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March 23, 2012

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HAND DELIVERED

RECEIVED
MAR 23 2012
PUBLIC SERVICE COMMISSION

Jeff R. Derouen
Executive Director
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602-0615

Re: Case No. 2012-00051

Dear Mr. Derouen:

Enclosed please find and accept for filing the original and ten copies of the Responses of Kentucky Power Company to the Data Requests propounded by Staff and the Attorney General in this proceeding.

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

Very truly yours,

STITES & HARBISON, PLLC

Mark R. Overstreet

MRO
cc: Jennifer Black Hans
Dennis G. Howard II
Larry Cook
Michael L. Kurtz

COMMONWEALTH OF KENTUCKY

BEFORE THE

PUBLIC SERVICE COMMISSION OF KENTUCKY

IN THE MATTER OF

APPLICATION OF KENTUCKY POWER COMPANY	)	
FOR COLLABORATIVE DEMAND-SIDE MANAGEMENT	)	
PROGRAMS AND FOR AUTHORITY TO IMPLEMENT	)	
A TARIFF TO RECOVER COSTS AND NET LOST	)	
REVENUES AND RECEIVE INCENTIVES ASSOCIATED	)	CASE NO.
WITH THE IMPLEMENTATION OF THE KENTUCKY	)	2012-00051
POWER COMPANY COLLABORATIVE DEMAND-SIDE	)	
MANAGEMENT PROGRAMS	)	

KENTUCKY POWER COMPANY RESPONSES TO COMMISSION STAFF'S FIRST SET OF DATA REQUESTS

March 23, 2012

VERIFICATION

The undersigned, Edgar J. Clayton, being duly sworn, deposes and says he is the Manager, Energy Efficiency & Consumer Programs for Kentucky Power, that he has personal knowledge of the matters set forth in the forgoing responses for which he is the identified witness and that the information contained therein is true and correct to the best of his information, knowledge, and belief

Edgar J. Clayton

Edgar J. Clayton

COMMONWEALTH OF KENTUCKY)
) CASE NO. 2012-00051
COUNTY OF BOYD)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Edgar J. Clayton, this the 15th day of March 2012.

Debora Leigh Jones

Notary Public

My Commission Expires: 3/20/2012

VERIFICATION

The undersigned, Lila P. Munsey, being duly sworn, deposes and says she is the Manager, Regulatory Services for Kentucky Power, that she has personal knowledge of the matters set forth in the forgoing responses for which she is the identified witness and that the information contained therein is true and correct to the best of her information, knowledge, and belief

Lila P. Munsey

Lila P. Munsey

COMMONWEALTH OF KENTUCKY)
) CASE NO. 2012-00051
COUNTY OF FRANKLIN)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Lila P. Munsey, this 23rd day of March 2012.

Judy K Rogers

Notary Public

My Commission Expires: January 23, 2013

Kentucky Power Company

REQUEST

Refer to the Joint Application ("Application") cover letter ("Letter"), page 1, which states "[t]he DSM [Demand-Side Management] Collaborative ["Collaborative"] is requesting Commission approval for the implementation of a new three-year contract with National Energy Education Development (NEED) to run from 2012 through 2014. The contract being negotiated with NEED includes projected fees to remain at the current levels including more contract controls to improve teacher participation levels with NEED administered program energy education."

a. The proposed three-year contract is to run from 2012-2014. Provide the target date by which the contract is to be signed.

b. Explain how Kentucky Power will have more contract controls to improve teacher participation levels with NEED administered program energy education.

c. Provide a copy of the current NEED contract that is in effect.

RESPONSE

a. The target date for the new contract is April 2, 2012.

b. The new contract establishes performance goals linked to teacher seminar attendance. In addition, the new contract grants Kentucky Power the ability to withhold a portion of the payment for the NEED training invoice if goals are not met.

c. A copy of the current NEED contract dated January 1, 2009, is attached.

WITNESS: E J Clayton

SERVICE AGREEMENT NO. 198518X110

This Service Agreement No. 198518X110 (the "Agreement") is made between **Kentucky Power Company** ("Owner"or "KPCo") having an address of 1 Riverside Plaza, Columbus, Ohio 43215, and **National Energy Education Development Project** ("Contractor" or "NEED"), having an address of 8408 Kao Circle, Manassas, Virginia 20110 as of this 1st day of January, 2009 (the "Effective Date").

1. Description of Services

Subject to the terms and conditions hereof, Contractor shall furnish all labor, equipment, materials, and supervision to provide services of implementing an energy education program at participating middle schools in the KPCo service area as detailed in the attached Energy Education for Students Program description, Exhibit C. KPCo will supply compact fluorescent lamps (CFLs) to NEED for distribution to participating students.

2. Incorporation

The Agreement consists of the following documents:

a. this Service Agreement;
b. the attached Service Agreement General Terms and Conditions dated 06/30/04, Exhibit A;
c. the attached Contractor's DSM Proposal, Exhibit B; and
d. the attached Energy Education for Students Program, Exhibit C.

3. Term

The term of the Agreement shall commence on the Effective Date and shall remain in full force and effect until December 31, 2011, unless otherwise agreed to in writing and signed by both parties, or terminated earlier as provided elsewhere herein.

4. Pricing and Payment Terms

Pricing for Services shall be in accordance with Contractor's Kentucky Power DSM Proposal dated April 18, 2008, attached hereto as Exhibit B. Contractor shall provide an invoice within thirty (30) days of completion of billable Services, and payment shall be made within thirty (30) days of receipt of invoice from Contractor.

5. Invoices

Each invoice shall include the following information:

a. unique invoice number;
b. Agreement number 198518X110
c. detailed line item description of the services;
d. total amount of the invoice.

Contractor shall mail invoices to: Kentucky Power, 12333 Kevin Ave., Ashland, KY 41102, ATTN: Don Music.

6. **Notices.** Any notice required or permitted under the terms of the Agreement or required by law must be in writing and must be (a) delivered in person, (b) sent by Third class registered mail, or certified mail with proof of delivery, or (c) sent by overnight air courier with proof of delivery, or (d) by fax or email provided such notice is dispatched the same day by (a), (b), or (c) above, in each case properly posted and fully prepaid to the appropriate address set forth below, or as may be changed from time to time.

If to Contractor: The NEED Project
8408 Kao Circle
Manassas, VA 20110
Attn: Mary Spruill

If to Owner: American Electric Power Service Corporation
825 Tech Center Drive, 2nd Floor
Gahanna, OH 43230
Attn: Contracts Supply Chain Department

cc: Kentucky Power Company
12333 Kevin Avenue
Ashland, KY 41102
Attn: Don Music

7. **Operation Contacts.**

Name	Role	Email	Phone	Address
Barbara Wallace	AEP Dist. Contracts	bswallace@aep.com	614.883.7128	825 Tech Center Dr., 2nd Fl., Gahanna, OH 43230
Don Music	AEP project rep	dmusic@aep.com	606.929.1540	12333 Kevin Ave., Ashland, KY 41102
Mary Spruill	NEED project rep	mspruill@need.org	703.257.1117	8408 Kao Circle, Manassas, VA 20110

IN WITNESS WHEREOF, authorized representatives of the parties have executed this Agreement.

Kentucky Power Company

T. C. Mosher

Timothy C. Mosher
President & COO, KYPCo

3-24-09
Date

National Energy Education Development Project

Mary Spruill
Title: Executive Director

4/3/09
Date

EXHIBIT A

SERVICE AGREEMENT GENERAL TERMS AND CONDITIONS

The following terms and conditions shall apply to the Service Agreement ("Agreement")

1. **Definitions.** "Work" means all of Contractor's obligations under the Agreement. "Owner" means one or more of the companies of the American Electric Power System identified in the Agreement.

2. **Priority.** The Agreement consists of the following documents, listed in their order of priority in the event of a conflict: any amendment to *the Agreement; the Agreement Form; these Terms and Conditions;* and any exhibit(s), schedule(s), or proposal(s) incorporated into the Agreement. Additional or different terms contained in Contractor's proposal or Contractor's acceptance shall not become a part of the Agreement unless expressly agreed to in writing and signed by Owner.

3. **Schedule.** The scheduled completion dates must be met. Contractor shall notify Owner within 24 hours of the first knowledge that any completion date(s) will not be met. Contractor shall be liable for any direct damages incurred by Owner arising out of Contractor's failure to *perform on time.*

4. **Inspection and Acceptance.** Owner shall have free access to the Work for inspection purposes. Owner's inspection or acceptance of the Work shall not relieve Contractor of its obligation to comply with the terms of the Agreement. Owner may reject non-conforming Work at any time and Contractor shall correct such non-conformity at Contractor's expense. Any part of the Work not rejected by Owner following final inspection shall be deemed accepted. Title to the Work shall pass to Owner upon completion and acceptance.

5. **Borrowing of Tools and Equipment.** If Contractor borrows tools, vehicles, materials or equipment ("equipment") of Owner, Contractor (a) agrees that Owner has provided the equipment AS IS, with no representation or warranties; (b) assumes full responsibility for the protection of the borrowed equipment; (c) assumes all liability for injuries or damages resulting from the use of the borrowed equipment; and (d) agrees to return the borrowed equipment to Owner in the same condition as when it was borrowed, or, if repairs are necessary, to cause such repairs to be performed at Contractor's expense before the equipment is returned to Owner. Owner has no obligation to lend equipment to Contractor.

6. **Other Obligations.** Contractor shall assign qualified and competent supervision and personnel to perform the Work. Key personnel shall not be removed or replaced without prior consent of Owner which shall not be unreasonably withheld. Contractor shall cooperate with Owner and others working at or near the site of the Work. Contractor shall promptly report to Owner any defects in the work of others which affects the Work. Failure to report such defects constitutes acceptance of the conditions by Contractor. Contractor shall keep all of its work areas free from trash and debris, and keep its work areas "broom clean" on a continuous basis. Contractor shall secure and protect its own materials, tools, equipment and the Work, including Owner provided materials and equipment. Contractor shall provide Owner with periodic progress reports as requested by Owner. The price shall include, and the Contractor shall pay, all taxes and assessments for unemployment insurance, social security and disability benefits, and other taxes which are based upon the compensation paid to persons employed by Contractor or its subcontractors for the performance of any Work.

7. **Changes in Work.** Owner may change the scope of Work. Contractor shall perform the changed scope of Work. If Contractor's price or schedule will be affected by the change, Contractor must submit a request for an amendment to the Agreement prior to starting the change.

8. **Payment.** Contractor shall invoice Owner, with proper documentation, for all Work performed during the prior month. Owner shall pay Contractor, upon submission of proper invoices, the price for Work performed within 30 days after receipt of the invoice. Owner may withhold all or part of payment if Owner disputes Contractor's compliance with the terms of the Agreement. Owner's payment does not constitute acceptance of the Work. The Agreement number must appear on all invoices and notices.

9. **Taxes.** The price shall include all applicable foreign, federal, state and local taxes payable with respect to this Agreement. However, if Owner specifies that services or tangible personal property to be furnished by Contractor qualify for exemption from sales or use taxes or that Owner has a direct pay permit, Contractor shall, at the direction of Owner, not include sales or use taxes in its price. Owner shall provide Contractor with Owner's direct pay permit or exemption certificate where applicable. Contractor agrees to cooperate in obtaining exemption certificates necessary to claim such exemptions.

10. **Warranty.** Contractor warrants that the Work shall be free of workmanship, material and design defects, new, and in conformance with the Agreement and applicable industry standards. For a period of 12 months from completion and acceptance of the Work, Contractor shall repair or replace, at its expense, including any removal, installation or transportation cost, any defective or non-conforming Work. Owner's acceptance of the Work shall not relieve Contractor of its warranty obligations. In the event of an emergency, or if Contractor fails to correct a defect within a reasonable period of time, Owner may repair or replace any defect in warranted Work at Contractor's expense.

11. **Insurance.** The insurance required by this section shall include contractual liability insurance covering the obligations under this Agreement. Contractor and its subcontractors shall (a) comply with the workers' compensation and occupational disease law of the state where the services are performed; (b) maintain commercial general liability insurance with limits of not less than $1,000,000 each occurrence and aggregate; (c) maintain commercial automobile liability insurance with limits for bodily injury and property damage of not less than $1,000,000 each accident, or evidence of self-insurance; (d) if applicable, maintain aircraft liability (including passenger liability) insurance with a combined limit for bodily injury and property damage of not less than $10,000,000 each occurrence; (e) if applicable, maintain protection and indemnity insurance (including Jones Act liability coverage) with limits of liability of not less than $10,000,000 each accident; (f) if applicable, maintain professional liability insurance with limits of not less than $1,000,000 each occurrence and aggregate; and (g) if applicable, maintain any insurance required by federal compensation statutes (including Longshoreman's and Harbor Workers' Compensation Acts). Policies written on a claims-made basis shall be maintained for five years after performance of the Agreement is completed. Prior to entering Owner's site, Contractor and its subcontractors shall provide Owner with acceptable certificates of insurance waiving subrogation against Owner and naming Owner as an additional insured for the coverages listed in (b) and (c) herein. The certificate of insurance must state that the insurance carrier has issued the insurance specified, that such policies are in force, and that the insurance carrier will give Owner 30 days prior written notice of any material change in, or cancellation of, such policies.

    For Work performed in Louisiana, Contractor hereby acknowledges and agrees that its employees, together with any of its subcontractors' employees shall be deemed to be the statutory employees of Owner only for the purpose of Workers' Compensation law and Contractor further agrees that it will amend its Workers Compensation insurance to include an Alternate Employer Endorsement and have all its subcontractors execute agreements also acknowledging and recognizing the statutory employer status of Owner.

12. **Force Majeure.** Neither party shall be in breach of the Agreement to the extent that any delay or default in performance is due to causes beyond the reasonable control of the delayed or defaulting party, provided that the delayed or defaulting party immediately notifies the other party of the event, an estimate of the duration of the event, and the delaying or defaulting party's plan to mitigate the effects of the delay or default.

SERVICE AGREEMENT GENERAL TERMS AND CONDITIONS

13. **Compliance with Laws.** Contractor shall comply with all applicable laws, rules, regulations and orders of any governmental authority, and will obtain at its expense all permits and licenses, pertaining to its obligations under the Agreement. Contractor agrees to indemnify and save Owner harmless from and against any liability or damages, including attorneys' fees, for non-compliance therewith by Contractor.

14 **Safety and Security.** Contractor shall perform the Work in a safe and careful manner and use such safety devices and methods as are necessary to protect its employees, agents, subcontractors, Owner's employees and agents, other contractors and the public from bodily harm and damage. Contractor shall comply with and enforce all laws, rules and regulations applicable to safety and health standards, *including but not limited to the Occupational Safety and Health Act of* 1970 (OSHA), and any revisions to OSHA or successor legislation. Contractor shall comply with all project and site safety and security rules and procedures issued by Owner, provided that such rules and procedures do not conflict with OSHA or other safety laws, rules and regulations. Contractor shall provide Owner with Material Safety Data *Sheets for all applicable materials prior to delivery to Owner's site*

Contractor and all subcontractors performing Work at Site must have a substance abuse program. This program must apply to all personnel. Minimum requirements of this program shall include pre-hire testing, testing for cause and if requested, random testing. Screening substances and their associated cut-off limits are listed below.

Drug Classes	Screening Cut-Off Limit (ng/ml)	Confirmation Cut-Off Limit (ng/ml)
Amphetamines	1,000	500
Benzoylecgonine	300	150
Cannabinoids	50	15
Opiates	2,000	2,000
Phencyclidine	25	25

Blood & Breath alcohol content: 04% per Dept. of Transportation.

Testing shall be performed by a testing facility certified by Department of Health & Human Services. Personnel must have evidence of having tested negative within a year prior to employment. Owner will accept conditional employment predicated upon (a) employee(s) furnishing evidence that they have submitted to testing within forty-eight (48) hours of initial employment and (b) employee(s) furnishing evidence of negative test results within five (5) work days of initial employment. *Contractor shall ensure personnel are "drug free". Owner reserves the* right to examine evidence outlined herein. Contractor's program shall incorporate reciprocity on "drug free" employee verification to minimize Owner's economic impact, and employees' recertification while maintaining the program's intent.

If required by Owner, Contractor must meet certain security criteria set forth herein. Contractor is responsible for assuring that each of its employees meet these criteria. Contractor must perform a background check to assure that each of its employees: (a) has never been convicted of a felony; (b) has never been convicted of a crime involving drugs or firearms; (c) has never been convicted of a crime involving violence or assault; and (d) has no immigration violations and is eligible to work in the United States. For the purpose of performing the background check, and to otherwise screen the potential Contractor employee, Contractor shall: (a) conduct a fingerprint background check through the repository of the individual's current state of residence and states of residence during the past five (5) years; (b) contact two listed and two developed references; (c) verify education and any professional license to the extent claimed by the individual; (d) obtain employment history for seven-year period prior to employment with Contractor, including all periods of unemployment within that seven-year period; (e) perform a driver's license verification if the individual will operate vehicles on Owner's property (This includes motor vehicle records check in the state where the individual currently resides, as well as verification of a valid license); and (f) perform an individual Social Security number trace. Contractor shall submit to Owner a copy of its proprietary background investigation process for Owner's review and file. Owner reserves the right to conduct a background screen at Contractor expense if agreed between Owner and Contractor. Owner may audit or review specific Contractor screening files to ensure compliance. Contractor shall not perform any screening activities that violate the federal Fair Credit Reporting Act, Title VII of the Civil Rights Act of 1964 or any other applicable law in any circumstances. Contractor shall ensure that the substance and manner of any and all background checks performed by Contractor conform fully to applicable law. Owner, in its sole discretion, shall have the option of barring from any Work site any person whom Owner determines does not meet the qualification requirements set forth above.

15. **Intellectual Property.** Contractor warrants that its performance of the Work will not infringe upon or violate any trademarks, patents, *copyrights, trade secrets or other third party property rights.* If the performance of Work is held in any action to constitute infringement, or the use of the Work is enjoined, Contractor, at its expense, shall procure for Owner the right to continue use of the Work, or replace the Work with non-infringing materials or methods satisfactory to Owner, or modify the Work in a manner satisfactory to Owner so that the *Work becomes non-infringing. Contractor agrees to indemnify and* save Owner harmless from and against any liability or damages, including attorneys' fees, arising out of any alleged infringement or violation. Owner will own the Work and any intellectual property, including trademarks, patents, copyrights and trade secrets, resulting from the Work. Work performed hereunder shall be deemed "work made for hire". *Contractor will execute documents, including* agreements with its employees and agents and assignment documents, necessary to effectuate Owner's ownership of such intellectual property.

16. **Confidentiality.** Each party agrees (a) to protect the Confidential Information of the other with at least the same degree of care used to protect its own most confidential information; (b) not to use (except for the purpose described herein), publish or disclose to third parties such Confidential Information; and (c) upon the request of the other party, to promptly deliver to the other party all written copies of its Confidential Information. "Confidential Information" shall include, but not be limited to, business plans and methods; customer information; engineering, operating and technical data; and the dates of Owner's outage schedule(s). Contractor shall not use Owner's name or logo in marketing or endorsements without the prior written consent of Owner.

17. **Termination.** Owner may terminate, for its convenience or for cause, all or any part of the Agreement upon notice to Contractor. Upon termination for convenience, Contractor shall immediately stop work on the terminated portion of the Agreement and shall submit to Owner an invoice with supporting information setting forth the Agreement *price for the Work performed prior to the notice of termination, plus* Contractor's actual, direct, unavoidable costs resulting from the termination, less salvage value, in no event to exceed the Agreement price. Upon termination for cause, Owner may pursue all rights and remedies available under the law. Upon termination for convenience or cause, Owner shall not be liable to Contractor for Contractor's lost *profits on the terminated portion of the Agreement.*

18 **Indemnification.** (a) The laws of the state where the Work giving rise to the claim is performed shall apply to this Section. (b) IN STATES OTHER THAN OHIO, TO THE EXTENT PERMITTED BY LAW, CONTRACTOR SHALL INDEMNIFY, DEFEND AT ITS EXPENSE, AND SAVE OWNER HARMLESS, *FROM* ANY LIABILITIES, COSTS AND CLAIMS, INCLUDING JUDGMENTS RENDERED AGAINST, AND FINES AND PENALTIES IMPOSED UPON, OWNER AND REASONABLE ATTORNEYS' FEES AND ALL OTHER COSTS OF LITIGATION, ARISING OUT OF THIS AGREEMENT, INCLUDING INJURIES, DISEASE OR DEATH TO PERSONS, OR DAMAGE TO PROPERTY, INCLUDING ENVIRONMENTAL CLAIMS AND LIABILITIES, CAUSED BY CONTRACTOR, ITS EMPLOYEES, AGENTS OR SUBCONTRACTORS, OR IN ANY WAY ATTRIBUTABLE TO

SERVICE AGREEMENT GENERAL TERMS AND CONDITIONS

THE PERFORMANCE OF THIS AGREEMENT, EXCEPT THAT CONTRACTOR'S OBLIGATION TO INDEMNIFY OWNER SHALL NOT APPLY TO ANY LIABILITIES ARISING FROM OWNER'S SOLE NEGLIGENCE. TO THE EXTENT PROVIDED IN THIS SECTION, CONTRACTOR EXPRESSLY AGREES TO INDEMNIFY OWNER FOR OWNER'S ACTS AND OMISSIONS, NEGLIGENT OR OTHERWISE. (c) In Ohio, Contractor shall indemnify and save Owner harmless from any and all costs and expenses, including but not limited to reasonable attorneys' fees and court costs, arising from or relating to injuries, disease or death to persons, or damage to property, caused by Contractor, its employees, agents or subcontractors, or in any way attributable to the Agreement. **(d) WITH RESPECT TO CLAIMS AGAINST OWNER BY CONTRACTOR'S EMPLOYEES, CONTRACTOR AGREES TO EXPRESSLY WAIVE ITS IMMUNITY AS A COMPLYING EMPLOYER UNDER THE WORKERS' COMPENSATION LAW, BUT ONLY TO THE EXTENT THAT SUCH IMMUNITY WOULD BAR OR AFFECT RECOVERY UNDER OR ENFORCEMENT OF THIS INDEMNIFICATION OBLIGATION.** With respect to the State of Ohio, this waiver applies to Section 35, Article II of the Ohio Constitution and Ohio Rev. Code Section 4123.74. (e) Contractor shall pay Owner's reasonable attorneys' fees and all costs of litigation associated with enforcement of the obligation set forth in this Section.

19. **Limitation of Liability.** Except as expressly provided herein, neither party shall be liable to the other for any incidental, indirect, special, punitive or consequential damages. Contractor must bring any cause of action arising under the Agreement within one year from the time the cause of action accrues.

20. **Liens.** Contractor shall not file or permit to be filed any lien with respect to the Work and hereby expressly waives any right to file or cause to be filed a lien. Contractor, in its subcontracts, shall require all subcontractors to expressly waive the right to file any liens against Owner's property and, if requested, provide Owner with copies of such waivers. Contractor shall indemnify Owner for any costs or expenses resulting from a breach of this paragraph.

21. **Assignment and Subcontracting.** Contractor may not subcontract, assign, or otherwise dispose of the Agreement without the prior written consent of Owner.

22. **Records.** Owner reserves the right to audit records necessary to permit evaluation and verification of claims submitted, and Contractor's compliance, in the performance of this Agreement and its dealings with Owner, with (a) the Contract requirements; and (b) Owner's Corporate Code of Conduct governing business ethics. Contractor shall retain for a period of three years following final payment all information and records relating to the Work performed under the Agreement. Owner may examine and copy such information and records at Contractor's premises during regular business hours.

23. **Affiliated Companies.** Any indemnification of Owner and any limitation of Owner's liability shall to the same extent apply to Owner's directors, officers, employees, agents and affiliated companies, and the directors, officers, employees and agents thereof. The affiliated companies of the American Electric Power System are severally and not jointly liable for obligations arising hereunder.

24. **Government Contractor Compliance.** (a) Unless exempted, Contractor shall comply with the equal employment opportunity clause in Section 202 of Executive Order 11246 and all applicable rules, regulations, and relevant orders pertaining to Executive Order 11246, Section 503 of the Rehabilitation Act of 1973, and Section 4212 of the Vietnam Era Readjustment Assistance Act of 1974, as amended. (b) Contractor represents that it does not, and shall not for the term of the Agreement, provide or maintain for its employees facilities that are segregated on the basis of race, color, religion, sex or national origin. Contractor represents that it will not assign its employees to perform any work related to this Agreement at a location where facilities are segregated on the basis of race, color, religion, sex or national origin. Contractor agrees that it will not enter into any agreement to obtain goods or services relating to this Agreement with any entity that provides, maintains or assigns its employees to work at locations where facilities are segregated on the basis of race, color, religion, sex or national origin. As used herein, "facility" means waiting rooms; work areas; restaurants and other eating areas; time clocks; locker rooms and other storage or sleeping areas, except as necessary to assure privacy between male and female employees; parking lots, drinking fountains; recreation or entertainment areas; and transportation. (c) If not otherwise exempted by Title 48 and to the extent applicable, Contractor will comply with 48 CFR §52.219-8, Utilization of Small, Small Disadvantaged, and Women-Owned Small Business Concerns, and 48 CFR §52.219-9, Small, Small Disadvantaged, and Women-Owned Small Business Subcontracting Plan. (d) If not otherwise exempted by 41 CFR §60-1.5, Contractor represents that it will file all reports or other required information specified in 41 CFR §60-1.7.

