SECONDARY	757	561	806	524	770	856	687	711	784	710	980	932	757
OL - SECONDARY	0	0	0	0	0	0	0	0	0	0	0	0	0
SL - SECONDARY	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	923,752	925,963	824,829	718,918	923,111	1,228,560	1,227,737	1,016,484	1,077,281	818,596	856,454	952,650	957,861
DATE	13	3	1	6	15	20	24	2	3	4	3	6	
HOUR	17	17	18	10	9	9	10	9	8	9	9	15	

CPST

KENTUCKY POWER COMPANY
 TWELVE MONTHS ENDED JUNE 30, 2005
 LOSS ADJUSTED COINCIDENT PEAK DEMANDS
 AT TIME OF TRANSMISSION SYSTEM PEAK

CLASS	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	AVG
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
RS - SECONDARY	471,525	497,263	393,345	240,162	430,282	843,113	884,340	567,297	693,439	348,391	370,056	394,788	511,167
SGS - SECONDARY	11,784	14,547	8,132	6,409	9,662	17,209	13,230	8,116	11,809	9,735	8,567	12,910	11,009
MGS - SECONDARY	116,734	122,872	103,370	76,266	91,128	117,273	111,442	94,886	95,334	68,319	97,163	120,764	101,296
MGS - PRIMARY	2,882	5,706	2,979	2,650	3,371	4,946	3,079	3,560	3,092	1,958	1,960	2,969	3,263
MGS - SUBTRAN	1,398	1,491	1,624	1,117	761	687	185	188	419	293	300	1,061	794
LGS - SECONDARY	92,577	89,974	86,206	84,756	109,414	120,737	97,398	97,935	110,841	66,211	104,069	98,571	96,557
LGS - PRIMARY	19,781	16,977	16,104	18,714	25,873	27,231	22,139	21,836	25,880	12,634	23,713	19,387	20,856
LGS - SUBTRAN	8,523	15,207	14,893	17,562	22,626	23,659	21,063	21,677	26,583	15,954	24,035	18,312	19,175
QP - PRI-C	116	97	90	236	93	317	198	179	282	28	257	206	175
QP - PRIMARY	35,988	37,590	30,265	33,257	38,651	33,781	31,742	34,407	39,439	17,387	33,421	35,396	33,444
QP - SUBTRAN	100,498	91,408	88,009	100,954	120,459	103,712	80,930	102,638	108,726	91,818	119,749	110,879	101,648
QP - TRAN	5,762	4,714	4,718	2,142	4,907	4,374	4,870	7,463	4,488	2,909	4,940	4,273	4,630
CIP - SUBTRAN	237,024	230,951	242,316	227,453	251,935	230,492	246,344	249,930	208,313	251,215	236,299	268,020	240,024
CIP - TRAN	25,780	24,835	23,039	38,331	41,470	25,773	25,935	27,057	18,391	27,883	21,474	25,115	27,090
MW - SECONDARY	1,000	739	1,060	845	1,014	1,131	906	924	1,034	954	1,290	808	975
OL - SECONDARY	0	0	0	0	0	0	0	0	0	9,291	0	0	774
SL - SECONDARY	0	0	0	0	0	0	0	0	0	2,193	0	0	183
TOTAL	1,131,372	1,154,371	1,016,150	850,854	1,151,646	1,554,435	1,543,801	1,238,093	1,348,070	927,173	1,047,293	1,113,459	1,173,060
DATE	13	3	1	18	15	20	24	2	3	2	3	14	
HOUR	16	17	18	9	9	9	8	8	8	20	9	16	

CPT

KENTUCKY POWER COMPANY.
 TWELVE MONTHS ENDED JUNE 30, 2005
 LOSS ADJUSTED COINCIDENT PEAK DEMANDS:
 AT TIME OF DISTRIBUTION SYSTEM PEAK

