



**KENTUCKY
POWER**

A unit of American Electric Power

Kentucky Power
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Frankfort, KY 40602
KentuckyPower.com

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

August 15, 2007

Dear Ms. O'Donnell:

Re: Case No. 2007-00371

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

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

Specifically, the Joint Applicants seek authority for Kentucky Power Company, in conjunction with its utility services and pursuant to the 1994 House Bill No. 501, to implement the enclosed revised electric tariff to recover costs associated with the implementation of demand-side management programs, which include net lost revenues and incentives related to those programs. Pursuant to the Commission's Order dated December 14, 2006 in Case No. 2006-00373, the start-up costs associated with the implementation of the Home Energy Assistance Program (HEAP), which includes Kentucky Power's costs of \$58,968 and KACA's costs of \$15,700, which are recoverable pursuant to KRS 2783285(4), are included in the calculation of the rate in the proposed DSM Tariff.

This six month status report also includes new proposed lost revenue factors based on the change in base rates as a result of the Commission's Order in Case No. 2005-00341, dated March 14, 2006. The new proposed lost revenue factors were calculated using the newly approved base rate less the base fuel amount of \$0.01651. This is the first time the Collaborative has proposed changing the lost revenue factors since Kentucky Power's DSM

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programs first began because this is the first time Kentucky Power's base rate has changed. The methodology of calculating lost revenue factors used in both instances is the same. The table below shows the new proposed lost revenue factors for the active DSM residential programs versus the current lost revenue factors being used.

Active DSM Residential Programs	Proposed Lost Revenue Factors	Current Lost Revenue Factors	Difference
Targeted Energy Efficiency			
- All Electric	\$0.04346	\$0.03111	\$0.01235
- Non-All Electric	\$0.04345	\$0.03124	\$0.01221
High - Efficiency Heat Pump			
- Mobile Home	\$0.04346	\$0.03110	\$0.01236
Mobile Home New Construction			
- Heat Pump	\$0.04348	\$0.03110	\$0.01238
- Air Conditioner	\$0.04343	\$0.03124	\$0.01219
Modified Energy Fitness	\$0.04349	\$0.03116	\$0.01233

The revised DSM Adjustment clause factor for the residential sector has been agreed upon and is proposed by the DSM Collaborative (see Exhibit C, Column 4, Line 13), except that the Attorney General's representative abstained. The proposed factor for the residential sector is the midpoint between the ceiling and the floor calculations as demonstrated on Exhibit C. The floor was calculated by taking the Collaborative's projected remaining fourth quarter position (see Exhibit C, Column 4, Line 2) and dividing by the adjusted estimated sector KWH sales for the remaining fourth quarter (see Exhibit C, Column 4, Line 11). The ceiling was calculated by taking the Collaborative's projected remaining fourth quarter position (see Exhibit C, Column 4, Line 4) and dividing by the adjusted estimated sector KWH sales for the remaining fourth quarters (see Exhibit C, Column 4, Line 11).

The Joint Applicants request the Commission to approve the following:

- (1) The Experimental DSM Electric Tariff to become effective September 27, 2007. This will allow the Company to utilize the new residential factor with the first billing cycle in October 2007.

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

Elizabeth O'Donnell
August 15, 2007
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If you have any questions please contact me at (502) 696-7010.

Sincerely,

A handwritten signature in black ink, appearing to read "Errol K. Wagner". The signature is written in a cursive style with a large, sweeping initial "E".

Errol K. Wagner
Director of Regulatory Services
Enclosure

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

RATE. (Cont'd.)

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

CUSTOMER SECTOR			
	RESIDENTIAL (\$ Per Kwh)	COMMERCIAL** (\$ Per KWH)	INDUSTRIAL* (\$ Per KWH)
Floor Factor =	0.000559	-0-	- 0 -
Ceiling Factor =	0.000971	-0-	- 0 -

(I)
(I)

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

	CUSTOMER SECTOR		
	RESIDENTIAL	COMMERCIAL**	INDUSTRIAL*
DSM (c)	466,807	-0-	- 0 -
S ©	610,213000	-0-	- 0 -
Adjustment Factor \$	0.000765	-0-	- 0 -

(I)
(D)
(I)

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

** The Commercial Sector has been discontinued pursuant to the Commission's Order dated November 21, 2005

DATE OF ISSUE August 15, 2007 EFFECTIVE DATE Service rendered on or after September 27, 2007

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

KENTUCKY POWER COMPANY
Demand Side Management
Status Report
 As of June 30, 2007

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DEFINITIONS

- 1) YTD Costs
 - 2) YTD Impacts
 - 3) PTD Costs
 - 4) PTD Impacts
- Year-to-Date costs recorded January 1, 2007 through June 30, 2007.
 - Estimated in place load impacts for Year-to-Date participants.
 - Costs recorded from the inception of the program through June 30, 2007.
 - Estimated in place load impacts for Program-to-Date participants.

COMMENTS

Our calculations are based on actual participants and costs as of June 30, 2007. The Residential, Commercial and Industrial total DSM costs in this status report do not agree with the total costs in the Financial Report due to a one month lag in reporting.

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

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

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

The individual DSM lost revenue, efficiency incentive and maximizing incentives as of June 30, 1997 are calculated based on the initial values from Exhibit E in the joint application, filed September 27, 1995. A retroactive adjustment of the initial values of the efficiency incentives and net lost revenue KWH impacts was used for each program for the first eighteen months (1/196 to 6/30/97). The lost revenue, efficiency incentive and maximizing incentive for the period 1/1/07 to 06/30/07 are calculated using the revised values contained in Schedule C of this status report.

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

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

KENTUCKY POWER COMPANY
SUMMARY INFORMATION (ALL PROGRAMS)
As of June 30, 2007

DESCRIPTION	YTD	PTD
Total Revenue Collected	<u>\$656,494</u>	<u>\$12,066,379</u>
Total Program Costs	399,373	8,297,053
Total Lost Revenues	140,120	3,167,078
Total Efficiency / Maximizing Incentive	43,243	704,852
 Case No 2006 - 00373, Dated December 14, 2006:		
HEAP - Kentucky Power Company's Information Technology Implementation Costs	58,968	58,968
HEAP - KACA's Information Technology Implementation Costs	<u>15,700</u>	<u>15,700</u>
Total DSM Costs As of June 30, 2007	<u>\$657,404</u>	<u>\$12,243,651</u>

DESCRIPTION	YTD	PTD
Actual In-Place Energy Savings:	332,385 kWh	329,000,988 kWh
w/ T&D Line Losses:	365,624 kWh	361,901,087 kWh
Total kW Reductions:		
Winter	632	17,197
w/ T&D Line Losses:	702	19,089
Summer	89	3,812
w/ T&D Line Losses:	99	4,231

KENTUCKY POWER COMPANY



PROGRAM INFORMATION

PROGRAM:	Energy Fitness
PARTICIPANT DEFINITION:	Number of Households
CUSTOMER SECTOR:	Residential
REPORTING PERIOD:	January - June 2007

2007														
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	YTD	PTD
New Participants	0	0	0	0	0	0	0						0	2,812

Impacts

Estimated in Place Energy (kWh) Savings	Anticipated Peak Demand (kW) Reduction						
	YTD			PTD			
	Summer	Winter	YTD	Summer	Winter	PTD	
0	0	0	40,525,975	0	0	441	1,932



KENTUCKY POWER COMPANY

Energy Fitness
Reporting Period: January - June 2007

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



KENTUCKY POWER COMPANY

COMMENTS:

This program was discontinued May 14, 1999.



KENTUCKY POWER COMPANY

PROGRAM INFORMATION

PROGRAM:	Targeted Energy Fitness
PARTICIPANT DEFINITION:	Number of Households
CUSTOMER SECTOR:	Residential - Low Income
REPORTING PERIOD:	January - June 2007

Participant	2007												YTD	PTD
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec		
All Electric	0	26	18	23	22	39							128	2,157
Non All Electric	0	3	6	3	1	16							29	787

Impacts

Estimated in Place Energy (kWh) Savings	Anticipated Peak Demand (kW) Reduction				
	YTD		PTD		
	Summer	Winter	Summer	Winter	
60,942	57,488,367	14	63	546	2,465



KENTUCKY POWER COMPANY

Targeted Energy Efficiency	
January - June 2007	
Reporting Period:	

Costs			
Description	Year-To-Date	Retroactive Adjustment	Program-To-Date
Total Evaluation	0.00	0.00	219,447.00
Equipment/Vendor:	133,299.00	0.00	2,237,092.00
Promotional:	0.00	0.00	0.00
Customer Incentives:	0.00	0.00	0.00
Other Costs:	60.00	0.00	9,185.00
Total Program Costs	133,359.00	0.00	2,465,724.00
Lost Revenues:	22,892.00	1,944.00	462,821.00
Efficiency Incentive:	572.00	184.00	6,744.00
Maximizing Incentive:	6,543.00	0.00	118,798.00
Total Costs	163,366.00	2,128.00	3,054,087.00



KENTUCKY POWER COMPANY

COMMENTS:

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

The Equipment / Vendor cost categories includes the cost of labor and materials of measures installed, participant energy education costs and vendor administration costs. The YTD costs are \$130,851 for all-electric and \$2,508 for non-all-electric homes.

The YTD Estimated in Place Energy (kWh) Savings for all-electric participants and non-all-electric participants is 57,986 and 2,956 respectively.

The YTD Anticipated Peak Demand (kW) Reduction summer/winter for all-electric and non-all-electric participants is 12/60 and 2/3 respectively.

The YTD Lost Revenue for all-electric participants and non-all-electric participants is \$20,015 and \$2,877 respectively.

The YTD Efficiency Incentive for non-all-electric participants is \$572 and the Maximizing Incentive for all-electric participants is \$6,543.

The projected participant and budgetary level for 2008 is 150 all-electric homes, 75 non-all-electric homes and \$229,500 respectively.



KENTUCKY POWER COMPANY

PROGRAM INFORMATION	
PROGRAM:	Compact Fluorescent Bulb
PARTICIPANT DEFINITION:	Number of Bulbs Installed
CUSTOMER SECTOR:	Residential
REPORTING PERIOD:	January - June 2007

2007														
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	YTD	PTD
New Participants	0	0	0	0	0	0	0						0	269

Impacts					
Estimated in Place Energy (kWh) Savings			Anticipated Peak Demand (kW) Reduction		
YTD	PTD		YTD	Winter	Summer
0	211,649		0	0	3
				3	3

KENTUCKY POWER COMPANY



Reporting Period:	Compact Fluorescent Bulb January - June 2007
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Costs			
Description	Year-To-Date	Retroactive Adjustment	Program-To-Date
Total Evaluation	0.00	0.00	60.00
Equipment/Vendor:	0.00	0.00	15,021.00
Promotional:	0.00	0.00	0.00
Customer Incentives:	0.00	0.00	0.00
Other Costs:	0.00	0.00	0.00
Total Program Costs	0.00	0.00	15,081.00
Lost Revenues:	0.00	25.00	1,605.00
Efficiency Incentive:	0.00	8.00	433.00
Maximizing Incentive:	0.00	0.00	0.00
Total Costs	0.00	33.00	17,119.00

COMMENTS:

This program was discontinued December 31, 1996.



KENTUCKY POWER COMPANY

PROGRAM INFORMATION

PROGRAM:	High Efficiency Heat Pumps - Retrofit
PARTICIPANT DEFINITION:	Number of Units Installed
CUSTOMER SECTOR:	Residential
REPORTING PERIOD:	January - June 2007

2007														
Participant	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	YTD	PTD
Resistance	0	0	0	0	0	0	0						0	1,367
Non Resistance	0	0	0	0	0	0							0	929

Impacts				
Estimated in Place Energy (kWh) Savings		Anticipated Peak Demand (kW) Reduction		
		YTD	Summer	Winter
YTD	PTD		Summer	Winter
0	48,294,562	0	0	851
			2,995	

KENTUCKY POWER COMPANY



Reporting Period:	High Efficiency Heat Pumps - Retrofit January - June 2007
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Costs			
Description	Year-To-Date	Retroactive Adjustment	Program-To-Date
Total Evaluation	0.00	0.00	12,885.00
Equipment/Vendor:	0.00	0.00	129,767.00
Promotional:	0.00	0.00	0.00
Customer Incentives:	0.00	0.00	70,500.00
Other Costs:	0.00	0.00	1,160.00
Total Program Costs	0.00	0.00	214,312.00
Lost Revenues:	0.00	(269.00)	368,960.00
Efficiency Incentive:	0.00	(2,196.00)	48,017.00
Maximizing Incentive:	0.00	0.00	5.00
Total Costs	0.00	(2,465.00)	631,294.00



KENTUCKY POWER COMPANY

COMMENTS:

This program was discontinued December 31, 2001.



KENTUCKY POWER COMPANY

PROGRAM INFORMATION	
PROGRAM:	High Efficiency Heat Pump - Mobile Home
PARTICIPANT DEFINITION:	Number of Units Installed
CUSTOMER SECTOR:	Residential
REPORTING PERIOD:	January - June 2007

2007														
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	YTD	PTD
New Participants	4	4	7	10	16	9							50	1,707

Impacts						
Estimated in Place Energy (kWh) Savings			Anticipated Peak Demand (kW) Reduction			
			YTD	Summer	Winter	Summer
PTD			YTD	Summer	Winter	PTD
27,272	48,672,805		4	86	215	3,133

KENTUCKY POWER COMPANY



Reporting Period:	High Efficiency Heat Pump - Mobile Home January - June 2007
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Costs			
Description	Year-To-Date	Retroactive Adjustment	Program-To-Date
Total Evaluation	0.00	0.00	46,374.00
Equipment/Vendor:	2,500.00	0.00	27,205.00
Promotional:	0.00	0.00	0.00
Customer Incentives:	20,000.00	0.00	757,900.00
Other Costs:	0.00	0.00	1,167.00
Total Program Costs	22,500.00	0.00	832,646.00
Lost Revenues:	12,689.00	5,820.00	388,454.00
Efficiency Incentive:	3,960.00	18,331.00	107,930.00
Maximizing Incentive:	0.00	0.00	0.00
Total Costs	39,149.00	24,151.00	1,329,030.00

KENTUCKY POWER COMPANY



COMMENTS:

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

The projected participant and budgetary level for 2008 is 100 and \$50,500 respectively.