25. **Notices.** Each party shall designate a representative for the receipt of notices, which may be changed from time to time. All notices required to be given under the Agreement shall be in writing and delivered by fax, personal delivery, e-mail or U.S. mail. Notices shall be effective upon receipt, or such later date specified in the notice.

26. **Governing Law.** The laws of the State of Ohio shall govern the Agreement. Contractor agrees that all actions and proceedings brought by Owner against Contractor may be litigated in courts located in the State of Ohio or in the state where the work was performed. Contractor agrees that such courts are convenient forums and irrevocably submits to the personal jurisdiction of such courts. Contractor waives personal service of process and consents to service of process by certified or registered mail at the address designated for receiving notices under the Agreement.

27. **Miscellaneous.** The effective date of the Agreement shall be the earlier of the date on which Contractor begins performance hereunder or the date of the later signature on the Agreement. Contractor shall be an independent contractor in the performance of the Agreement. No waiver by either party of any default shall be deemed a waiver of any subsequent default. The Agreement constitutes the entire agreement of the parties. If any provision of the Agreement is held to be invalid, such invalidity shall not affect the remaining provisions of the Agreement. Amendments to the Agreement must be in writing and signed by both parties. Headings are provided for the convenience of the parties, and shall not affect the interpretation of any provision.

END OF DOCUMENT

EXHIBIT B

ENERGY EDUCATION FOR STUDENTS PROGRAM

1. DESCRIPTION

Kentucky Power Company (KPCo) will partner with the National Energy Education Development Project (NEED) to implement an energy education program at participating middle schools throughout the KPCo service territory.

2. ELIGIBLE PARTICIPANTS

All 7th grade students at participating schools will be eligible for the program.

3. PARTICIPATION GOALS

Jan. 2009 through Dec. 2009	1,200 Students
Jan. 2010 through Dec. 2010	1,700 Students
Jan. 2011 through Dec. 2011	2,000 Students

4. IMPLEMENTATION PLAN

A. Promotion

NEED staff will conduct training workshops on a scheduled basis to ensure all participating schools are reached during a calendar year. Educational materials on energy, electricity, environment and economics will be provided. The program will also provide a package of four 23 watt compact fluorescent lamps (CFLs) that will allow students to directly install the CFLs in their homes as it relates to the curriculum. This allows learning and direct savings from the program.

B. Delivery

NEED staff will mail invitations to each middle school within the KPCo service territory. KPCo and NEED staff members will coordinate the enrollment of participating schools, delivery of educational materials & compact fluorescent lamps and scheduling of educational workshops.

5. EVALUATION

A. Goals

KPCo will perform an evaluation assessing and documenting the program's processes and estimating the program's impacts as well as performing a benefit/cost analysis.

B. Objectives

The program evaluation objectives will be to:

1. Assess educator and student satisfaction with the program;
2. Gain insight into the potential for expanding the program to additional grade levels;
3. Determine the program impacts, including energy savings (KWh) and demand reduction (kW), and program value to educators and students;
4. Assess the program's cost-effectiveness based on various economic tests;

6. TIMELINE

Action	Start	End
Program Approval	08/08	10/08
Implementation	01/09	12/11
Evaluation	01/10 01/11	06/10* 06/11*

* Evaluation report will be provided on 08/15/10 and 08/15/11.

7. ANNUAL BUDGET

	Year 1	Year 2	Year 3
Program Development & Administration	$ 4,000	$ 3,000	$ 3,000
Promotion	$ 1,000	$ 1,000	$ 1,000
Educational Workshops (Includes food costs)	$ 5,000	$ 5,000	$ 5,000
Compact Fluorescent Lamps	$12,000	$17,000	20,000
Evaluation	$ 0,000	$ 5,000	$ 5,000
TOTAL COSTS	$22,000	$31,000	$34,000

8. EXPECTED SAVINGS / BENEFITS

a. Anticipated load Impact Per Lamp:

Energy Savings Per Year = 46 kWh
Demand Reduction = .023 kW
(@ system winter peak)
= .001 kW
(@ system summer peak)

b. Annual Expected Program Savings/Benefits
@ 4,800 CFLs in one year:

Summer Peak Demand (kW) Reduction	Winter Peak Demand (kW) Reduction	Annual Energy (MWh) Reduction
4	110	220.8

Projected energy savings and demand reductions are estimated based on the anticipated number of students living within the KPCo service territory and installing compact fluorescent lamps in their homes.

c. Projected Program MWh Savings and kW Reduction Assuming Participation:

Goal of 19,600 CFLs is achieved (all students in three years)

Energy Savings = 901.6 MWh
Demand Reduction = 451 kW
(@ system winter peak)
= 18 kW
(@ system summer peak)

9. COST / BENEFIT ANALYSIS

Benefit / cost ratios based on the best information available at the time of program design.

a.	Total Resource Cost	=	11.21
b.	Ratepayer Impact Measure	=	2.84
c.	Participant	=	29.31
d.	Utility Cost	=	21.64

EXHIBIT C

Kentucky Power DSM Proposal
Submitted by The NEED Project – April 18, 2008

TERMS

Year one of the program will launch in January 2009 and be completed by December 31, 2009. Subsequent years will follow the same schedule. NEED will facilitate the design and delivery for the program, working with Kentucky Power to contact school administrators and teachers in the Kentucky Power service territory to promote and implement the CFL project. The target audience will be seventh grade students across the KP/AEP service territory, with an estimated first year distribution of 1200 CFL's. This number may be adjusted after completion of the year one project evaluation. Three, three hour in-services will be scheduled for Ashland, Pikeville and Hazard. Kentucky NEED currently facilitates 6-hour workshops in Eastern KY and will leverage sponsor funds to strengthen the program for K-12 teachers and students.

PAYMENT TERMS

NEED and Kentucky Power will create a payment schedule acceptable to each entity.

BUDGET

Budget – Year One*

Program Development and Administration $4,000.00
Includes staff time, staff travel, and program expansion activities, meetings with school administrators, data collection and evaluation

NEED In-services **$3,000.00**
Three Professional Development at $1,000/each
Includes NEED energy education materials

TOTAL $7,000.00

**NOTE: Kentucky Power is purchasing the CFL's and covering the cost of shipping. They are also covering the cost of the meeting space and food for the professional development workshops.*

Budget – Year Two

Program Development and Administration $3,000.00
Includes staff time, staff travel, and program expansion activities, meetings with school administrators, data collection and evaluation

NEED In-services $3,000.00
Three Professional Development at $1,000/each
Includes NEED energy education materials

TOTAL $6,000.00

Budget – Year Three

Program Development and Administration	$3,000.00
Includes staff time, staff travel, and program expansion activities, meetings with school administrators, data collection and evaluation	
NEED In-services	$3,000.00
Three Professional Development at $1,000/each	
Includes NEED energy education materials	
TOTAL	$6,000.00

TIMETABLE

January – February 2009
Meetings with superintendents in districts in Kentucky Power service territory.

February - March 2009
Schedule and Facilitate Professional Development Workshops

March – May 2009
Implement project – deliver CFL's

June 2009
Evaluate current status of delivery of CFL's. Determine what, if any actions need to be taken for the fall.

December 2009
Final report due.

Timetable for years 2 & 3

Annual timetable would remain the same unless both parties agree on any recommended changes.

Kentucky Power Company

REQUEST

Refer to the Letter, pages 1 and 2, which states:

In 2011 the Community Action Agencies (CAAs) were unable to meet their targets for the Targeted Energy Efficiency (TEE) Program. "This was primarily attributed to the CAAs increased spending of the American Recovery and Reinvestment Act (ARRA) stimulus funds and to the method for prioritizing eligible customers for the program. The ARRA stimulus funds have affected this program for the past 2 years because the CAAs were required to meet the funding requirements for the housing authority which caused fewer homes to be charged to DSM. The DSM TEE program is filed and is administered to be a supplemental weatherization and energy efficiency service to the Weatherization Assistance Program (WAP) administered by Community Action Kentucky. It should be noted that the program evaluation filed August 15, 2011 found this program to be cost effective and the DSM Collaborative is therefore requesting that the program not only continue, but is requesting the program participation levels be increased from 405 to 425 customers. Since this program is supplemental to the DOE (WAP) service, DOE changes to WAP funding could impact the projected DSM program participant levels.

a. Provide, by CAAs that are in Kentucky Power's operating area, what the participant levels might have reached if the CAAs would not have received ARRA stimulus funds.

b. Explain, if known, whether the homes weatherized by the CAAs using stimulus funds would have qualified for weatherization in the TEE program.

c. In Case No. 2011-00300,[1] the TEE evaluation report on page 4 states that the WAP funds expire March 31, 2012. Explain what Kentucky Power has done in partnering with the CAAs in its operating area, to prioritize the weatherization of eligible customers in the TEE program to accomplish the goal of 425 participants.

[1]Case No. 2011-00300, Application of Kentucky Power Company for Collaborative Demand-Side Management Programs and for Authority to Implement a Tariff to Recover Costs and Net Lost Revenues and Receive Incentives Associated with the Implementation of the Kentucky Power Company Collaborative Demand-Side Management Programs (Ky. PSC Jan. 23, 2011).

RESPONSE

a. The Company cannot provide an estimate. However, based on information provided by the CAK, KPCo believes more progress would have been made toward meeting the goals for the TEE program for 2011 without the ARRA.

b. The homes that were selected by the CAAs would have qualified for the TEE program as long as those homes were serviced by Kentucky Power Company.

c. The current method of prioritizing homes for WAP does not include consideration of the utility service provider. Participation in the Weatherization program is open to all households that report being 200% or less of the Federal Poverty Level and have not received Weatherization services since 1994. The eligible applicants are placed on a waiting list and are ranked according to a priority point system that assigns points for family composition, age, disability, income, and energy burden. The homes that were selected by the CAAs would have qualified for the TEE program as long as those homes were serviced by Kentucky Power Company. KHC does not allow an agency to select a household and place them at the top of the list based on their service provider. Reaching the established goals of the TEE program will require a concerted effort from the CAAs to spread awareness of the program and have clients in Kentucky Power's service area sign up for Weatherization.

Kentucky Power has worked with the CAAs to raise awareness of the TEE program through mailers, Kentucky Power's website and community outreach. Those efforts will continue throughout 2012. The Company also coordinates quarterly conference calls with CAAs to review and plan program activities and provides monthly updates on the status of the budget and participant levels to the CAAs. KPCo sends out bill inserts to customers promoting the TEE program and schedules site visits with CAA's as needed for training on TEE program administration.

WITNESS: E J Clayton

Kentucky Power Company

REQUEST

Refer to the Letter, page 2, which states:

The Pilot Load Management program includes projections for 2012 which are based on cellular coverage currently available with vendor gateway meter equipment. If the vendor achieves expanded cellular coverage projected for March 2012, then we will be able to expand the promotion to all-electric customers within the KPCO service area. As of February 7th, promotional mailings had been issued to 3,455 residential customers with the first mailings having been completed January 17th. In addition to customer self-mailers, program promotion is planned to include automated voice messaging, emails, and customer post cards. Program promotion will continue to be evaluated based on availability of acceptable cellular service for the vendor gateway meter and the program evaluation report scheduled for filing August 15, 2012.

a. Explain whether the vendor achieved the expanded cellular coverage projected for March 2012.

b. Explain whether non-all-electric residential customers with air conditioners ("A/C") and heat pumps ("HP") will be included in this program.

c. The following table shows the 2011 actual participation for residential and commercial customers, the 2011 participation goals, and the 2012 participation goals. Based on the actual participation in 2011 for both the residential and commercial programs and the 2012 participation goals, explain whether there will be enough participation and program information for the evaluation report.

Programs Goal	2011 Actual Participant	2011 Participants Goal	2012 Participant
Residential Load Management			
- Air Conditioner	6	250	110
-Water Heating	4	250	110
Commercial Load Management			
- Air Conditioner	0	25	10
- Water Heating	0	25	10

RESPONSE

a. The vendor notified the Company on March 16, 2012, that some expanded cellular coverage was achieved. Preliminary review indicates that due to the expanded coverage, KPCo anticipates being able to offer the program to an additional 11,000 to 12,000 residential customers located in approximately 16 counties. However, cellular coverage is still not available to the entire service territory.

b. Non-all-electric customers can participate, but promotion is targeted specifically to all-electric customers for this pilot program. There is one non-all-electric customer currently participating in the program.

c. Notwithstanding the lower than anticipated participation, the evaluation contractor assures KPCo there are sufficient numbers to conduct a preliminary evaluation of the Pilot Load Management program at this time. A primary goal of an evaluation effort is to guide program design by identifying aspects of the program that are working and not working. The evaluation of the Load Management program will seek reasons for low participation and present alternatives for the Company and stakeholders including modifications to the existing program design.

WITNESS: E J Clayton

Kentucky Power Company

REQUEST

Refer to the DSM Collaborative Status Report ("Status Report") of the Application, page 2, under COMMENTS.

a. Explain whether the kWh Transmission and Distribution ("T&D") losses were calculated on an incremental basis or on an average basis.

b. Provide all calculations used to support the 10 percent T&D kWh line losses.

c. Provide a reconciliation between the 10 percent T&D kWh line loss the Collaborative is claiming in this proceeding with the line loss the Company claimed in Case No. 2010-00490[1] in its response to Item 13, Appendix B, of the Commission Order of January 26, 2010.

d. Explain whether the kW T&D losses were calculated on an incremental basis or on an average basis.

e. Provide all calculations used to support the 11 percent T & D kW line losses.

[1]Case No. 2010-00490, An Examination of the Application of the Fuel Adjustment Clause of Kentucky Power Company From November 1, 2008 through October 31, 2010 (Ky. PSC May 31 2011).

RESPONSE

a. Losses were estimated on an average basis. Losses vary by customer and by hour based upon the equipment and loading characteristics of the system, from the generator to the customer service drop. The 10% energy losses and 11% demand losses applied to the meter values represent an approximation of the expected losses of the program participants and are consistent with the loss estimates historically used. A loss study of the KPCo system was conducted in 2007, and that study provided average secondary service customer loss estimates of 8.7% for energy and 10.8% for peak demand. Although the numbers used in the filing were slightly higher than these average loss estimates, participants in these programs, which are almost exclusively residential customers, incur slightly higher losses than the secondary service population as a whole, which includes both residential and commercial customers.

b. For KPCo, the most recent comprehensive loss study was performed in 2007 based upon a calendar year 2006 load period. That loss study produced a secondary peak loss factor of 10.8% for application to at-the-meter peak demand impacts, and a secondary average loss factor of 8.7% which most appropriately would be applied to at-the-meter energy impacts. A copy of the loss study that was completed in 2007 for Kentucky Power is attached.

c. The Company does not believe that the two calculations can be compared. The line loss calculated in Case No. 2010-00490 is a net loss factor of all KPCo load. Much of the KPCo load is served at transmission and, therefore, has no distribution losses. The DSM program participants are smaller customers served at secondary; therefore, the secondary loss factors determined in the comprehensive loss studies are the appropriate factors.

d. See the answer to part a above.

e. See the answer to part b above.

WITNESS: E J Clayton

KENTUCKY POWER COMPANY

2006 Analysis of System Losses

August 13, 2007

Prepared by:

Management Applications Consulting, Inc.
1103 Rocky Drive – Suite 201
Reading, PA 19609
Phone: (610) 670-9199 / Fax: (610) 670-9190

MANAGEMENT APPLICATIONS CONSULTING, INC.

1103 Rocky Drive • Suite 201 • Reading, PA 19609-1157 • 610/670-9199 • fax 610/670-9190 •www.manapp.com

August 13, 2007

Mr. Meredith Gafford
East Transmission Planning
American Electric Power
700 Morrison Road
Gahanna, OH 43230

RE: 2006 LOSS ANALYSIS

Dear Mr. Gafford:

Transmitted herewith are the results of the 2006 Analysis of System Losses for the Kentucky Power Company's (KPCO) power system. Our analysis develops cumulative expansion factors (loss factors) for both demand (peak/kW) and energy (average/kWh) losses by discrete voltage levels applicable to metered sales data. Table 1 of the Executive Summary presents the results and appropriate loss factors to apply to metered load research or sales data for adjustment to system input.

On behalf of MAC, we appreciate the opportunity to assist you in performing the loss analysis contained herein. The level of detailed load research and sales data by voltage level, coupled with a summary of power flow data and power system model, forms the foundation for determining reasonable and representative power losses on the KPCO system. Our review of these data and calculated loss results support the proposed loss factors as presented herein for your use in various cost of service, rate studies, and demand analyses.

Should you require any additional information, please let us know at your earliest convenience.

Sincerely,

Paul M. Normand
Principal

Enclosure
PMN/rjp

Kentucky Power Company
2006 Analysis of System Losses

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2006 Analysis of System Losses

1.0 EXECUTIVE SUMMARY

This report presents Kentucky Power Company's (KPCO) 2006 Analysis of System Losses for the power systems as performed by Management Applications Consulting, Inc. (MAC). The study developed separate demand (kW) and energy (kWh) loss factors for each voltage level of service in the power system for KPCO. The cumulative loss factor results by voltage level, as presented herein, can be used to adjust metered kW and kWh sales data for losses in performing cost of service studies, determining voltage discounts, and other analyses which may require a loss adjustment.

The procedures used in the overall loss study were similar to prior studies and emphasized the use of "in house" resources where possible. To this end, extensive use was made of the Company's peak hour power flow data and transformer plant investments in the model. In addition, measured and estimated load data provided a means of calculating reasonable estimates of losses by using a "top-down" and "bottom-up" procedure. In the "top-down" approach, losses from the high voltage system, through and including distribution substations, were calculated along with power flow data, conductor and transformer loss estimates, and energy delivery.

With the recent emergence of transmission as a stand-alone function throughout various regions of the country, a modification to the historical calculation of the transmission loss factors was required. Previous loss studies recognized the multipath approach to losses from high voltage to low voltage delivery. The current definition of transmission losses recognized in the industry is simply to sum all losses at transmission as an integrated system. This approach will typically increase the resulting transmission loss factors.

The load research data provided the starting point for performing a "bottom-up" approach for estimating the remaining distribution losses. Basically, this "bottom-up" approach develops line loadings by first determining loads and losses at each level beginning at a customer's meter and service entrance and then going through secondary lines, line transformers, primary lines and finally distribution substation. These distribution system loads and associated losses are then compared to the initial calculated input into Distribution Substation loadings for reasonableness prior to finalizing the loss factors. An overview of the loss study is shown on Figure 1 on the next page.

Table 1, below, provides the final results from Appendix A for the 2006 calendar year. Exhibit 8 of Appendix A presents a more detailed analysis of the final calculated summary results of losses by segments of the power system. These Table 1 cumulative loss expansion factors are applicable only to metered sales at the point of receipt for adjustment to the power system's input level.

Kentucky Power Company
2006 Analysis of System Losses

TABLE 1
Loss Factors at Sales Level, Calendar Year 2006

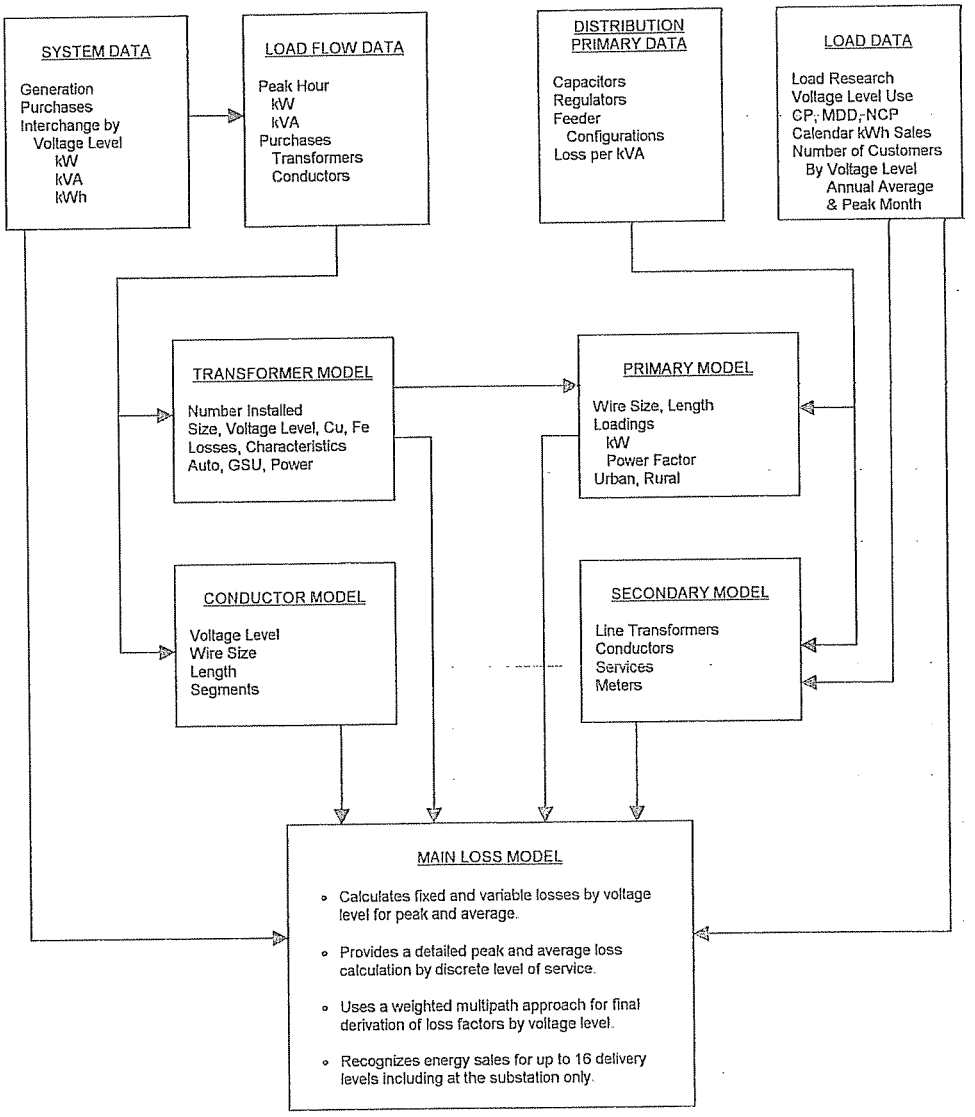
Voltage Level of Service	Total KPCO	Distribution Only
Demand (kW)		
Transmission[1]	1.03935	–
Subtransmission	1.05210	1.01227
Primary Lines	1.07402	1.03336
Secondary	1.10790	1.06595
Energy (kWh)		
Transmission[1]	1.02781	–
Subtransmission	1.03780	1.00972
Primary Lines	1.05205	1.02358
Secondary	1.08674	1.05734
Losses – Net System Input[2]	5.91%	
Losses – Net System Output	6.29%	

The loss factors presented in the Distribution Only column of Table 1 are the Total KPCO loss factors divided by the transmission loss factor in order to remove these losses from each service level loss factor. For example, the secondary distribution demand loss factor of 1.06595 includes the recovery of all remaining non-transmission losses from the subtransmission, distribution substation, primary lines, line transformers, secondary conductors and services.

The net system input shown in Table 1 represents percent losses of 5.91% for the total KPCO load using calculated losses divided by the associated input energy to the system. The 6.29% represents the same losses using system output instead of input as a reference.

[1] Reflects results for 765 kV, 345 kV 161 kV, and 138 kV.
[2] Net system input equals firm sales plus losses, Company use less non-requirement sales and related losses. See Appendix A, Exhibit 1, for their calculations.

MANAGEMENT APPLICATIONS CONSULTING, INC.
ELECTRIC LOSS MODEL OVERVIEW



Kentucky Power Company
2006 Analysis of System Losses

2.0 INTRODUCTION

This report of the 2006 Analysis of System Losses for the Kentucky Power Company provides a summary of results, conceptual background or methodology, description of the analyses, and input information related to the study.

2.1 Conduct of Study

Typically, between five to ten percent of the total kWh requirements of an electric utility is lost or unaccounted for in the delivery of power to customers. Investments must be made in facilities which support the total load which includes losses or unaccounted for load. Revenue requirements associated with load losses are an important concern to utilities and regulators in that customers must equitably share in all of these cost responsibilities. Loss expansion factors are the mechanism by which customers' metered demand and energy data are mathematically adjusted to the generation or input level (point of reference) when performing cost and revenue calculations.

An acceptable accounting of losses can be determined for any given time period using available engineering, system, and customer data along with empirical relationships. This loss analysis for the delivery of demand and energy utilizes such an approach. A microcomputer loss model[3] is utilized as the vehicle to organize the available data, develop the relationships, calculate the losses, and provide an efficient and timely avenue for future updates and sensitivity analyses. Our procedures and calculations are similar with prior loss studies, and they rely on numerous databases that include customer statistics and power system investments.

Company personnel performed most of the data gathering and data processing efforts and checked for reasonableness. MAC provided assistance as necessary to construct databases, transfer files, perform calculations, and check the reasonableness of results. A review of the preliminary results provided for additions to the database and modifications to certain initial assumptions based on available data. Efforts in determining the data required to perform the loss analysis centered on information which was available from existing studies or reports within the Company. From an overall perspective, our efforts concentrated on five major areas:

1. System information concerning peak demand and annual energy requirements by voltage level of service using metered data and load research,
2. High voltage power system power flow data and associated loss calculations,
3. Distribution system primary and secondary loss calculations,
4. Derivation of fixed and variable losses by voltage level, and
5. Development of final cumulative expansion factors at each voltage for peak demand (kW) and annual energy (kWh) requirements at the point of delivery (meter).