CLASS ----- (1)	JUL ---- (2)	AUG ---- (3)	SEP ---- (4)	OCT ---- (5)	NOV ---- (6)	DEC ---- (7)	JAN ---- (8)	FEB ---- (9)	MAR ---- (10)	APR ---- (11)	MAY ---- (12)	JUN ---- (13)	AVG ---- (14)
RS - SECONDARY	494,431	477,204	477,394	339,097	412,947	803,440	816,704	546,873	685,292	389,531	395,126	420,073	521,509
SGS - SECONDARY	10,626	13,960	9,021	6,391	9,273	16,399	15,324	14,192	12,917	9,267	10,689	11,476	11,628
MGS - SECONDARY	114,115	117,915	88,679	52,155	87,457	111,755	127,149	104,343	88,088	64,262	76,076	123,367	96,280
MGS - PRIMARY	2,817	5,476	2,554	1,813	3,235	4,713	3,514	3,914	2,856	1,842	1,535	3,033	3,109
MGS - SUBTRAN	0	0	0	0	0	0	0	0	0	0	0	0	0
LGS - SECONDARY	78,175	86,344	72,998	54,984	105,006	115,056	99,052	96,611	79,369	60,512	89,848	96,546	86,208
LGS - PRIMARY	16,699	16,292	13,631	12,149	24,831	25,950	22,513	21,535	18,531	11,548	20,473	18,984	18,595
LGS - SUBTRAN	0	0	0	0	0	0	0	0	0	0	0	0	0
QP - PRI-C	173	93	177	24	89	302	263	272	270	27	264	171	177
QP - PRIMARY	29,851	36,073	23,647	24,299	37,093	32,191	28,217	32,018	37,060	17,366	30,907	36,994	30,476
QP - SUBTRAN	0	0	0	0	0	0	0	0	0	0	0	0	0
QP - TRAN	0	0	0	0	0	0	0	0	0	0	0	0	0
CIP - SUBTRAN	0	0	0	0	0	0	0	0	0	0	0	0	0
CIP - TRAN	0	0	0	0	0	0	0	0	0	0	0	0	0
MW - SECONDARY	988	709	1,059	808	973	1,078	865	890	895	925	1,170	1,198	963
OL - SECONDARY	0	0	0	0	0	0	0	0	11,884	8,953	0	0	1,736
SL - SECONDARY	0	0	0	0	0	0	0	0	2,173	2,112	0	0	357
TOTAL	747,875	754,066	689,160	491,720	680,904	1,110,884	1,113,601	820,648	939,335	566,345	626,088	711,842	771,039
DATE	9	3	6	17	15	20	24	11	1	2	3	30	
HOOR	17	17	17	10	9	9	10	11	20	21	8	15	CPD

KENTUCKY POWER COMPANY
 TWELVE MONTHS ENDED JUNE 30, 2005
 GENERATION ENERGY SUMMARY

CLASS	METERED			LOSS FACTORS			LOSS ADJUSTED		
	PEAK	OFFPEAK	TOTAL	PEAK	OFFPEAK	TOTAL	PEAK	OFFPEAK	TOTAL
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
RS - SECONDARY	1,041,118,307	1,304,299,115	2,345,417,422	1.08605	1.08422	1.08503	1,130,702,633	1,414,147,033	2,544,849,666
SGS - SECONDARY	31,009,689	38,332,458	69,342,147	1.08520	1.08360	1.08431	33,651,561	41,537,098	75,188,659
MGS - SECONDARY	298,759,379	293,748,582	592,507,961	1.08456	1.08326	1.08392	324,023,524	318,205,805	642,229,329
MGS - PRIMARY	9,840,055	9,701,509	19,541,564	1.05942	1.05661	1.05802	10,424,762	10,250,695	20,675,457
MGS - SUBTRAN	2,406,227	2,306,041	4,712,268	1.04209	1.04107	1.04159	2,507,504	2,400,760	4,908,264
LGS - SECONDARY	283,793,390	280,285,529	564,078,919	1.08426	1.08315	1.08371	307,706,362	303,592,218	611,298,580
LGS - PRIMARY	62,174,434	61,598,073	123,772,507	1.05892	1.05616	1.05754	65,837,474	65,057,258	130,894,732
LGS - SUBTRAN	58,620,945	57,971,433	116,592,378	1.04243	1.04144	1.04194	61,108,462	60,373,992	121,482,454
QP - PRI-C	747,144	538,835	1,285,979	1.05913	1.05589	1.05777	791,323	568,948	1,360,271
QP - PRIMARY	112,181,182	127,503,571	239,684,753	1.05877	1.05573	1.05715	118,774,276	134,609,294	253,383,570
QP - SUBTRAN	350,679,770	335,276,276	685,956,046	1.04233	1.04133	1.04184	365,524,431	349,134,007	714,658,438
QP - TRAN	15,727,253	19,707,495	35,434,748	1.02876	1.02856	1.02865	16,179,623	20,270,289	36,449,912
CIP - SUBTRAN	830,014,555	1,105,299,824	1,935,314,379	1.04233	1.04126	1.04172	865,148,786	1,150,904,956	2,016,053,742
CIP - TRAN	96,848,810	149,236,432	246,085,242	1.02875	1.02853	1.02861	99,633,086	153,493,591	253,126,677
MW - SECONDARY	3,113,995	4,134,588	7,248,583	1.08421	1.08296	1.08350	3,376,226	4,477,588	7,853,814
OL - SECONDARY	5,010,485	35,693,545	40,704,030	1.08523	1.08341	1.08363	5,437,538	38,670,764	44,108,302
SL - SECONDARY	1,022,950	7,190,210	8,213,160	1.08562	1.08361	1.08386	1,110,534	7,791,359	8,901,893
TOTAL	3,203,068,570	3,832,823,516	7,035,892,086	1.06521	1.06331	1.06418	3,411,938,105	4,075,485,655	7,487,423,760