KENTUCKY POWER COMPANY

PROGRAM INFORMATION

PROGRAM:	Mobile Home New Construction
PARTICIPANT DEFINITION:	Number of Units Installed
CUSTOMER SECTOR:	Residential
REPORTING PERIOD:	January - June 2007

	2007												YTD	PTD	
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec			
Heat Pump	16	4	14	11	21	18								84	1,408
Air Conditioner	0	0	0	0	0	0								0	2

Impacts					
Estimated in Place Energy (kWh) Savings			Anticipated Peak Demand (kW) Reduction		
YTD	PTD		YTD		PTD
	Summer	Winter	Summer	Winter	Winter
85,897	57,705,375		12	244	3,811

KENTUCKY POWER COMPANY



Reporting Period:	Mobile Home New Construction January - June 2007
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Costs			
Description	Year-To-Date	Retroactive Adjustment	Program-To-Date
Total Evaluation	0.00	0.00	30,294.00
Equipment/Vendor:	4,300.00	0.00	84,763.00
Promotional:	0.00	0.00	3,939.00
Customer Incentives:	43,000.00	0.00	712,650.00
Other Costs:	0.00	0.00	3,616.00
Total Program Costs	47,300.00	0.00	835,262.00
Lost Revenues:	37,704.00	0.00	393,447.00
Efficiency Incentive:	10,497.00	0.00	79,971.00
Maximizing Incentive:	0.00	0.00	2,580.00
Total Costs	95,501.00	0.00	1,311,260.00

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COMMENTS:

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

The projected participant and budgetary level for 2008 is 150 heat pumps and \$88,000 respectively.



KENTUCKY POWER COMPANY

PROGRAM INFORMATION

PROGRAM:	Modified Energy Fitness
PARTICIPANT DEFINITION:	Number of Audits
CUSTOMER SECTOR:	Residential
REPORTING PERIOD:	January - June 2007

2007														
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	YTD	PTD
New Participants	76	82	92	92	97	76							515	3,504

Impacts					
Estimated in Place Energy (kWh) Savings			Anticipated Peak Demand (kW) Reduction		
YTD	PTD		YTD	Winter	Summer
191,513	21,548,506		69	309	467
					2,104

KENTUCKY POWER COMPANY

Modified Energy Fitness
January - June 2007
Reporting Period:

Costs			
Description	Year-To-Date	Retroactive Adjustment	Program-To-Date
Total Evaluation	0.00	0.00	27,106.00
Equipment/Vendor:	196,214.00	0.00	1,289,500.00
Promotional:	0.00	0.00	0.00
Customer Incentives:	0.00	0.00	0.00
Other Costs:	0.00	0.00	0.00
Total Program Costs	196,214.00	0.00	1,316,606.00
Lost Revenues:	66,835.00	0.00	297,304.00
Efficiency Incentive:	21,671.00	0.00	120,815.00
Maximizing Incentive:	0.00	0.00	0.00
Total Costs	284,720.00	0.00	1,734,725.00

KENTUCKY POWER COMPANY



COMMENTS:

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

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

The projected participant and budgetary level for 2008 is 1000 and \$432,000 respectively.

KENTUCKY POWER COMPANY

PROGRAM INFORMATION

PROGRAM:	Smart Audit - Commercial
PARTICIPANT DEFINITION:	Number of Audits
CUSTOMER SECTOR:	Commercial
REPORTING PERIOD:	January - June 2007

Participant	2007												YTD	PTD	
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec			
Class I	0	0	0	0	0	0	0							0	1,952
Class II	0	0	0	0	0	0								0	194

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

KENTUCKY POWER COMPANY

Smart Audit - Commercial	
Reporting Period:	January - June 2007

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



KENTUCKY POWER COMPANY

COMMENTS:

This program was discontinued December 31, 2002.



KENTUCKY POWER COMPANY

PROGRAM INFORMATION

PROGRAM: Smart Incentive - Commercial
PARTICIPANT DEFINITION: Number of Incentives
CUSTOMER SECTOR: Commercial
REPORTING PERIOD: January - June 2007

Participant	2007												YTD	PTD	
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec			
Existing Building	0	0	0	0	0	0								0	182
New Building	0	0	0	0	0	0								0	69

Impacts					
Estimated in Place Energy (kWh) Savings	Anticipated Peak Demand (kW) Reduction			YTD	PTD
	Summer	Winter	Summer		
YTD					
0	87,327,609	0	0	1,519	2,640



KENTUCKY POWER COMPANY

Smart Incentive - Commercial	
Reporting Period:	January - June 2007

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



KENTUCKY POWER COMPANY

COMMENTS:

This program was discontinued December 31, 2002.



KENTUCKY POWER COMPANY

PROGRAM INFORMATION	
PROGRAM:	Smart Audit - Industrial
PARTICIPANT DEFINITION:	Number of Audits
CUSTOMER SECTOR:	Industrial
REPORTING PERIOD:	January - June 2007

Participant	2007												YTD	PTD	
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec			
Class I	0	0	0	0	0	0							0	0	60
Class II	0	0	0	0	0	0							0	0	4

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

KENTUCKY POWER COMPANY

Reporting Period:	Smart Audit - Industrial January - June 2007
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Costs			
Description	Year-To-Date	Retroactive Adjustment	Program-To-Date
Total Evaluation	0.00	0.00	5,741.00
Equipment/Vendor:	0.00	0.00	37,786.00
Promotional:	0.00	0.00	0.00
Customer Incentives:	0.00	0.00	161.00
Other Costs:	0.00	0.00	43,688.00
Total Program Costs	0.00	0.00	43,688.00
Lost Revenues:	0.00	0.00	0.00
Efficiency Incentive:	0.00	0.00	0.00
Maximizing Incentive:	0.00	0.00	2,186.00
Total Costs	0.00	0.00	45,874.00



KENTUCKY POWER COMPANY

COMMENTS:

This program was discontinued December 31, 1998.



KENTUCKY POWER COMPANY

PROGRAM INFORMATION

PROGRAM: Smart Incentive - Industrial
PARTICIPANT DEFINITION: Number of Incentives
CUSTOMER SECTOR: Residential
REPORTING PERIOD: January - June 2007

Participant	2007												YTD	PTD
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec		
General	0	0	0	0	0	0							0	1
Compressed Air	0	0	0	0	0	0							0	0

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

KENTUCKY POWER COMPANY



Reporting Period:	Smart Incentive - Industrial January - June 2007
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Costs			
Description	Year-To-Date	Retroactive Adjustment	Program-To-Date
Total Evaluation	0.00	0.00	28,385.00
Equipment/Vendor:	0.00	0.00	3,288.00
Promotional:	0.00	0.00	0.00
Customer Incentives:	0.00	0.00	441.00
Other Costs:	0.00	0.00	0.00
Total Program Costs	0.00	0.00	32,114.00
Lost Revenues:	0.00	0.00	0.00
Efficiency Incentive:	0.00	0.00	383.00
Maximizing Incentive:	0.00	0.00	655.00
Total Costs	0.00	0.00	33,152.00



KENTUCKY POWER COMPANY

COMMENTS:

This program was discontinued December 31, 1998.

KENTUCKY POWER COMPANY		Exhibit C				PAGE 1 of 15	
DERIVATION OF 3 SECTOR SURCHARGES FOR 3 YR EXPERIMENT							
RESIDENTIAL SECTOR							
	TOTAL YEARS 1 thru 11	YEAR 12 (2007)	YEAR 12 (2007)	YEAR 12 (2007)	TOTAL		
	(1)	1st HALF (2)	3rd QTR (3)	4th QTR (4)	(5)		
1	CURRENT PERIOD AMOUNT TO BE RECOVERED	\$8,648,227	\$657,404	\$249,286	\$251,602	\$9,806,519	
2	CUMULATIVE (OVER)/UNDER COLLECTION	0	176,362	177,272	341,006	0	
3	18 MOS. RETROACTIVE(OVER)/UNDER ADJUSTMENT	(41,824)	0	0	0	(\$41,824)	
4	TOTAL TO BE RECOVERED	8,606,403	833,766	426,558	592,608	9,764,695	
5	TOTAL AMOUNT RECOVERED	8,429,695	656,494	0	0	9,086,189	
6	EXPECTED FUTURE RECOVERIES	0	0	85,552	466,813	552,365	
7	TRANSFER PORTION OF BALANCE FROM INDUSTRIAL	(9,833)	0	0	0	(9,833)	
8	TRANSFER PORTION OF BALANCE FROM COMMERCIAL	9,487	0	0	0	9,487	
9	(OVER)/UNDER COLLECTION TO BE REFUNDED	\$176,362	\$177,272	\$341,006	\$125,795	\$125,795	
10	AMOUNT TO BE RECOVERED				\$592,608		
11	ADJ. ESTIMATED SECTOR KWH - YEAR 12			562,839,900	610,213,000		
SURCHARGE RANGE (\$ PER KWH)							
12	FLOOR (CARRYOVER)	COL. 4, L 2 / COL. 4, L 11			0.000559		
13	MIDPOINT - proposed rate			0.000152	0.000765		
14	CEILING (TOTAL COST)	COL. 4, L 4 / COL. 4, L 11			0.000971		
COMMERCIAL SECTOR							
	TOTAL YEARS 1 thru 11	YEAR 12 (2007)	YEAR 12 (2007)	YEAR 12 (2007)	TOTAL		
	(1)	1st HALF (2)	3rd QTR (3)	4th QTR (4)	(5)		
15	CURRENT PERIOD AMOUNT TO BE RECOVERED	\$2,899,298	\$0	\$0	\$0	\$2,899,298	
16	CUMULATIVE (OVER)/UNDER COLLECTION	0	0	0	0	0	
17	18 MOS. RETROACTIVE(OVER)/UNDER ADJUSTMENT	1,520	0	0	0	1,520	
18	TOTAL TO BE RECOVERED	2,900,818	0	0	0	2,900,818	
19	TOTAL AMOUNT RECOVERED	2,888,053	0	0	0	2,888,053	
20	EXPECTED FUTURE RECOVERIES	0	0	0	0	0	
21	TRANSFER PORTION OF BALANCE FROM INDUSTRIAL	(3,278)	0	0	0	(3,278)	
22	TRANSFER BALANCE TO RESIDENTIAL	(9,487)	0	0	0	(9,487)	
22	(OVER)/UNDER COLLECTION TO BE REFUNDED	\$0	\$0	\$0	\$0	\$0	
23	AMOUNT TO BE RECOVERED				\$0		
24	ADJ. ESTIMATED SECTOR KWH - YEAR 12			370,091,100	346,854,900		
SURCHARGE RANGE (\$ PER KWH)							
25	FLOOR (CARRYOVER)				0.000000		
26	MIDPOINT - proposed rate			0.000000	0.000000		
27	CEILING (TOTAL COST)				0.000000		
INDUSTRIAL SECTOR							
	TOTAL YEARS 1 thru 11	YEAR 12 (2007)	YEAR 12 (2007)	YEAR 12 (2007)	TOTAL		
	(1)	1st HALF (2)	3rd QTR (3)	4th QTR (4)	(5)		
28	CURRENT PERIOD AMOUNT TO BE RECOVERED	\$79,026	\$0	\$0	\$0	\$79,026	
29	CUMULATIVE (OVER)/UNDER COLLECTION	0	0	0	0	0	
30	18 MOS. RETROACTIVE(OVER)/UNDER ADJUSTMENT	0	0	0	0	0	
31	TOTAL TO BE RECOVERED	79,026	0	0	0	79,026	
32	TOTAL AMOUNT RECOVERED	92,137	0	0	0	92,137	
33	EXPECTED FUTURE RECOVERIES	0	0	0	0	0	
34	TRANSFER BALANCE TO RESIDENTIAL & COMMERCIAL	13,111	0	0	0	13,111	
35	(OVER)/UNDER COLLECTION TO BE REFUNDED	\$0	\$0	\$0	\$0	\$0	
36	AMOUNT TO BE RECOVERED				\$0		
37	ADJ. ESTIMATED SECTOR KWH - YEAR 12			297,467,800	321,916,700		
SURCHARGE RANGE (\$ PER KWH)							
38	FLOOR (CARRYOVER)				0.000000		
39	MIDPOINT			0.000000	0.000000		
40	CEILING (TOTAL COST) - proposed rate				0.000000		

KENTUCKY POWER COMPANY
ESTIMATED SECTOR SURCHARGES FOR 3-YR PROGRAM

PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (4)	NET LOST REVENUE (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH-HR (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET* LOST REVENUES (8)(X)(10)	EFFICIENCY INCENTIVE (EX. C, PG.98) (9)	MAXIMIZING INCENTIVE (5% OF COSTS) (10)	TOTAL* INCENTIVE (11)	TOTAL EST. COSTS TO BE RECOVERED (12)
			(3)	(4)	(5)	(6)	(7)	(8)(X)(10)	(9)	(10)	(11)	(12)
RESIDENTIAL PROGRAMS												
Energy Fitness	552	148	\$221.65	\$122,951	2,690	398,120	\$0.03	\$12,997	\$43,177	\$11,450	\$43,177	\$177,925
Targeted Energy Efficiency - All Electric	223	101	\$1,026.88	\$228,994	5,570	582,570	\$0.03	\$17,513	\$0	\$0	\$11,450	\$257,957
- Non-All Electric	74	35	\$372.19	\$27,542	690	23,800	\$0.03	\$744	\$719	\$0	\$719	\$29,005
Compact Fluorescent Bulb	269	73	\$56.06	\$15,081	62	4,528	\$0.03	\$140	\$425	\$0	\$425	\$15,046
High - Efficiency Heat Pump - Resistance Heat	539	216	\$73.49	\$38,611	2,275	491,400	\$0.03	\$15,282	\$10,634	\$0	\$10,634	\$65,537
- Non Resistance Heat	527	206	\$61.31	\$32,310	813	167,478	\$0.03	\$5,215	\$9,786	\$0	\$9,786	\$46,321
High - Efficiency Heat Pump - Mobile Home	356	158	\$495.95	\$178,914	2,160	341,280	\$0.03	\$10,617	\$13,834	\$0	\$13,834	\$201,365
Mobile Home New Construction	70	22	\$292.69	\$20,498	0	0			\$1,024	\$0	\$1,024	\$21,512
TOTAL RESIDENTIAL PROGRAMS	2,610	989		\$683,291		1,989,174		\$61,918	\$77,595	\$12,474	\$90,059	\$815,288
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	91	19	\$1,258.51	\$114,524	0	0			\$0	\$5,726	\$5,726	\$120,250
- Class 2	5	1	\$1,875.40	\$9,377	0	0			\$0	\$469	\$469	\$9,846
Smart Financing - Existing Building	1	0	\$5,794.00	\$5,794	22,000	0	\$0.04	\$0	\$508	\$0	\$508	\$6,300
Smart Financing - New Building	0	0	\$0	\$0	30,600	0	\$0.04	\$0	\$0	\$0	\$0	\$0
TOTAL COMMERCIAL PROGRAMS	97	20		\$129,695				\$0	\$508	\$6,195	\$6,701	\$136,396
INDUSTRIAL PROGRAMS												
Smart Audit - Class 1 (w/Est. Opt-Outs Removed)	15	1	\$149.40	\$2,241	0	0			\$0	\$112	\$112	\$2,353
Smart Audit - Class 2	2	1	\$9,960.00	\$17,960	0	0			\$0	\$898	\$898	\$18,858
Smart Financing - General	0	0	\$0	\$0	28,200	0	\$0.04	\$0	\$0	\$0	\$0	\$4,115
Smart Financing - Compressed Air System	0	0	\$0	\$0	194,800	0	\$0.03	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	17	2		\$24,120				\$0	\$0	\$1,206	\$1,206	\$26,328
TOTAL COMPANY	2,724	981		\$817,106		1,989,174		\$61,918	\$78,091	\$19,675	\$97,666	\$976,990

* Lost revenue and efficiency incentives are based on initial values per the settlement agreement.