[3]Copyright by Management Applications Consulting, Inc.

2.2 Description of Model

The loss model is a customized applications model, constructed using the Excel software program. Documentation consists primarily of the model equations at each cell location. A significant advantage of such a model is that the actual formulas and their corresponding computed values at each cell of the model are immediately available to the analyst.

A brief description of the three (3) major categories of effort for the preparation of each loss model is as follows:

- Main sheet which contains calculations for all primary and secondary losses, summaries of all conductor and transformer calculations from other sheets discussed below, output reports and supporting results.

- Transformer sheet which contains data input and loss calculations for each distribution substation and high voltage transformer. Separate iron and copper losses are calculated for each transformer by identified type.

- Conductor sheet containing summary data by major voltage level as to circuit miles, loading assumptions, and kW and kWh loss calculations. Separate loss calculations for each line segment were made using the Company's power flow data by line segment and summarized by voltage level in this model.

Appendix A presents a detailed loss study result which derives the loss factors for the Company's system-wide power system. Appendix A, Exhibit 8, presents the final detailed summary results of the demand and energy losses for each major portion of the total KPCO power system.

3.0 METHODOLOGY

3.1 Background

The objective of a Loss Study is to provide a reasonable set of energy (average) and demand (peak) loss expansion factors which account for system losses associated with the transmission and delivery of power to each voltage level over a designated period of time. The focus of this study is to identify the difference between total energy inputs and the associated sales with the difference being equitably allocated to all delivery levels. Several key elements are important in establishing the methodology for calculating and reporting the Company's losses. These elements are:

- Selection of voltage level of services,
- Recognition of losses associated with conductors, transformations, and other electrical equipment/components within voltage levels,
- Identification of customers and loads at various voltage levels of service,
- Review of generation or net power supply input at each level for the test period studied, and
- Analysis of kW and kWh sales by voltage levels within the test period.

The three major areas of data gathering and calculations in the loss analysis were as follows:

1. System Information (monthly and annual)
   - MWH generation and MWH sales.
   - Coincident peak estimates and net power supply input from all sources and voltage levels.
   - Customer load data estimates from available load research information, adjusted MWH sales, and number of customers in the customer groupings and voltage levels identified in the model.
   - System default values, such as power factor, loading factors, and load factors by voltage level.

Kentucky Power Company
2006 Analysis of System Losses

2. High Voltage System

   - Conductor information was summarized from a database by the Company which reflects the transmission system by voltage level. Extensive use was made of the Company's power flow data with the losses calculated and incorporated into the final loss calculations.

   - Transformer information was developed in a database to model transformation at each voltage level. Substation power, step-up, and auto transformers were individually identified along with any operating data related to loads and losses.

   - Power flow data of peak condition was the primary source of equipment loadings and derivation of load losses in the high voltage loss calculations.

3. Distribution System

   - Distribution Substations – Data was developed for modeling each substation as to its size and loading. Loss calculations were performed from this data to determine load and no load losses separately for each transformer.

   - Primary lines – Line loading and loss characteristics for several representative primary circuits were obtained from the Company. These loss results developed kW loss per MW of load and a composite average was calculated to derive the primary loss estimate.

   - Line transformers – Losses in line transformers were based on each customer service group's size, as well as the number of customers per transformer. Accounting and load data provided the foundation with which to model the transformer loadings and to calculate load and no load losses.

   - Secondary network – Typical secondary networks were estimated for conductor sizes, lengths, loadings, and customer penetration for residential and small general service customers based on data provided by the Company.

   - Services – Typical services were estimated for each secondary service class of customers identified in the study with respect to type, length, and loading.

The loss analysis was thus performed by constructing the model in segments and subsequently calculating the composite until the constraints of peak demand and energy were met:

- Information as to the physical characteristics and loading of each transformer and conductor segment was modeled.
- Conductors, transformers, and distribution were grouped by voltage level, and unadjusted losses were calculated.
- The loss factors calculated at each voltage level were determined by "compounding" the per-unit losses. Equivalent sales at the supply point were obtained by dividing sales at a specific level by the compounded loss factor to determine losses by voltage level.
- The resulting demand and energy loss expansion factors were then used to adjust all sales to the generation or input level in order to estimate the difference.
- Reconciliation of kW and kWh sales by voltage level using the reported system kW and kWh was accomplished by adjusting the initial loss factor estimates until the mismatch or difference was eliminated.

3.2 Calculations and Analysis

This section provides a discussion of the input data, assumptions, and calculations performed in the loss analysis. Specific appendices have been included in order to provide documentation of the input data utilized in the model.

3.2.1 Bulk, Transmission and Subtransmission Lines

The transmission and subtransmission line losses were calculated based on a modeling of unique voltage levels identified by the Company's power flow data and configuration for the entire integrated KPCO Power System. Specific information as to length of line, type of conductor, voltage level, peak load, maximum load, etc., were provided based on Company records and utilized as data input in the loss model.

Actual MW and MVA line loadings were based on KPCO's peak loading conditions. Calculations of line losses were performed for each line segment separately and combined by voltage levels for reporting purposes as shown in the Discussion of Results (Section 4.0) of this report. The loss calculations consisted of determining a circuit current value based on MVA line loadings and evaluating the I^2R results for each line segment.

After system coincident peak hour losses were identified for each voltage level, a separate calculation was then made to develop annual average energy losses based on a loss factor approach. Load factors were determined for each voltage level based on system and customer load information. An estimate of the Hoebel coefficient (see Appendix B) was then used to calculate energy losses for the entire period being analyzed. The results are presented in Section 4.0 of this report.

3.2.2 Transformers

The transformer loss analysis required several steps in order to properly consider the characteristics associated with various transformer types; such as, step-up, auto transformers, distribution substations, and line transformers. In addition, further efforts were required to identify both iron and copper losses within each of these transformer types in order to obtain reasonable peak (kW) and average energy (kWh) losses. While iron losses were considered essentially constant for each hour, recognition had to be made for the varying degree of copper losses due to hourly equipment loadings.

Standardized test data tables were used to represent no load (fixed) and full load losses for different types and sizes of transformers. This test data was incorporated into the loss model to develop relationships representing copper and iron losses for the transformer loss calculation. These results were then totaled by various groups, as identified and discussed in Section 4.0.

The remaining miscellaneous losses considered in the loss study consisted of several areas which do not lend themselves to any reasonable level of modeling for estimating their respective losses and were therefore lumped together into a single loss factor of 0.10%. The typical range of values for these losses is from 0.10% to 0.25%, and we have assumed the lower value to be conservative at this time. The losses associated with this loss factor include bus bars, unmetered station use, and grounding transformers.

3.2.3 Distribution System

The load data at the substation and customer level, coupled with primary and secondary network information, was sufficient to model the distribution system in adequate detail to calculate losses.

Primary Lines

Primary line loadings take into consideration the available distribution load along with the actual customer loads including losses. Primary line loss estimates were prepared by the Company for use in this loss study. These estimates considered loads per substation, voltage levels, loadings, total circuit miles, wire size, and single- to three-phase investment estimates. All of these factors were considered in calculating the actual demand (kW) and energy (kWh) for the primary system.

Line Transformers

Losses in line transformers were determined based on typical transformer sizes for each secondary customer service group and an estimated or calculated number of customers per transformer. Accounting records and estimates of load data provided the necessary database with which to model the loadings. These calculations also made it possible to determine separate copper and iron losses for distribution line transformers, based on a table of representative losses for various transformer sizes.

Secondary Line Circuits

A calculation of secondary line circuit losses was performed for loads served through these secondary line investments. Estimates of typical conductor sizes, lengths, loadings and customer class penetrations were made to obtain total circuit miles and losses for the secondary network. Customer loads which do not have secondary line requirements were also identified so that a reasonable estimate of losses and circuit miles of these investments could be made.

Service Drops and Meters

Service drops were estimated for each secondary customer reflecting conductor size, length and loadings to obtain demand losses. A separate calculation was also performed using customer maximum demands to obtain kWh losses. Meter loss estimates were also made for each customer and incorporated into the calculations of kW and kWh losses included in the Summary Results.

4.0 DISCUSSION OF RESULTS

A brief description of each Exhibit provided in Appendix A follows:

Exhibit 1 - Summary of Company Data

This exhibit reflects system information used to determine percent losses and a detailed summary of kW and kWh losses by voltage level. The loss factors developed in Exhibit 7 are also summarized by voltage level.

Exhibit 2 - Summary of Conductor Information

A summary of MW and MWH load and no load losses for conductors by voltage levels is presented. The sum of all calculated losses by voltage level is based on input data information provided in Appendix A. Percent losses are based on equipment loadings.

Exhibit 3 - Summary of Transformer Information

This exhibit summarizes transformer losses by various types and voltage levels throughout the system. Load losses reflect the copper portion of transformer losses while iron losses reflect the no load or constant losses. MWH losses are estimated using a calculated loss factor for copper and the test year hours times no load losses.

Exhibit 4 - Summary of Losses Diagram (2 Pages)

This loss diagram represents the inputs and output of power at system peak conditions. Page 1 details information from all points of the power system and what is provided to the distribution system for primary loads. This portion of the summary can be viewed as a "top down" summary into the distribution system.

Page 2 represents a summary of the development of primary line loads and distribution substations based on a "bottom up" approach. Basically, loadings are developed from the customer meter through the Company's physical investments based on load research and other metered information by voltage level to arrive at MW and MVA requirements during peak load conditions by voltage levels.

Exhibit 5 - Summary of Sales and Calculated Losses

Summary of Calculated Losses represents a tabular summary of MW and MWH load and no load losses by discrete areas of delivery within each voltage level. Losses have been identified and are derived based on summaries obtained from Exhibits 2 and 3 and losses associated with meters, capacitors and regulators.

Kentucky Power Company
2006 Analysis of System Losses

Exhibit 6 - Development of Loss Factors, Unadjusted

This exhibit calculates demand and energy losses and loss factors by specific voltage levels based on sales level requirements. The actual results reflect loads by level and summary totals of losses at that level, or up to that level, based on the results as shown in Exhibit 5. Finally, the estimated values at generation are developed and compared to actual generation to obtain any difference or mismatch.

Exhibit 7 - Development of Loss Factors, Adjusted

The adjusted loss factors are the results of adjusting Exhibit 6 for any difference. All differences between estimated and actual are prorated to each level based on the ratio of each level's total load plus losses to the system total. These new loss factors reflect an adjustment in losses due only to the kW and kWh mismatch.

Exhibit 8 – Adjusted Losses and Loss Factors by Facility

These calculations present an expanded summary detail of Exhibit 7 for each segment of the power system with respect to the flow of power and associated losses from the receipt of energy at the meter to the generation for the KPCO power system.

Kentucky Power Company
2006 Analysis of System Losses

Appendix A

Results of 2006 KPCO Integrated Power System Loss Analysis

KENTUCKY POWER 2006 LOSS ANALYSIS

KENTUCKY POWER

EXHIBIT 1

SUMMARY OF COMPANY DATA

ANNUAL PEAK	1,539	MW
ANNUAL SYSTEM INPUT	7,750,202	MWH
ANNUAL SALES OUTPUT	7,291,865	MWH
SYSTEM LOSSES @ INPUT	458,337	or 5.91%
SYSTEM LOSSES @ OUTPUT	458,337	or 6.29%
SYSTEM LOAD FACTOR	57.5%	

SUMMARY OF LOSSES - OUTPUT RESULTS

SERVICE	KV	--- MW --- Input		% TOTAL	--- MWH --- Input		% TOTAL
TRANS	765,345	50.9		40.31%	181,171		39.53%
	161,138		3.31%			2.34%	
SUBTRANS	69,46,34	13.7		10.87%	58,146		12.69%
			0.89%			0.75%	
PRIMARY	34,12,1	30.0		23.73%	87,695		19.13%
			1.95%			1.13%	
SECONDARY	120/240,to,477	31.7		25.09%	131,324		28.65%
			2.06%			1.69%	
TOTAL		126.3		100.00%	458,337		100.00%
			8.21%			5.91%	

SUMMARY OF LOSS FACTORS

SERVICE	KV	CUMMULATIVE SALES EXPANSION FACTORS DEMAND (Peak) d	1/d	ENERGY (Annual) e	1/e
TOT TRANS	765,345	1.03935	0.96214	1.02781	0.97294
	161,138				
SUBTRAN	69,46,34	1.05210	0.95048	1.03780	0.96358
PRIMARY	34,12,1	1.07402	0.93108	1.05205	0.95053
SECONDARY	120/240,to,477	1.10790	0.90261	1.08674	0.92018

KENTUCKY POWER 2006 LOSS ANALYSIS

SUMMARY OF CONDUCTOR INFORMATION

EXHIBIT 2

DESCRIPTION		CIRCUIT MILES	LOADING % RATING	MW LOSSES LOAD	MW LOSSES NO LOAD	MW LOSSES TOTAL	MWH LOSSES LOAD	MWH LOSSES NO LOAD	MWH LOSSES TOTAL
— BULK ----------	765 KV OR GREATER ----------								
TIE LINES		0.0	0.00%	0.000	0.000	0.000	0	0	0
BULK TRANS		183.5	0.00%	0.566	0.014	0.580	1,568	12,700	14,268
SUBTOT		183.5		0.566	0.014	0.580	1,568	12,700	14,268
— TRANS ------	138 KV TO 765.00 KV								
TIE LINES		0	0.00%	0.000	0.000	0.000	0	0	0
TRANS1	161 KV	56.5	0.00%	1.149	0.040	1.189	2,973	352	3,325
TRANS2	138 KV	328.1	0.00%	41.861	0.135	41.996	124,032	1,182	125,214
SUBTOT		384.7		43.010	0.175	43.185	127,006	1,533	128,539
— SUBTRANS -----	35 KV TO 138 KV								
TIE LINES		0	0.00%	0.000	0.000	0.000	0	0	0
SUBTRANS1	69 KV	997.5	0.00%	7.066	0.489	7.556	21,629	2,431	24,060
SUBTRANS2	46 KV	169.2	0.00%	1.879	0.000	1.879	5,753	0	5,753
SUBTRANS3	35 KV	3.2	0.00%	0.071	0.008	0.079	210	73	283
SUBTOT		1,169.8		9.017	0.497	9.514	27,592	2,504	30,097
PRIMARY LINES		8,089		15.358	1.287	16.645	30,565	11,273	41,838
SECONDARY LINES		2,632		6.249	0.000	6.249	13,182	0	13,182
SERVICES		3,175		5.420	0.366	5.786	12,575	3,207	15,781
TOTAL		15,634		79.619	2.339	81.959	212,488	31,217	243,705

KENTUCKY POWER 2006 LOSS ANALYSIS

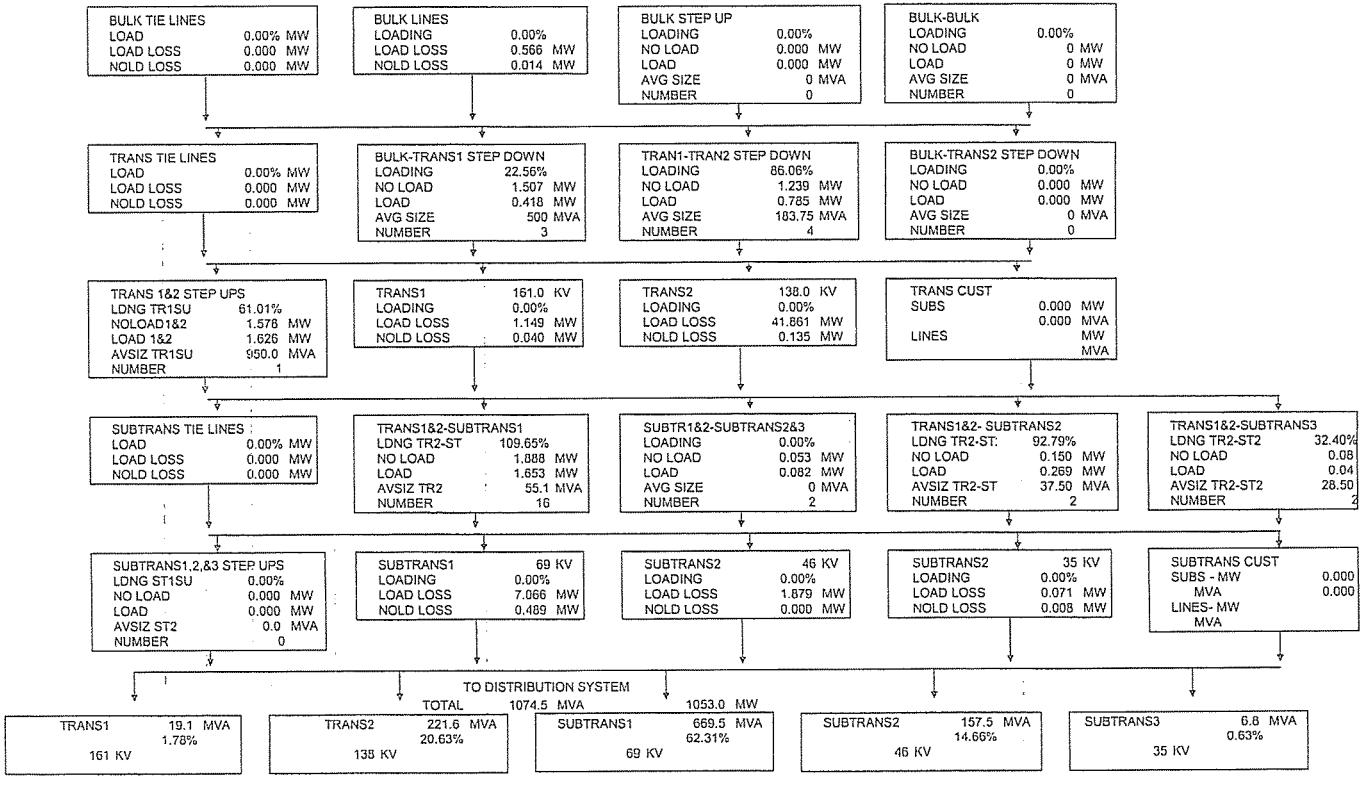
SUMMARY OF TRANSFORMER INFORMATION

EXHIBIT 3

DESCRIPTION	KV CAPACITY VOLTAGE	MVA	NUMBER TRANSFMR	AVERAGE SIZE	LOADING %	MVA LOAD	MW LOSSES LOAD	MW LOSSES NO LOAD	MW LOSSES TOTAL	MWH LOSSES LOAD	MWH LOSSES NO LOAD	MWH LOSSES TOTAL
BULK STEP-UP	765	0.0	0	0.0	0.00%	0	0.000	0.000	0.000	0	0	0
BULK - BULK		0.0	0	0.0	0.00%	0	0	0.000	0.000	0	0	0
BULK - TRANS1	161	1,500.0	3	500.0	22.56%	338	0.418	1.507	1.925	1,082	11,941	13,022
BULK - TRANS2	138	0.0	0	0.0	0.00%	0	0.000	0.000	0.000	0	0	0
TRANS1 STEP-UP	161	950.0	1	950.0	61.01%	580	0.970	1.028	1.998	2,257	6,448	8,705
TRANS1 - TRANS2	138	735.0	4	183.8	86.06%	633	0.785	1.239	2.024	2,326	8,498	10,824
TRANS1-SUBTRANS1	69	54.0	1	54.0	104.12%	56	0.098	0.112	0.210	596	770	1,366
TRANS1-SUBTRANS2	46	0.0	0	0.0	0.00%	0	0.000	0.000	0.000	0	0	0
TRANS1-SUBTRANS3	35	0.0	0	0.0	0.00%	0	0.000	0.000	0.000	0	0	0
TRANS2 STEP-UP	138	354.0	3	118.0	62.61%	222	0.656	0.550	1.206	1,906	3,907	5,813
TRANS2-SUBTRANS1	69	826.5	15	55.1	109.65%	906	1.555	1.776	3.331	11,277	12,181	23,459
TRANS2-SUBTRANS2	46	75.0	2	37.5	92.79%	70	0.269	0.150	0.419	785	1,059	1,843
TRANS2-SUBTRANS3	35	57.0	2	28.5	32.40%	18	0.036	0.081	0.117	75	637	711
SUBTRAN1 STEP-UP	69	0.0	0	0.0	0.00%	0	0.000	0.000	0.000	0	0	0
SUBTRAN2 STEP-UP	46	0.0	0	0.0	0.00%	0	0.000	0.000	0.000	0	0	0
SUBTRAN3 STEP-UP	35	0.0	0	0.0	0.00%	0	0.000	0.000	0.000	0	0	0
SUBTRAN1-SUBTRAN2	46	24.0	2	12.0	91.84%	22	0.082	0.053	0.135	283	386	670
SUBTRAN1-SUBTRAN3	35	0.0	0	0.0	0.00%	0	0.000	0.000	0.000	0	0	0
SUBTRAN2-SUBTRAN3	35	0.0	0	0.0	0.00%	0	0.000	0.000	0.000	0	0	0
DISTRIBUTION SUBSTATIONS												
TRANS1 - 161	161	33	22.0	2	11.0	86.73%	19	0.080	0.049	0.129	173	356	529
TRANS1 - 161	161	12	0.0	0	0.0	0.00%	0	0.000	0.000	0.000	0	0	0
TRANS1 - 161	161	1	0.0	0	0.0	0.00%	0	0.000	0.000	0.000	0	0	0
TRANS2 - 138	138	33	183.0	9	20.3	96.56%	177	0.850	0.395	1.245	1,837	2,806	4,643
TRANS2 - 138	138	12	43.5	4	10.9	103.30%	45	0.247	0.104	0.351	533	744	1,277
TRANS2 - 138	138	1	0.0	0	0.0	0.00%	0	0.000	0.000	0.000	0	0	0
SUBTRAN1- 69	69	33	147.5	12	12.3	120.83%	178	1.143	0.372	1.515	2,471	2,595	5,067
SUBTRAN1- 69	69	12	448.5	54	8.3	107.07%	480	2.861	1.136	3.997	6,184	8,164	14,348
SUBTRAN1- 69	69	1	25.0	4	6.3	44.27%	11	0.035	0.053	0.088	77	419	495
SUBTRAN2- 46	46	33	63.0	4	15.8	104.95%	66	0.378	0.146	0.524	817	1,034	1,851
SUBTRAN2- 46	46	12	121.3	15	8.1	75.22%	91	0.680	0.267	0.946	1,469	1,995	3,464
SUBTRAN2- 46	46	1	0.7	1	0.7	28.61%	0	0.000	0.002	0.002	1	13	14
SUBTRAN3- 35	35	33	0.0	0	0.0	0.00%	0	0.000	0.000	0.000	0	0	0
SUBTRAN3- 35	35	12	5.0	1	5.0	135.48%	7	0.057	0.016	0.073	123	111	235
SUBTRAN3- 35	35	1	0.0	0	0.0	0.00%	0	0.000	0.000	0.000	0	0	0
PRIMARY - PRIMARY			21.3	4	5.3	63.76%	14	0.055	0.037	0.092	119	321	440
LINE TRANSFRMR			2,982.7	95,534	31.2	34.92%	1,041	5.012	9.988	15.000	11,054	87,498	98,553
TOTAL			8,639	95,677			16,267	19.059	35.327	45,446	151,883	197,329