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Kentucky Power Company					
Customer Counts by Tariffs					
Allocation of Meter Costs Per Customer					
Excludes O/L, Unmetered and Fixed Service Classes					
Description	KENTUCKY RATE CODES	Customer Counts	Cost of Installed Meter	Costs	
RES LOAD MGT WTR HTR 80 GAL	11	110	106.88	11,757	
RESIDENTIAL WATER HEATER 80 GAL	12	18	106.88	1,924	
RESIDENTIAL WATER HEATER 100 GAL	13	4	106.88	428	
RESIDENTIAL WATER HEATER 120 GAL	14	3	106.88	321	
RESIDENTIAL	15	59,412	106.88	6,349,955	
RESIDENTIAL - EMPLOYEE	17	560	106.88	59,853	
RESIDENTIAL - WATER HEATER	22	84,153	106.88	8,994,273	
RES-LM-TOD- AORH/WHTR ON-PEAK	28	8	201.91	1,615	
RES-LM-TOD- WATER HEATER-ON PEAK	30	75	201.91	15,143	
RES-LM-TOD-AORH/WHTR ON PEAK	32	113	201.91	22,816	
RES-LM-TOD- AORH - ON PEAK	34	2	201.91	404	
RES - EMP - WATER HEATER 120 GAL	54	1	106.88	107	
RS					15,458,596
175 MERCURY VAPOR	93	2,556	0	N/A	
100 HIGH PRESSURE SODIUM	94	24,190	0	N/A	
400 MERCURY VAPOR	95	147	0	N/A	
200 HIGH PRESSURE SODIUM	97	1,802	0	N/A	
400 HIGH PRESSURE SODIUM	98	56	0	N/A	
175 MERCURY VAPOR - POLE	99	8	0	N/A	
200 HIGH PRESSURE SODIUM - FLOOD	107	1,268	0	N/A	
400 HIGH PRESSURE SODIUM - FLOOD	109	1,719	0	N/A	
250 METAL HALIDE - FLOOD	110	40	0	N/A	
100 HIGH PRESSURE SODIUM - POST TOP	111	145	0	N/A	
150 HIGH PRESSURE SODIUM	113	15,298	0	N/A	
400 METAL HALIDE - FLOOD	116	242	0	N/A	
150 HIGH PRESSURE SODIUM - POST TOP	122	15	0	N/A	
1000 METAL HALIDE - FLOOD	131	24	0	N/A	
OL					0
SMALL GENERAL SERVICE - METERED	204	682	346	235,972	
SMALL GENERAL SERVICE	211	17,176	346	5,942,896	
SMALL GENERAL SERVICE - MULTIPLE	212	1	346	346	
SMALL GENERAL SERVICE - UNMETERED	213	328	0	0	
SMALL GENERAL SERVICE - TOD-ON PK	225	5	346	1,730	
SGS					6,180,944
MEDIUM GENERAL SERVICE-ATHLETIC FLD	214	68	346	23,528	
MEDIUM GENERAL SERVICE - SECONDARY	215	10,827	346	3,746,142	
MED GEN SERV W/CONTRACT CAPACITY	216	92	346	31,832	
MEDIUM GENERAL SERVICE-MULT-SECOND	218	18	346	6,228	
MEDIUM GENERAL SERVICE - LM - ON PK 120/208 trf metering	223	54	1100	59,400	
MEDIUM GENERAL SERVICE - TOD ON PK	229	75	346	25,950	
MGS-Sec					3,893,080
MEDIUM GENERAL SERVICE - PRIMARY	217	35	557.1	194,985	
MEDIUM GENERAL SERVICE-COAL-PRIMARY	220	51	557.1	284,121	
MGS-Pri					479,106
MEDIUM GENERAL SERVICE-COAL-SUBTRAN	236	23	3017.0	693,910	693,910
LARGE GENERAL SERVICE - SECONDARY	240	680	1296	881,280	
LARGE GENERAL SERVICE - MULT-SECOND	242	7	1296	9,072	
LARGE GENERAL SERVICE - LM-TOD	251	8	1405	11,248	
LGS-Sec					901,600
LARGE GENERAL SERVICE - PRIMARY	244	99	5756	569,844	
LARGE GENERAL SERVICE - MULT-PRI	246	1	5756	5,756	
LGS-Pri					575,600
LARGE GENERAL SERVICE - SUBTRAN	248	59	4497.2	2,653,348	2,653,348
QUANTITY POWER - C Primary 12kv trf metering	357	1	5756	5,756	
QUANTITY POWER - PRIMARY	358	31	5756	178,436	
QP-Pri					184,192
QUANTITY POWER - SUBTRANSMISSION	359	51	4497.2	2,293,572	2,293,572
QUANTITY POWER - TRANSMISSION	360	3	4497.2	134,916	134,916
COMM/IND POWER TOD - SUBTRAN	371	12	4497.2	539,664	539,664
COMM/IND POWER TOD - TRAN	372	3	4497.2	134,916	134,916
STREET LIGHTS	528	55	0	0	
MUNICIPAL WATERWORKS	540	21	346	7,266	7,266
Total Retail					34,190,710
VANCEBURG	887	1	54704	54,704	54,704
OLIVE HILL	888	2	54704	109,408	109,408
Total Company		222,438		34,294,822	34,294,822
String Name					METER