1997

KENTUCKY POWER COMPANY
ESTIMATED SECTOR SURCHARGES FOR 1997

Exhibit C
PAGE 3A of 15

YEAR 2 (1st HALF) PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (4)	NET LOST REVENUE MOS (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/MOS (2X(5)) (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET* LOST REVENUES (8)(X(7)) (8)	EFFICIENCY INCENTIVE (EX. C. PG.9B) (9)	MAXIMIZING INCENTIVE (% OF COSTS) (10) (4)(X(5%)) (10)	TOTAL* INCENTIVE (11) (9)+(10)	TOTAL EST. COSTS TO BE RECOVERED (12) (4)+(8)+(11)
RESIDENTIAL PROGRAMS	273	651	\$260.88	\$71,167	1,345	875,595	\$0.03	\$27,266	\$21,354	n/a	\$21,354	\$119,787
Energy Fitness	118	279	\$818.97	\$90,638	2,785	777,015	\$0.03	\$24,188	\$0	\$4,832	\$4,832	\$125,658
Targeted Energy Efficiency - All Electric	26	88	\$88.23	\$2,294	340	28,920	\$0.03	\$935	\$252	n/a	\$252	\$3,481
- Non-All Electric	0	269	\$0	\$0	31	8,339	\$0.03	\$258	\$0	n/a	\$0	\$258
Compact Fluorescent Bulb	123	590	\$2.68	\$317	1,138	671,420	\$0.03	\$20,685	\$2,427	n/a	\$2,427	\$23,639
High - Efficiency Heat Pump - Resistance Heat	124	581	\$2.96	\$318	407	236,467	\$0.03	\$7,364	\$2,070	n/a	\$2,070	\$9,752
- Non Resistance Heat	109	403	\$157.87	\$17,208	1,080	435,240	\$0.03	\$13,540	\$4,238	n/a	\$4,238	\$34,984
High - Efficiency Heat Pump - Mobile Home	12	78	\$635.17	\$7,622	0	0	n/a	n/a	\$0	\$381	\$381	\$8,003
Mobile Home New Construction	785	2,939	\$195.64	\$195,64	3,035,996	0	\$94,446	\$30,339	\$5,213	\$35,552	\$35,552	\$25,582
TOTAL RESIDENTIAL PROGRAMS	243	207	\$284.00	\$64,152	0	0	n/a	n/a	\$0	\$3,208	\$3,208	\$67,360
COMMERCIAL PROGRAMS	11	9	\$2,705.00	\$29,755	0	0	n/a	n/a	\$0	\$1,488	\$1,488	\$31,243
Smart Audit - Class 1	0	1	n/a	\$5,628	11,000	11,000	\$0.04	\$469	\$0	\$281	\$281	\$6,378
Smart Audit - Class 2	1	0	\$4,692.00	\$4,692	15,300	0	\$0.04	\$469	\$50	n/a	\$50	\$4,742
Smart Financing - Existing Building	255	217	\$104.228	\$104,228	11,000	11,000	\$0.04	\$469	\$50	\$4,977	\$5,027	\$109,724
Smart Financing - New Building	0	0	\$0	\$0	0	0	\$0.03	\$0	\$0	\$0	\$0	\$0
TOTAL COMMERCIAL PROGRAMS	255	217	\$104.228	\$104,228	11,000	11,000	\$0.04	\$469	\$50	\$4,977	\$5,027	\$109,724
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)	9	20	\$279.66	\$2,516	0	0	n/a	n/a	\$0	\$126	\$126	\$2,642
Smart Audit - Class 1	1	2	\$1,133.00	\$1,133	14,100	0	\$0.04	\$469	\$0	\$392	\$392	\$1,190
Smart Audit - Class 2	0	0	n/a	\$7,840	82,400	0	\$0.03	\$0	\$0	\$0	\$0	\$8,232
Smart Financing - General	0	0	\$0	\$0	0	0	\$0.03	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	10	22	\$11,489	\$11,489	0	0	\$0	\$0	\$0	\$575	\$575	\$12,064
TOTAL INDUSTRIAL PROGRAMS	1,050	3,178	\$311,281	\$311,281	3,044,996	3,044,996	\$0.04	\$94,915	\$30,389	\$10,765	\$41,154	\$447,950
TOTAL COMPANY	1,050	3,178	\$311,281	\$311,281	3,044,996	3,044,996	\$0.04	\$94,915	\$30,389	\$10,765	\$41,154	\$447,950

* Lost revenue and efficiency incentives are based on initial values per the settlement agreement.

KENTUCKY POWER COMPANY
ESTIMATED SECTOR SURCHARGES FOR 3 YR PROGRAM

Exhibit C
PAGE 3B of 15

PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (4)	NET LOST REV/QTR (KWH/PARTIC) (5)	NET LOST ENERGY SAVINGS KWH/QTR (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET* LOST REVENUES (8)*(7)	EFFICIENCY INCENTIVE (EX. C, PG.9B) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL* INCENTIVE (11)	TOTAL EST. COSTS TO BE RECOVERED (12)
RESIDENTIAL PROGRAMS												
Energy, Fitness	297	957	\$184.99	\$47,542	341	326,337	\$0.03	\$10,156	\$5,340	n/a	\$5,340	\$63,038
Targeted Energy Efficiency - All Electric	51	369	\$1,090.08	\$55,594	1,392	513,648	\$0.03	\$15,960	\$2,780	\$2,780	\$2,780	\$74,354
- Non-All Electric	15	108	\$193.33	\$2,900	170	18,360	\$0.03	\$574	\$25	n/a	\$25	\$3,489
Compact Fluorescent Bulb	0	269	n/a	\$0	16	4,304	\$0.03	\$133	\$0	\$0	\$0	\$133
High - Efficiency Heat Pump - Resistance Heat	108	717	\$56.05	\$6,000	547	392,199	\$0.03	\$12,213	\$787	n/a	\$787	\$19,000
- Non Resistance Heat	84	695	\$66.18	\$5,559	221	153,595	\$0.03	\$4,786	\$2,445	n/a	\$2,445	\$12,780
High - Efficiency Heat Pump - Mobile Home	77	509	\$669.52	\$53,101	625	318,125	\$0.03	\$9,894	\$2,503	n/a	\$2,503	\$65,498
Mobile Home New Construction	0	82	n/a	\$6,092	0	0			\$0	\$305	\$305	\$6,397
TOTAL RESIDENTIAL PROGRAMS	593	3,706		\$176,788		1,726,586		\$53,736	\$11,100	\$3,065	\$14,185	\$244,709
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	98	383	\$413.13	\$40,487	0	0			\$0	\$2,024	\$2,024	\$42,511
- Class 2	5	19	\$2,705.00	\$13,525	0	0			\$0	\$676	\$676	\$14,201
Smart Financing - Existing Building	2	2	\$3,087.00	\$6,134	11,100	22,200	\$0.04	\$940	\$1,627	n/a	\$1,627	\$8,701
Smart Financing - New Building	0	1	n/a	\$0	7,650	7,650	\$0.04	\$327	\$0	\$0	\$0	\$327
TOTAL COMMERCIAL PROGRAMS	105	405		\$60,146		29,850		\$1,287	\$1,627	\$2,700	\$4,327	\$85,740
INDUSTRIAL PROGRAMS - (w/Ext. Opt-Outs Removed)												
Smart Audit - Class 1	3	26	\$686.00	\$1,968	0	0			\$0	\$100	\$100	\$2,098
Smart Audit - Class 2	0	3	n/a	\$0	0	0			\$0	\$0	\$0	\$0
Smart Financing - General	0	0	n/a	\$4,785	14,625	0	\$0.04	\$0	\$0	n/a	\$0	\$4,785
Smart Financing - Compressed Air System	0	0	n/a	\$0	41,200	0	\$0.04	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	3	29		\$6,783		0		\$0	\$0	\$100	\$100	\$6,883
TOTAL COMPANY	701	4,140		\$243,777		1,756,416		\$56,003	\$12,727	\$5,885	\$18,612	\$317,332

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

1997

KENTUCKY POWER COMPANY
ESTIMATED SECTOR SURCHARGES FOR 3 YR PROGRAM

Exhibit C
PAGE 3C of 15

PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (4)	NET LOST REV/QTR (KWH-IPARTIC) (5)	TOTAL ENERGY SAVINGS KWH/QTR (2)(X)(5)	NET LOST REVENUE (K/KWH) (7)	TOTAL NET* LOST REVENUES (8)	EFFICIENCY INCENTIVE (EX. C, PG.9B) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL* INCENTIVE (11)	TOTAL EST. COSTS TO BE RECOVERED (12)
				(1)(X)(3)				(9)(X)(7)	(9)	(4)(X)(5)(10)	(9)+(10)	(4)+(9)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	432	1,287	\$299.53	\$112,115	341	438,867	\$0.03	\$13,658	\$8,977	n/a	\$8,977	\$134,750
Targeted Energy Efficiency - All Electric	124	443	\$924.15	\$114,995	1,393	617,099	\$0.03	\$19,198	\$0	\$5,730	\$5,730	\$139,523
- Non-All Electric	78	146	\$103.55	\$8,077	170	24,820	\$0.03	\$775	\$128	n/a	\$128	\$5,981
Compact Fluorescent Bulb	0	269	n/a	\$0	17	4,573	\$0.03	\$141	\$0	\$0	\$0	\$141
High - Efficiency Heat Pump - Resistance Heat	111	823	\$108.80	\$11,866	547	450,181	\$0.03	\$14,019	\$801	n/a	\$801	\$26,886
- Non Resistance Heat	102	782	\$142.21	\$14,505	221	172,822	\$0.03	\$5,385	\$2,989	n/a	\$2,989	\$22,859
High - Efficiency Heat Pump - Mobile Home	50	565	\$406.70	\$20,335	625	353,125	\$0.03	\$10,982	\$1,625	n/a	\$1,625	\$32,642
Mobile Home New Construction	0	82	n/a	(\$749)	0	0						(\$768)
TOTAL RESIDENTIAL PROGRAMS	897	4,397		\$280,744		2,061,487		\$64,158	\$14,501	\$5,693	\$20,194	\$365,096
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	71	473	\$230.92	\$16,395	0	0		\$0	\$0	\$920	\$920	\$17,215
- Class 2	21	33	\$2,705.00	\$56,805	0	0		\$0	\$0	\$2,840	\$2,840	\$89,645
Smart Financing - Existing Building	9	8	\$2,282.56	\$20,543	11,100	89,800	\$0.04	\$3,761	\$7,320	n/a	\$7,320	\$31,624
Smart Financing - New Building	0	1	n/a	\$0	7,650	7,650	\$0.04	\$327	\$0	n/a	\$0	\$327
TOTAL COMMERCIAL PROGRAMS	101	515		\$93,743		96,450		\$4,088	\$7,320	\$3,660	\$10,980	\$108,811
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	18	37	\$524.22	\$9,436	0	0		\$0	\$0	\$472	\$472	\$9,908
- Class 2	0	3	n/a	\$1,084	0	0		\$0	\$0	\$55	\$55	\$1,149
Smart Financing - General	0	0	n/a	\$11,802	14,625	0	\$0.04	\$0	\$0	n/a	\$0	\$11,802
Smart Financing - Compressed Air System	0	0	n/a	\$0	41,200	0	\$0.04	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	18	40		\$22,332	0	0		\$0	\$0	\$527	\$527	\$22,859
TOTAL COMPANY	1,016	4,952		\$398,819		2,157,937		\$68,246	\$21,821	\$9,860	\$31,701	\$486,766