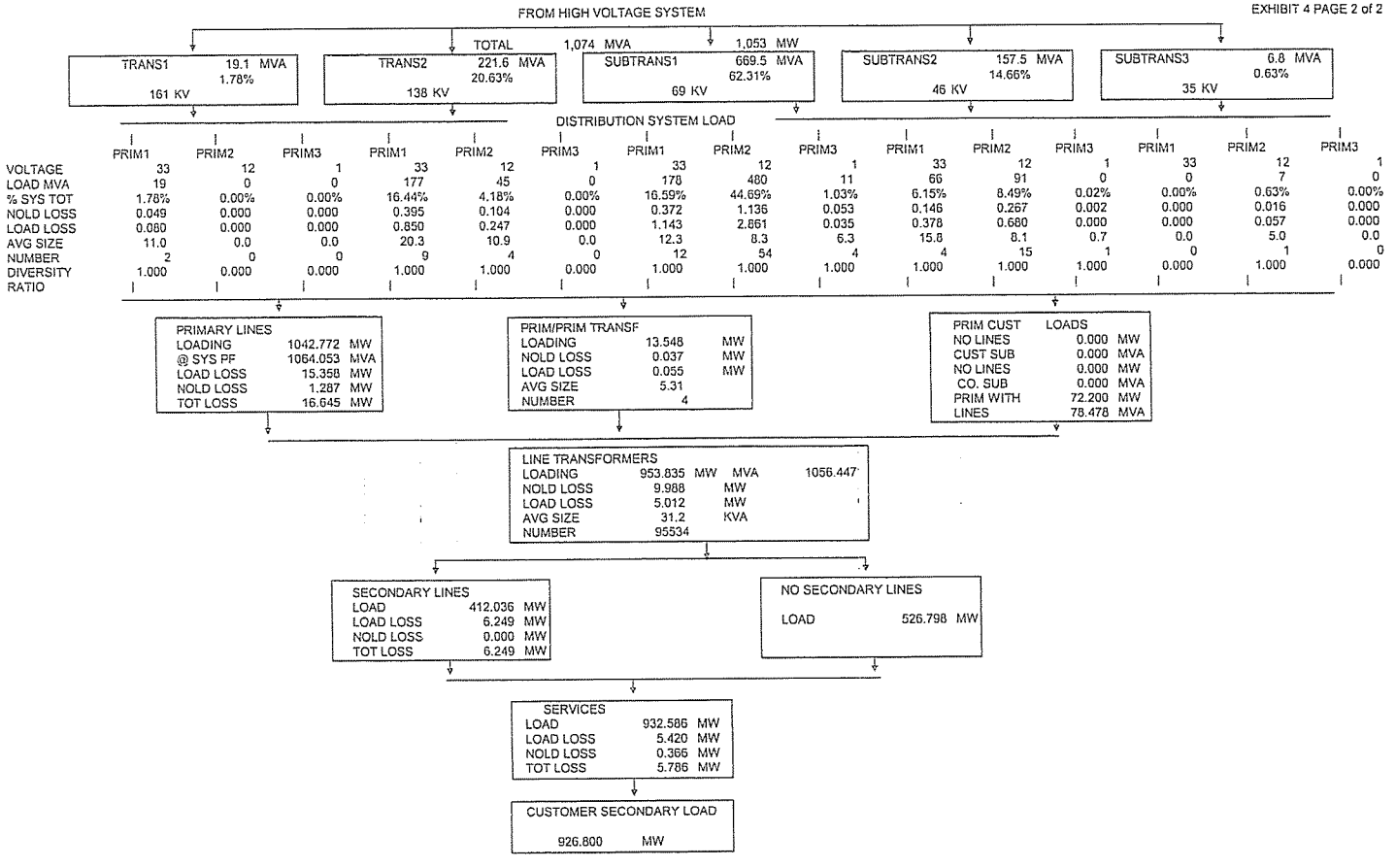
KENTUCKY POWER 2006 LOSS ANALYSIS

SUMMARY OF LOSSES DIAGRAM - DEMAND MODEL - SYSTEM PEAK 1539 MW



KENTUCKY POWER 2006 LOSS ANALYSIS

EXHIBIT 4 PAGE 2 of 2



KENTUCKY POWER 2006 LOSS ANALYSIS

SUMMARY of SALES and CALCULATED LOSSES

EXHIBIT 5

LOSS # AND LEVEL	MW LOAD	NO LOAD	+ LOAD	= TOT LOSS	EXP FACTOR	CUM EXP FAC	MWH LOAD	NO LOAD	+ LOAD	= TOT LOSS	EXP FACTOR	CUM EXP FAC
1 BULK XFMMR	0.0	0.00	0.00	0.00	0.000000	0.000000	0	0	0	0	0	0
2 BULK LINES	350.0	0.01	0.57	0.58	1.001659	1.001659	1,600,000	12,700	1,568	14,268	1.0089978	1.0089978
3 TRANS1 XFMR	331.7	1.51	0.42	1.92	1.005837	1.007506	1,510,960	11,941	1,082	13,022	1.0086933	1.0177694
4 TRANS1 LINES	899.7	1.07	2.12	3.19	1.003555	1.006332	6,943,169	6,800	5,230	12,030	1.0017357	1.0056093
5 TRANS2TR1 SD	619.9	1.24	0.79	2.02	1.003276	1.009628	3,040,981	8,498	2,326	10,824	1.0035721	1.0092014
6 TRANS2BLK SD	0.0	0.00	0.00	0.00	0.000000	0.000000	0	0	0	0	0.0000000	0.0000000
7 TRANS2 LINES	1,257.1	0.68	42.52	43.20	1.035589	1.040506	6,174,465	5,089	125,938	131,027	1.0216809	1.0263109
TOTAL TRAN	1,345.0	4.51	46.40	50.92	1.039346	1.039346	6,696,350	45,027	136,145	181,171	1.0278076	1.0278076
8 STR1BLK SD												
9 STR1T1 SD	55.1	0.11	0.10	0.21	1.003823	1.043319	275,125	770	596	1,366	1.0049913	1.0329377
10 SRT1T2 SD	888.1	1.78	1.55	3.33	1.003765	1.043259	4,434,461	12,181	11,277	23,459	1.0053182	1.0332737
11 SUBTRANS1 LINES	1,108.2	0.49	7.07	7.56	1.006865	1.046481	5,559,224	2,431	21,629	24,060	1.0043468	1.0322753
12 STR2T1 SD	0.0	0.00	0.00	0.00	0.000000	0.000000	0	0	0	0	0.0000000	0.0000000
13 STR2T2 SD	68.2	0.15	0.27	0.42	1.006188	1.045778	340,536	1,059	785	1,843	1.0054429	1.0334018
14 STR2S1 SD	21.6	0.05	0.08	0.14	1.006312	1.053086	107,853	386	283	670	1.0062500	1.0387270
15 SUBTRANS2 LINES	118.8	0.00	1.88	1.88	1.016075	1.056053	569,792	0	5,753	5,753	1.0101992	1.038290
16 STR3T1 SD	0.0	0.00	0.00	0.00	0.000000	0.000000	0	0	0	0	0.0000000	0.0000000
17 STR3T2 SD	18.1	0.08	0.04	0.12	1.006480	1.046081	88,791	637	75	711	1.0080774	1.0361096
18 STR3S1 SD	0.0	0.00	0.00	0.00	0.000000	0.000000	0	0	0	0	0.0000000	0.0000000
19 STR3S2 SD	0.0	0.00	0.00	0.00	0.000000	0.000000	0	0	0	0	0.0000000	0.0000000
20 SUBTRANS3 LINES	18.1	0.01	0.07	0.08	1.004403	1.043922	88,791	73	210	283	1.0032023	1.0310990
21 SUBTRANS TOTAL	1,132.0	2.67	11.06	13.73	1.012275	1.052104	6,041,339	17,538	40,609	58,146	1.0097183	1.037796
DISTRIBUTION SUBST												
TRANS1	18.7	0.05	0.08	0.13	1.006936	1.046555	77,155	356	173	529	1.0068999	1.0348993
TRANS2	217.2	0.50	1.10	1.60	1.007402	1.047039	896,161	3,550	2,370	5,920	1.0066500	1.0346425
SUBTR1	656.1	1.56	4.04	5.60	1.008609	1.055490	2,706,999	11,178	8,732	19,910	1.0074094	1.0399238
SUBTR2	154.4	0.41	1.06	1.47	1.009630	1.066223	636,918	3,042	2,287	5,329	1.0084378	1.0470513
SUBTR3	6.6	0.02	0.06	0.07	1.011066	1.055474	27,390	111	123	235	1.0086388	1.0400064
WEIGHTED AVERAGE	1,053.0	2.54	6.33	8.87	1.008495	1.055162	4,344,624	18,236	13,686	31,922	1.0074019	1.0397906
PRIMARY INTRCHNGE	0.0				0.000000		0				0.0000000	
PRIMARY LINES	1,042.7	1.29	15.41	16.70	1.016277	1.072336	4,315,778	22,547	30,684	53,230	1.0124879	1.0527754
LINE TRANSF	953.8	9.99	5.01	15.00	1.015978	1.089469	3,808,609	87,498	11,054	98,553	1.0265636	1.0807410
SECONDARY	938.8	0.00	6.25	6.25	1.006700	1.096769	3,710,057	0	13,182	13,182	1.0035658	1.0845946
SERVICES	932.6	0.37	5.42	5.79	1.006243	1.103616	3,696,874	3,207	12,575	15,781	1.0042872	1.0892445
TOTAL SYSTEM		21.36	95.89	117.25				194,053	257,934	451,987		

KENTUCKY POWER 2006 LOSS ANALYSIS

DEVELOPMENT of LOSS FACTORS EXHIBIT 6

UNADJUSTED
DEMAND

LOSS FACTOR LEVEL	CUSTOMER SALES MW a	CALC LOSS TO LEVEL b	SALES MW @ GEN c	CUM PEAK EXPANSION FACTORS d	1/d
BULK LINES	0.0	0.0	0.0	0.00000	0.00000
TRANS SUBS	0.0	0.0	0.0	0.00000	0.00000
TRANS LINES	46.8	1.8	48.6	1.03935	0.96214
TOTAL TRANS	0.0	0.0	0.0	0.00000	0.00000
SUBTRANS	366.9	19.1	386.0	1.05210	0.95048
PRIM SUBS	0.0	0.0	0.0	0.00000	0.00000
PRIM LINES	72.2	5.2	77.4	1.07234	0.93254
SECONDARY	926.8	96.0	1,022.8	1.10362	0.90611
TOTALS	1,412.7	122.2	1,534.9		

DEVELOPMENT of LOSS FACTORS
UNADJUSTED
ENERGY

LOSS FACTOR LEVEL	CUSTOMER SALES MWH a	CALC LOSS TO LEVEL b	SALES MWH @ GEN c	CUM ANNUAL EXPANSION FACTORS d	1/d
BULK LINES	0	0	0	0.00000	0.00000
TRANS SUBS	0	0	0	0.00000	0.00000
TRANS LINES	390,468	10,858	401,326	1.02781	0.97294
TOTAL TRANS	0	0	0	0.00000	0.00000
SUBTRANS	2,766,366	104,558	2,870,924	1.03780	0.96358
PRIM SUBS	0	0	0	0.00000	0.00000
PRIM LINES	453,938	23,957	477,895	1.05278	0.94987
SECONDARY	3,681,093	328,517	4,009,610	1.08924	0.91807
TOTALS	7,291,865	467,890	7,759,755		

ESTIMATED VALUES AT GENERATION

LOSS FACTOR AT VOLTAGE LEVEL	MW	MWH
BULK LINES	0.00	0
TRANS SUBS	0.00	0
TRANS LINES	48.64	401,326
SUBTRANS SUBS	0.00	0
SUBTRANS LINES	386.02	2,870,924
PRIM SUBS	0.00	0
PRIM LINES	77.42	477,895
SECONDARY	1,022.83	4,009,610
SUBTOTAL	1,534.91	7,759,755
ACTUAL ENERGY	1,539.00	7,750,202
MISSMATCH	(4.09)	9,553
% MISSMATCH	-0.27%	0.12%

KENTUCKY POWER 2006 LOSS ANALYSIS

DEVELOPMENT of LOSS FACTORS EXHIBIT 7

ADJUSTED
DEMAND

LOSS FACTOR LEVEL	CUSTOMER SALES MW a	SALES ADJUST b	CALC LOSS TO LEVEL c	SALES MW @ GEN d	CUM PEAK EXPANSION FACTORS e	f=1/e
BULK LINES	0.0	0.0	0.0	0.0	0.00000	0.00000
TRANS SUBS	0.0	0.0	0.0	0.0	0.00000	0.00000
TRANS LINES	46.8	0.0	1.8	48.6	1.03935	0.96214
TOTAL TRANS	0.0	0.0	0.0	0.0	0.00000	0.00000
SUBTRANS	366.9	0.0	19.1	386.0	1.05210	0.95048
PRIM SUBS	0.0	0.0	0.0	0.0	0.00000	0.00000
PRIM LINES	72.2	0.0	5.3	77.5	1.07402	0.93108
SECONDARY	926.8	0.0	100.0	1,026.8	1.10790	0.90261
			126.3			
TOTALS	1,412.7	0.0	126.3	1,539.0		

DEVELOPMENT of LOSS FACTORS
ADJUSTED
ENERGY

LOSS FACTOR LEVEL	CUSTOMER SALES MWH a	SALES ADJUST b	CALC LOSS TO LEVEL c	SALES MWH @ GEN d	CUM ANNUAL EXPANSION FACTORS e	f=1/e
BULK LINES	0	0	0	0	0.00000	0.00000
TRANS SUBS	0	0	0	0	0.00000	0.00000
TRANS LINES	390,468	0	10,858	401,326	1.02781	0.97294
TOTAL TRANS	0	0	0	0	0.00000	0.00000
SUBTRANS	2,766,366	0	104,558	2,870,924	1.03780	0.96358
PRIM SUBS	0	0	0	0	0.00000	0.00000
PRIM LINES	453,938	0	23,626	477,564	1.05205	0.95053
SECONDARY	3,681,093	0	319,295	4,000,388	1.08674	0.92018
			458,337			
TOTALS	7,291,865	0	458,337	7,750,202		

ESTIMATED VALUES AT GENERATION

LOSS FACTOR AT VOLTAGE LEVEL	MW	MWH
BULK LINES	0.00	0
TRANS SUBS	0.00	0
TRANS LINES	48.64	401,326
SUBTRANS SUBS	0.00	0
SUBTRANS LINES	386.02	2,870,924
PRIM SUBS	0.00	0
PRIM LINES	77.54	477,564
SECONDARY	1,026.80	4,000,388
	1,539.00	7,750,202
ACTUAL ENERGY	1,539.00	7,750,202
MISSMATCH	0.00	0
% MISSMATCH	0.00%	0.00%

KENTUCKY POWER 2006 LOSS ANALYSIS

Adjusted Losses and Loss Factors by Facility EXHIBIT 8

Unadjusted Losses by Segment

	MW	Unadjusted	MWH	Unadjusted
Service Drop Losses	5.79	6.33	15,781	16,962
Secondary Losses	6.25	6.84	13,182	14,168
Line Transformer Losses	15.00	16.42	98,553	105,922
Primary Line Losses	16.70	18.28	53,230	57,211
Distribution Substation Losses	8.87	9.71	31,922	34,309
Subtransmission Losses	13.73	13.73	58,146	58,146
Transmission System Losses	50.92	50.92	181,171	181,171
Total	117.25	122.21	451,987	467,890

Mismatch Allocation by Segment

	MW	MWH
Service Drop Losses	-0.45	709
Secondary Losses	-0.49	592
Line Transformer Losses	-1.17	4,427
Primary Line Losses	-1.30	2,391
Distribution Substation Losses	-0.69	1,434
Subtransmission Losses	0.00	0
Transmission System Losses	0.00	0
Total	-4.09	9,553

Adjusted Losses by Segment

	MW	% of Total	MWH	% of Total
Service Drop Losses	6.78	5.4%	16,253	3.5%
Secondary Losses	7.32	5.8%	13,576	3.0%
Line Transformer Losses	17.58	13.9%	101,495	22.1%
Primary Line Losses	19.57	15.5%	54,820	12.0%
Distribution Substation Losses	10.40	8.2%	32,875	7.2%
Subtransmission Losses	13.73	10.9%	58,146	12.7%
Transmission System Losses	50.92	40.3%	181,171	39.5%
Total	126.30	100.0%	458,337	100.0%

Loss Factors by Segment	MW	MWH
Retail Sales from Service Drops	926.80	3,681,093
Adjusted Service Drop Losses	6.78	16,253
Input to Service Drops	933.58	3,697,346
Service Drop Loss Factor	**1.00732**	**1.00442**
Output from Secondary	933.58	3,697,346
Adjusted Secondary Losses	7.32	13,576
Input to Secondary	940.91	3,710,922
Secondary Conductor Loss Factor	**1.00784**	**1.00367**
Output from Line Transformers	940.91	3,710,922
Adjusted Line Transformer Losses	17.58	101,495
Input to Line Transformers	958.49	3,812,417
Line Transformer Loss Factor	**1.01869**	**1.02735**
Secondary Composite	1.03419	1.03568
Retail Sales from Primary	69.20	432,151
Req. Whls Sales from Primary	3.00	21,787
Input to Line Transformers	958.49	3,812,417
Output from Primary Lines	1030.69	4,266,355
Adjusted Primary Line Losses	19.57	54,820
Input to Primary Lines	1050.26	4,321,175
Primary Line Loss Factor	**1.01899**	**1.01285**
Output PI from Distribution Substations	1050.26	4,321,175
Req. Whls Sales from Substations	*0.00*	0
Retail Sales from Substations	0.00	0
TotalOutput from Distribution Substations	1050.26	4,321,175
Adjusted Distribution Substation Losses	10.40	32,875
Input to Distribution Substations	1060.66	4,354,050
Distribution Substation Loss Factor	**1.00990**	**1.00761**
Retail Sales at from SubTransmission	351.90	2,695,544
Req. Whls Sales from SubTransmission	15.00	70,822
Input to Distribution Substations	751.37	3,216,827
Output from SubTransmission	1118.27	5,983,193
Adjusted SubTransmission System Losses	13.73	58,146
Input to SubTransmission	1132.00	6,041,339
SubTransmission Loss Factor	**1.01227**	**1.00972**
Retail Sales at from Transmission	32.80	320,160
Req. Whls Sales from Transmission	14.00	70,308
Input Subtransmission	1247.28	6,041,339
Output from Transmission	1294.08	6,515,179
Adjusted Transmission System Losses	50.92	181,171
Input to Transmission	1345.00	6,696,350
Transmission Loss Factor	**1.03935**	**1.02781**

Kentucky Power Company
2006 Analysis of System Losses

Appendix B

Discussion of Hoebel Coefficient

COMMENTS ON THE HOEBEL COEFFICIENT

The Hoebel coefficient represents an established industry standard relationship between peak losses and average losses and is used in a loss study to estimate energy losses from peak demand losses. H. F. Hoebel described this relationship in his article, "Cost of Electric Distribution Losses," Electric Light and Power, March 15, 1959. A copy of this article is attached.

Within any loss evaluation study, peak demand losses can readily be calculated given equipment resistance and approximate loading. Energy losses, however, are much more difficult to determine given their time-varying nature. This difficulty can be reduced by the use of an equation which relates peak load losses (demand) to average losses (energy). Once the relationship between peak and average losses is known, average losses can be estimated from the known peak load losses.

Within the electric utility industry, the relationship between peak and average losses is known as the loss factor. For definitional purposes, loss factor is the ratio of the average power loss to the peak load power loss, during a specified period of time. This relationship is expressed mathematically as follows:

(1) $F_{LS} \approx A_{LS} \div P_{LS}$

where: F_{LS} = Loss Factor
A_{LS} = Average Losses
P_{LS} = Peak Losses

The loss factor provides an estimate of the degree to which the load loss is maintained throughout the period in which the loss is being considered. In other words, loss factor is the ratio of the actual kWh losses incurred to the kWh losses which would have occurred if full load had continued throughout the period under study.

Examining the loss factor expression in light of a similar expression for load factor indicates a high degree of similarity. The mathematical expression for load factor is as follows:

(2) $F_{LD} \approx A_{LD} \div P_{LD}$

where: F_{LD} = Load Factor
A_{LD} = Average Load
P_{LD} = Peak Load

This load factor result provides an estimate of the degree to which the load loss is maintained throughout the period in which the load is being considered. Because of the similarities in definition, the loss factor is sometimes called the "load factor of losses." While the definitions are similar, a strict equating of the two factors cannot be made. There does exist, however, a relationship between these two factors which is dependent upon the shape of the load duration curve. Since resistive losses vary as the square of the load, it can be shown mathematically that the loss factor can vary between the extreme limits of load factor and load factor squared. The relationship between load factor and loss factor has become an industry standard and is as follows:

$$(3)\ F_{LS} \approx H*F_{LD}^2 + (1-H)*F_{LD}$$

where: F_{LS} = Loss Factor
F_{LD} = Load Factor
H = Hoebel Coeff

As noted in the attached article, the suggested value for H (the Hoebel coefficient) is 0.7. The exact value of H will vary as a function of the shape of the utility's load duration curve. In recent years, values of H have been computed directly for a number of utilities based on EEI load data. It appears on this basis, the suggested value of 0.7 should be considered a lower bound and that values approaching unity may be considered a reasonable upper bound. Based on experience, values of H have ranged from approximately 0.85 to 0.95. The standard default value of 0.9 is generally used.

Inserting the Hoebel coefficient estimate gives the following loss factor relationship using Equation (3):

$$(4)\ F_{LS} \approx 0.90*F_{LD}^2 + 0.10*F_{LD}$$

Once the Hoebel constant has been estimated and the load factor and peak losses associated with a piece of equipment have been estimated, one can calculate the average, or energy losses as follows:

$$(5)\ A_{LS} \approx P_{LS} * [H*F_{LD}^2 + (1-H)*F_{LD}]$$

where: A_{LS} = Average Losses
P_{LS} = Peak Losses
H = Hoebel Coefficient
F_{LD} = Load Factor

Loss studies use this equation to calculate energy losses at each major voltage level in the analysis.

Kentucky Power Company

REQUEST

Refer to the Status Report, page 5. The TEE program's projected participant level for 2012 is 390 all-electric homes, 35 non-all-electric homes and sets the budget level at $400,000. It appears the Collaborative is proposing a 55 percent ((390-251)/251) increase in the number of all-electric homes and a 21 percent ((35-29)/29) increase in the number of non-all-electric homes while at the same time increasing the annual program cost by 42 percent (($400,000-$281,000)/$281,000). Explain what actions the Collaborative is doing to achieve the 2012 projected participant levels for the TEE program.

RESPONSE

Specific measures the Company is administering or is planning for 2012 on behalf of the program include:

- Coordinating quarterly conference calls with CAA's to review and plan program activities;
- Providing monthly updates on the status of the budgetary levels and participant levels to the Community Action Agencies; and
- Sending out bill inserts to customers promoting the program.

WITNESS: E J Clayton

Kentucky Power Company

REQUEST

Refer to the Status Report, Modified Energy Fitness program, page 8.

a. Explain or provide calculations supporting the negative 40 kW summer year-to-date impact.

b Explain or provide calculations supporting the positive 1,018 kW summer program-to-date impact.

RESPONSE

a. The Modified Energy Fitness Program is primarily focused on providing savings in the winter, when the Company faces the highest requirements for meeting load. Net savings achieved from the program were determined through a billing analysis which compared the pre/post usage changes of the program participants to the pre/post usage changes of a selected similar group of nonparticipants. The demand impacts were then estimated by allocating monthly energy changes to daily values, then applying an hourly load profile to the daily energy changes to determine the expected demand change at time of the Company peak demand. The billing analysis showed that significant savings were achieved in winter, but that overall energy usage was slightly increased in the summer. The demand savings is an estimate. Determination of actual demand savings would require expensive interval metering on every program participant.

   Increased summer demand was estimated to be 0.03 kW per participant x 1201 YTD participants x 1.11 loss factor = 40 kW.

b. 12/31/2010 PTD Summer Demand 1,058 kW, 2011 Summer Impact Savings - 40 kW, 12/31/2011 PTD Summer Demand Savings 1,018 kW.

   1,058 - 40 = 1,018

WITNESS: E J Clayton

Kentucky Power Company

REQUEST

Refer to the Status Report, High Efficiency Heat Pumps program, page 9.

a. Explain or provide calculations supporting the negative 52 kW summer year-to-date impact.

b. Explain or provide calculations supporting the positive 137 kW summer program-to-date impact.

c. Explain what actions the Collaborative is taking in 2012 so that the projected participant levels for the non-resistance heat replacement customers of 475, or an increase of 17 percent over the 2011 actual participation, will be achieved.

RESPONSE

a. The High Efficiency Heat Pump Program is primarily focused on providing savings in the winter, when the Company faces the highest requirements for meeting load. The program includes replacement of resistance heat with a high efficiency heat pump. Since a heat pump provides both heating and cooling, in some cases the customer obtains the benefit of cooling where no cooling system previously was used, but that translates into increased summer usage. Net savings achieved from the program were determined through a billing analysis which compared the pre/post usage changes of the program participants to the pre/post usage changes of a selected similar group of nonparticipants. The demand impacts were then estimated by allocating monthly energy changes to daily values, then applying an hourly load profile to the daily energy changes to determine the expected demand change at time of the Company peak demand. The billing analysis showed that significant savings were achieved in winter, but that energy usage was overall slightly increased in the summer. The demand savings amount is an estimate. Determination of actual demand savings would require expensive interval metering for every participant.

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Increased summer demand was estimated to be 0.14 kW per resistance heating participant x 275 YTD participants x 1.11 loss factor = 43 kW

Increased summer demand was estimated to be 0.02 KW per heat pump replacement participant x 406 YTD participants x 1.11 loss factor = 9 KW

Total = 52 kW.

b. 12/31/2010 PTD Summer Demand 189 kW, 2011 Summer Impact Savings - 52 kW, 12/31/2011 PTD Summer Demand Savings 137 kW.

189 - 52 = 137

c. The program will continue to be promoted through direct marketing to HVAC dealers and bill inserts to residential customers. The Customer Solution Center added a program promotion on-hold message for Kentucky Power customers. Kentucky Power is working with the marketing department to identify other opportunities to promote the program.

WITNESS: E J Clayton

Kentucky Power Company

REQUEST

Refer to the Status Report, Pilot Residential Load Management program, page 13.

a. Provide, by type of cost, a breakdown of the $94,705 equipment/vendor cost, such as the vendors paid and the type of equipment.

b. Explain what actions the Collaborative is taking to achieve the projected goals of 110 A/C switches and 110 water heater ("WH") switches for 2012, considering that there were only 10 switches installed after four months of 2011.

RESPONSE

a. Consert Inc. was paid $94,705. The amount includes $94,500 for fixed vendor expense for project management (May through November) and $205 for equipment installed for one residential customer.

b. Completed program promotion includes:
1/17/2012 Direct Mailer (501 customers)
1/23/2012 Direct Mailer (502 customers)
2/6/2012 Direct Mailer (3,455 customers)
2/22/2012 Phone Messaging (3,347 customers called, 2,842 customers contacted)
3/16/2012 Customer Letter (3,455 customers)

Other promotional programs planned for the remainder of 2012 may include additional direct mailers, phone messaging, customer letter, postcard, and email where available.