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Kentucky Power Company
 Meter Reading Expense - Account 902
 Twelve Months Ended June 30, 2005

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<u>Class</u> (1)	<u>T Y Average Customers</u> (2)	<u>Meter Reading Difficulty</u> (3)	<u>Meter Location Difficulty</u> (4)	<u>Total Weighting Factor</u> (5)	<u>Meter Reading Expense</u> (6)
Residential	144,458	1	1	2	288,916
Small General Service Secondary	17,873	1	1	2	35,746
Medium General Service Secondary	11,449	2	1	3	34,347
Primary	83	2	1.5	4	291
Subtransmission	22	2	1.5	4	77
Large General Service Secondary	700	3	1.5	5	3,150
Primary	103	3	2	5	515
Subtransmission	60	3	2	5	300
Municipal Waterworks	21	1	1	2	42
Quantity Power Primary-C	1	4	2	6	6
Primary	30	4	2	6	180
Subtransmission	51	4	2	6	306
Transmission	3	4	2	6	18
Commercial & Industrial Power Primary	0	4	2	6	0
Subtransmission	11	4	2	6	66
Transmission	3	4	2	6	18
Outdoor Lighting	47,510	0	0	0	0
Street Lighting	55	0	0	0	0
TOTAL	<u><u>222,433</u></u>				<u><u>363,978</u></u>
Allocation Factor Name					DIR902

Kentucky Power Company
Test Year Ended June 30, 2005
Allocation of Account 903

Class	Customer Counts	Call Center	Other	Total 903
RS	144,458	2,537,260	1,897,641	4,434,901
SGS	17,873	153,978	234,785	388,762
MGS-Sec	11,449	98,634	150,397	249,032
MGS-Pri	83	715	1,090	1,805
MGS-Sub	22	190	289	479
LGS-Sec	700	6,031	9,195	15,226
LGS-Pri	103	887	1,353	2,240
LGS-Sub	60	517	788	1,305
QP-Pri-C	1	9	13	22
QP-Pri	30	258	394	653
QP-Sub	51	439	670	1,109
QP-Tran	3	26	39	65
CIP-TOD-Sub	11	95	145	239
CIP-TOD-Tran	3	26	39	65
MW	21	181	276	457
OL	47,510		624,105	624,105
SL	55	474	723	1,196
Total	222,433	2,799,719	2,921,942	5,721,661

String Name

DIR903

Allocation of Call Center Costs

	# of Calls	Cost	# of Customers*
Residential	340,085	2,537,260	144,458
All Other	35,179	262,459	30,465
Total	375,264	2,799,719	

*Excludes OL customers.