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

1998														
KENTUCKY POWER COMPANY														
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM														
YEAR 3 (1st HALF)	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (4)	NET LOST REV/S MOS (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/MOS (6)	NET LOST REVENUE (\$/MWH) (7)	TOTAL NET * LOST REVENUES (8)	EFFICIENCY INCENTIVE (EX. C. PG.9B) (9)	MAXIMIZING INCENTIVE (5% OF COSTS) (10)	TOTAL * INCENTIVE (11)	TOTAL EST. COSTS TO BE RECOVERED (12)	Exhibit C PAGE 4A of 15	
PROGRAM DESCRIPTIONS				(1)X(3)		(2)X(5)		(9)X(7)	(9)	(4)X(5%)	(9)+(10)	(12)	(9)+(10)	(4)+(9)+(11)
RESIDENTIAL PROGRAMS														
Energy Fitness	544	1,768	\$184.44	\$100,334	682	1,205,776	\$0.03	\$37,524	\$11,304	n/a	\$11,304	\$149,182	\$11,304	\$149,182
Targeted Energy Efficiency - All Electric	122	565	\$1,132.92	\$138,216	2,784	1,572,960	\$0.03	\$48,935	\$0	\$0.811	\$9,911	\$194,082	\$9,911	\$194,082
- Non-All Electric	24	203	\$112.92	\$2,710	340	69,020	\$0.03	\$2,168	\$40	n/a	\$40	\$4,908	\$40	\$4,908
Compact Fluorescent Bulb	0	269	\$0.00	\$0	32	8,608	\$0.03	\$268	\$0	\$0	\$0	\$268	\$0	\$268
High - Efficiency Heat Pump - Resistance Heat	21	887	\$70.10	\$1,472	1,064	970,378	\$0.03	\$30,218	\$152	n/a	\$152	\$31,842	\$152	\$31,842
- Non Resistance Heat	26	848	\$70.00	\$1,820	442	374,816	\$0.03	\$11,679	\$757	n/a	\$757	\$14,266	\$757	\$14,266
High - Efficiency Heat Pump - Mobile Home	66	616	\$635.30	\$35,330	1,250	770,000	\$0.03	\$23,947	\$2,145	n/a	\$2,145	\$61,422	\$2,145	\$61,422
Mobile Home New Construction	0	82	n/a	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL RESIDENTIAL PROGRAMS	803	5,238		\$279,882		4,971,568		\$154,725	\$14,398	\$6,911	\$21,309	\$455,916	\$21,309	\$455,916
COMMERCIAL PROGRAMS														
Smart Audit - Class 1	204	597	\$194.13	\$39,602	0	0	n/a	\$0	\$0	\$1,980	\$1,980	\$41,582	\$1,980	\$41,582
- Class 2	28	60	\$1,600.00	\$44,800	0	0	n/a	\$0	\$0	\$2,240	\$2,240	\$47,040	\$2,240	\$47,040
Smart Financing - Existing Building	8	16	\$5,581.50	\$44,652	22,200	365,200	\$0.04	\$15,043	\$6,508	n/a	\$6,508	\$68,201	\$6,508	\$68,201
Smart Financing - New Building	1	1	\$4,564.00	\$4,564	15,500	15,300	\$0.04	\$654	\$29	\$0	\$29	\$5,247	\$29	\$5,247
TOTAL COMMERCIAL PROGRAMS	241	674		\$133,618		370,500		\$15,697	\$6,535	\$4,220	\$10,755	\$160,070	\$10,755	\$160,070
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)														
Smart Audit - Class 1	12	51	\$246.08	\$2,953	0	0	n/a	\$0	\$0	\$148	\$148	\$3,101	\$148	\$3,101
Smart Audit - Class 2	1	3	\$1,600.00	\$1,600	0	0	n/a	\$0	\$0	\$90	\$90	\$1,890	\$90	\$1,890
Smart Financing - General	0	0	\$0.00	\$1,338	29,250	0	\$0.04	\$0	\$0	\$67	\$67	\$1,405	\$67	\$1,405
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	82,400	0	\$0.04	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	13	54		\$6,091		0		\$0	\$0	\$305	\$305	\$6,396	\$305	\$6,396
TOTAL COMPANY	1,057	5,966		\$419,591		5,342,058		\$170,422	\$20,933	\$11,438	\$32,969	\$622,382	\$32,969	\$622,382

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

1998

KENTUCKY POWER COMPANY
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM

Exhibit C
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PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (1)(X3)	NET LOST REVS/6 MOS (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/6 MOS (2)(X6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * LOST REVENUES (8)(X7)	EFFICIENCY INCENTIVE (EX. C, PG.98) (9)	MAXIMIZING INCENTIVE (% OF COSTS) (10) (9)(X.5%)	TOTAL * INCENTIVE (11) (9)(X10)	TOTAL EST. COSTS TO BE RECOVERED (12) (9)(X11)
RESIDENTIAL PROGRAMS												
Energy Fitness	448	2,277	\$301.30	\$134,982	682	1,552,914	\$0.03	\$48,327	\$9,309	\$0	\$9,309	\$192,618
Targeted Energy Efficiency - All Electric	131	697	\$1,387.51	\$155,584	2,784	1,940,448	\$0.03	\$60,367	\$0	\$7,778	\$7,778	\$223,709
- Non-All Electric	42	238	\$139.62	\$5,864	340	80,920	\$0.03	\$2,528	\$79	\$0	\$79	\$8,462
Compact Fluorescent Bulb	0	289	\$0.00	\$0	32	8,608	\$0.03	\$266	\$0	\$0	\$0	\$266
High - Efficiency Heat Pump - Resistance Heat	108	940	\$147.45	\$15,925	1,094	1,028,380	\$0.03	\$32,023	\$780	\$0	\$780	\$48,728
- Non Resistance Heat	84	894	\$72.27	\$4,625	442	395,148	\$0.03	\$12,913	\$1,853	\$0	\$1,853	\$18,801
High - Efficiency Heat Pump - Mobile Home	173	764	\$514.50	\$89,009	1,250	955,000	\$0.03	\$29,701	\$5,623	\$0	\$5,623	\$124,333
Mobile Home New Construction	33	11	\$549.45	\$18,132	0	0	n/a	0	\$0	\$907	\$907	\$19,039
TOTAL RESIDENTIAL PROGRAMS	989	6,090		\$624,101		5,961,398		\$185,925	\$17,945	\$8,685	\$28,330	\$635,956
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	178	795	\$534.85	\$95,203	0	0	n/a	0	\$0	\$4,760	\$4,760	\$99,963
- Class 2	29	73	\$2,800.00	\$25,200	0	0	n/a	0	\$0	\$1,260	\$1,260	\$26,460
Smart Financing - Existing Building	5	32	\$1,878.86	\$54,487	22,200	710,400	\$0.04	\$30,085	\$23,885	\$0	\$23,885	\$108,187
- New Building	221	906	\$1,529.20	\$7,646	16,200	91,800	\$0.04	\$3,926	\$144	\$0	\$144	\$11,716
TOTAL COMMERCIAL PROGRAMS	221	906		\$182,536		802,200		\$34,011	\$23,729	\$6,020	\$29,749	\$246,286
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	3	69	\$852.33	\$2,557	0	0	n/a	0	\$0	\$128	\$128	\$2,685
- Class 2	0	4	\$0.00	\$0	0	0	n/a	0	\$0	\$0	\$0	\$0
Smart Financing - General	1	0	\$0.00	\$2,430	29,250	0	\$0.04	\$383	\$383	\$0	\$383	\$2,013
- Compressed Air System	0	0	\$0.00	\$0	82,400	0	\$0.04	\$333	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	4	63		\$4,987		0		\$383	\$383	\$128	\$511	\$5,498
TOTAL COMPANY	1,224	7,059		\$611,624		6,763,598		\$219,536	\$41,757	\$14,833	\$56,680	\$887,750

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

1999

Exhibit C
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KENTUCKY POWER COMPANY
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM

PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (4)	NET LOST REV/HALF (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/HALF (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET* LOST REVENUES (8)	EFFICIENCY INCENTIVE (EX. C, PG.98) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL* INCENTIVE (11)	TOTAL EST. COSTS TO BE RECOVERED (12)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
RESIDENTIAL PROGRAMS	306	2,694	\$312.98	\$95,650	707	1,904,658	\$0.03	\$69,273	\$10,370	\$0	\$10,370	\$165,293
Energy Fitness	75	773	\$1,907.41	\$143,056	630	486,990	\$0.03	\$15,150	\$0	\$7,153	\$7,153	\$165,359
Targeted Energy Efficiency - All Electric	12	249	\$112.00	\$1,344	306	76,194	\$0.03	\$2,350	\$60	\$0	\$60	\$3,784
- Non-All Electric	0	269	\$0.00	\$0	31	8,339	\$0.03	\$258	\$0	\$0	\$0	\$258
Compact Fluorescent Bulb	99	1,002	\$273.74	\$27,100	1,200	1,202,000	\$0.03	\$37,443	\$4,375	\$0	\$4,375	\$68,918
High - Efficiency Heat Pump - Resistance Heat	2	853	\$50.00	\$100	442	377,026	\$0.03	\$11,748	\$0	\$5	\$5	\$11,853
- Non Resistance Heat	101	826	\$545.99	\$55,145	1,475	1,218,350	\$0.03	\$37,891	\$8,505	\$0	\$8,505	\$101,541
High - Efficiency Heat Pump - Mobile Home	98	45	\$597.20	\$57,546	1,756	79,020	\$0.03	\$2,458	\$4,353	\$0	\$4,353	\$64,357
Mobile Home New Construction ***	693	6,711		\$379,941		5,352,877		\$166,601	\$27,663	\$7,168	\$34,821	\$581,363
TOTAL RESIDENTIAL PROGRAMS												
COMMERCIAL PROGRAMS	166	964	\$204.71	\$38,076	0	0	n/a	0	\$0	\$1,904	\$1,904	\$39,980
Smart Audit - Class 1	16	87	\$2,705.00	\$43,280	0	0	n/a	0	\$0	\$2,164	\$2,164	\$45,444
- Class 2	6	51	\$5,109.67	\$30,658	13,282	677,382	\$0.04	\$28,687	\$1,395	\$0	\$1,395	\$60,740
Smart Financing - Existing Building	3	9	\$0.00	\$2,350	14,101	176,908	\$0.04	\$5,428	\$787	\$0	\$787	\$8,565
Smart Financing - New Building	211	1,111		\$114,364		804,291		\$34,115	\$2,182	\$4,068	\$6,250	\$154,729
TOTAL COMMERCIAL PROGRAMS												
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)	0	60	\$0.00	\$0	0	0	n/a	0	\$0	\$0	\$0	\$0
Smart Audit - Class 1	0	4	\$0.00	\$0	0	0	n/a	0	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	1	\$0.00	\$0	0	0	\$0.04	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.04	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	65	\$0.00	\$0	0	0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS												
TOTAL COMPANY	904	7,920		\$494,305		6,215,216		\$200,716	\$29,845	\$11,226	\$41,071	\$796,092

* Lost revenue and efficiency incentives are based on prospective values.
 ** Cumulative participants include a reduction for the cumulative participants as of 06/30/98.
 *** Participants since 09/01/98.

KENTUCKY POWER COMPANY
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM

PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (4)	NET LOST REV/HALF (KWH/HP/ARTIC) (5)	TOTAL ENERGY SAVINGS KWH/HP/HALF (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * LOST REVENUES (8)	EFFICIENCY INCENTIVE (EX. C, PG.9B) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL * INCENTIVE (11)	TOTAL EST. COSTS TO BE RECOVERED (12)
RESIDENTIAL PROGRAMS	0	2,519	\$0.00	\$972	707	1,780,933	\$0.03	\$55,423	\$0	\$0	\$0	\$68,395
Energy Fitness	66	700	\$1,222.76	\$80,702	650	441,000	\$0.03	\$13,720	\$0	\$4,035	\$4,035	\$98,457
Targeted Energy Efficiency - All Electric - Non-All Electric	6	220	\$67.50	\$540	308	67,320	\$0.03	\$2,103	\$40	\$0	\$40	\$2,683
Compact Fluorescent Bulb	0	123	\$0.00	\$0	31	3,613	\$0.03	\$118	\$0	\$0	\$0	\$118
High - Efficiency Heat Pump - Resistance Heat	140	810	\$211.14	\$29,560	1,200	972,000	\$0.03	\$30,268	\$6,187	\$0	\$6,187	\$66,015
High - Efficiency Heat Pump - Non Resistance Heat	0	593	\$0.00	\$0	447	285,071	\$0.03	\$5,260	\$0	\$0	\$0	\$6,260
High - Efficiency Heat Pump - Mobile Home	134	739	\$539.07	\$72,236	1,475	1,090,025	\$0.03	\$33,900	\$11,264	\$0	\$11,264	\$117,420
Mobile Home New Construction ***	123	196	\$581.42	\$71,515	1,755	343,980	\$0.03	\$10,988	\$5,464	\$0	\$5,464	\$97,677
TOTAL RESIDENTIAL PROGRAMS	471	5,900		\$255,525		4,954,142		\$154,490	\$22,975	\$4,035	\$27,010	\$437,025
COMMERCIAL PROGRAMS	188	1,129	\$356.11	\$66,948	0	0	n/a	0	\$0	\$3,347	\$3,347	\$70,295
Smart Audit - Class 1	21	103	\$2,705.00	\$56,805	0	0	n/a	0	\$0	\$2,840	\$2,840	\$59,645
Smart Audit - Class 2	25	66	\$2,726.04	\$68,151	13,282	876,612	\$0.04	\$37,125	\$5,814	\$0	\$5,814	\$111,090
Smart Financing - Existing Building	8	13	\$3,087.00	\$24,696	14,101	183,313	\$0.04	\$7,840	\$2,089	\$0	\$2,089	\$34,635
Smart Financing - New Building	242	1,311		\$216,600		1,059,925		\$44,865	\$7,913	\$0	\$7,913	\$275,665
TOTAL COMMERCIAL PROGRAMS	471	5,900		\$255,525		4,954,142		\$154,490	\$22,975	\$4,035	\$27,010	\$437,025
INDUSTRIAL PROGRAMS - (w/Inst. Opt-Outs Removed)	0	57	\$0.00	\$0	0	0	n/a	0	\$0	\$0	\$0	\$0
Smart Audit - Class 1	0	4	\$0.00	\$0	0	0	n/a	0	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	1	\$0.00	\$0	0	0	\$0.04	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.04	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.04	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	0	62		\$0		0		\$0	\$0	\$0	\$0	\$0
TOTAL COMPANY	713	7,273		\$472,125		6,024,067		\$189,455	\$30,868	\$10,222	\$41,110	\$712,690

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

Year 2000

KENTUCKY POWER COMPANY
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM

Exhibit C
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PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (1)X(3) (4)	NET LOST REV/HALF (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH-HALF (2)X(5) (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * LOST REVENUES (8) (8)X(7)	EFFICIENCY INCENTIVE (EX. C, PG.9B) (9)	MAXIMIZING INCENTIVE (% OF COSTS) (10) (4)X(5%)	TOTAL * INCENTIVE (9)+(10) (11)	TOTAL EST. COSTS TO BE RECOVERED (12) (4)+(11)-(1)
RESIDENTIAL PROGRAMS	0	2,161	\$0.00	\$0	707	1,527,627	\$0.03	\$47,546	\$0	\$0	\$0	\$47,546
Energy Fitness	66	659	\$1,272.61	\$83,992	630	415,170	\$0.03	\$12,916	\$0	\$4,200	\$4,200	\$101,108
Targeted Energy Efficiency - All Electric - Non-All Electric	28	202	\$90.92	\$2,543	306	61,812	\$0.03	\$1,931	\$141	\$0	\$141	\$4,615
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump - Resistance Heat - Non Resistance Heat	38	683	\$200.00	\$7,600	1,200	619,600	\$0.03	\$25,522	\$1,679	\$0	\$1,679	\$34,801
High - Efficiency Heat Pump - Mobile Home	45	683	\$500.00	\$22,500	1,475	1,007,425	\$0.03	\$31,331	\$3,789	\$0	\$3,789	\$57,620
Mobile Home New Construction ***	101	302	\$530.20	\$53,550	1,755	530,010	\$0.03	\$16,483	\$4,486	\$0	\$4,486	\$74,619
TOTAL RESIDENTIAL PROGRAMS	278	5,038		\$170,185		4,517,400		\$140,576	\$10,095	\$4,200	\$14,295	\$325,056
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	144	1,126	\$397.19	\$57,195	0	0	n/a	\$0	\$0	\$2,860	\$2,860	\$60,055
Smart Audit - Class 2	8	112	\$2,705.00	\$21,640	0	0	n/a	\$0	\$0	\$1,082	\$1,082	\$22,722
Smart Financing - Existing Building	16	86	\$1,307.31	\$20,917	13,282	1,142,252	\$0.04	\$48,374	\$3,721	\$0	\$3,721	\$73,012
Smart Financing - New Building	4	20	\$6,298.75	\$25,195	14,101	282,020	\$0.04	\$12,052	\$1,049	\$0	\$1,049	\$28,306
TOTAL COMMERCIAL PROGRAMS	172	1,344		\$124,947		1,424,272		\$60,436	\$4,770	\$3,942	\$8,712	\$194,095
INDUSTRIAL PROGRAMS - (West. Opt-Outs Removed)												
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.00	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	0	0		\$0				\$0	\$0	\$0	\$0	\$0
TOTAL COMPANY	450	6,382		\$285,132		5,941,672		\$201,012	\$14,865	\$6,142	\$23,007	\$519,151