WITNESS: E J Clayton

Kentucky Power Company

REQUEST

Refer to the Status Report, Commercial Heating Ventilation Air Conditioner ("HVAC") Diagnostic and Tune-up program, page 18. The Collaborative has established the 2012 projective participant level at 55 for central A/C and 115 for HP with the annual budget level at $37,380, or an average cost of $ 219.88 ($37,380/(55+115)). The 2011 total program cost was $27,093 with 152 (106+46) participants. The 2011 average cost per participant was $178.24 (27,093/(106+46)). Explain the reasons for the 23 percent ($219.88-$178.24)/$178.24) increase in average cost per participant.

RESPONSE

This program is undergoing an evaluation of cost-effectiveness. The program evaluation expense increased from $4,100 in 2011 to a projected $10,230 in 2012. The evaluation expense accounts for 80% of the increase in average cost per participant.

WITNESS: E J Clayton

Kentucky Power Company

REQUEST

Refer to the Status Report, Pilot Commercial Load Management program, page 19.

a. Provide, by type of cost and the vendor, a breakdown of the $10,500 equipment/vendor year-to-date cost as of December 31, 2011.

b. Explain how there was $14,315 of total program costs in 2011, but no participants.

c. Provide, by type of cost, a breakdown of the projected $36,105 for 2012 costs for the 10 A/C switches and 10 WH switches which result in a projected average cost per participant of $1,805.25.

d. Explain what actions the Collaborative is taking to achieve the projected goals of 10 A/C switches and 10 WH switches for 2012, considering that there were no switches installed in 2011.

RESPONSE

a. The $10,500 paid to Consert Inc. is the vendor's fixed vendor expense for project management (May through November) for administering the program.

b. Although there were no participants, there were fixed expenses. The charges include $10,500 for vendor expense for project management and $3,815 for program evaluation.

c. Evaluation $11,500, Equipment/Vendor $21,325, Promotion $3,000, Customer Incentives $280.

d. Issued direct mailer to 77 small commercial, non-demand customers on March 9, 2012. The commercial customer target is currently based on vendor cellular coverage area and commercial accounts having non-demand meters. Other planned promotion includes phone promotion, customer letter, postcard, and email where available.

Kentucky Power Company

The Company has also received inquiry from a representative of local schools which might have non-demand meter service locations that are eligible for the program.

The Company received notification from the program implementation contractor/vendor, that some expanded cellular coverage is now available for additional promotion. The Company will review the expanded coverage to determine additional promotion opportunities for small commercial accounts with non-demand meters.

WITNESS: E J Clayton

Kentucky Power Company

REQUEST

Refer to the Status Report, Commercial High Efficiency HP/AC program, page 20.

a. The range of customer incentives that can be paid is from $250 to $450. Provide a breakdown of the $7,950 of customer incentives paid in 2011.

b. Explain what actions the Collaborative is taking to achieve the projected goal of 20 A/Cs for 2012, considering that there were only three in 2011.

c. Explain what actions the Collaborative is taking to achieve the projected goal of 40 HPs for 2012, considering that there were only 21 in 2011

RESPONSE

a. For this DSM program, Kentucky Power paid $1,050 in incentives for new Air Conditioner units and $6,900 in incentives for new Heat Pump units.

b-c. Kentucky Power has provided all HVAC dealers on record as of 2/24/2012 a summary list of active DSM programs relating to HVAC work. This includes sending out new rebate application forms, program fact sheets and a list of all current DSM programs. Kentucky Power staff is actively recruiting HVAC dealers specializing in Commercial and Industrial work.

Kentucky Power plans to purchase several newspaper advertisements promoting the program. Bill inserts promoting the programs are also planned. Kentucky Power is working with the marketing department to identify other opportunities to promote the program.

WITNESS: E J Clayton

Kentucky Power Company

REQUEST

Refer to the Status Report, Commercial Incentives program, page 21.

a. Provide, by type of cost, the $195,543 of equipment/vendor costs.

b. Provide a breakdown of the $30,288 in customer incentives by participant.

c. The total program costs for the calendar year ending December 31, 2011 totaled $252,314. There were 18 participants for the same time period, resulting in an average of $14,017 ($252,314/18) per participant. Looking at the 2012 projected information, it appears the Collaborative is estimating and average cost per participant at $9,481 ($1,630,725/172). Provide a detailed explanation as to how the Collaborative purposes to reduce the average participant's costs by 32 percent (($14,017-$9,481)/$14,017) during 2012.

d. Explain what actions the Collaborative is taking to achieve the projected goal of 172 customers for 2012, considering that there were only 18 in 2011.

RESPONSE

a. The cost breakdown for 2011 vendor expenses of $195,542.81 includes labor of $168,297.98 and expenses of $27,244.83. The Marketing expense included costs for mailers, fact sheets, printing materials, and other miscellaneous items. The Education expense was comprised of meetings with trade groups and individual customers. The administrative costs are about 70% for start-up and 30% for normal operations of the program. All of the direct install (DI) and IT costs are in the program start-up costs.

Type	Labor	Expense	Incentive	Total
Administration	$108,860.43	$14,308.62	$0.00	$123,169.05
Marketing	$15,412.07	$11,147.63	$0.00	$26,559.70
Education	$13,208.64	$1,788.58	$0.00	$14,997.22
IT	$29,100.10		$0.00	$29,100.10
Direct Install	$1,716.75		$0.00	$1,716.75
Incentive			$25,125.76	$25,125.76
Totals	$168,297.98	$27,244.83	$25,125.76	
Total Labor and Expenses		$195,542.81		
Total Incentives			$25,125.76	

b. The project totals with savings and incentives are shown below. The number reported was $30,288, and the actual number is $25,125.76. The last project on the list AEPKY-11-00003 was reported in error, as $12,480 but it was paid at $7,317.23. The error was from reporting the calculated numbers and not the final incentive amount. The customer has received the correct amount. The report generation has also been fixed to report true incentive value and not the calculated amount.

Month Total	Project Number	KWH Savings	kW Savings	Incentive
REPORT TOTALS	**18**	**412,432**	**70.76**	**$25,125.76**
11/04/201 1 Week Total:	**23,283**	**4.25**	**$1,620.00**	
	AEPKY-11-00005	23,283	4.25	$1,620.00
12/09/201 1 Week Total:	**82,728**	**11.78**	**$5,651.08**	
	AEPKY-11-00049	14,063	2.55	$875.00
	AEPKY-11-00041	3,984	0.03	$318.72
	AEPKY-11-00022	7,025	1.29	$420.00
	AEPKY-11-00015	3,045	0.57	$286.00
	AEPKY-11-00014	3,045	0.57	$286.00
	AEPKY-11-00012	14,442	0.03	$1,155.36
	AEPKY-11-00008	37,125	6.73	$2,310.00
12/16/201 1 Week Total:	**151,296**	**27.11**	**$7,464.17**	
	AEPKY-11-00029	13,549	2.48	$810.00
	AEPKY-11-00024	25,843	4.74	$1,545.00

	AEPKY-11-00023	14,050	2.58	$840.00
	AEPKY-11-00017	89,884	15.88	$3,631.49
	AEPKY-11-00013	7,971	1.43	$637.68
12/30/201 1 Week Total:	**155,125**	**27.62**	**$10,390.51**	
	AEPKY-11-00085	10,733	2.5	$873.60
	AEPKY-11-00047	8,930	1.4	$714.40
	AEPKY-11-00046	13,317	2.09	$1,065.36
	AEPKY-11-00045	5,249	0.83	$419.92
	AEPKY-11-00003	116,896	20.8	$7,317.23

c. The main reason for the higher than expected cost per application administration cost was lower than expected participation. If the costs were taken over the expected 88 customers, the cost per participant would have been $2,867 ($252,314/88). The program has certain fixed costs associated with the program. As more customers participate, the cost per participant will decrease. Therefore, the administrative cost per participant in 2012 is expected to decrease as participation levels are expected to be at least 172 customers as shown below in part d.

d. Currently the 2012 program year is on track with the marketing plan that has been established. We have held Trade Ally events in February and are currently presenting in many Master Electrician courses throughout the service territory. As you can see from the chart below we are well on our way to the 172 customers needed in 2012. We currently have 126 projects that are either active or the customer is finishing the true scope of the projects. As expected the true savings, measures and costs associated with any one project are better defined as we move through the process.

Projected Projects for Program Year 2012						
Status	**Projects**	**Projected Payment**	**Total Annual kWh Savings**	**Total kW**	**Forecast kWh**	**Projected $/kWh**
Initiated	66	$37,089.40	18,606.00	2.12	9,303.00	*
Pre Review	25	$123,162.00	587,274.90	94.2	381,728.65	$0.21
Reserved	30	$81,048.67	1,199,993.90	206.44	959,995.12	$0.07
Final Review	3	$9,180.51	145,632.20	22.4	131,068.98	$0.06
Final Approved	1	$3,935.40	48,349.20	11.24	48,349.20	$0.08
Paid	1	$4,018.00	49,028.80	9.18	49,028.80	$0.08
Cancelled	4	$26,665.00	311,390.20	42.03	0	$0.09

* The vendor is unable to estimate the projected cost because the expected annual kWh savings amounts for all participants have not been verified.

WITNESS: E J Clayton

Kentucky Power Company

REQUEST

In Case No. 2011-00300, [3] the following table of DSM programs had evaluation reports. In Case No. 2011-00055,[4] received by the Commission February 15, 2011, there were no program evaluations performed. The table also includes evaluation costs by program from the Status Report of the current Application. Explain whether these are the total costs to evaluate these programs, whether the costs were direct or allocated costs, and what time period did these evaluation costs cover.

Program	Evaluation costs
Targeted Energy Efficiency	$20,357
High Efficiency Heat Pump Mobile Home	$6,182
Mobile Home New Construction	$6,235
Modified Home New Construction	$9,222
High Efficiency Heat Pump	$12,236
Community Outreach Compact Florescent Lamp	$9,610
Energy Education for Students	$6,082

[3]Case No. 2011-00300, Kentucky Power Company (Ky. PSC Jan. 23, 2011).

[4]Case No. 2011-00055, Joint Application Pursuant to 1994 House Bill No. 501 for the Approval of 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 (Ky. PSC May 25, 2011).

RESPONSE

We are assuming the Modified Home New Construction program listed above is the Modified Energy Fitness Program. The evaluation costs represent the total expense directly related to these program evaluations. The costs in Case No. 2012-00051 above represent program evaluations conducted in 2011 for program years 2009 through 2010.

WITNESS: E J Clayton

Kentucky Power Company

REQUEST

The programs in the following table have evaluation costs detailed on the Status Report. Explain why the DSM programs in the following table have evaluation costs, but no program evaluation report was filed in 2011, and whether these evaluation costs have been recovered in previous DSM filings when the programs were evaluated.

In addition, what time period did these evaluation costs cover?

Program	Evaluation costs
Residential HVAC Diagnostic and Tune-up	$4,756
Pilot Residential Load Management	$8,793
Residential Efficiency Product	$6,068
Commercial HVAC Diagnostic and Tune-up	$4,100
Pilot Commercial Load Management	$3,815
Commercial High Efficiency HP/AC	$4,780
Commercial Incentive	$17,189

RESPONSE

These program expenses have not been recovered with previous DSM filings. The cost represents direct expense for program evaluation services received in 2011 to support final evaluation reports scheduled to be filed August 15, 2012. A third party vendor is contracted to provide the program evaluation review and formal report for five DSM programs for an evaluation period which includes program activities beginning in 2010.

WITNESS: E J Clayton

KENTUCKY POWER COMPANY

REQUEST

a. Explain whether the Collaborative is aware that incandescent bulbs are to be phased out in 2014.

b. If the answer to part a. is yes, explain whether the Collaborative has considered not spending DSM funds on promoting Compact Fluorescent Light bulbs after 2014.

RESPONSE

a. The issues related to the DSM CFL programs have been discussed at collaborative meetings. The EISA legislation as related to incandescent lights will be reviewed at the 2012 second quarter collaborative meeting with information provided to each member summarizing this issue.

b. The Collaborative has not discussed terminating promotion funds for the CFL program after 2014.

WITNESS: E J Clayton

KENTUCKY POWER COMPANY

REQUEST

Refer to Schedule C, page 17A-1, Residential Efficient Products. Explain how there are no participants for the Specialty Bulbs and LED Lights, but there are program costs in column 4 and kWh impacts in column 5.

RESPONSE

With regards to the column 4 program costs, this program has fixed expenses applicable with program implementation. These expenses are incurred even if there are no program participants.

Column 5 is an impact measurement that would be used if there were participants. Because there are no participants for the Specialty Bulbs and LED lights, there is no energy savings. Any energy savings that would occur would be noted in the Schedule C, page 17A-1, in column 6.

WITNESS: E J Clayton

KENTUCKY POWER COMPANY

REQUEST

Refer to Schedule C, page 17A-2, HVAC Diagnostic & Tune-up. Explain how there is one participant for the A/C in column 1, no cumulative participants in column 2, no program costs in column 4, and 343 kWh impacts in column 5.

RESPONSE

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

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

KENTUCKY POWER COMPANY

For more information and for an example of how the cumulative participants are calculated please see KPSC Case No. 2008-00059 Commission Staff's First Set of Data Requests Item No. 1.

Program costs reflect $0 in Column 4 for the HVAC Diagnostic & Tune-up program. The expenses related to this participant were not booked until a later period and, therefore, were recorded in the total actual program costs on page 17B-2 for the 2nd half of the year.

The net lost revenue kWh per participant for the 1st half of the year would have applied to program costs recorded during this period. Because no program costs were recorded for this period, the net lost revenue kWh impact per participant has no effect on the total energy savings and, therefore, reflects $0 savings in Column 6.

WITNESS: Lila P Munsey

KENTUCKY POWER COMPANY

REQUEST

Refer to Schedule C, page 17B-1, Residential Efficient Products. Explain how there are no participants for the Specialty Bulbs and LED Lights, but there are program costs in column 4 and kWh impacts in column 5.

RESPONSE

With regards to the column 4 program costs, this program has fixed expenses applicable with program implementation. These expenses are incurred even if there are no program participants.

Column 5 is an impact measurement that would be used if there were participants. Because there are no participants for the Specialty Bulbs and LED lights, there is no energy savings. The energy savings would be noted in the Schedule C, page 17B-1, in column 6.

WITNESS: E J Clayton

KENTUCKY POWER COMPANY

REQUEST

Refer to Schedule C, page 17B-1, Residential Load Management (Pilot Program). Explain the average cost per participant of $8,624.83 for A/C and $12,937.75 for WH in column 3.

RESPONSE

Total Residential Program Expense = $103,498, Total Expense AC = $51,749, Number of AC participants = 6, Total Expense WH = $51,749, Number of WH participants = 4

Average AC participant cost $8,624.83 = $51,749 / 6

Average WH participant cost $12,937.25 = $51,749 / 4

WITNESS: E J Clayton

KENTUCKY POWER COMPANY

REQUEST

Refer to Schedule C, page 178-2, Commercial Load Management (Pilot Program). Explain how there are no participants for either the A/C or WH in column 1, but there are $7,157 in program costs in column 4.

RESPONSE

The expenses represent fixed program costs for the implementation contractor and program evaluation expenses charged by the EMV contractor.

WITNESS: E J Clayton

Kentucky Power Company

REQUEST

In the Order in Case No. 2011-00300,[1] the Commission expressed its concern as to promotion and participation of the Commercial High Efficiency Heat Pump/Air Conditioner Program and the Residential and Small Commercial Load Control Program. The Order stated:

The Commission realizes that customer participation in DSM is voluntary and that Kentucky Power cannot compel greater participation; however, the Commission believes that most well-informed customers would choose to participate in DSM programs to avoid higher energy bills. Therefore, the Commission strongly encourages Kentucky Power to promote its DSM programs, educate applicable customers who would qualify for DSM program participation, and work to increase participation levels in its DSM programs. The Commission, also, strongly encourages Kentucky Power to educate its customers about the need for greater energy efficiency due to the rising cost of electric energy and the strain that the demand of electric usage at peak times places on both the Kentucky Power and the American Electric Power systems. We believe that Kentucky Power should make every effort to educate its customers that participation in demand-side programs represents one way in which the customers can impact the extent to which ever-increasing energy costs increase their electric bills. The Commission will closely monitor Kentucky Power's efforts to develop and promote cost-effective programs.

Explain what efforts Kentucky Power has made or is planning to make to develop and promote cost-effective DSM programs.

[1]Case No. 2011-00300, Kentucky Power Company (Ky. PSC Jan. 23,201 1).

RESPONSE

To increase participation in DSM programs and the cost efficiency of the programs, Kentucky Power has significantly increased marketing and promotion of DSM programs since 2010, as evident from the following summary of activities and expenses:

Data	2010	2011	% Increase
Direct Marketing & Promotion Expense	$ 6,884	$ 30,949	350%
Direct Customer Education Expense	$ 5,000	$ 3,000	-40%
Vendor Marketing Promotion	$ 34,776	$ 74,453	114%
Vendor Customer Education	$ 26,898	$ 46,749	74%
Bill Insert Cost (not included in DSM surcharge)	$ -	$ 6,463	
TOTAL EXPENSE	$ 73,558	$ 161,614	120%
Bill Inserts - quantity	-	13	
Newspaper Ads - quantity	unknown	96	
Phone Message Promotion - Customers	-	45,000	
Employee Email Promotion (DSM Survey, Load Management)	-	1,089	
Program Fact Sheets (delivered)	-	1,500	

2012 DSM program marketing activities include:

Company website updates
Bill inserts (completed for January; scheduled March, April, May, October, December)
Customer bill messages (targeted for April, June, August, October, December)
Fact sheets for residential and commercial programs for distribution by program vendors and CAAs
Customer Solution Center (CSC) on-hold messaging (Efficient Lighting Products, High Efficiency Heat Pump, HVAC Diagnostic & Tune-up)
Updated CSC Reference Guides
Newspaper advertisement
Direct customer mailers
Customer letters
Postcards
Phone messaging

Outside of the DSM programs, Kentucky Power offers newspaper and television advertisements which include general promotion of energy efficiency and DSM programs that are not included with the DSM filed expenses.

WITNESS: E J Clayton

Kentucky Power Company

REQUEST

Provide, in electronic format with formulas intact and unprotected, Schedule C.

RESPONSE

Please see the enclosed CD for the electronic file with formulas intact and unprotected.

WITNESS: Lila P Munsey

	KENTUCKY POWER COMPANY	Exhibit C					
	DERIVATION OF 3 SECTOR SURCHARGES FOR 3 YR EXPERIMENT					PAGE 1 of	20
	RESIDENTIAL SECTOR	TOTAL YEARS 1 thru 15	YEAR 16 (2011) 1st HALF	YEAR 16 (2011) 2nd HALF	YEAR 17 (2012) 1st QTR	YEAR 17 (2012) 2nd, 3rd, & 4th QTRs	TOTAL
		(1)	(2)	(3)	(4)	(5)	(6)
1	CURRENT PERIOD AMOUNT TO BE RECOVERED	$14,413,742	$1,175,415	$1,319,989	$685,229	$2,595,322	$20,189,697
2	CUMULATIVE (OVER)/UNDER COLLECTION	0	427,163	(488,221)	20,161	35,844	-
3	18 MOS. RETROACTIVE(OVER)/UNDER ADJUSTMENT	(41,824)	0	0	0	0	(41,824)
4	TOTAL TO BE RECOVERED	14,371,918	1,602,578	831,768	705,390	2,631,166	20,147,873
5	TOTAL AMOUNT RECOVERED	13,944,409	2,090,799	811,607	0	0	16,846,815
6	EXPECTED FUTURE RECOVERIES	0	0	0	669,546	1,334,266	2,003,812
7	TRANSFER PORTION OF BALANCE FROM INDUSTRIAL	(9,833)	0	0	0	0	(9,833)
8	TRANSFER PORTION OF BALANCE FROM COMMERCIAL	9,487	0	0	0	0	9,487
9	(OVER)/UNDER COLLECTION TO BE REFUNDED	$427,163	($488,221)	$20,161	$35,844	$1,296,900	$1,296,900
10	AMOUNT TO BE RECOVERED					$2,631,166	
11	ADJ. ESTIMATED SECTOR KWH - YEAR 17				788,628,600	1,615,333,700	
	SURCHARGE RANGE ($ PER KWH)						
12	FLOOR (CARRYOVER)	COL. 5, L 2 / COL. 5, L 11				0.000022	
13	MIDPOINT - proposed rate				0.000849	0.000826	
14	CEILING (TOTAL COST)	COL. 5, L 4 / COL. 5, L 11				0.001629	
	COMMERCIAL SECTOR	TOTAL YEARS 1 thru 15	YEAR 16 (2011) 1st HALF	YEAR 16 (2011) 2nd HALF	YEAR 17 (2012) 1st QTR	YEAR 17 (2012) 2nd, 3rd, & 4th QTRs	TOTAL
		(1)	(2)	(3)	(4)	(5)	(6)
15	CURRENT PERIOD AMOUNT TO BE RECOVERED	$2,899,453	$7,431	$360,340	$421,726	$1,572,501	$5,261,451
16	CUMULATIVE (OVER)/UNDER COLLECTION	0	(20,360)	(81,846)	(100,405)	(213,879)	0
17	18 MOS. RETROACTIVE(OVER)/UNDER ADJUSTMENT	1,520	0	0	0	0	1,520
18	TOTAL TO BE RECOVERED	2,900,973	(12,929)	278,494	321,321	1,358,622	5,262,971
19	TOTAL AMOUNT RECOVERED	2,908,568	68,917	378,899	0	0	3,356,384
20	EXPECTED FUTURE RECOVERIES	0	0	0	535,200	572,432	1,107,632
21	TRANSFER PORTION OF BALANCE FROM INDUSTRIAL	(3,278)	0	0	0	0	(3,278)
22	TRANSFER BALANCE TO RESIDENTIAL	(9,487)	0	0	0	0	(9,487)
22	(OVER)/UNDER COLLECTION TO BE REFUNDED	($20,360)	($81,846)	($100,405)	($213,879)	$786,190	$786,190
23	AMOUNT TO BE RECOVERED					$1,358,622	
24	ADJ. ESTIMATED SECTOR KWH - YEAR 17				350,032,500	1,063,999,500	
	SURCHARGE RANGE ($ PER KWH)						
25	FLOOR (CARRYOVER)					(0.000201)	
26	MIDPOINT - proposed rate				0.001529	0.000538	
27	CEILING (TOTAL COST)					0.001277	
	INDUSTRIAL SECTOR	TOTAL YEARS 1 thru 15	YEAR 16 (2011) 1st HALF	YEAR 16 (2011) 2nd HALF	YEAR 17 (2012) 1st QTR	YEAR 17 (2012) 2nd, 3rd, & 4th QTRs	TOTAL
		(1)	(2)	(3)	(4)	(5)	(6)
28	CURRENT PERIOD AMOUNT TO BE RECOVERED	$79,026	$0	$0	$0	$0	$79,026
29	CUMULATIVE (OVER)/UNDER COLLECTION	0	0	0	0	0	0
30	18 MOS. RETROACTIVE(OVER)/UNDER ADJUSTMENT	0	0	0	0	0	0
31	TOTAL TO BE RECOVERED	79,026	0	0	0	0	79,026
32	TOTAL AMOUNT RECOVERED	92,137	0	0	0	0	92,137
33	EXPECTED FUTURE RECOVERIES	0	0	0	0	0	0
34	TRANSFER BALANCE TO RESIDENTIAL & COMMERCIAL	13,111	0	0	0	0	13,111
35	(OVER)/UNDER COLLECTION TO BE REFUNDED	$0	$0	$0	$0	$0	$0
36	AMOUNT TO BE RECOVERED					$0	
37	ADJ. ESTIMATED SECTOR KWH - YEAR 17				805,239,400	2,424,266,600	
	SURCHARGE RANGE ($ PER KWH)						
38	FLOOR (CARRYOVER)					0.000000	
39	MIDPOINT				0.000000	0.000000	
40	CEILING (TOTAL COST) - proposed rate					0.000000	