KENTUCKY POWER COMPANY
 Allocation of Call Center Charges
 Test Year Ended 06/30/2005

State	OPCO Code & Name	Revenue Code	# of Calls	Rev Code Desc
KY	03 - KENTUCKY POWER	0	68	Unassignable
KY	4 - KENTUCKY POWER	10	131,932	Residential w/o Heat
KY	5 - KENTUCKY POWER	20	208,153	Residential w/ Heat
KY	6 - KENTUCKY POWER	211	22,665	Comm w/o Heat
KY	7 - KENTUCKY POWER	212	7,525	Comm w/ Heat
KY	8 - KENTUCKY POWER	213	579	Public Authorities
KY	9 - KENTUCKY POWER	216	1,809	Public Authorities - Excluding Schools
KY	10 - KENTUCKY POWER	221	736	Industrial w/o Heat
KY	11 - KENTUCKY POWER	222	108	Industrial w/ Heat
KY	12 - KENTUCKY POWER	230	742	Industrial - Mines
KY	13 - KENTUCKY POWER	400	1,009	Public Street & Highway Lighting
KY	14 - KENTUCKY POWER	720	6	Sales for Resale - Other Electric Utilities
KPCO Total=			375,332	

Less "0" Revenue Class	-68 (remove because it is unknown what class to allocate to)
Total Call Allocations Basis	<u>375,264</u>
Total Residential Classes	340,085
Total of all other Classes	<u>35,179</u>
	<u>375,264</u>

Kentucky Power Co.
 Account 903 by ABMS Activity Code.
 Test Year Ended 06/30/05

Sum of Amount			OTHER	CALL CENTER	BILLING/ BILLING OTHER
ABM Act	ABM Act Description	Total			
177	Construct Trans Line Facilities	11.22	11.22		
214	Construct Dist Line Facilities	6,983.49	6,983.49		
217	Construct Dist Line Facilities	370.83	370.83		
218	Construct Dist Line Facilities	(0.03)	(0.03)		
223	Develop and Maintain Dist Oper Procedures	60.13	60.13		
228	Coordinate & Perform Underground Locates	3,070.08	3,070.08		
231	Maintain Dist Right-of-Ways	(143.79)	(143.79)		
239	Support Cust Inquires/Requests	176,874.48		176,874.48	
248	Respond to Cust Queries	71.11	71.11		
251	Read Billing Meeter	137.02	137.02		
252	Process and Perform Disconnects and Reconnects for Non-payment	567,718.83	567,718.83		
253	Manage & Support Collections - Active Delinquencies	19,425.73		19,425.73	
254	Manage & Support Collections - Inactive Delinquencies	(0.00)	(0.00)		
255	Manage and Investigate Unauthorized Energy Use	24,688.92	24,688.92		
257	Process Cust Payments	26.79	26.79		
258	Print Package and Deliver Bills	24,137.39			24,137.39
259	Manage & Resolve Acct Exceptions	48,937.62			48,937.62
268	Participate in Process Improvement Efforts	1.27	1.27		
291	Respond to PSC and Legislative Customer Complaints.	10,083.58	10,083.58		
294	Manage and Participate in Community Relations	106.02	106.02		
295	Manage and Participate in Community Relations	1,007.06	1,007.06		
297	Manage & Participate in Employee Communications	88.11	88.11		
311	Develop, Manage & Administer Employee Compensation	-	-		
317	Participate in Training/Learning	3,824.39	3,824.39		
322	Develop, Manage & Administer Safety Programs.	(1.29)	(1.29)		
334	Maintain General Ledger.	736.85	736.85		
338	Process Other Accounts Receivable	0.17	0.17		
642	Plan & Develop Account Management Plan for all Assigned Customers	66,481.01	66,481.01		
997	Service Corp Billing	4,751,716.78	857,951.27	2,603,419.00	1,290,346.51
997 ADJ	Adj to Service Corp Bill	15,247.90	15,247.90		
GRAND TOTAL		5,721,661.64	1,558,520.92	2,799,719.21	1,363,421.51

Kentucky Power Co.
 Account 903 by ABMS Activity Code.
 Detail of Billing from SC in Account 903.
 Test Year Ended 06/30/05