* Lost revenue and efficiency incentives are based on prospective values.
 ** Cumulative participants include a reduction for the cumulative participants as of 08/30/97.
 *** Participants since 09/01/98

Year 2000												
KENTUCKY POWER COMPANY												
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM												
Exhibit C PAGE 08 of 15												
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (4)	NET LOST REV/HALF (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/HALF (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * LOST REVENUES (8)(X7)	EFFICIENCY INCENTIVE (EX. C. PG.9B) (9)	MAXIMIZING INCENTIVE (6% of COSTS) (10)	TOTAL * INCENTIVE (11)	TOTAL EST. COSTS TO BE RECOVERED (12)
RESIDENTIAL PROGRAMS	0	1,525	\$0.00	\$0	706	1,076,680	\$0.03	\$33,505	\$0	\$0	\$0	\$33,505
Energy Fitness	99	583	\$1,115.41	\$110,428	630	367,280	\$0.03	\$11,426	\$0	\$5,521	\$5,521	\$127,373
Targeted Energy Efficiency - All Electric	21	170	\$94.67	\$1,988	308	\$2,020	\$0.03	\$1,625	\$105	\$0	\$105	\$3,718
- Non-All Electric	0	0	\$0.00	\$0	0	0	\$0.00	\$0	\$0	\$0	\$0	\$0
Compact Fluorescent Bulb	25	461	\$200.00	\$5,000	1,200	577,200	\$0.03	\$17,974	\$1,105	\$0	\$1,105	\$24,079
High - Efficiency Heat Pump - Resistance Heat	0	147	\$0.00	\$0	448	69,582	\$0.03	\$2,043	\$0	\$0	\$0	\$2,043
- Non Resistance Heat	43	572	\$495.35	\$21,300	1,478	844,272	\$0.03	\$26,257	\$3,821	\$0	\$3,821	\$51,178
High - Efficiency Heat Pump - Mobile Home	94	403	\$575.00	\$54,050	1,755	707,265	\$0.03	\$21,998	\$4,175	\$0	\$4,175	\$80,221
Mobile Home New Construction ***	282	3,881	\$192,764	\$192,764		3,880,259		\$114,826	\$9,006	\$5,521	\$14,527	\$322,117
TOTAL RESIDENTIAL PROGRAMS												
COMMERCIAL PROGRAMS	159	1,028	\$185.24	\$28,273	0	0	n/a	0	\$0	\$1,314	\$1,314	\$27,967
Smart Audit - Class 1	29	98	\$2,705.00	\$78,445	0	0	n/a	0	\$0	\$3,922	\$3,922	\$82,367
Smart Audit - Class 2	24	97	\$914.54	\$21,949	13,282	1,288,354	\$0.04	\$54,562	\$5,581	\$0	\$5,581	\$82,092
Smart Financing - Existing Building	0	21	\$0.00	\$7,269	14,102	298,142	\$0.04	\$12,668	\$0	\$0	\$0	\$19,835
Smart Financing - New Building	212	1,242	\$133,936	\$133,936		1,684,496		\$97,228	\$5,581	\$5,236	\$10,817	\$211,981
TOTAL COMMERCIAL PROGRAMS												
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)	0	0	\$0.00	\$0	0	0	n/a	0	\$0	\$0	\$0	\$0
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	0	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	0	\$0.00	\$0	0	0	n/a	0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.00	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS												
TOTAL COMPANY	494	5,123	\$326,700	\$326,700		5,274,755		\$182,054	\$14,587	\$10,757	\$25,344	\$534,098

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

Year 2001													
KENTUCKY POWER COMPANY													
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM													
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (1)(3)	NET LOST REV/QTR (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/HALF (2)(5)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * LOST REVENUES (6)(7)	EFFICIENCY INCENTIVE (EX. C. PG.99) (9)	MAXIMIZING INCENTIVE (% of COSTS) (10)	TOTAL * INCENTIVE (11)	TOTAL EST. COSTS TO BE RECOVERED (12)	
RESIDENTIAL PROGRAMS													
Energy Fitness	0	1,044	\$0.00	\$0	707	738,108	\$0.03112	\$22,970	\$0	\$0	\$0	\$22,970	
Targeted Energy Efficiency - All Electric	62	935	\$1,276.94	\$79,170	630	337,060	\$0.03111	\$10,486	\$0	\$3,959	\$3,959	\$93,615	
- Non-All Electric	18	137	\$97.89	\$1,682	306	41,922	\$0.03124	\$1,310	\$90	\$0	\$90	\$2,982	
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
High - Efficiency Heat Pump - Resistance Heat - Non Resistance Heat	23	438	\$201.04	\$4,624	1200	626,600	\$0.03114	\$16,367	\$1,016	\$0	\$1,016	\$22,007	
High - Efficiency Heat Pump - Mobile Home	0	81	\$0.00	\$0	447	36,207	\$0.03116	\$1,128	\$0	\$0	\$0	\$1,128	
Mobile Home New Construction ***	53	558	\$472.15	\$25,024	1475	823,060	\$0.03110	\$25,597	\$4,463	\$0	\$4,463	\$55,094	
TOTAL RESIDENTIAL PROGRAMS	83	488	\$637.04	\$44,574	1755	856,440	\$0.03110	\$26,635	\$3,687	\$0	\$3,687	\$74,896	
	239	3,281		\$164,974		3,359,377		\$104,493	\$9,256	\$3,959	\$13,215	\$272,682	
COMMERCIAL PROGRAMS													
Smart Audit - Class 1	134	1,017	\$321.82	\$43,124	0	0	n/a	\$0	\$0	\$2,156	\$2,156	\$46,280	
Smart Audit - Class 2	28	105	\$1,910.00	\$42,280	0	0	n/a	\$0	\$0	\$2,114	\$2,114	\$44,394	
Smart Financing - Existing Building	15	112	\$2,309.00	\$34,635	13,282	1,487,684	\$0.04235	\$62,999	\$3,488	\$0	\$3,488	\$101,122	
Smart Financing - New Building	8	25	\$4,016.13	\$32,129	14,101	352,525	\$0.04277	\$15,077	\$2,099	\$0	\$2,099	\$49,305	
TOTAL COMMERCIAL PROGRAMS	185	1,259		\$162,168		1,840,109		\$78,076	\$5,587	\$4,270	\$9,857	\$240,101	
INDUSTRIAL PROGRAMS (w/Est. Opt-Outs Removed)													
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	
Smart Audit - Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
TOTAL INDUSTRIAL PROGRAMS	0	0	\$0	\$0	0	0		\$0	\$0	\$0	\$0	\$0	
TOTAL COMPANY	424	4,540		\$307,142		5,198,486		\$182,569	\$14,843	\$8,228	\$23,972	\$512,783	

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

Year 2001													
KENTUCKY POWER COMPANY													
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM													
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (1)(3)	NET LOST REV/QTR (KWH/PARTIC) (6)	TOTAL ENERGY SAVINGS KWH/HALF (2)(5)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * LOST REVENUES (6)(7)	EFFICIENCY INCENTIVE (EX. C. PG.98) (9)	MAXIMIZING INCENTIVE (% of COSTS) (10)	TOTAL * INCENTIVE (11)	TOTAL EST. COSTS TO BE RECOVERED (12)	
RESIDENTIAL PROGRAMS													
Energy Fitness	0	535	\$0.00	\$0	706	377,710	\$0.03112	\$11,754	\$0	\$0	\$0	\$11,754	
Targeted Energy Efficiency - All Electric	88	486	\$1,018.86	\$89,660	630	305,180	\$0.03111	\$9,525	\$0	\$4,483	\$4,483	\$103,668	
Targeted Energy Efficiency - Non-All Electric	46	122	\$81.46	\$3,747	306	37,332	\$0.03124	\$1,166	\$231	\$0	\$231	\$5,144	
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
High - Efficiency Heat Pump - Resistance Heat	30	412	\$173.33	\$5,200	1,200	494,400	\$0.03114	\$15,396	\$1,326	\$0	\$1,326	\$21,922	
High - Non Resistance Heat	0	35	\$0.00	\$0	446	15,610	\$0.03116	\$486	\$0	\$0	\$0	\$486	
High - Efficiency Heat Pump - Mobile Home	47	469	\$510.64	\$24,000	1,476	692,244	\$0.03110	\$21,629	\$3,958	\$0	\$3,958	\$49,487	
Mobile Home New Construction ***	92	568	\$555.43	\$51,100	1,755	995,840	\$0.03110	\$31,002	\$4,087	\$0	\$4,087	\$66,189	
TOTAL RESIDENTIAL PROGRAMS	303	2,627		\$173,707		2,920,316		\$90,858	\$9,602	\$4,483	\$14,085	\$278,650	
COMMERCIAL PROGRAMS													
Smart Audit - Class 1	131	966	\$454.04	\$59,479	0	0	n/a	\$0	\$0	\$2,974	\$2,974	\$62,453	
Smart Audit - Class 2	5	111	\$8,817.20	\$49,086	0	0	n/a	\$0	\$0	\$2,454	\$2,454	\$51,540	
Smart Financing - Existing Building	15	109	\$1,664.27	\$24,964	13,282	1,447,738	\$0.04235	\$61,312	\$3,488	\$0	\$3,488	\$89,764	
Smart Financing - New Building	18	34	\$1,799.28	\$32,387	14,102	479,468	\$0.04277	\$20,507	\$4,722	\$0	\$4,722	\$57,916	
TOTAL COMMERCIAL PROGRAMS	169	1,220		\$165,916		1,927,206		\$81,819	\$8,210	\$5,428	\$13,636	\$261,373	
INDUSTRIAL PROGRAMS - (w/EST. Opt-Outs Removed)													
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	
Smart Audit - Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
TOTAL INDUSTRIAL PROGRAMS	0	0		\$0				\$0	\$0	\$0	\$0	\$0	
TOTAL COMPANY	472	3,847		\$339,623		4,847,522		\$172,677	\$17,812	\$9,911	\$27,723	\$640,023	

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

** Cumulative participants include a reduction for the cumulative participants as of 12/31/98

*** Participants since 07/01/99.

Year 2002

KENTUCKY POWER COMPANY
ESTIMATED SECTOR SURCHARGES
FOR 3 YEAR PROGRAM

PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACTUAL PROGRAM COSTS (4)	NET LOST REV/HALF (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/HALF (2)X(5) (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * REVENUES (8)	EFFICIENCY INCENTIVE (EX. C, PG.95) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL * INCENTIVE (9)+(10)	TOTAL ACTUAL COSTS TO BE RECOVERED (12)
RESIDENTIAL PROGRAMS												
Energy Fitness	0	116	\$0.00	\$0	707	82,012	\$0.03112	\$2,552	\$0	\$0	\$0	\$2,552
Targeted Energy Efficiency - All Electric	63	442	\$1,752.40	\$110,401	1,028	454,376	\$0.03111	\$14,136	\$0	\$5,520	\$5,520	\$130,057
- Non-All Electric	32	135	\$65.47	\$2,095	315	42,525	\$0.03124	\$1,328	\$137	\$0	\$137	\$3,560
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump - Resistance Heat	1	314	\$1,152.00	\$1,152	1,200	376,800	\$0.03114	\$11,734	\$44	\$0	\$44	\$12,330
- Non Resistance Heat	0	0	\$0.00	\$0	447	0	\$0.03116	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump - Mobile Home	43	414	\$619.77	\$26,650	1,144	473,616	\$0.03110	\$14,729	\$1,244	\$0	\$1,244	\$42,623
Mobile Home New Construction ***	57	568	\$641.77	\$36,561	1,809	1,027,512	\$0.03110	\$31,956	\$231	\$0	\$231	\$68,768
TOTAL RESIDENTIAL PROGRAMS	196	1,989		\$176,879		2,456,841		\$76,435	\$1,656	\$5,520	\$7,176	\$260,490
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	125	923	\$432.92	\$54,115	0	0	n/a	\$0	\$0	\$2,706	\$2,706	\$56,821
- Class 2	8	104	\$3,711.00	\$29,688	0	0	n/a	\$0	\$0	\$1,484	\$1,484	\$31,172
Smart Financing - Existing Building	7	101	\$2,552.71	\$17,869	13,282	1,341,482	\$0.04235	\$56,812	\$1,628	\$0	\$1,628	\$76,309
Smart Financing - New Building	5	42	\$1,394.60	\$6,973	14,101	592,242	\$0.04277	\$25,930	\$1,312	\$0	\$1,312	\$33,616
TOTAL COMMERCIAL PROGRAMS	145	1,170		\$108,645		1,933,724		\$82,142	\$2,940	\$4,190	\$7,130	\$197,917
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	0	0		\$0		0		\$0	\$0	\$0	\$0	\$0
TOTAL COMPANY	341	3,159		\$285,524		4,390,565		\$158,577	\$4,596	\$9,710	\$14,306	\$458,407