1996

KENTUCKY POWER COMPANY
ESTIMATED SECTOR SURCHARGES FOR 3 YR PROGRAM

YEAR 1	NEW PARTICIPANT	CUMULATIVE PARTICIPANT	TOTAL ESTIMATED PROGRAM COSTS	TOTAL ACT. PROGRAM	NET LOST REV/YR	TOTAL ENERGY SAVINGS	NET LOST REVENUE	TOTAL NET * LOST	EFFICIENCY INCENTIVE (EX. C, PG.19C)	MAXIMIZING INCENTIVE	TOTAL *	TOTAL EST. COSTS TO BE
PROGRAM DESCRIPTIONS	NUMBER	NUMBER	PER PARTICIPANT	COSTS	(KWH/PARTIC)	KWH/YR	($/KWH)	REVENUES		(5% of COSTS)	INCENTIVE	RECOVERED
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
				(1)X(3)		(2)X(5)		(6)X(7)		(4)X(5%)	(9)+(10)	(4)+(8)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	552	148	$221.65	$122,351	2,690	398,120	$0.03	$12,397	$43,177		$43,177	$177,925
Targeted Energy Efficiency - All Electric	223	101	$1,026.88	$228,994	5,570	562,570	$0.03	$17,513	$0	$11,450	$11,450	$257,957
- Non-All Electric	74	35	$372.19	$27,542	680	23,800	$0.03	$744	$719		$719	$29,005
Compact Fluorescent Bulb	269	73	$56.06	$15,081	62	4,526	$0.03	$140	$425		$425	$15,646
High - Efficiency Heat Pump - Resistance Heat	539	216	$73.49	$39,611	2,275	491,400	$0.03	$15,292	$10,634		$10,634	$65,537
- Non Resistance Heat	527	206	$61.31	$32,310	813	167,478	$0.03	$5,215	$8,796		$8,796	$46,321
High - Efficiency Heat Pump - Mobile Home	356	158	$496.95	$176,914	2,160	341,280	$0.03	$10,617	$13,834		$13,834	$201,365
Mobile Home New Construction	70	22	$292.69	$20,488	0	0				$1,024	$1,024	$21,512
TOTAL RESIDENTIAL PROGRAMS	2,610	959		$663,291		1,989,174		$61,918	$77,585	$12,474	$90,059	$815,268
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	91	19	$1,258.51	$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	$506		$506	$6,300
Smart Financing - New Building	0	0		$0	30,600	0	$0.04	$0	$0	$0	$0	$0
TOTAL COMMERCIAL PROGRAMS	97	20		$129,695		0		$0	$506	$6,195	$6,701	$136,396
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	15	1	$149.40	$2,241	0	0			$0	$112	$112	$2,353
Smart Audit - Class 2	2	1	$8,980.00	$17,960	0	0			$0	$898	$898	$18,858
Smart Financing - General	0	0		$3,919	28,200	0	$0.04	$0	$0	$196	$196	$4,115
Smart Financing - Compressed Air System	0	0		$0	164,800	0	$0.03	$0	$0	$0	$0	$0
TOTAL INDUSTRIAL PROGRAMS	17	2		$24,120		0		$0	$0	$1,206	$1,206	$25,326
TOTAL COMPANY	2,724	981		$817,106		1,989,174		$61,918	$78,091	$19,875	$97,966	$976,990

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

1997

KENTUCKY POWER COMPANY
ESTIMATED SECTOR SURCHARGES FOR 1997

Exhibit C
PAGE 3A of 20

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) (1)X(3)	NET LOST REV/6 MOS (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/6 MOS (6) (2)X(5)	NET LOST REVENUE ($/KWH) (7)	TOTAL NET * LOST REVENUES (8) (6)X(7)	EFFICIENCY INCENTIVE (EX. C, PG.19C) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10) (4)X(5%)	TOTAL * INCENTIVE (11) (9)+(10)	TOTAL EST. COSTS TO BE RECOVERED (12) (4)+(8)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	273	651	$260.68	$71,167	1,345	875,595	$0.03	$27,266	$21,354	n/a	$21,354	$119,787
Targeted Energy Efficiency - All Electric	118	279	$818.97	$96,638	2,785	777,015	$0.03	$24,188	$0	$4,832	$4,832	$125,658
- Non-All Electric	26	88	$88.23	$2,294	340	29,920	$0.03	$935	$252	n/a	$252	$3,481
Compact Fluorescent Bulb	0	269		$0	31	8,339	$0.03	$258	$0	n/a	$0	$258
High - Efficiency Heat Pump - Resistance Heat	123	590	$2.58	$317	1,138	671,420	$0.03	$20,895	$2,427	n/a	$2,427	$23,639
- Non Resistance Heat	124	581	$2.56	$318	407	236,467	$0.03	$7,364	$2,070	n/a	$2,070	$9,752
High - Efficiency Heat Pump - Mobile Home	109	403	$157.87	$17,208	1,080	435,240	$0.03	$13,540	$4,236	n/a	$4,236	$34,984
Mobile Home New Construction	12	78	$635.17	$7,622	0	0	n/a	n/a	$0	$381	$381	$8,003
TOTAL RESIDENTIAL PROGRAMS	785	2,939		$195,564		3,033,996		$94,446	$30,339	$5,213	$35,552	$325,562
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	243	207	$264.00	$64,152	0	0	n/a	n/a	$0	$3,208	$3,208	$67,360
- Class 2	11	9	$2,705.00	$29,755	0	0	n/a	n/a	$0	$1,488	$1,488	$31,243
Smart Financing - Existing Building	0	1	n/a	$5,629	11,000	11,000	$0.04	$469	$0	$281	$281	$6,379
Smart Financing - New Building	1	0	$4,692.00	$4,692	15,300	0	$0.04	$0	$50	n/a	$50	$4,742
TOTAL COMMERCIAL PROGRAMS	255	217		$104,228		11,000		$469	$50	$4,977	$5,027	$109,724
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	9	20	$279.56	$2,516	0	0	n/a	n/a	$0	$126	$126	$2,642
Smart Audit - Class 2	1	2	$1,133.00	$1,133	0	0	n/a	n/a	$0	$57	$57	$1,190
Smart Financing - General	0	0	n/a	$7,840	14,100	0	$0.04	$0	$0	$392	$392	$8,232
Smart Financing - Compressed Air System	0	0		$0	82,400	0	$0.03	$0	$0	$0	$0	$0
TOTAL INDUSTRIAL PROGRAMS	10	22		$11,489		0		$0	$0	$575	$575	$12,064
TOTAL COMPANY	1,050	3,178		$311,281		3,044,996		$94,915	$30,389	$10,765	$41,154	$447,350

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

KPSC Case No. 2012-00051
Commission Staff's First Set of Data Requests
Order Dated March 8, 2012
Item No. 22
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1997

KENTUCKY POWER COMPANY

ESTIMATED SECTOR SURCHARGES FOR 3 YR PROGRAM

Exhibit C
PAGE 3B of 20

YEAR 2 (3rd QTR)	NEW PARTICIPANT	CUMULATIVE PARTICIPANT	TOTAL ESTIMATED PROGRAM COSTS	TOTAL ACT. PROGRAM	NET LOST REV/QTR	TOTAL ENERGY SAVINGS	NET LOST REVENUE	TOTAL NET * LOST	EFFICIENCY INCENTIVE (EX. C, PG.19C)	MAXIMIZING INCENTIVE	TOTAL *	TOTAL EST. COSTS TO BE
PROGRAM DESCRIPTIONS	NUMBER	NUMBER	PER PARTICIPANT	COSTS	(KWH/PARTIC)	KWH/QTR	($/KWH)	REVENUES	(9)	(5% of COSTS)	INCENTIVE	RECOVERED
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		(10)	(11)	(12)
				(1)X(3)		(2)X(5)		(6)X(7)		(4)X(5%)	(9)+(10)	(4)+(8)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	257	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	$15,980	$0	$2,780	$2,780	$74,354
- Non-All Electric	15	108	$193.33	$2,900	170	18,360	$0.03	$574	$25	n/a	$25	$3,499
Compact Fluorescent Bulb	0	269	n/a	$0	16	4,304	$0.03	$133	$0	$0	$0	$133
High - Efficiency Heat Pump - Resistance Heat	109	717	$55.05	$6,000	547	392,199	$0.03	$12,213	$787	n/a	$787	$19,000
- Non Resistance Heat	84	695	$66.18	$5,559	221	153,595	$0.03	$4,786	$2,445	n/a	$2,445	$12,790
High - Efficiency Heat Pump - Mobile Home	77	509	$689.62	$53,101	625	318,125	$0.03	$9,894	$2,503	n/a	$2,503	$65,498
Mobile Home New Construction	0	82	n/a	$6,092	0	0			$0	$305	$305	$6,397
TOTAL RESIDENTIAL PROGRAMS	593	3,706		$176,788		1,726,568		$53,736	$11,100	$3,085	$14,185	$244,709
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	98	383	$413.13	$40,487	0	0			$0	$2,024	$2,024	$42,511
- Class 2	5	19	$2,705.00	$13,525	0	0			$0	$676	$676	$14,201
Smart Financing - Existing Building	2	2	$3,067.00	$6,134	11,100	22,200	$0.04	$940	$1,627	n/a	$1,627	$8,701
Smart Financing - New Building	0	1	n/a	$0	7,650	7,650	$0.04	$327	$0	$0	$0	$327
TOTAL COMMERCIAL PROGRAMS	105	405		$60,146		29,850		$1,267	$1,627	$2,700	$4,327	$65,740
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)									$0	$100	$100	$2,098
Smart Audit - Class 1	3	26	$666.00	$1,998	0	0			$0	$0	$0	$0
Smart Audit - Class 2	0	3	n/a	$0	0	0			$0	n/a	$0	$4,785
Smart Financing - General	0	0	n/a	$4,785	14,625	0	$0.04	$0	$0	$0	$0	$0
Smart Financing - Compressed Air System	0	0		$0	41,200	0	$0.04	$0	$0	$0	$0	
TOTAL INDUSTRIAL PROGRAMS	3	29		$6,783		0		$0	$0	$100	$100	$6,883
TOTAL COMPANY	701	4,140		$243,717		1,756,418		$55,003	$12,727	$5,885	$18,612	$317,332

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

1997

KENTUCKY POWER COMPANY
ESTIMATED SECTOR SURCHARGES FOR 3 YR PROGRAM

Exhibit C
PAGE 3C of 20

YEAR 2 (4th QTR)	NEW PARTICIPANT	CUMULATIVE PARTICIPANT	TOTAL ESTIMATED PROGRAM COSTS	TOTAL ACT. PROGRAM	NET LOST REV/QTR	TOTAL ENERGY SAVINGS	NET LOST REVENUE	TOTAL NET * LOST	EFFICIENCY INCENTIVE (EX. C, PG.19C)	MAXIMIZING INCENTIVE	TOTAL *	TOTAL EST. COSTS TO BE
PROGRAM DESCRIPTIONS	NUMBER	NUMBER	PER PARTICIPANT	COSTS	(KWH/PARTIC)	KWH/QTR	($/KWH)	REVENUES	(9)	(5% of COSTS)	INCENTIVE	RECOVERED
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		(10)	(11)	(12)
				(1)X(3)		(2)X(5)		(6)X(7)		(4)X(5%)	(9)+(10)	(4)+(8)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	432	1,287	$259.53	$112,115	341	438,867	$0.03	$13,658	$8,977	n/a	$8,977	$134,750
Targeted Energy Efficiency - All Electric	124	443	$924.15	$114,595	1,393	617,099	$0.03	$19,198	$0	$5,730	$5,730	$139,523
- Non-All Electric	78	146	$103.55	$8,077	170	24,820	$0.03	$775	$129	n/a	$129	$8,981
Compact Fluorescent Bulb	0	269	n/a	$0	17	4,573	$0.03	$141	$0	$0	$0	$141
High - Efficiency Heat Pump - Resistance Heat	111	823	$106.90	$11,866	547	450,181	$0.03	$14,019	$801	n/a	$801	$26,686
- Non Resistance Heat	102	782	$142.21	$14,505	221	172,822	$0.03	$5,385	$2,969	n/a	$2,969	$22,859
High - Efficiency Heat Pump - Mobile Home	50	565	$406.70	$20,335	625	353,125	$0.03	$10,982	$1,625	n/a	$1,625	$32,942
Mobile Home New Construction	0	82	n/a	($749)	0	0				($37)	($37)	($786)
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	$820	$820	$17,215
- Class 2	21	33	$2,705.00	$56,805	0	0			$0	$2,840	$2,840	$59,645
Smart Financing - Existing Building	9	8	$2,282.56	$20,543	11,100	88,800	$0.04	$3,761	$7,320	n/a	$7,320	$31,624
Smart Financing - New Building	0	1	n/a	$0	7,650	7,650	$0.04	$327	$0	n/a	$0	$327
TOTAL COMMERCIAL PROGRAMS	101	515		$93,743		96,450		$4,088	$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	$472	$472	$9,908
Smart Audit - Class 2	0	3	n/a	$1,094	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	$527	$527	$22,859
TOTAL COMPANY	1,016	4,952		$396,819		2,157,937		$68,246	$21,821	$9,880	$31,701	$496,766

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

1998

KENTUCKY POWER COMPANY
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM

YEAR 3(1st HALF)	NEW PARTICIPANT	CUMULATIVE PARTICIPANT	TOTAL ESTIMATED PROGRAM COSTS	TOTAL ACT. PROGRAM	NET LOST REV/6 MOS	TOTAL ENERGY SAVINGS	NET LOST REVENUE	TOTAL NET * LOST	EFFICIENCY INCENTIVE (EX. C,	MAXIMIZING INCENTIVE	TOTAL *	TOTAL EST. COSTS TO BE
PROGRAM DESCRIPTIONS	NUMBER (1)	NUMBER (2)	PER PARTICIPANT (3)	COSTS (4) (1)X(3)	(KWH/PARTIC) (5)	KWH/6 MOS (6) (2)X(5)	($/KWH) (7)	REVENUES (8) (6)X(7)	PG.19C) (9)	(5% of COSTS) (10) (4)X(5%)	INCENTIVE (11) (9)+(10)	RECOVERED (12) (4)+(8)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	544	1,768	$184.44	$100,334	682	1,205,776	$0.03	$37,524	$11,304	n/a	$11,304	$149,162
Targeted Energy Efficiency - All Electric	122	565	$1,132.92	$138,216	2,784	1,572,960	$0.03	$48,935	$0	$6,911	$6,911	$194,062
- Non-All Electric	24	203	$112.92	$2,710	340	69,020	$0.03	$2,156	$40	n/a	$40	$4,906
Compact Fluorescent Bulb	0	269	$0.00	$0	32	8,608	$0.03	$266	$0	$0	$0	$266
High - Efficiency Heat Pump - Resistance Heat	21	887	$70.10	$1,472	1,094	970,378	$0.03	$30,218	$152	n/a	$152	$31,842
- Non Resistance Heat	26	848	$70.00	$1,820	442	374,816	$0.03	$11,679	$757	n/a	$757	$14,256
High - Efficiency Heat Pump - Mobile Home	66	616	$535.30	$35,330	1,250	770,000	$0.03	$23,947	$2,145	n/a	$2,145	$61,422
Mobile Home New Construction	0	82	n/a	$0	0	0	n/a		$0	$0	$0	$0
TOTAL RESIDENTIAL PROGRAMS	803	5,236		$279,882		4,971,558		$154,725	$14,398	$6,911	$21,309	$455,916
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	204	597	$194.13	$39,602	0	0	n/a		$0	$1,980	$1,980	$41,582
- Class 2	28	60	$1,600.00	$44,800	0	0	n/a		$0	$2,240	$2,240	$47,040
Smart Financing - Existing Building	8	16	$5,581.50	$44,652	22,200	355,200	$0.04	$15,043	$6,506	n/a	$6,506	$66,201
Smart Financing - New Building	1	1	$4,564.00	$4,564	15,300	15,300	$0.04	$654	$29	$0	$29	$5,247
TOTAL COMMERCIAL PROGRAMS	241	674		$133,618		370,500		$15,697	$6,535	$4,220	$10,755	$160,070
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	12	51	$246.08	$2,953	0	0	n/a		$0	$148	$148	$3,101
Smart Audit - Class 2	1	3	$1,800.00	$1,800	0	0	n/a		$0	$90	$90	$1,890
Smart Financing - General	0	0	$0.00	$1,338	29,250	0	$0.04	$0	$0	$67	$67	$1,405
Smart Financing - Compressed Air System	0	0	$0.00	$0	82,400	0	$0.04	$0	$0	$0	$0	$0
TOTAL INDUSTRIAL PROGRAMS	13	54		$6,091		0		$0	$0	$305	$305	$6,396
TOTAL COMPANY	1,057	5,966		$419,591		5,342,058		$170,422	$20,933	$11,436	$32,369	$622,382

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

1998

KENTUCKY POWER COMPANY
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM

YEAR 3(2nd HALF)	NEW PARTICIPANT	CUMULATIVE PARTICIPANT	TOTAL ESTIMATED PROGRAM COSTS	TOTAL ACT. PROGRAM	NET LOST REV/6 MOS	TOTAL ENERGY SAVINGS	NET LOST REVENUE	TOTAL NET * LOST	EFFICIENCY INCENTIVE (EX. C, PG.19C)	MAXIMIZING INCENTIVE	TOTAL *	TOTAL EST. COSTS TO BE
PROGRAM DESCRIPTIONS	NUMBER (1)	NUMBER (2)	PER PARTICIPANT (3)	COSTS (4) (1)X(3)	(KWH/PARTIC) (5)	KWH/6 MOS (6) (2)X(5)	($/KWH) (7)	REVENUES (8) (6)X(7)	(9)	(5% of COSTS) (10) (4)X(5%)	INCENTIVE (11) (9)+(10)	RECOVERED (12) (4)+(8)+(11)
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	$1,187.51	$155,564	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	$70	$0	$70	$8,462
Compact Fluorescent Bulb	0	269	$0.00	$0	32	8,608	$0.03	$266	$0	$0	$0	$266
High - Efficiency Heat Pump - Resistance Heat	108	940	$147.45	$15,925	1,094	1,028,360	$0.03	$32,023	$780	$0	$780	$48,728
- Non Resistance Heat	64	894	$72.27	$4,625	442	395,148	$0.03	$12,313	$1,863	$0	$1,863	$18,801
High - Efficiency Heat Pump - Mobile Home	173	764	$514.50	$89,009	1,250	955,000	$0.03	$29,701	$5,623	$0	$5,623	$124,333
Mobile Home New Construction	33	11	$549.45	$18,132	0	0	n/a		$0	$907	$907	$19,039
TOTAL RESIDENTIAL PROGRAMS	999	6,090		$424,101		5,961,398		$185,525	$17,645	$8,685	$26,330	$635,956
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	178	795	$534.85	$95,203	0	0	n/a		$0	$4,760	$4,760	$99,963
- Class 2	9	73	$2,800.00	$25,200	0	0	n/a		$0	$1,260	$1,260	$26,460
Smart Financing - Existing Building	29	32	$1,878.86	$54,487	22,200	710,400	$0.04	$30,085	$23,585	$0	$23,585	$108,157
Smart Financing - New Building	5	6	$1,529.20	$7,646	15,300	91,800	$0.04	$3,926	$144	$0	$144	$11,716
TOTAL COMMERCIAL PROGRAMS	221	906		$182,536		802,200		$34,011	$23,729	$6,020	$29,749	$246,296
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	3	59	$852.33	$2,557	0	0	n/a		$0	$128	$128	$2,685
Smart Audit - Class 2	0	4	$0.00	$0	0	0	n/a		$0	$0	$0	$0
Smart Financing - General	1	0	$0.00	$2,430	29,250	0	$0.04	$0	$383	$0	$383	$2,813
Smart Financing - Compressed Air System	0	0	$0.00	$0	82,400	0	$0.04	$0	$0	$0	$0	$0
TOTAL INDUSTRIAL PROGRAMS	4	63		$4,987		0		$0	$383	$128	$511	$5,498
TOTAL COMPANY	1,224	7,059		$611,624		6,763,598		$219,536	$41,757	$14,833	$56,590	$887,750

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

1999

KENTUCKY POWER COMPANY — Exhibit C
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM — PAGE 5A of 20

YEAR 4 (1st HALF)	NEW PARTICIPANT	CUMULATIVE PARTICIPANT	TOTAL ESTIMATED PROGRAM COSTS	TOTAL ACT. PROGRAM	NET LOST REV/HALF	TOTAL ENERGY SAVINGS	NET LOST REVENUE	TOTAL NET * LOST	EFFICIENCY INCENTIVE	MAXIMIZING INCENTIVE	TOTAL *	TOTAL EST. COSTS TO BE
PROGRAM DESCRIPTIONS	NUMBER	NUMBER **	PER PARTICIPANT	COSTS	(KWH/PARTIC)	KWH/HALF	($/KWH)	REVENUES	(EX. C, PG.19C)	(5% of COSTS)	INCENTIVE	RECOVERED
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
				(1)X(3)		(2)X(5)		(6)X(7)		(4)X(5%)	(9)+(10)	(4)+(8)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	306	2,694	$312.58	$95,650	707	1,904,658	$0.03	$59,273	$10,370	$0	$10,370	$165,293
Targeted Energy Efficiency - All Electric	75	773	$1,907.41	$143,056	630	486,990	$0.03	$15,150	$0	$7,153	$7,153	$165,359
- Non-All Electric	12	249	$112.00	$1,344	306	76,194	$0.03	$2,380	$60	$0	$60	$3,784
Compact Fluorescent Bulb	0	269	$0.00	$0	31	8,339	$0.03	$258	$0	$0	$0	$258
High - Efficiency Heat Pump - Resistance Heat	99	1,002	$273.74	$27,100	1,200	1,202,400	$0.03	$37,443	$4,375	$0	$4,375	$68,918
- Non Resistance Heat	2	853	$50.00	$100	442	377,026	$0.03	$11,748	$0	$5	$5	$11,853
High - Efficiency Heat Pump - Mobile Home	101	826	$545.99	$55,145	1,475	1,218,350	$0.03	$37,891	$8,505	$0	$8,505	$101,541
Mobile Home New Construction ***	98	45	$587.20	$57,546	1,756	79,020	$0.03	$2,458	$4,353	$0	$4,353	$64,357
TOTAL RESIDENTIAL PROGRAMS	693	6,711		$379,941		5,352,977		$166,601	$27,663	$7,158	$34,821	$581,363
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	186	964	$204.71	$38,076	0	0	n/a		$0	$1,904	$1,904	$39,980
- Class 2	16	87	$2,705.00	$43,280	0	0	n/a		$0	$2,164	$2,164	$45,444
Smart Financing - Existing Building	6	51	$5,109.67	$30,658	13,282	677,382	$0.04	$28,667	$1,395	$0	$1,395	$60,740
Smart Financing - New Building	3	9	$0.00	$2,350	14,101	126,909	$0.04	$5,428	$787	$0	$787	$8,565
TOTAL COMMERCIAL PROGRAMS	211	1,111		$114,364		804,291		$34,115	$2,182	$4,068	$6,250	$154,729
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	0	60	$0.00	$0	0	0	n/a		$0	$0	$0	$0
Smart Audit - Class 2	0	4	$0.00	$0	0	0	n/a		$0	$0	$0	$0
Smart Financing - General	0	1	$0.00	$0	0	0	$0.04	$0	$0	$0	$0	$0
Smart Financing - Compressed Air System	0	0	$0.00	$0	0	0	$0.04	$0	$0	$0	$0	$0
TOTAL INDUSTRIAL PROGRAMS	0	65		$0		0		$0	$0	$0	$0	$0
TOTAL COMPANY	904	7,920		$494,305		6,215,216		$200,716	$29,845	$11,226	$41,071	$736,092

* Lost revenue and efficiency incentives are based on prospective values.
** Cumulative participants include a reduction for the cumulative participants as of 06/30/96.
*** Participants since 09/01/98.

1999

KENTUCKY POWER COMPANY
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM

YEAR 4 (2nd HALF)	NEW PARTICIPANT	CUMULATIVE PARTICIPANT	TOTAL ESTIMATED PROGRAM COSTS	TOTAL ACT. PROGRAM	NET LOST REV/HALF	TOTAL ENERGY SAVINGS	NET LOST REVENUE	TOTAL NET * LOST	EFFICIENCY INCENTIVE	MAXIMIZING INCENTIVE	TOTAL *	TOTAL EST. COSTS TO BE
PROGRAM DESCRIPTIONS	NUMBER	NUMBER **	PER PARTICIPANT	COSTS	(KWH/PARTIC)	KWH/HALF	($/KWH)	REVENUES	(EX. C, PG.19C)	(5% of COSTS)	INCENTIVE	RECOVERED
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
				(1)X(3)		(2)X(5)		(6)X(7)		(4)X(5%)	(9)+(10)	(4)+(8)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	0	2,519	$0.00	$972	707	1,780,933	$0.03	$55,423	$0	$0	$0	$56,395
Targeted Energy Efficiency - All Electric	66	700	$1,222.76	$80,702	630	441,000	$0.03	$13,720	$0	$4,035	$4,035	$98,457
- Non-All Electric	8	220	$67.50	$540	306	67,320	$0.03	$2,103	$40	$0	$40	$2,683
Compact Fluorescent Bulb	0	123	$0.00	$0	31	3,813	$0.03	$118	$0	$0	$0	$118
High - Efficiency Heat Pump - Resistance Heat	140	810	$211.14	$29,560	1,200	972,000	$0.03	$30,268	$6,187	$0	$6,187	$66,015
- Non Resistance Heat	0	593	$0.00	$0	447	265,071	$0.03	$8,260	$0	$0	$0	$8,260
High - Efficiency Heat Pump - Mobile Home	134	739	$539.07	$72,236	1,475	1,090,025	$0.03	$33,900	$11,284	$0	$11,284	$117,420
Mobile Home New Construction ***	123	196	$581.42	$71,515	1,755	343,980	$0.03	$10,698	$5,464	$0	$5,464	$87,677
TOTAL RESIDENTIAL PROGRAMS	471	5,900		$255,525		4,964,142		$154,490	$22,975	$4,035	$27,010	$437,025
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	188	1,129	$356.11	$66,948	0	0	n/a		$0	$3,347	$3,347	$70,295
- Class 2	21	103	$2,705.00	$56,805	0	0	n/a		$0	$2,840	$2,840	$59,645
Smart Financing - Existing Building	25	66	$2,726.04	$68,151	13,282	876,612	$0.04	$37,125	$5,814	$0	$5,814	$111,090
Smart Financing - New Building	8	13	$3,087.00	$24,696	14,101	183,313	$0.04	$7,840	$2,099	$0	$2,099	$34,635
TOTAL COMMERCIAL PROGRAMS	242	1,311		$216,600		1,059,925		$44,965	$7,913	$6,187	$14,100	$275,665
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	0	57	$0.00	$0	0	0	n/a		$0	$0	$0	$0
Smart Audit - Class 2	0	4	$0.00	$0	0	0	n/a		$0	$0	$0	$0
Smart Financing - General	0	1	$0.00	$0	0	0	$0.04	$0	$0	$0	$0	$0
Smart Financing - Compressed Air System	0	0	$0.00	$0	0	0	$0.04	$0	$0	$0	$0	$0
TOTAL INDUSTRIAL PROGRAMS	0	62		$0		0		$0	$0	$0	$0	$0
TOTAL COMPANY	713	7,273		$472,125		6,024,067		$199,455	$30,888	$10,222	$41,110	$712,690

* Lost revenue and efficiency incentives are based on prospective values.
** Cumulative participants include a reduction for the cumulative participants as of 12/31/96.
*** Participants since 09/01/98.