Sum of	Sum Amount			
Res Cat From	ABMS Act Desc	Total	OTHER	CALL CENTER BILLING/ BILLING OTHER
	(blank)	15.64		15.64
(blank)	(blank)	123,805.42		123,805.42
214	Construct Dist Line Facilities	(51.33)	(51.33)	
225	Coordinate & Perform Underground Locates	308.78	308.78	
230	Maintain Dist Right-of-Ways	63.25	63.25	
239	Support Cust Inquires/Requests	2,323,121.65		2,323,121.65
243	Respond to Cust Queries	(0.43)		(0.43)
251	Read Billing Meeter	6,107.20	6,107.20	
252	Process and Perform Disconnects and Reconnects for Non-payment	41,305.17	41,305.17	
253	Manage & Support Collections - Active Delinquencies	248,498.25		248,498.25
254	Manage & Support Collections - Inactive Delinquencies	103,198.50		103,198.50
255	Manage and Investigate Unauthorized Energy Use	35,589.43	35,589.43	
256	Manage and Participate in Customer Assist Programs	11,460.32		11,460.32
257	Process Cust Payments	321,048.60	321,048.60	
258	Print Package and Deliver Bills	690,657.02		690,657.02
259	Manage & Resolve Acct Exceptions	352,736.81		352,736.81
263	Perform Strategic Planning and Analysis	9,001.21	9,001.21	
264	Develop & Administer Long Range Business Plans	9,501.25	9,501.25	
268	Participate in Process Improvement Efforts	39,892.43	39,892.43	
269	Develop Measures & Analyze Performance Measures	43,824.32	43,824.32	
273	Develop Measures & Analyze Performance Measures	82.40	82.40	
290	Manage and Participate in Regulatory Filings	4.37	4.37	
291	Respond to PSC and Legislative Customer Complaints.	24,379.64	24,379.64	
292	Support and Participate in Industry, Professional and Trade Associations	825.34	825.34	
293	Manage and Participate in Public Relations	24.81	24.81	
294	Manage and Participate in Community Relations	976.25	976.25	
295	Manage and Participate in Community Relations	93.84	93.84	
297	Manage & Participate in Employee Communications	14,715.88	14,715.88	
308	Develop, Manage & Administer in Staffing Process.	2,930.18	2,930.18	
311	Develop, Manage & Administer Employee Compensation	983.66	983.66	
315	Design & Develop Training/Learning	21,633.65	21,633.65	
316	Deliver Training/Learning	11,624.62	11,624.62	

317	Participate in Training/Learning	48,940.77	48,940.77		
319	Review and Evaluate Employee Performance	30,352.54	30,352.54		
320	Manage, Develop & Promote Postive Employee Relations	11,148.70	11,148.70		
322	Develop, Manage & Administer Safety Programs.	1,096.60	1,096.60		
326	Adminster and Participate in Labor Grievences.	225.82	225.82		
334	Maintain General Ledger.	1,169.18	1,169.18		
338	Process Other Accounts Receivable	8,472.80		8,472.80	
339	Process Invoices.	1,238.32	1,238.32		
340	Process Payroll	333.99	333.99		
341	Compile, Verify and Enter Time Sheets	3,601.45	3,601.45		
360	Perform Owned Asset Accounting.	186.27	186.27		
363	Interview and Evaluate Vendors	348.18	348.18		
366	Interview and Evaluate Vendors	34.78	34.78		
395	Provide Application Support	26,842.27	26,842.27		
407	Operate Telecommunications Systems	15,552.15	15,552.15		
432	Manage Fleet	0.73	0.73		
442	Provide Records & Document Management	6,683.49	6,683.49		
445	Handle & Deliver Mail	2,088.53	2,088.53		
479	Manage & Provide Customer Communications	949.86	949.86		
480	Delvelop, Manage & Participate in Relocations	39.03	39.03		
548	Develop & Manage Change Management/Strategic Diversity Strategies.	653.64	653.64		
618	Promote Regulated Products & Services	50.71	50.71		
635	Process Outage Calls and Report Status	2,783.05	2,783.05		
637	Forecast Call Volume & Schedule Workforce	31,799.53		31,799.53	
642	Plan & Develop Account Management Plan for all Assigned Customers	2,308.46	2,308.46		
647	Provide End-User Support	39,847.93	39,847.93		
653	Plan & Manage Employee Career Development	693.28	693.28		
664	Develop, Manage & Administer Service Level Agreements	37.84	37.84		
672	Provide IT Tech Support	7,741.55	7,741.55		
676	Develop, Monitor and Analyse Budgets	3,841.48	3,841.48		
678	Develop & Manage Workforce Capability	53,289.75	53,289.75		
681	Develop & Deploy IT Structure	7,185.59	7,185.59		
722	Analyze Cust Choice Data	3,899.50	3,899.50		
973	Provide for Misc Employee Benefits	0.04	0.04		
998	Process SLA Bills	(79.16)	(79.16)		
Grand Total		4,751,716.78	857,951.27	2,603,419.00	1,290,346.51