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

** Cumulative participants include a reduction for the cumulative participants as of 06/30/1999.

*** Participants since 01/01/1999.

Year 2002

KENTUCKY POWER COMPANY
ESTIMATED SECTOR SURCHARGES
FOR 3 YEAR PROGRAM

Exhibit C
PAGE 8B of 15

PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACTUAL PROGRAM COSTS (4)	NET LOSS REV/GTR (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS (KWH/HALF) (6)	NET LOSS REVENUE (\$/KWH) (7)	TOTAL NET * REVENUES (8)	EFFICIENCY INCENTIVE (EX. C, PG.9B) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL * INCENTIVE (11)	TOTAL ACTUAL COSTS TO BE RECOVERED (12)
RESIDENTIAL PROGRAMS												
Energy Fitness	0	0	\$0.00	\$0	706	0	\$0.03112	\$0	\$0	\$0	\$0	\$0
Targated Energy Efficiency - All Electric	76	457	\$1,039.33	\$78,989	1,028	468,796	\$0.03111	\$14,615	\$3,949	\$3,949	\$3,949	\$97,653
- Non-All Electric	13	156	\$85.92	\$1,117	315	-49,140	\$0.03124	\$1,555	\$56	\$0	\$56	\$2,708
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump - Resistance Heat	0	177	\$0.00	(\$352)	1,200	212,400	\$0.03114	\$6,614	\$0	\$0	\$0	\$6,262
- Non Resistance Heat	0	0	\$0.00	\$0	446	0	\$0.03116	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump - Mobile Home	43	308	\$603.84	\$25,965	1,144	352,352	\$0.03110	\$10,958	\$1,244	\$0	\$1,244	\$38,167
Mobile Home New Construction ***	61	519	\$644.46	\$39,312	1,809	938,871	\$0.03110	\$29,199	\$248	\$0	\$248	\$69,759
TOTAL RESIDENTIAL PROGRAMS	193	1,617		\$145,031		2,022,569		\$62,921	\$1,548	\$3,949	\$5,497	\$213,449
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	0	786	\$0.00	\$74,422	0	0	n/a	\$0	\$0	\$3,721	\$3,721	\$78,143
- Class 2	0	90	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - Existing Building	25	97	\$909.76	\$22,744	13,282	1,288,354	\$0.04235	\$54,582	\$5,814	\$0	\$5,814	\$83,120
Smart Financing - New Building	16	44	\$2,424.94	\$38,759	14,102	620,488	\$0.04277	\$26,538	\$4,197	\$0	\$4,197	\$69,534
TOTAL COMMERCIAL PROGRAMS	41	1,017		\$135,965		1,908,842		\$81,100	\$10,011	\$3,721	\$13,732	\$230,797
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	0	0		\$0				\$0	\$0	\$0	\$0	\$0
TOTAL COMPANY	234	2,634		\$280,996		3,931,401		\$144,021	\$11,569	\$7,670	\$19,229	\$444,246

* Lost revenue and efficiency incentives are based on prospective values.
 ** Cumulative participants include a reduction for the cumulative participants as of 12/31/1999.
 *** Participants since 07/01/1998.

Year 2003															Exhibit C
KENTUCKY POWER COMPANY															PAGE
ESTIMATED SECTOR SURCHARGES FOR 3															9A of
YEAR PROGRAM															15
YEAR 8 (1st HALF)															TOTAL
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACTUAL PROGRAM COSTS (4)	NET LOST REV/HALF (KWH/PARTICIPANT) (5)	TOTAL ENERGY SAVINGS (KWH/HALF (2)X(5)) (6)	NET LOST REVENUE (\$/KWH) (7)	REVENUES (8)	EFFICIENCY INCENTIVE (EX. C, PG.11) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL * (9)+(10)	INCENTIVE RECOVERED (12)	TOTAL ACTUAL COSTS TO BE (4)+(9)+(11)		
RESIDENTIAL PROGRAMS	0	0	\$0.00	\$0	707	0	\$0.03112	\$0	\$0	\$0	\$0	\$0	\$0		
Energy Fitness															
Targeted Energy Efficiency	100	467	\$849.84	\$84,984	1,028	480,076	\$0.03111	\$14,935	\$0	\$4,249	\$4,249	\$104,168	\$2,066		
- All Electric	7	151	\$79.29	\$555	314	47,414	\$0.03124	\$1,481	\$30	\$0	\$30	\$0	\$0		
- Non-All Electric	0	0	\$0.00		0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0		
Compact Fluorescent Bulb	0	0	\$0.00		0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0		
High - Efficiency Heat Pump	0	94	\$0.00	\$0	1,200	112,800	\$0.03114	\$3,513	\$0	\$0	\$0	\$0	\$0		
- Resistance Heat	0	0	\$0.00	\$0	447	0	\$0.03116	\$0	\$0	\$0	\$0	\$0	\$0		
- Non Resistance Heat	0	0	\$0.00		0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0		
High - Efficiency Heat Pump	34	268	\$378.41	\$12,900	1,144	306,592	\$0.03110	\$9,535	\$983	\$0	\$983	\$23,418	\$23,418		
- Mobile Home															
Mobile Home New Construction ***	46	460	\$482.61	\$22,200	1,808	831,660	\$0.03110	\$25,865	\$187	\$0	\$187	\$48,252	\$48,252		
- Heat Pump	0	0	\$0.00	\$0	157	0	\$0.03124	\$0	\$0	\$0	\$0	\$0	\$0		
- Air Conditioner	0	0	\$0.00		0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0		
Modified Energy Fitness	101	23	\$142.72	\$14,415	1,194	27,462	\$0.03116	\$956	\$2,127	\$0	\$2,127	\$17,388	\$17,388		
TOTAL RESIDENTIAL PROGRAMS	288	1,463		\$135,054		1,806,024		\$56,185	\$3,327	\$4,249	\$7,576	\$198,815	\$198,815		
COMMERCIAL PROGRAMS	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	\$0		
Smart Audit - Class 1	0	620	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	\$0		
- Class 2	0	73	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	\$0		
Smart Financing - Existing Building	0	110	\$0.00	\$0	13,282	1,461,020	\$0.04235	\$61,874	\$0	\$0	\$0	\$61,874	\$61,874		
Smart Financing - New Building	0	49	\$0.00	\$0	14,101	690,949	\$0.04277	\$29,552	\$0	\$0	\$0	\$29,552	\$29,552		
TOTAL COMMERCIAL PROGRAMS	0	852		\$0		2,151,969		\$91,426	\$0	\$0	\$0	\$91,426	\$91,426		
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	\$0		
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	\$0		
Smart Audit - Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	\$0		
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0		
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0		
TOTAL INDUSTRIAL PROGRAMS	0	0		\$0		0		\$0	\$0	\$0	\$0	\$0	\$0		
TOTAL COMPANY	288	2,315		\$135,054		3,957,993		\$147,611	\$3,327	\$4,249	\$7,576	\$290,241	\$290,241		

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

Year 2003															Exhibit C
KENTUCKY POWER COMPANY															PAGE
ESTIMATED SECTOR SURCHARGES FOR 3															9B of
YEAR PROGRAM															15
YEAR 8 (2nd HALF)															TOTAL
PROGRAM DESCRIPTIONS															ACTUAL
NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS (3)	TOTAL ACTUAL PROGRAM COSTS (4)	NET LOST REV/HALF (KWH PARTICIPANT) (5)	TOTAL ENERGY SAVINGS (KWH/HALF) (2)X(5)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * REVENUES (8)	EFFICIENCY INCENTIVE (EX. C, PG.11) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	INCENTIVE TOTAL * (9)+(10)	RECOVERED COSTS TO BE (12)				
		PER PARTICIPANT (3)	(1)X(3)				(6)X(7)	(9)	(4)X(5%)	(11)	(4)+(9)+(11)				
0	0	\$0.00	\$0	706	0	\$0.03112	\$0	\$0	\$0	\$0	\$0				
RESIDENTIAL PROGRAMS															
Energy Fitness															
69	473	\$974.94	\$67,271	1,028	486,244	\$0.03111	\$15,127	\$0	\$3,364	\$3,364	\$85,762				
68	167	\$76.10	\$5,251	316	52,772	\$0.03124	\$1,649	\$295	\$0	\$295	\$7,195				
0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0				
Compact Fluorescent Bulb															
0	63	\$0.00	\$0	1,200	75,600	\$0.03114	\$2,354	\$0	\$0	\$0	\$2,354				
0	0	\$0.00	\$0	446	0	\$0.03116	\$0	\$0	\$0	\$0	\$0				
High - Efficiency Heat Pump															
0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0				
0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0				
High - Efficiency Heat Pump															
29	256	\$463.45	\$13,150	1,144	282,864	\$0.03110	\$9,108	\$839	\$0	\$839	\$23,097				
Mobile Home															
64	419	\$649.59	\$41,574	1,810	768,390	\$0.03110	\$23,586	\$260	\$0	\$260	\$65,420				
1	0	\$150.00	\$150	158	0	\$0.03124	\$0	\$0	\$0	\$0	\$150				
Mobile Home New Construction ***															
0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0				
0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0				
Heat Pump															
0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0				
Air Conditioner															
441	324	\$431.43	\$190,282	1,194	386,856	\$0.03116	\$12,054	\$9,287	\$0	\$9,287	\$211,603				
Modified Energy Fitness															
673	1,702		\$317,658		2,052,726		\$63,878	\$10,681	\$3,364	\$14,045	\$395,581				
TOTAL RESIDENTIAL PROGRAMS															
0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0				
COMMERCIAL PROGRAMS															
0	453	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0				
Smart Audit - Class 1															
0	63	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0				
Smart Audit - Class 2															
0	77	\$0.00	\$0	13,282	1,022,714	\$0.04235	\$43,312	\$0	\$0	\$0	\$43,312				
Smart Financing - Existing Building															
0	47	\$0.00	\$0	14,102	662,794	\$0.04277	\$28,348	\$0	\$0	\$0	\$28,348				
Smart Financing - New Building															
0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0				
TOTAL COMMERCIAL PROGRAMS															
0	640		\$0		1,685,508		\$71,660	\$0	\$0	\$0	\$71,660				
INDUSTRIAL PROGRAMS -															
(w/Est. Opt-Outs Removed)															
0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0				
Smart Audit - Class 1															
0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0				
Smart Audit - Class 2															
0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0				
Smart Financing - General															
0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0				
Smart Financing - Compressed Air System															
0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0				
TOTAL INDUSTRIAL PROGRAMS															
0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0				
673	2,342		\$317,658		3,798,234		\$135,538	\$10,681	\$3,364	\$14,045	\$467,241				
TOTAL COMPANY															

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

** Cumulative participants include a reduction for the cumulative participants as of 12/31/2000.

*** Participants since 07/01/2000.

Year 2004													Exhibit C	
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM													PAGE 10A of 15	
YEAR 9 (1st HALF)														
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACTUAL PROGRAM COSTS (4)	NET LOST REVENUE (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/ HALF (6)	NET LOST REVENUE (\$/KWH) (7)	EFFICIENCY INCENTIVE (EX. C, PG.11) (9)	MAXIMIZING INCENTIVE (9% of COSTS) (10)	INCENTIVE (9)+(10)	TOTAL * COSTS TO BE	TOTAL ACTUAL RECOVERED (12)		
				(1X)(3)		(2X)(6)			(4X)(5%)	(9)+(10)		(4)+(9)+(11)		
RESIDENTIAL PROGRAMS	0	0	\$0.00	\$0	707	0	\$0.03112	\$0	\$0	\$0	\$0	\$0		
Energy Fitness														
Targeted Energy Efficiency	72	463	\$761.54	\$54,111	1,028	475,964	\$0.03111	\$14,607	\$2,706	\$2,706	\$71,624	\$2,585		
- All Electric	10	179	\$78.60	\$786	314	56,206	\$0.03124	\$43	\$0	\$43	\$0	\$0		
- Non-All Electric	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0		
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0		
High - Efficiency Heat Pump	0	42	\$0.00	\$0	1,200	50,400	\$0.03114	\$1,569	\$0	\$0	\$1,569	\$0		
- Resistance Heat	0	0	\$0.00	\$0	447	0	\$0.03116	\$0	\$0	\$0	\$0	\$0		
- Non Resistance Heat	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0		
High - Efficiency Heat Pump	41	247	\$428.05	\$17,550	1,144	282,568	\$0.03110	\$8,788	\$1,186	\$0	\$1,186	\$27,524		
- Mobile Home														
Mobile Home New Construction ***	68	394	\$503.68	\$34,260	1,808	712,352	\$0.03110	\$22,154	\$0	\$276	\$56,680	\$155		
- Heat Pump	1	1	\$150.00	\$150	157	157	\$0.03124	\$5	\$0	\$0	\$0	\$0		
- Air Conditioner	334	795	\$417.76	\$139,531	1,194	877,590	\$0.03116	\$7,034	\$0	\$7,034	\$173,911	\$334,048		
Modified Energy Fitness	526	2,061		\$246,378		2,455,237		\$8,539	\$2,706	\$11,245	\$334,048			
TOTAL RESIDENTIAL PROGRAMS														
COMMERCIAL PROGRAMS	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0		
Smart Audit - Class 1	0	338	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0		
- Class 2	0	30	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0		
Smart Financing - Existing Building	0	54	\$0.00	\$0	13,282	717,228	\$0.04235	\$30,375	\$0	\$0	\$30,375	\$0		
Smart Financing - New Building	0	43	\$0.00	\$0	14,101	606,343	\$0.04277	\$25,933	\$0	\$0	\$25,933	\$0		
TOTAL COMMERCIAL PROGRAMS	0	465		\$0		1,323,571		\$56,308	\$0	\$0	\$56,308	\$0		
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0		
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0		
Smart Audit - Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0		
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0		
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0		
TOTAL INDUSTRIAL PROGRAMS	0	0		\$0		0		\$0	\$0	\$0	\$0	\$0		
TOTAL COMPANY	526	2,526		\$246,378		3,776,808		\$132,733	\$8,539	\$11,245	\$390,356	\$0		