Year 2000

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

YEAR 5 (1st half)	NEW PARTICIPANT	CUMULATIVE PARTICIPANT	TOTAL ESTIMATED PROGRAM COSTS	TOTAL ACT. PROGRAM	NET LOST REV/HALF	TOTAL ENERGY SAVINGS	NET LOST REVENUE	TOTAL NET * LOST	EFFICIENCY INCENTIVE (EX. C, PG.19C)	MAXIMIZING INCENTIVE	TOTAL *	TOTAL EST. COSTS TO BE
PROGRAM DESCRIPTIONS	NUMBER	NUMBER **	PER PARTICIPANT	COSTS	(KWH/PARTIC)	KWH/HALF	($/KWH)	REVENUES	(9)	(5% of COSTS)	INCENTIVE	RECOVERED
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		(10)	(11)	(12)
				(1)X(3)		(2)X(5)		(6)X(7)		(4)X(5%)	(9)+(10)	(4)+(8)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	0	2,161	$0.00	$0	707	1,527,827	$0.03	$47,546	$0	$0	$0	$47,546
Targeted Energy Efficiency - All Electric	66	659	$1,272.61	$83,992	630	415,170	$0.03	$12,916	$0	$4,200	$4,200	$101,108
- Non-All Electric	28	202	$90.82	$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	38	683	$200.00	$7,600	1,200	819,600	$0.03	$25,522	$1,679	$0	$1,679	$34,801
- Non Resistance Heat	0	348	$0.00	$0	447	155,556	$0.03	$4,847	$0	$0	$0	$4,847
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	$74,519
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	$2,860	$2,860	$60,055
- Class 2	8	112	$2,705.00	$21,640	0	0	n/a		$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	$12,062	$1,049	$0	$1,049	$38,306
TOTAL COMMERCIAL PROGRAMS	172	1,344		$124,947		1,424,272		$60,436	$4,770	$3,942	$8,712	$194,095
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	0	0	$0.00	$0	0	0	n/a		$0	$0	$0	$0
Smart Audit - Class 2	0	0	$0.00	$0	0	0	n/a		$0	$0	$0	$0
Smart Financing - General	0	0	$0.00	$0	0	0	$0.00	$0	$0	$0	$0	$0
Smart Financing - Compressed Air System	0	0	$0.00	$0	0	0	$0.00	$0	$0	$0	$0	$0
TOTAL INDUSTRIAL PROGRAMS	0	0		$0		0		$0	$0	$0	$0	$0
TOTAL COMPANY	450	6,382		$295,132		5,941,672		$201,012	$14,865	$8,142	$23,007	$519,151

* Lost revenue and efficiency incentives are based on prospective values.
** Cumulative participants include a reduction for the cumulative participants as of 06/30/97.
*** Participants since 09/01/98

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KENTUCKY POWER COMPANY

ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM

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YEAR 5 (2nd half)	NEW PARTICIPANT	CUMULATIVE PARTICIPANT	TOTAL ESTIMATED PROGRAM COSTS	TOTAL ACT. PROGRAM	NET LOST REV/HALF	TOTAL ENERGY SAVINGS	NET LOST REVENUE	TOTAL NET * LOST	EFFICIENCY INCENTIVE (EX. C, PG.19C)	MAXIMIZING INCENTIVE	TOTAL *	TOTAL EST. COSTS TO BE
PROGRAM DESCRIPTIONS	NUMBER	NUMBER **	PER PARTICIPANT	COSTS	(KWH/PARTIC)	KWH/HALF	($/KWH)	REVENUES		(5% of COSTS)	INCENTIVE	RECOVERED
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
				(1)X(3)		(2)X(5)		(6)X(7)		(4)X(5%)	(9)+(10)	(4)+(8)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	0	1,525	$0.00	$0	706	1,076,650	$0.03	$33,505	$0	$0	$0	$33,505
Targeted Energy Efficiency - All Electric	99	583	$1,115.41	$110,426	630	367,290	$0.03	$11,426	$0	$5,521	$5,521	$127,373
- Non-All Electric	21	170	$94.67	$1,988	306	52,020	$0.03	$1,625	$105	$0	$105	$3,718
Compact Fluorescent Bulb	0	0	$0.00	$0	0	0	$0.00	$0	$0	$0	$0	$0
High - Efficiency Heat Pump - Resistance Heat	25	481	$200.00	$5,000	1,200	577,200	$0.03	$17,974	$1,105	$0	$1,105	$24,079
- Non Resistance Heat	0	147	$0.00	$0	446	65,562	$0.03	$2,043	$0	$0	$0	$2,043
High - Efficiency Heat Pump - Mobile Home	43	572	$495.35	$21,300	1,476	844,272	$0.03	$26,257	$3,621	$0	$3,621	$51,178
Mobile Home New Construction ***	94	403	$575.00	$54,050	1,755	707,265	$0.03	$21,996	$4,175	$0	$4,175	$80,221
TOTAL RESIDENTIAL PROGRAMS	282	3,881		$192,764		3,690,259		$114,826	$9,006	$5,521	$14,527	$322,117
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	159	1,026	$165.24	$26,273	0	0	n/a		$0	$1,314	$1,314	$27,587
- Class 2	29	98	$2,705.00	$78,445	0	0	n/a		$0	$3,922	$3,922	$82,367
Smart Financing - Existing Building	24	97	$914.54	$21,949	13,282	1,288,354	$0.04	$54,562	$5,581	$0	$5,581	$82,092
Smart Financing - New Building	0	21	$0.00	$7,269	14,102	296,142	$0.04	$12,666	$0	$0	$0	$19,935
TOTAL COMMERCIAL PROGRAMS	212	1,242		$133,936		1,584,496		$67,228	$5,581	$5,236	$10,817	$211,981
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	0	0	$0.00	$0	0	0	n/a		0	$0	0	0
Smart Audit - Class 2	0	0	$0.00	$0	0	0	n/a		$0	$0	$0	$0
Smart Financing - General	0	0	$0.00	$0	0	0	$0.00	$0	$0	$0	$0	$0
Smart Financing - Compressed Air System	0	0	$0.00	$0	0	0	$0.00	$0	$0	$0	$0	$0
TOTAL INDUSTRIAL PROGRAMS	0	0		$0		0		$0	0	$0	0	0
TOTAL COMPANY	494	5,123		$326,700		5,274,755		$182,054	$14,587	$10,757	$25,344	$534,098

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

** Cumulative participants include a reduction for the cumulative participants as of 12/31/97

*** Participants since 09/01/98.

Year 2001

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KENTUCKY POWER COMPANY
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM

YEAR 6 (1st Half)	NEW PARTICIPANT	CUMULATIVE PARTICIPANT	TOTAL ESTIMATED PROGRAM COSTS	TOTAL ACT. PROGRAM	NET LOST REV/QTR	TOTAL ENERGY SAVINGS	NET LOST REVENUE	TOTAL NET * LOST	EFFICIENCY INCENTIVE (EX. C, PG.19C)	MAXIMIZING INCENTIVE	TOTAL * INCENTIVE	TOTAL EST. COSTS TO BE RECOVERED
PROGRAM DESCRIPTIONS	NUMBER (1)	NUMBER ** (2)	PER PARTICIPANT (3)	COSTS (4) (1)X(3)	(KWH/PARTIC) (5)	KWH/HALF (6) (2)X(5)	($/KWH) (7)	REVENUES (8) (6)X(7)	(9)	(5% of COSTS) (10) (4)X(5%)	(11) (9)+(10)	(12) (4)+(8)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	0	1,044	$0.00	$0	707	738,108	$0.03112	$22,970	$0	$0	$0	$22,970
Targeted Energy Efficiency - All Electric	62	535	$1,276.94	$79,170	630	337,050	$0.03111	$10,486	$0	$3,959	$3,959	$93,615
- Non-All Electric	18	137	$87.89	$1,582	306	41,922	$0.03124	$1,310	$90	$0	$90	$2,982
Compact Fluorescent Bulb	0	0	$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
High - Efficiency Heat Pump - Resistance Heat	23	438	$201.04	$4,624	1200	525,600	$0.03114	$16,367	$1,016	$0	$1,016	$22,007
- Non Resistance Heat	0	81	$0.00	$0	447	36,207	$0.03116	$1,128	$0	$0	$0	$1,128
High - Efficiency Heat Pump - Mobile Home	53	558	$472.15	$25,024	1475	823,050	$0.03110	$25,597	$4,463	$0	$4,463	$55,084
Mobile Home New Construction ***	83	488	$537.04	$44,574	1755	856,440	$0.03110	$26,635	$3,687	$0	$3,687	$74,896
TOTAL RESIDENTIAL PROGRAMS	239	3,281		$154,974		3,358,377		$104,493	$9,256	$3,959	$13,215	$272,682
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	134	1,017	$321.82	$43,124	0	0	n/a	$0	$0	$2,156	$2,156	$45,280
- Class 2	28	105	$1,510.00	$42,280	0	0	n/a	$0	$0	$2,114	$2,114	$44,394
Smart Financing - Existing Building	15	112	$2,309.00	$34,635	13,282	1,487,584	$0.04235	$62,999	$3,488	$0	$3,488	$101,122
Smart Financing - New Building	8	25	$4,016.13	$32,129	14,101	352,525	$0.04277	$15,077	$2,099	$0	$2,099	$49,305
TOTAL COMMERCIAL PROGRAMS	185	1,259		$152,168		1,840,109		$78,076	$5,587	$4,270	$9,857	$240,101
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	0	0	$0.00	$0	0	0	n/a		$0	$0	$0	$0
Smart Audit - Class 2	0	0	$0.00	$0	0	0	n/a		$0	$0	$0	$0
Smart Financing - General	0	0	$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
Smart Financing - Compressed Air System	0	0	$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
TOTAL INDUSTRIAL PROGRAMS	0	0		$0		0		$0	$0	$0	$0	$0
TOTAL COMPANY	424	4,540		$307,142		5,198,486		$182,569	$14,843	$8,229	$23,072	$512,783

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

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ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM

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YEAR 6 (2nd Half)	NEW PARTICIPANT	CUMULATIVE PARTICIPANT	TOTAL ESTIMATED PROGRAM COSTS	TOTAL ACT. PROGRAM	NET LOST REV/QTR	TOTAL ENERGY SAVINGS	NET LOST REVENUE	TOTAL NET * LOST	EFFICIENCY INCENTIVE (EX. C, PG.19C)	MAXIMIZING INCENTIVE	TOTAL *	TOTAL EST. COSTS TO BE
PROGRAM DESCRIPTIONS	NUMBER	NUMBER **	PER PARTICIPANT	COSTS	(KWH/PARTIC)	KWH/HALF	($/KWH)	REVENUES		(5% of COSTS)	INCENTIVE	RECOVERED
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
				(1)X(3)		(2)X(5)		(6)X(7)		(4)X(5%)	(9)+(10)	(4)+(8)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	0	535	$0.00	$0	706	377,710	$0.03112	$11,754	$0	$0	$0	$11,754
Targeted Energy Efficiency - All Electric	88	486	$1,018.86	$89,660	630	306,180	$0.03111	$9,525	$0	$4,483	$4,483	$103,668
- Non-All Electric	46	122	$81.46	$3,747	306	37,332	$0.03124	$1,166	$231	$0	$231	$5,144
Compact Fluorescent Bulb	0	0	$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
High - Efficiency Heat Pump - Resistance Heat	30	412	$173.33	$5,200	1,200	494,400	$0.03114	$15,396	$1,326	$0	$1,326	$21,922
- 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	$21,529	$3,958	$0	$3,958	$49,487
Mobile Home New Construction ***	92	568	$555.43	$51,100	1,755	996,840	$0.03110	$31,002	$4,087	$0	$4,087	$86,189
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
- Class 2	5	111	$9,817.20	$49,086	0	0	n/a	$0	$0	$2,454	$2,454	$51,540
Smart Financing - Existing Building	15	109	$1,664.27	$24,964	13,282	1,447,738	$0.04235	$61,312	$3,488	$0	$3,488	$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	$57,616
TOTAL COMMERCIAL PROGRAMS	169	1,220		$165,916		1,927,206		$81,819	$8,210	$5,428	$13,638	$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
Smart Audit - Class 2	0	0	$0.00	$0	0	0	n/a		$0	$0	$0	$0
Smart Financing - General	0	0	$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
Smart Financing - Compressed Air System	0	0	$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
TOTAL INDUSTRIAL PROGRAMS	0	0		$0		0		$0	$0	$0	$0	$0
TOTAL COMPANY	472	3,847		$339,623		4,847,522		$172,677	$17,812	$9,911	$27,723	$540,023

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

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

*** Participants since 07/01/98.

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KENTUCKY POWER COMPANY
ESTIMATED SECTOR SURCHARGES
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YEAR 7 (1st Half)	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACTUAL PROGRAM COSTS (4) (1)X(3)	NET LOST REV/HALF (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/HALF (6) (2)X(5)	NET LOST REVENUE ($/KWH) (7)	TOTAL NET * LOST REVENUES (8) (6)X(7)	EFFICIENCY INCENTIVE (EX. C, PG.19C) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10) (4)X(5%)	TOTAL * INCENTIVE (11) (9)+(10)	TOTAL ACTUAL COSTS TO BE RECOVERED (12) (4)+(8)+(11)
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	$12,930
- Non Resistance Heat	0	0	$0.00	$0	447	0	$0.03116	$0	$0	$0	$0	$0
High - Efficiency Heat Pump - Mobile Home	43	414	$619.77	$26,650	1,144	473,616	$0.03110	$14,729	$1,244	$0	$1,244	$42,623
Mobile Home New Construction ***	57	568	$641.77	$36,581	1,809	1,027,512	$0.03110	$31,956	$231	$0	$231	$68,768
TOTAL RESIDENTIAL PROGRAMS	196	1,989		$176,879		2,456,841		$76,435	$1,656	$5,520	$7,176	$260,490
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	125	923	$432.92	$54,115	0	0	n/a	$0	$0	$2,706	$2,706	$56,821
- Class 2	8	104	$3,711.00	$29,688	0	0	n/a	$0	$0	$1,484	$1,484	$31,172
Smart Financing - Existing Building	7	101	$2,552.71	$17,869	13,282	1,341,482	$0.04235	$56,812	$1,628	$0	$1,628	$76,309
Smart Financing - New Building	5	42	$1,394.60	$6,973	14,101	592,242	$0.04277	$25,330	$1,312	$0	$1,312	$33,615
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
Smart Audit - Class 2	0	0	$0.00	$0	0	0	n/a		$0	$0	$0	$0
Smart Financing - General	0	0	$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$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.

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ESTIMATED SECTOR SURCHARGES												PAGE 8B of	20
FOR 3 YEAR PROGRAM													
YEAR 7 (2nd Half)	NEW PARTICIPANT	CUMULATIVE PARTICIPANT	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT	TOTAL ACTUAL PROGRAM	NET LOST REV/QTR	TOTAL ENERGY SAVINGS	NET LOST REVENUE	TOTAL NET * LOST REVENUES	EFFICIENCY INCENTIVE (EX. C, PG.19C)	MAXIMIZING INCENTIVE (5% of COSTS)	TOTAL * INCENTIVE	TOTAL ACTUAL COSTS TO BE RECOVERED
PROGRAM DESCRIPTIONS	NUMBER (1)	NUMBER ** (2)	(3)	COSTS (4) (1)X(3)	(KWH/PARTIC) (5)	KWH/HALF (6) (2)X(5)	($/KWH) (7)	(8) (6)X(7)	(9)	(10) (4)X(5%)	(11) (9)+(10)	(12) (4)+(8)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	0	0	$0.00	$0	706	0	$0.03112	$0	$0	$0	$0	$0
Targeted Energy Efficiency - All Electric	76	457	$1,039.33	$78,989	1,028	469,796	$0.03111	$14,615	$0	$3,949	$3,949	$97,553
- Non-All Electric	13	156	$85.92	$1,117	315	49,140	$0.03124	$1,535	$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	$68,759
TOTAL RESIDENTIAL PROGRAMS	193	1,617		$145,031		2,022,559		$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	$54,562	$5,814	$0	$5,814	$83,120
Smart Financing - New Building	16	44	$2,424.94	$38,799	14,102	620,488	$0.04277	$26,538	$4,197	$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
Smart Audit - Class 2	0	0	$0.00	$0	0	0	n/a		$0	$0	$0	$0
Smart Financing - General	0	0	$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$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	234	2,634		$280,996		3,931,401		$144,021	$11,559	$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 07/01/1999.

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ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM

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YEAR 8 (1st HALF)	NEW PARTICIPANT	CUMULATIVE PARTICIPANT	TOTAL ESTIMATED PROGRAM COSTS	TOTAL ACTUAL PROGRAM	NET LOST REV/HALF	TOTAL ENERGY SAVINGS	NET LOST REVENUE	TOTAL NET * LOST	EFFICIENCY INCENTIVE	MAXIMIZING INCENTIVE	TOTAL *	TOTAL ACTUAL COSTS TO BE
PROGRAM DESCRIPTIONS	NUMBER	NUMBER **	PER PARTICIPANT	COSTS	(KWH/ PARTICIPANT)	KWH/HALF	($/KWH)	REVENUES	(EX. C, PG.19C)	(5% of COSTS)	INCENTIVE	RECOVERED
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
				(1)X(3)		(2)X(5)		(6)X(7)		(4)X(5%)	(9)+(10)	(4)+(8)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	0	0	$0.00	$0	707	0	$0.03112	$0	$0	$0	$0	$0
Targeted Energy Efficiency												
- All Electric	100	467	$849.84	$84,984	1,028	480,076	$0.03111	$14,935	$0	$4,249	$4,249	$104,168
- Non-All Electric	7	151	$79.29	$555	314	47,414	$0.03124	$1,481	$30	$0	$30	$2,066
Compact Fluorescent Bulb	0	0	$0.00		0	0	$0.00000	$0	$0	$0	$0	$0
High - Efficiency Heat Pump												
- Resistance Heat	0	94	$0.00	$0	1,200	112,800	$0.03114	$3,513	$0	$0	$0	$3,513
- Non Resistance Heat	0	0	$0.00	$0	447	0	$0.03116	$0	$0	$0	$0	$0
High - Efficiency Heat Pump												
- Mobile Home	34	268	$379.41	$12,900	1,144	306,592	$0.03110	$9,535	$983	$0	$983	$23,418
Mobile Home New Construction ***												
- Heat Pump	46	460	$482.61	$22,200	1,808	831,680	$0.03110	$25,865	$187	$0	$187	$48,252
- Air Conditioner	0	0	$0.00	$0	157	0	$0.03124	$0	$0	$0	$0	$0
Modified Energy Fitness	101	23	$142.72	$14,415	1,194	27,462	$0.03116	$856	$2,127	$0	$2,127	$17,398
TOTAL RESIDENTIAL PROGRAMS	288	1,463		$135,054		1,806,024		$56,185	$3,327	$4,249	$7,576	$198,815
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	0	620	$0.00	$0	0	0	n/a	$0	$0	$0	$0	$0
- Class 2	0	73	$0.00	$0	0	0	n/a	$0	$0	$0	$0	$0
Smart Financing - Existing Building	0	110	$0.00	$0	13,282	1,461,020	$0.04235	$61,874	$0	$0	$0	$61,874
Smart Financing - New Building	0	49	$0.00	$0	14,101	690,949	$0.04277	$29,552	$0	$0	$0	$29,552
TOTAL COMMERCIAL PROGRAMS	0	852		$0		2,151,969		$91,426	$0	$0	$0	$91,426
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	0	0	$0.00	$0	0	0	n/a		$0	$0	$0	$0
Smart Audit - Class 2	0	0	$0.00	$0	0	0	n/a		$0	$0	$0	$0
Smart Financing - General	0	0	$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
Smart Financing - Compressed Air System	0	0	$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
TOTAL INDUSTRIAL PROGRAMS	0	0		$0		0		$0	$0	$0	$0	$0
TOTAL COMPANY	288	2,315		$135,054		3,957,993		$147,611	$3,327	$4,249	$7,576	$290,241

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

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ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM												9B of	20
YEAR 8 (2nd HALF)	NEW	CUMULATIVE	TOTAL ESTIMATED PROGRAM COSTS	TOTAL ACTUAL PROGRAM	NET LOST REV/HALF	TOTAL ENERGY SAVINGS	NET LOST REVENUE	TOTAL NET * LOST	EFFICIENCY INCENTIVE	MAXIMIZING INCENTIVE	TOTAL * INCENTIVE	TOTAL ACTUAL COSTS TO BE RECOVERED
PROGRAM DESCRIPTIONS	PARTICIPANT NUMBER	PARTICIPANT NUMBER **	PER PARTICIPANT	COSTS	(KWH/ PARTICIPANT)	KWH/HALF	($/KWH)	REVENUES	(EX. C, PG.19C)	(5% of COSTS)		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
				(1)X(3)		(2)X(5)		(6)X(7)		(4)X(5%)	(9)+(10)	(4)+(8)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	0	0	$0.00	$0	706	0	$0.03112	$0	$0	$0	$0	$0
Targeted Energy Efficiency												
- All Electric	69	473	$974.94	$67,271	1,028	486,244	$0.03111	$15,127	$0	$3,364	$3,364	$85,762
- Non-All Electric	69	167	$76.10	$5,251	316	52,772	$0.03124	$1,649	$295	$0	$295	$7,195
Compact Fluorescent Bulb	0	0	$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
High - Efficiency Heat Pump												
- Resistance Heat	0	63	$0.00	$0	1,200	75,600	$0.03114	$2,354	$0	$0	$0	$2,354
- Non Resistance Heat	0	0	$0.00	$0	446	0	$0.03116	$0	$0	$0	$0	$0
High - Efficiency Heat Pump												
- Mobile Home	29	256	$453.45	$13,150	1,144	292,864	$0.03110	$9,108	$839	$0	$839	$23,097
Mobile Home New Construction ***												
- Heat Pump	64	419	$649.59	$41,574	1,810	758,390	$0.03110	$23,586	$260	$0	$260	$65,420
- Air Conditioner	1	0	$150.00	$150	158	0	$0.03124	$0	$0	$0	$0	$150
Modified Energy Fitness	441	324	$431.43	$190,262	1,194	386,856	$0.03116	$12,054	$9,287	$0	$9,287	$211,603
TOTAL RESIDENTIAL PROGRAMS	673	1,702		$317,658		2,052,726		$63,878	$10,681	$3,364	$14,045	$395,581
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	0	453	$0.00	$0	0	0	n/a	$0	$0	$0	$0	$0
- Class 2	0	63	$0.00	$0	0	0	n/a	$0	$0	$0	$0	$0
Smart Financing - Existing Building	0	77	$0.00	$0	13,282	1,022,714	$0.04235	$43,312	$0	$0	$0	$43,312
Smart Financing - New Building	0	47	$0.00	$0	14,102	662,794	$0.04277	$28,348	$0	$0	$0	$28,348
TOTAL COMMERCIAL PROGRAMS	0	640		$0		1,685,508		$71,660	$0	$0	$0	$71,660
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	0	0	$0.00	$0	0	0	n/a		$0	$0	$0	$0
Smart Audit - Class 2	0	0	$0.00	$0	0	0	n/a		$0	$0	$0	$0
Smart Financing - General	0	0	$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
Smart Financing - Compressed Air System	0	0	$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
TOTAL INDUSTRIAL PROGRAMS	0	0		$0		0		$0	$0	$0	$0	$0
TOTAL COMPANY	673	2,342		$317,658		3,738,234		$135,538	$10,681	$3,364	$14,045	$467,241