* Lost revenue and efficiency incentives are based on prospective values

** Cumulative participants include a reduction for the cumulative participants as of 06/30/2001.

*** Participants since 01/01/2001.

Year 2004												
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM												
YEAR 9 (2nd HALF)												
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACTUAL PROGRAM COSTS (4)	NET LOST REV/QTR (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/ HALF (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * REVENUES (8)	EFFICIENCY INCENTIVE (EX. C. PG.11) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	INCENTIVE (11)	TOTAL ACTUAL COSTS TO BE RECOVERED (12)
				(1)(X)(3)		(2)(X)(6)	(6)(X)(7)		(9)+(10)	(10)	(11)	(4)+(9)+(11)
RESIDENTIAL PROGRAMS	0	0	\$0.00	\$0	706	0	\$0.03112	\$0	\$0	\$0	\$0	\$0
Energy Fitness												
Targeted Energy Efficiency	89	462	\$1,118.43	\$99,540	1,028	474,936	\$0.03111	\$14,175	\$0	\$4,977	\$4,977	\$19,292
- All Electric	72	205	\$60.60	\$4,363	316	64,780	\$0.03124	\$2,024	\$308	\$0	\$308	\$9,695
- Non-All Electric	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump	0	15	\$0.00	\$0	1,200	18,000	\$0.03114	\$561	\$0	\$0	\$0	\$561
- Resistance Heat	0	0	\$0.00	\$0	446	0	\$0.03116	\$0	\$0	\$0	\$0	\$0
- Non Resistance Heat	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump	46	239	\$469.57	\$21,600	1,144	273,416	\$0.03110	\$8,503	\$1,330	\$0	\$1,330	\$31,433
- Mobile Home												
Mobile Home New Construction ***	70	379	\$597.14	\$41,800	1,810	685,980	\$0.03110	\$21,334	\$284	\$0	\$284	\$63,418
- Heat Pump	0	0	#N/D	\$0	158	316	\$0.03124	\$10	\$0	\$0	\$0	\$10
- Air Conditioner	0	2			1,194	1,277,580	\$0.03116	\$39,809	\$8,234	\$0	\$8,234	\$183,799
Modified Energy Fitness	391	1,070	\$347.20	\$135,756	1,194	1,277,580	\$0.03116	\$39,809	\$8,234	\$0	\$8,234	\$183,799
TOTAL RESIDENTIAL PROGRAMS	668	2,372		\$303,059		2,795,018		\$87,016	\$10,156	\$4,977	\$15,133	\$405,208
COMMERCIAL PROGRAMS	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 1	0	191	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
- Class 2	0	10	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - Existing Building	0	41	\$0.00	\$0	13,282	544,562	\$0.04235	\$23,062	\$0	\$0	\$0	\$23,062
Smart Financing - New Building	0	30	\$0.00	\$0	14,102	423,060	\$0.04277	\$18,094	\$0	\$0	\$0	\$18,094
TOTAL COMMERCIAL PROGRAMS	0	272		\$0		967,622		\$41,156	\$0	\$0	\$0	\$41,156
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	0	0		\$0		0		\$0	\$0	\$0	\$0	\$0
TOTAL COMPANY	668	2,644		\$303,059		3,762,640		\$128,172	\$10,156	\$4,977	\$15,133	\$446,364

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

** Cumulative participants include a reduction for the cumulative participants as of 12/31/2001.

*** Participants since 07/01/2001.

Year 2005													Exhibit C
KENTUCKY POWER COMPANY													PAGE
ESTIMATED SECTOR SURCHARGES FOR 3													11A of
YEAR PROGRAM													15
YEAR 10 (1st Half)													TOTAL
PROGRAM DESCRIPTIONS													ACTUAL
NEW PARTICIPANT	CUMULATIVE PARTICIPANT	TOTAL ESTIMATED PROGRAM COSTS	TOTAL ACTUAL PROGRAM COSTS	NET LOST REV/QTR	TOTAL ENERGY SAVINGS	NET LOST REVENUE	TOTAL NET * LOSS	EFFICIENCY INCENTIVE	MAXIMIZING INCENTIVE	INCENTIVE TOTAL *	RECOVERED COSTS TO BE		
NUMBER (1)	NUMBER ** (2)	PER PARTICIPANT (3)	(4)	(KWH/ PARTICIPANT) (5)	KWH/ HALF (6)	(\$/KWH) (7)	(8)	(EX. C. PG.11) (9)	(5% of COSTS) (10)	(11)	(12)		
			(1)(X)(3)		(2)(X)(6)				(4)(X)(5%)	(9)+(10)	(4)+(8)+(11)		
RESIDENTIAL PROGRAMS													
Energy Fitness	0	\$0.00	\$0	707	0	\$0.03112	\$0	\$0	\$0	\$0	\$0	\$0	
Targeted Energy Efficiency	477	\$1,109.22	\$97,611	896	427,392	\$0.03111	\$13,296	\$0	\$4,881	\$4,881	\$115,788		
- All Electric	57	\$62.47	\$3,561	267	58,206	\$0.03124	\$1,818	\$1,125	\$0	\$1,125	\$6,504		
- Non-All Electric	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0		
Compact Fluorescent Bulb	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0		
High - Efficiency Heat Pump	0	\$0.00	\$0	1,200	0	\$0.03114	\$0	\$0	\$0	\$0	\$0		
- Resistance Heat	0	\$0.00	\$0	447	0	\$0.03116	\$0	\$0	\$0	\$0	\$0		
- Non Resistance Heat	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0		
High - Efficiency Heat Pump	34	\$560.21	\$19,047	1,145	264,495	\$0.03110	\$8,226	\$2,693	\$0	\$2,693	\$29,966		
- Mobile Home	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0		
Mobile Home New Construction ***	67	\$614.85	\$41,195	1,808	670,768	\$0.03110	\$20,861	\$8,372	\$0	\$8,372	\$70,428		
- Heat Pump	0	\$0.00	\$0	157	314	\$0.03124	\$10	\$0	\$0	\$0	\$10		
- Air Conditioner	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0		
Modified Energy Fitness	371	\$400.87	\$148,723	613	906,627	\$0.03116	\$28,250	\$15,612	\$0	\$15,612	\$192,885		
TOTAL RESIDENTIAL PROGRAMS	617		\$310,137		2,327,902		\$72,461	\$27,802	\$4,881	\$32,683	\$415,281		
COMMERCIAL PROGRAMS													
Smart Audit - Class 1	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0		
- Class 2	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0		
Smart Financing - Existing Building	0	\$0.00	\$0	13,282	395,178	\$0.04235	\$16,312	\$0	\$0	\$0	\$16,312		
Smart Financing - New Building	0	\$0.00	\$0	14,101	253,818	\$0.04277	\$10,896	\$0	\$0	\$0	\$10,896		
TOTAL COMMERCIAL PROGRAMS	0		\$0		638,996		\$27,168		\$0	\$0	\$27,168		
INDUSTRIAL PROGRAMS													
(w/Est. Opt-Outs Removed)													
Smart Audit - Class 1	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0		
- Class 2	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0		
Smart Financing - General	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0		
Smart Financing - Compressed Air System	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0		
TOTAL INDUSTRIAL PROGRAMS	0		\$0		0		\$0		\$0	\$0	\$0		
TOTAL COMPANY	617		\$310,137		2,966,798		\$99,629	\$27,802	\$4,881	\$32,683	\$442,449		

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

** Cumulative participants include a reduction for the cumulative participants as of 06/30/2002.

*** Participants since 01/01/2002.

Year 2005												Exhibit C
KENTUCKY POWER COMPANY												PAGE
ESTIMATED SECTOR SURCHARGES FOR 3												11B of
YEAR PROGRAM												15
YEAR 10 (2nd HALF)												TOTAL
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACTUAL PROGRAM COSTS (4)	NET LOST REV/QTRS (KWH/PARTICIPANT) (5)	TOTAL ENERGY SAVINGS KWH/HALF (2)X(5)	NET LOST REVENUE (KWH) (7)	TOTAL NET* REVENUES (8)	EFFICIENCY INCENTIVE (EX. C. PG.11) (9)	MAXIMIZING INCENTIVE (% of COSTS) (10)	INCENTIVE TOTAL* (9)+(10)	RECOVERED COSTS TO BE (12)
										(4)X(5%)		(4)+(9)+(11)
RESIDENTIAL PROGRAMS	0	0	\$0.00	\$0	708	0	\$0.03112	\$0	\$0	\$0	\$0	\$0
Energy Fitness												
Targeted Energy Efficiency	85	482	\$1,207.52	\$102,839	896	440,832	\$0.03111	\$13,714	\$0	\$5,132	\$5,132	\$121,485
- All Electric	28	233	\$65.85	\$1,712	266	61,978	\$0.03124	\$1,936	\$513	\$0	\$513	\$4,181
- Non-All Electric	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump	0	0	\$0.00	\$0	1,200	0	\$0.03114	\$0	\$0	\$0	\$0	\$0
- Resistance Heat	0	0	\$0.00	\$0	446	0	\$0.03116	\$0	\$0	\$0	\$0	\$0
- Non Resistance Heat	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump	40	225	\$476.78	\$19,071	1,144	257,480	\$0.03110	\$9,005	\$3,168	\$0	\$3,168	\$30,244
- Mobile Home												
Mobile Home New Constitution ***	83	385	\$544.23	\$45,171	1,810	696,860	\$0.03110	\$21,872	\$10,372	\$0	\$10,372	\$71,215
- Heat Pump	0	2	\$0.00	\$0	158	316	\$0.03124	\$10	\$0	\$0	\$0	\$10
- Air Conditioner	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Modified Energy Fitness	351	1,826	\$373.12	\$130,985	612	1,117,512	\$0.03116	\$34,822	\$14,770	\$0	\$14,770	\$180,557
TOTAL RESIDENTIAL PROGRAMS	585	3,163		\$289,558		2,574,868		\$80,159	\$28,823	\$5,132	\$33,955	\$413,872
COMMERCIAL PROGRAMS	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
- Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - Existing Building	0	20	\$0.00	\$0	13,282	285,640	\$0.04235	\$11,250	\$0	\$0	\$0	\$11,250
Smart Financing - New Building	0	11	\$0.00	\$0	14,102	155,122	\$0.04277	\$8,635	\$0	\$0	\$0	\$8,635
TOTAL COMMERCIAL PROGRAMS	0	31		\$0		420,762		\$17,885	\$0	\$0	\$0	\$17,885
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	0	0		\$0		0		\$0	\$0	\$0	\$0	\$0
TOTAL COMPANY	585	3,194		\$299,558		2,995,650		\$95,044	\$28,823	\$5,132	\$33,955	\$431,557

* Lost revenue and efficiency incentives are based on prospective values.
** Cumulative participants include a reduction for the cumulative participants as of 12/31/2002.
*** Participants since 07/01/2002.

Year 2006		Kentucky Power Company Estimated Sector Surcharges for 3 Year Program		Exhibit C Page 12A of 15								
Year 11 (1st Half)	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS (3)	TOTAL ACTUAL PROGRAM COSTS (4)	NET LOST REVENUE (5)	TOTAL ENERGY SAVINGS (6)	NET LOST REVENUE (7)	NET LOST REVENUE (8)	EFFICIENCY INCENTIVE (9)	MAXIMIZING INCENTIVE (10)	TOTAL * (11)	TOTAL ACTUAL COSTS TO BE RECOVERED (12)
PROGRAM DESCRIPTIONS	NUMBER (1)	NUMBER ** (2)	PER PARTICIPANT (3)	COSTS (4)	REV/QTRS (5)	KWH HALF (6)	(\$/KWH) (7)	REVENUES (8)	(EX. C. PG.11) (9)	(% of COSTS) (10)	INCENTIVE (11)	RECOVERED (12)
RESIDENTIAL PROGRAMS	0	0	\$0.00	\$0	707	0	\$0.03112	\$0	\$0	\$0	\$0	\$0
Energy Fitness	0	0	\$0.00	\$0	707	0	\$0.03112	\$0	\$0	\$0	\$0	\$0
Targeted Energy Efficiency	75	486	\$974.31	\$73,073	896	444,416	\$0.03111	\$19,826	\$0	\$3,654	\$3,654	\$90,563
- All Electric	34	249	\$84.56	\$2,875	267	66,483	\$0.03124	\$2,077	\$671	\$0	\$671	\$5,623
- Non-All Electric	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump	0	0	\$0.00	\$0	1,200	0	\$0.03114	\$0	\$0	\$0	\$0	\$0
- Resistance Heat	0	0	\$0.00	\$0	447	0	\$0.03116	\$0	\$0	\$0	\$0	\$0
- Non Resistance Heat	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump	48	230	\$446.06	\$21,411	1,145	263,350	\$0.03110	\$8,180	\$3,802	\$0	\$3,802	\$33,403
- Mobile Home	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Mobile Home New Construction ***	90	425	\$561.21	\$50,509	1,810	789,250	\$0.03110	\$23,924	\$11,246	\$0	\$11,246	\$85,679
- Heat Pump	0	2	\$0.00	\$0	157	314	\$0.03124	\$10	\$0	\$0	\$0	\$10
- Air Conditioner	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Modified Energy Fitness	440	2,185	\$275.33	\$121,144	613	1,339,405	\$0.03116	\$41,736	\$19,515	\$0	\$19,515	\$181,395
TOTAL RESIDENTIAL PROGRAMS	687	3,687	\$269.012	\$269,012		2,983,218		\$69,763	\$34,234	\$3,654	\$37,888	\$386,663
COMMERCIAL PROGRAMS	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
- Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - Existing Building	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Smart Financing - New Building	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
TOTAL COMMERCIAL PROGRAMS	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
INDUSTRIAL PROGRAMS	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 1 (w/Est. Opt-Outs Removed)	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
- Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
TOTAL COMPANY	687	3,587	\$269.012	\$269,012		2,883,218		\$69,763	\$34,234	\$3,654	\$37,888	\$386,663

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

** Cumulative participants include a reduction for the cumulative participants as of 06/30/2003.

*** Participants since 01/01/2003.

Year 2006															Exhibit PAGE 12B of 15
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM															
YEAR 11 (2nd HALF)															
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS (3)	TOTAL ACTUAL PROGRAM COSTS (4)	NET LOST REV/QTRS (KWH/PARTICIPANT) (5)	TOTAL ENERGY SAVINGS (KWH/ HALF (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET* REVENUES (8)	EFFICIENCY INCENTIVE (EX. C, PG.11) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL* INCENTIVE (9)+(10)	TOTAL COSTS TO BE RECOVERED (12)			
			PER PARTICIPANT (3)	(1)X(3)	(KWH/ PARTICIPANT) (5)	(2)X(5)	(7)	(6)X(7)	(9)	(10)	(9)+(10)	(4)+(9)+(11)			
RESIDENTIAL PROGRAMS	0	0	\$0.00	\$0	706	0	\$0.03112	\$0	\$0	\$0	\$0	\$0			
Energy Fitness															
Targeted Energy Efficiency	87	481	\$1,147.46	\$99,829	896	430,976	\$0.03111	\$13,408	\$0	\$4,991	\$4,991	\$118,228			
- All Electric	46	254	\$84.00	\$3,864	266	67,564	\$0.03124	\$2,111	\$908	\$0	\$908	\$6,883			
- Non-All Electric	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0			
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0			
High - Efficiency Heat Pump	0	0	\$0.00	\$0	1,200	0	\$0.03114	\$0	\$0	\$0	\$0	\$0			
- Resistance Heat	0	0	\$0.00	\$0	446	0	\$0.03116	\$0	\$0	\$0	\$0	\$0			
- Non Resistance Heat	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0			
High - Efficiency Heat Pump	45	245	\$460.00	\$20,700	1,144	280,280	\$0.03110	\$8,717	\$3,564	\$0	\$3,564	\$32,981			
- Mobile Home															
Mobile Home New Construction ***	94	460	\$544.15	\$51,150	1,808	831,680	\$0.03110	\$25,865	\$11,746	\$0	\$11,746	\$88,761			
- Heat Pump	0	2	\$0.00	\$0	158	316	\$0.03124	\$10	\$0	\$0	\$0	\$0			
- Air Conditioner	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0			
Modified Energy Fitness	560	2,391	\$427.85	\$239,596	612	1,463,292	\$0.03116	\$45,596	\$23,565	\$0	\$23,565	\$308,757			
TOTAL RESIDENTIAL PROGRAMS	832	3,833		\$415,139		3,074,108		\$95,707	\$39,783	\$4,991	\$44,774	\$555,620			
COMMERCIAL PROGRAMS	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0			
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0			
- Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0			
Smart Financing - Existing Building	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0			
Smart Financing - New Building	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0			
TOTAL COMMERCIAL PROGRAMS	0	0	\$0	\$0	0	0	\$0	\$0	\$0	\$0	\$0	\$0			
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0			
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0			
Smart Audit - Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0			
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0			
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0			
TOTAL INDUSTRIAL PROGRAMS	0	0	\$0	\$0	0	0	\$0	\$0	\$0	\$0	\$0	\$0			
TOTAL COMPANY	832	3,833		\$415,139		3,074,108		\$95,707	\$39,783	\$4,991	\$44,774	\$555,620			

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

Year 2007													Exhibit C PAGE 15A of 15	
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM														
YEAR 12 (1st HALF)														
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS	TOTAL ACTUAL PROGRAM COSTS (1)(X)(3)	NET LOST REV/QTRS (KWH/ PARTICIPANT) (5)	TOTAL ENERGY SAVINGS (KWH/ QTR) (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET* REVENUES (8)	EFFICIENCY INCENTIVE (EX. C, PG.11) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	INCENTIVE TOTAL* (9)+(10)	TOTAL ESTIMATED COSTS TO BE RECOVERED (12)		
			PER PARTICIPANT COSTS (3)							(4)(X)(5%)		(4)+(9)+(11)		
RESIDENTIAL PROGRAMS	0	0	\$0.00	\$0	707	0	\$0.03112	\$0	\$0	\$0	\$0	\$0		
Energy Fitness														
Targeted Energy Efficiency	128	514	\$1,022.27	\$130,851	896	480,544	\$0.04346	\$20,015	\$0	\$8,543	\$8,543	\$157,409		
- All Electric	29	248	\$86.46	\$2,508	297	89,216	\$0.04345	\$2,877	\$972	\$0	\$972	\$5,957		
- Non-All Electric	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0		
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0		
High - Efficiency Heat Pump	0	0	\$0.00	\$0	1,200	0	\$0.03114	\$0	\$0	\$0	\$0	\$0		
- Resistance Heat	0	0	\$0.00	\$0	447	0	\$0.03116	\$0	\$0	\$0	\$0	\$0		
- Non Resistance Heat	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0		
High - Efficiency Heat Pump	50	255	\$450.00	\$22,500	1,145	291,975	\$0.04346	\$12,669	\$3,980	\$0	\$3,980	\$39,149		
- Mobile Home														
Mobile Home New Construction ***	84	479	\$563.10	\$47,300	1,910	666,980	\$0.04348	\$37,697	\$10,497	\$0	\$10,497	\$95,494		
- Heat Pump	0	1	\$0.00	\$0	157	157	\$0.04343	\$7	\$0	\$0	\$0	\$7		
- Air Conditioner	515	2,507	\$381.00	\$196,214	613	1,536,791	\$0.04349	\$66,835	\$21,671	\$0	\$21,671	\$284,720		
Modified Energy Fitness														
Case No 2006 - 00373, Dated December 14, 2006:														
- HEAP - Kentucky Power Company's Information Technology Implementation Costs				\$58,898								\$58,898		
- HEAP - KACA's Information Technology Implementation Costs				\$15,700								\$15,700		
TOTAL RESIDENTIAL PROGRAMS	806	4,004		\$474,041		3,222,673		\$140,120	\$38,700	\$6,543	\$43,243	\$657,404		
COMMERCIAL PROGRAMS	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0		
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0		
- Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0		
Smart Financing - Existing Building	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0		
Smart Financing - New Building	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0		
TOTAL COMMERCIAL PROGRAMS	0	0	\$0	\$0	0	0	\$0	\$0	\$0	\$0	\$0	\$0		
INDUSTRIAL PROGRAMS - (w/Est Opt-Outs Removed)	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0		
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0		
- Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0		
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0		
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0		
TOTAL INDUSTRIAL PROGRAMS	0	0	\$0	\$0	0	0	\$0	\$0	\$0	\$0	\$0	\$0		
TOTAL COMPANY	806	4,004		\$474,041		3,222,673		\$140,120	\$38,700	\$6,543	\$43,243	\$657,404		

* Lost revenue and efficiency incentives are based on prospective values.
** Cumulative participants include a reduction for the cumulative participants as of 06/30/2004.
*** Participants since 01/01/2004.

Year 2007													Exhibit C
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM													PAGE 13B of
YEAR 12 (3rd QTR)													15
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS (3)	PER PARTICIPANT COSTS (4)	TOTAL ESTIMATED PROGRAM COSTS (1)X(3)	NET LOST REV/QTRS (KWH/ PARTICIPANT) (5)	TOTAL ENERGY SAVINGS KWH/ QTR(S) (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * REVENUES (8)	EFFICIENCY INCENTIVE (EX. C, PG.11) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL * INCENTIVE (9)+(10)	TOTAL ESTIMATED COSTS TO BE RECOVERED (12)
							(2)X(6)	(7)	(8)X(7)	(9)	(4)X(5%)	(9)+(10)	(4)+(8)+(11)
RESIDENTIAL PROGRAMS	0	0	\$0.00	\$0	\$0	353	0	\$0.03112	\$0	\$0	\$0	\$0	\$0
Energy Fitness													
Targeted Energy Efficiency	32	548	\$1,022.00	\$32,704	\$32,704	448	245,504	\$0.04348	\$10,670	\$0	\$1,635	\$1,635	\$45,009
- All Electric	23	251	\$66.00	\$1,978	\$1,978	133	33,383	\$0.04345	\$1,450	\$454	\$0	\$454	\$3,882
- Non-All Electric	0	0	\$0.00	\$0	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Compact Fluorescent Bulb													
High - Efficiency Heat Pump	0	0	\$0.00	\$0	\$0	600	0	\$0.03114	\$0	\$0	\$0	\$0	\$0
- Resistance Heat	0	0	\$0.00	\$0	\$0	223	0	\$0.03116	\$0	\$0	\$0	\$0	\$0
- Non Resistance Heat													
High - Efficiency Heat Pump	27	260	\$450.00	\$12,150	\$12,150	572	148,720	\$0.04346	\$6,463	\$2,138	\$0	\$2,138	\$20,751
- Mobile Home													
Mobile Home New Construction ***	43	488	\$427.91	\$18,400	\$18,400	904	441,152	\$0.04348	\$19,181	\$5,373	\$0	\$5,373	\$42,954
- Heat Pump	0	0	\$0.00	\$0	\$0	78	0	\$0.04343	\$0	\$0	\$0	\$0	\$0
- Air Conditioner	240	2,665	\$379.69	\$91,125	\$91,125	306	815,490	\$0.04349	\$35,466	\$10,099	\$0	\$10,099	\$136,690
Modified Energy Fitness	365	4,212		\$156,357	\$156,357		1,684,249		\$73,230	\$18,064	\$1,635	\$19,699	\$249,286
TOTAL RESIDENTIAL PROGRAMS													
COMMERCIAL PROGRAMS	0	0	\$0.00	\$0	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 1	0	0	\$0.00	\$0	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
- Class 2	0	0	\$0.00	\$0	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Smart Financing - Existing Building	0	0	\$0.00	\$0	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Smart Financing - New Building	0	0	\$0.00	\$0	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
TOTAL COMMERCIAL PROGRAMS													
INDUSTRIAL PROGRAMS	0	0	\$0.00	\$0	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
(w/Est. Opt-Outs Removed)													
Smart Audit - Class 1	0	0	\$0.00	\$0	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
- Class 2	0	0	\$0.00	\$0	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS													
TOTAL COMPANY	365	4,212		\$156,357	\$156,357		1,684,249		\$73,230	\$18,064	\$1,635	\$19,699	\$249,286
* Lost revenue and efficiency incentives are based on prospective values.													
** Cumulative participants include a reduction for the cumulative participants as of 09/30/2004.													
*** Participants since 07/01/2004.													

PROGRAM DESCRIPTIONS	ANNUAL SHARED SAVINGS (\$)																							
	YEAR 1		YEAR 2		YEAR 3		YEAR 4		YEAR 5		YEAR 6		YEAR 7		YEAR 8		YEAR 9		YEAR 10		YEAR 11		YEAR 12	
	(1X0)	(1X0)	(1X0)	(1X0)	(1X0)	(1X0)	(1X0)	(1X0)	(1X0)	(1X0)	(1X0)	(1X0)	(1X0)	(1X0)	(1X0)	(1X0)	(1X0)	(1X0)	(1X0)	(1X0)	(1X0)	(1X0)	(1X0)	(1X0)
RESIDENTIAL PROGRAMS																								
Energy Fitness	\$43,177	\$14,317	\$11,304	\$9,309	\$10,370	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- All Electric	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Non-All Electric	\$719	\$1,541	\$40	\$70	\$40	\$141	\$109	\$221	\$137	\$66	\$30	\$265	\$43	\$308	\$1,126	\$513	\$971	\$908	\$972	\$454	\$0	\$0	\$0	\$0
- Compact Fluorescent Bulb	\$425	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- High-Efficiency Heat Pump	\$10,854	\$3,671	\$1,598	\$182	\$780	\$4,375	\$9,887	\$1,016	\$1,016	\$1,016	\$44	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Resistance Heat	\$5,729	\$2,970	\$5,414	\$757	\$1,893	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- High-Efficiency Heat Pump	\$13,834	\$4,238	\$4,128	\$2,145	\$5,623	\$8,505	\$11,284	\$3,729	\$3,621	\$4,483	\$3,958	\$1,244	\$1,244	\$893	\$1,188	\$1,330	\$2,683	\$3,168	\$3,802	\$3,564	\$2,880	\$2,138	\$1,872	
- Mobile Home																								
- Heat Pump	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
- Air Conditioner	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Modified Energy Fitness	\$77,685	\$26,601	\$14,388	\$17,645	\$27,683	\$22,075	\$10,095	\$0,008	\$9,259	\$9,802	\$1,658	\$1,648	\$3,327	\$2,127	\$9,287	\$7,024	\$9,234	\$18,612	\$14,770	\$19,615	\$25,585	\$21,871	\$10,088	\$19,310
TOTAL RESIDENTIAL PROGRAMS	\$77,685	\$26,601	\$14,388	\$17,645	\$27,683	\$22,075	\$10,095	\$0,008	\$9,259	\$9,802	\$1,658	\$1,648	\$3,327	\$2,127	\$9,287	\$7,024	\$9,234	\$18,612	\$14,770	\$19,615	\$25,585	\$21,871	\$10,088	\$19,310
- Participants Since 08/01/08																								
COMMERCIAL PROGRAMS																								
- Smart Audit - Class 1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Smart Audit - Class 2	\$508	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Smart Financing - Existing Building	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Smart Financing - New Building	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL COMMERCIAL PROGRAMS	\$508	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
INDUSTRIAL PROGRAMS																								
- (with Opt-Outs Removed)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Smart Audit - Class 1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Smart Audit - Class 2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Smart Financing - General	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Smart Financing - Compressed Air System	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ANNUAL SHARED SAVINGS (\$)	\$78,091	\$30,389	\$20,833	\$41,757	\$26,945	\$30,889	\$14,895	\$14,867	\$14,843	\$17,812	\$4,588	\$11,699	\$3,327	\$10,881	\$8,589	\$10,158	\$27,892	\$28,823	\$34,234	\$38,183	\$39,700	\$18,094	\$17,659	

KENTUCKY POWER COMPANY
DERIVATION FOR 3 YEAR DSM EXPERIMENT
CALCULATION OF EFFICIENCY INCENTIVE

KENTUCKY POWER COMPANY		Exhibit C		
FORECAST OF 2007 KENTUCKY RETAIL ENERGY SALES IN KWH FOR RESIDENTIAL, COMMERCIAL AND INDUSTRIAL SECTORS		PAGE 15 of		15
PROGRAM YR 12 - 2007				
LINE NO.	YEAR	RESIDENTIAL SECTOR	COMMERCIAL SECTOR	INDUSTRIAL SECTOR
1	TOTAL ULTIMATE SALES (KWH)*	2,514,200,000	1,436,200,000	3,305,600,000
2	LESS NON-METERED **	15,085,200	8,617,200	19,833,600
3	TOTAL ESTIMATED RETAIL KWH SALES	2,499,114,800	1,427,582,800	3,285,766,400
4	LESS OPT - OUT CUSTOMERS KWH	0	0	2,059,689,192
5	KWH BEFORE LOST REVENUE IMPACTS	2,499,114,800	1,427,582,800	1,226,077,208
6	LESS LOST REVENUE IMPACTS	11,420,681	1,496,550	0
7	ADJUSTED KWH BY SECTOR	2,487,694,119	1,426,086,250	1,226,077,208
8	LINE 7/LINE 1	98.9%	99.3%	37.1%
PROGRAM YR 12 (3rd QTR)				
9	TOTAL ULTIMATE SALES (KWH)*	569,100,000	372,700,000	801,800,000
10	LINE 8	98.9%	99.3%	37.1%
11	ADJUSTED KWH BY SECTOR	562,839,900	370,091,100	297,467,800
PROGRAM YR 12 (4th QTR)				
12	TOTAL ULTIMATE SALES (KWH)*	617,000,000	349,300,000	867,700,000
13	LINE 8	98.9%	99.3%	37.1%
14	ADJUSTED KWH BY SECTOR	610,213,000	346,854,900	321,916,700
* SOURCE: 2007 LOAD FORECAST COMPILED BY AEP CORPORATE PLANNING AND BUDGETING DEPT.				
** .60% ESTIMATED TO BE NON-METERED (OL) DETERMINED FROM BILLED JURISDICTIONAL TARIFF SUMMARY FOR 12 MOS. ENDED DECEMBER 2006.				