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

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

*** Participants since 07/01/2000.

Year 2004													
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ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM												PAGE 10A of	20
YEAR 9 (1st HALF)	NEW	CUMULATIVE	TOTAL ESTIMATED	TOTAL ACTUAL	NET LOST	TOTAL	NET LOST	TOTAL NET *	EFFICIENCY	MAXIMIZING			TOTAL ACTUAL
	PARTICIPANT	PARTICIPANT	PROGRAM COSTS	PROGRAM	REV/QTR	ENERGY SAVINGS	REVENUE	LOST	INCENTIVE	INCENTIVE		TOTAL *	COSTS TO BE
PROGRAM DESCRIPTIONS	NUMBER	NUMBER **	PER PARTICIPANT	COSTS	(KWH/PARTIC)	KWH/ HALF	($/KWH)	REVENUES	(EX. C, PG.19C)	(5% of COSTS)		INCENTIVE	RECOVERED
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		(11)	(12)
				(1)X(3)		(2)X(5)		(6)X(7)		(4)X(5%)		(9)+(10)	(4)+(8)+(11)
RESIDENTIAL PROGRAMS													
Energy Fitness	0	0	$0.00	$0	707	0	$0.03112	$0	$0	$0		$0	$0
Targeted Energy Efficiency													
- All Electric	72	463	$751.54	$54,111	1,028	475,964	$0.03111	$14,807	$0	$2,706		$2,706	$71,624
- Non-All Electric	10	179	$78.60	$786	314	56,206	$0.03124	$1,756	$43	$0		$43	$2,585
Compact Fluorescent Bulb	0	0	$0.00	$0	0	0	$0.00000	$0	$0	$0		$0	$0
High - Efficiency Heat Pump													
- Resistance Heat	0	42	$0.00	$0	1,200	50,400	$0.03114	$1,569	$0	$0		$0	$1,569
- Non Resistance Heat	0	0	$0.00	$0	447	0	$0.03116	$0	$0	$0		$0	$0
High - Efficiency Heat Pump													
- Mobile Home	41	247	$428.05	$17,550	1,144	282,568	$0.03110	$8,788	$1,186	$0		$1,186	$27,524
Mobile Home New Construction ***													
- Heat Pump	68	394	$503.68	$34,250	1,808	712,352	$0.03110	$22,154	$276	$0		$276	$56,680
- Air Conditioner	1	1	$150.00	$150	157	157	$0.03124	$5	$0	$0		$0	$155
Modified Energy Fitness	334	735	$417.76	$139,531	1,194	877,590	$0.03116	$27,346	$7,034	$0		$7,034	$173,911
TOTAL RESIDENTIAL PROGRAMS	526	2,061		$246,378		2,455,237		$76,425	$8,539	$2,706		$11,245	$334,048
COMMERCIAL PROGRAMS													
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		$0	$30,375
Smart Financing - New Building	0	43	$0.00	$0	14,101	606,343	$0.04277	$25,933	$0	$0		$0	$25,933
TOTAL COMMERCIAL PROGRAMS	0	465		$0		1,323,571		$56,308	$0	$0		$0	$56,308
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)													
Smart Audit - Class 1	0	0	$0.00	$0	0	0	n/a		$0	$0		$0	$0
Smart Audit - Class 2	0	0	$0.00	$0	0	0	n/a		$0	$0		$0	$0
Smart Financing - General	0	0	$0.00	$0	0	0	$0.00000	$0	$0	$0		$0	$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		3,778,808		$132,733	$8,539	$2,706		$11,245	$390,356

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

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

*** Participants since 01/01/2001.

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KENTUCKY POWER COMPANY
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM

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YEAR 9 (2nd HALF)	NEW PARTICIPANT	CUMULATIVE PARTICIPANT	TOTAL ESTIMATED PROGRAM COSTS	TOTAL ACTUAL PROGRAM	NET LOST REV/QTR	TOTAL ENERGY SAVINGS	NET LOST REVENUE	TOTAL NET * LOST	EFFICIENCY INCENTIVE	MAXIMIZING INCENTIVE	TOTAL *	TOTAL ACTUAL COSTS TO BE
PROGRAM DESCRIPTIONS	NUMBER	NUMBER **	PER PARTICIPANT	COSTS	(KWH/PARTIC)	KWH/ HALF	($/KWH)	REVENUES	(EX. C, PG.19C)	(5% of COSTS)	INCENTIVE	RECOVERED
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
				(1)X(3)		(2)X(5)		(6)X(7)		(4)X(5%)	(9)+(10)	(4)+(8)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	0	0	$0.00	$0	706	0	$0.03112	$0	$0	$0	$0	$0
Targeted Energy Efficiency	89	462	$1,118.43	$99,540	1,028	474,936	$0.03111	$14,775	$0	$4,977	$4,977	$119,292
- All Electric	72	205	$60.60	$4,363	316	64,780	$0.03124	$2,024	$308	$0	$308	$6,695
- Non-All Electric												
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												
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	685,990	$0.03110	$21,334	$284	$0	$284	$63,418
- Heat Pump	0	2	#DIV/0!	$0	158	316	$0.03124	$10	$0	$0	$0	$10
- Air Conditioner												
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												
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)												
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.

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ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM													
YEAR 10 (1st Half)	NEW PARTICIPANT	CUMULATIVE PARTICIPANT	TOTAL ESTIMATED PROGRAM COSTS	TOTAL ACTUAL PROGRAM	NET LOST REV/QTR	TOTAL ENERGY SAVINGS	NET LOST REVENUE	TOTAL NET * LOST	EFFICIENCY INCENTIVE	MAXIMIZING INCENTIVE	TOTAL * INCENTIVE	TOTAL ACTUAL COSTS TO BE RECOVERED
PROGRAM DESCRIPTIONS	NUMBER (1)	NUMBER ** (2)	PER PARTICIPANT (3)	COSTS (4) (1)X(3)	(KWH/ PARTICIPANT) (5)	KWH/ HALF (6) (2)X(5)	($/KWH) (7)	REVENUES (8) (6)X(7)	(EX. C, PG.19C) (9)	(5% of COSTS) (10) (4)X(5%)	(11) (9)+(10)	(12) (4)+(8)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	0	0	$0.00	$0	707	0	$0.03112	$0	$0	$0	$0	$0
Targeted Energy Efficiency												
- All Electric	88	477	$1,109.22	$97,611	896	427,392	$0.03111	$13,296	$0	$4,881	$4,881	$115,788
- Non-All Electric	57	218	$62.47	$3,561	267	58,206	$0.03124	$1,818	$1,125	$0	$1,125	$6,504
Compact Fluorescent Bulb	0	0	$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
High - Efficiency Heat Pump												
- Resistance Heat	0	0	$0.00	$0	1,200	0	$0.03114	$0	$0	$0	$0	$0
- Non Resistance Heat	0	0	$0.00	$0	447	0	$0.03116	$0	$0	$0	$0	$0
High - Efficiency Heat Pump												
- Mobile Home	34	231	$560.21	$19,047	1,145	264,495	$0.03110	$8,226	$2,693	$0	$2,693	$29,966
Mobile Home New Construction ***												
- Heat Pump	67	371	$614.85	$41,195	1,808	670,768	$0.03110	$20,861	$8,372	$0	$8,372	$70,428
- Air Conditioner	0	2	$0.00	$0	157	314	$0.03124	$10	$0	$0	$0	$10
Modified Energy Fitness	371	1,479	$400.87	$148,723	613	906,627	$0.03116	$28,250	$15,612	$0	$15,612	$192,585
TOTAL RESIDENTIAL PROGRAMS	617	2,778		$310,137		2,327,802		$72,461	$27,802	$4,881	$32,683	$415,281
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	0	64	$0.00	$0	0	0	n/a	$0	$0	$0	$0	$0
- Class 2	0	3	$0.00	$0	0	0	n/a	$0	$0	$0	$0	$0
Smart Financing - Existing Building	0	29	$0.00	$0	13,282	385,178	$0.04235	$16,312	$0	$0	$0	$16,312
Smart Financing - New Building	0	18	$0.00	$0	14,101	253,818	$0.04277	$10,856	$0	$0	$0	$10,856
TOTAL COMMERCIAL PROGRAMS	0	114		$0		638,996		$27,168	$0	$0	$0	$27,168
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	617	2,892		$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.

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ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM												11B of	20
													TOTAL
YEAR 10 (2nd HALF)	NEW	CUMULATIVE	TOTAL ESTIMATED	TOTAL ACTUAL	NET LOST	TOTAL	NET LOST	TOTAL NET *	EFFICIENCY	MAXIMIZING			ACTUAL
	PARTICIPANT	PARTICIPANT	PROGRAM COSTS	PROGRAM	REV/QTRS	ENERGY SAVINGS	REVENUE	LOST	INCENTIVE	INCENTIVE	TOTAL *		COSTS TO BE
PROGRAM DESCRIPTIONS	NUMBER	NUMBER **	PER PARTICIPANT	COSTS	(KWH/ PARTICIPANT)	KWH/ HALF	($/KWH)	REVENUES	(EX. C, PG.19C)	(5% of COSTS)	INCENTIVE		RECOVERED
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)		(12)
				(1)X(3)		(2)X(5)		(6)X(7)		(4)X(5%)	(9)+(10)		(4)+(8)+(11)
RESIDENTIAL PROGRAMS													
Energy Fitness	0	0	$0.00	$0	706	0	$0.03112	$0	$0	$0	$0		$0
Targeted Energy Efficiency	85	492	$1,207.52	$102,639	896	440,832	$0.03111	$13,714	$0	$5,132	$5,132		$121,485
- All Electric	26	233	$65.85	$1,712	266	61,978	$0.03124	$1,936	$513	$0	$513		$4,161
- Non-All Electric													
Compact Fluorescent Bulb	0	0	$0.00	$0	0	0	$0.00000	$0	$0	$0	$0		$0
High - Efficiency Heat Pump													
- Resistance Heat	0	0	$0.00	$0	1,200	0	$0.03114	$0	$0	$0	$0		$0
- Non Resistance Heat	0	0	$0.00	$0	446	0	$0.03116	$0	$0	$0	$0		$0
High - Efficiency Heat Pump													
- Mobile Home	40	225	$476.78	$19,071	1,144	257,400	$0.03110	$8,005	$3,168	$0	$3,168		$30,244
Mobile Home New Construction ***													
- Heat Pump	83	385	$544.23	$45,171	1,810	696,850	$0.03110	$21,672	$10,372	$0	$10,372		$77,215
- Air Conditioner	0	2	$0.00	$0	158	316	$0.03124	$10	$0	$0	$0		$10
Modified Energy Fitness	351	1,826	$373.12	$130,965	612	1,117,512	$0.03116	$34,822	$14,770	$0	$14,770		$180,557
TOTAL RESIDENTIAL PROGRAMS	585	3,163		$299,558		2,574,888		$80,159	$28,823	$5,132	$33,955		$413,672
COMMERCIAL PROGRAMS													
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	265,640	$0.04235	$11,250	$0	$0	$0		$11,250
Smart Financing - New Building	0	11	$0.00	$0	14,102	155,122	$0.04277	$6,635	$0	$0	$0		$6,635
TOTAL COMMERCIAL PROGRAMS	0	31		$0		420,762		$17,885	$0	$0	$0		$17,885
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	585	3,194		$299,558		2,995,650		$98,044	$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.

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ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM													
YEAR 11 (1st HALF)	NEW PARTICIPANT	CUMULATIVE PARTICIPANT	TOTAL ESTIMATED PROGRAM COSTS	TOTAL ACTUAL PROGRAM	NET LOST REV/QTRS	TOTAL ENERGY SAVINGS	NET LOST REVENUE	TOTAL NET * LOST	EFFICIENCY INCENTIVE	MAXIMIZING INCENTIVE	TOTAL * INCENTIVE	TOTAL ACTUAL COSTS TO BE
PROGRAM DESCRIPTIONS	NUMBER (1)	NUMBER ** (2)	PER PARTICIPANT (3)	COSTS (4) (1)X(3)	(KWH/ PARTICIPANT) (5)	KWH/ HALF (6) (2)X(5)	($/KWH) (7)	REVENUES (8) (6)X(7)	(EX. C, PG.19C) (9)	(5% of COSTS) (10) (4)X(5%)	INCENTIVE (11) (9)+(10)	RECOVERED (12) (4)+(8)+(11)
RESIDENTIAL PROGRAMS	0	0	$0.00	$0	707	0	$0.03112	$0	$0	$0	$0	$0
Energy Fitness												
Targeted Energy Efficiency	75	496	$974.31	$73,073	896	444,416	$0.03111	$13,826	$0	$3,654	$3,654	$90,553
- All Electric	34	249	$84.56	$2,875	267	66,483	$0.03124	$2,077	$671	$0	$671	$5,623
- Non-All Electric												
Compact Fluorescent Bulb	0	0	$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
High - Efficiency Heat Pump												
- Resistance Heat	0	0	$0.00	$0	1,200	0	$0.03114	$0	$0	$0	$0	$0
- Non Resistance Heat	0	0	$0.00	$0	447	0	$0.03116	$0	$0	$0	$0	$0
High - Efficiency Heat Pump												
- Mobile Home	48	230	$446.06	$21,411	1,145	263,350	$0.03110	$8,190	$3,802	$0	$3,802	$33,403
Mobile Home New Construction ***												
- Heat Pump	90	425	$561.21	$50,509	1,810	769,250	$0.03110	$23,924	$11,246	$0	$11,246	$85,679
- Air Conditioner	0	2	$0.00	$0	157	314	$0.03124	$10	$0	$0	$0	$10
Modified Energy Fitness	440	2,185	$275.33	$121,144	613	1,339,405	$0.03116	$41,736	$18,515	$0	$18,515	$181,395
TOTAL RESIDENTIAL PROGRAMS	687	3,587		$269,012		2,883,218		$89,763	$34,234	$3,654	$37,888	$396,663
COMMERCIAL PROGRAMS												
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
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	0	0	$0.00	$0	0	0	n/a		$0	$0	$0	$0
Smart Audit - Class 2	0	0	$0.00	$0	0	0	n/a		$0	$0	$0	$0
Smart Financing - General	0	0	$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$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	687	3,587		$269,012		2,883,218		$89,763	$34,234	$3,654	$37,888	$396,663

* 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.

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KENTUCKY POWER COMPANY												PAGE 12B of	20
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM													
YEAR 11 (2nd HALF)	NEW PARTICIPANT	CUMULATIVE PARTICIPANT	TOTAL ESTIMATED PROGRAM COSTS	TOTAL ACTUAL PROGRAM	NET LOST REV/QTRS	TOTAL ENERGY SAVINGS	NET LOST REVENUE	TOTAL NET * LOST	EFFICIENCY INCENTIVE	MAXIMIZING INCENTIVE	TOTAL *	TOTAL ACTUAL COSTS TO BE
PROGRAM DESCRIPTIONS	NUMBER (1)	NUMBER ** (2)	PER PARTICIPANT (3)	COSTS (4) (1)X(3)	(KWH/ PARTICIPANT) (5)	KWH/ HALF (6) (2)X(5)	($/KWH) (7)	REVENUES (8) (6)X(7)	(EX. C, PG.19C) (9)	(5% of COSTS) (10) (4)X(5%)	INCENTIVE (11) (9)+(10)	RECOVERED (12) (4)+(8)+(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	$118,226
- All Electric	46	254	$84.00	$3,864	266	67,564	$0.03124	$2,111	$908	$0	$908	$6,883
- Non-All Electric												
Compact Fluorescent Bulb	0	0	$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
High - Efficiency Heat Pump												
- Resistance Heat	0	0	$0.00	$0	1,200	0	$0.03114	$0	$0	$0	$0	$0
- Non Resistance Heat	0	0	$0.00	$0	446	0	$0.03116	$0	$0	$0	$0	$0
High - Efficiency Heat Pump												
- Mobile Home	45	245	$460.00	$20,700	1,144	280,280	$0.03110	$8,717	$3,564	$0	$3,564	$32,981
Mobile Home New Construction ***												
- Heat Pump	94	460	$544.15	$51,150	1,808	831,680	$0.03110	$25,865	$11,746	$0	$11,746	$88,761
- Air Conditioner	0	2	$0.00	$0	158	316	$0.03124	$10	$0	$0	$0	$10
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												
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
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	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	
KENTUCKY POWER COMPANY												PAGE	
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM												13A of	20
YEAR 12 (1st HALF)	NEW	CUMULATIVE	TOTAL ESTIMATED	TOTAL ACTUAL	NET LOST	TOTAL	NET LOST	TOTAL NET *	EFFICIENCY	MAXIMIZING		TOTAL ACTUAL
	PARTICIPANT	PARTICIPANT	PROGRAM COSTS	PROGRAM	REV/QTRS	ENERGY SAVINGS	REVENUE	LOST	INCENTIVE	INCENTIVE	TOTAL *	COSTS TO BE
PROGRAM DESCRIPTIONS	NUMBER	NUMBER **	PER PARTICIPANT	COSTS	(KWH/ PARTICIPANT)	KWH/ HALF	($/KWH)	REVENUES	(EX. C, PG.19C)	(5% of COSTS)	INCENTIVE	RECOVERED
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
				(1)X(3)		(2)X(5)		(6)X(7)		(4)X(5%)	(9)+(10)	(4)+(8)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	0	0	$0.00	$0	707	0	$0.03112	$0	$0	$0	$0	$0
Targeted Energy Efficiency												
- All Electric	128	295	$1,022.27	$130,851	896	264,320	$0.04346	$11,487	$0	$6,543	$6,543	$148,881
- Non-All Electric	29	115	$86.48	$2,508	277	31,855	$0.04362	$1,390	$572	$0	$572	$4,470
Compact Fluorescent Bulb	0	0	$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
High - Efficiency Heat Pump												
- Resistance Heat	0	0	$0.00	$0	1,200	0	$0.03114	$0	$0	$0	$0	$0
- Non Resistance Heat	0	0	$0.00	$0	447	0	$0.03116	$0	$0	$0	$0	$0
High - Efficiency Heat Pump												
- Mobile Home	50	153	$450.00	$22,500	1,145	175,185	$0.04346	$7,614	$3,960	$0	$3,960	$34,074
Mobile Home New Construction ***												
- Heat Pump	84	304	$563.10	$47,300	1,810	550,240	$0.04348	$23,924	$10,497	$0	$10,497	$81,721
- Air Conditioner	0	0	$0.00	$0	157	0	$0.04343	$0	$0	$0	$0	$0
Modified Energy Fitness	515	1,605	$381.00	$196,214	613	983,865	$0.04349	$42,788	$21,671	$0	$21,671	$260,673
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				$15,700								$15,700
TOTAL RESIDENTIAL PROGRAMS	806	2,472		$474,041		2,005,465		$87,203	$36,700	$6,543	$43,243	$604,487
COMMERCIAL PROGRAMS												
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
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	0	0	$0.00	$0	0	0	n/a		$0	$0	$0	$0
Smart Audit - Class 2	0	0	$0.00	$0	0	0	n/a		$0	$0	$0	$0
Smart Financing - General	0	0	$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$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	806	2,472		$474,041		2,005,465		$87,203	$36,700	$6,543	$43,243	$604,487

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

** Cumulative participants include a reduction for the cumulative participants as of 06/30/2005.

*** Participants since 07/01/2005.

Year 2007												
											Exhibit C	
KENTUCKY POWER COMPANY											PAGE	
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM											13B of	20
YEAR 12 (2nd Half)	NEW	CUMULATIVE	TOTAL ESTIMATED	TOTAL ACTUAL	NET LOST	TOTAL	NET LOST	TOTAL NET *	EFFICIENCY	MAXIMIZING		TOTAL ACTUAL
	PARTICIPANT	PARTICIPANT	PROGRAM COSTS	PROGRAM	REV/QTRS	ENERGY SAVINGS	REVENUE	LOST	INCENTIVE	INCENTIVE	TOTAL *	COSTS TO BE
PROGRAM DESCRIPTIONS	NUMBER	NUMBER **	PER PARTICIPANT	COSTS	(KWH/ PARTICIPANT)	KWH/ HALF	($/KWH)	REVENUES	(EX. C, PG.19C)	(5% of COSTS)	INCENTIVE	RECOVERED
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
				(1)X(3)		(2)X(5)		(6)X(7)		(4)X(5%)	(9)+(10)	(4)+(8)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	0	0	$0.00	$0	706	0	$0.03112	$0	$0	$0	$0	$0
Targeted Energy Efficiency												
- All Electric	100	421	$879.82	$87,982	896	377,216	$0.04346	$16,394	$0	$4,399	$4,399	$108,775
- Non-All Electric	50	151	$89.58	$4,479	276	41,676	$0.04362	$1,818	$987	$0	$987	$7,284
Compact Fluorescent Bulb	0	0	$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
High - Efficiency Heat Pump												
- Resistance Heat	0	0	$0.00	$0	1,200	0	$0.03114	$0	$0	$0	$0	$0
- Non Resistance Heat	0	0	$0.00	$0	446	0	$0.03116	$0	$0	$0	$0	$0
High - Efficiency Heat Pump												
- Mobile Home	45	209	$450.00	$20,250	1,144	239,096	$0.04346	$10,391	$3,564	$0	$3,564	$34,205
Mobile Home New Construction ***												
- Heat Pump	129	426	$551.94	$71,200	1,808	770,208	$0.04348	$33,489	$16,120	$0	$16,120	$120,809
- Air Conditioner	0	0	$0.00	$0	158	0	$0.04343	$0	$0	$0	$0	$0
Modified Energy Fitness	485	2,113	$353.79	$171,590	612	1,293,156	$0.04349	$56,239	$20,409	$0	$20,409	$248,238
TOTAL RESIDENTIAL PROGRAMS	809	3,320		$355,501		2,721,352		$118,331	$41,080	$4,399	$45,479	$519,311
COMMERCIAL PROGRAMS												
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
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	809	3,320		$355,501		2,721,352		$118,331	$41,080	$4,399	$45,479	$519,311

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

** Cumulative participants include a reduction for the cumulative participants as of 06/30/2005.

*** Participants since 07/01/2005.

Year 2008

KENTUCKY POWER COMPANY
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM

Exhibit C
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YEAR 13 (1st HALF)	NEW PARTICIPANT	CUMULATIVE PARTICIPANT	TOTAL ESTIMATED PROGRAM COSTS	TOTAL ACTUAL PROGRAM	NET LOST REV/QTRS	TOTAL ENERGY SAVINGS	NET LOST REVENUE	TOTAL NET * LOST	EFFICIENCY INCENTIVE	MAXIMIZING INCENTIVE	TOTAL *	TOTAL ACTUAL COSTS TO BE
PROGRAM DESCRIPTIONS	NUMBER	NUMBER **	PER PARTICIPANT	COSTS	(KWH/ PARTICIPANT)	KWH/ HALF	($/KWH)	REVENUES	(EX. C, PG.19C)	(5% of COSTS)	INCENTIVE	RECOVERED
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
				(1)X(3)		(2)X(5)		(6)X(7)		(4)X(5%)	(9)+(10)	(4)+(8)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	0	0	$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
Targeted Energy Efficiency												
- All Electric	119	521	$1,358.15	$161,620	1,016	529,336	$0.04346	$23,005	$9,189	$0	$9,189	$193,814
- Non-All Electric	56	196	$83.11	$4,654	568	111,328	$0.04345	$4,837	$3,454	$0	$3,454	$12,945
Compact Fluorescent Bulb	0	0	$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
High - Efficiency Heat Pump												
- Resistance Heat	0	0	$0.00	$0	0	0	$0.00000	$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												
- Mobile Home	61	252	$457.38	$27,900	875	220,500	$0.04346	$9,583	$8,539	$0	$8,539	$46,022
Mobile Home New Construction ***												
- Heat Pump	95	520	$552.63	$52,500	861	447,720	$0.04348	$19,467	$10,597	$0	$10,597	$82,564
- Air Conditioner	0	0	$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
Modified Energy Fitness	560	2,612	$361.32	$202,339	435	1,136,220	$0.04349	$49,414	$27,871	$0	$27,871	$279,624
TOTAL RESIDENTIAL PROGRAMS	891	4,101		$449,013		2,445,104		$106,306	$59,650	$0	$59,650	$614,969
COMMERCIAL PROGRAMS												
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
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	891	4,101		$449,013		2,445,104		$106,306	$59,650	$0	$59,650	$614,969

* Lost revenue and efficiency incentives are based on prospective values.
** Cumulative participants include a reduction for the cumulative participants as of 06/30/2005.
*** Participants since 07/01/2005.

KPSC Case No. 2012-00051
Commission Staff's First Set of Data Requests
Order Dated March 8, 2012
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KENTUCKY POWER COMPANY												PAGE 14B of	20
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM													
YEAR 13 (2nd HALF)	NEW PARTICIPANT	CUMULATIVE PARTICIPANT	TOTAL ESTIMATED PROGRAM COSTS	TOTAL ACTUAL PROGRAM	NET LOST REV/QTRS	TOTAL ENERGY SAVINGS	NET LOST REVENUE	TOTAL NET * LOST	EFFICIENCY INCENTIVE	MAXIMIZING INCENTIVE	TOTAL *	TOTAL ACTUAL COSTS TO BE
PROGRAM DESCRIPTIONS	NUMBER (1)	NUMBER ** (2)	PER PARTICIPANT (3)	COSTS (4) (1)X(3)	(KWH/ PARTICIPANT) (5)	KWH/ HALF (6) (2)X(5)	($/KWH) (7)	REVENUES (8) (6)X(7)	(EX. C, PG.19C) (9)	(5% of COSTS) (10) (4)X(5%)	INCENTIVE (11) (9)+(10)	RECOVERED (12) (4)+(8)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	0	0	$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
Targeted Energy Efficiency												
- All Electric	89	545	$991.21	$88,218	1,016	553,720	$0.04346	$24,065	$6,873	$0	$6,873	$119,156
- Non-All Electric	20	223	$87.50	$1,750	568	126,664	$0.04345	$5,504	$1,234	$0	$1,234	$8,488
Compact Fluorescent Bulb	0	0	$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
High - Efficiency Heat Pump												
- Resistance Heat	0	0	$0.00	$0	0	0	$0.00000	$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												
- Mobile Home	74	289	$442.57	$32,750	874	252,586	$0.04346	$10,977	$10,359	$0	$10,359	$54,086
Mobile Home New Construction												
- Heat Pump	108	548	$550.00	$59,400	860	471,280	$0.04348	$20,491	$12,047	$0	$12,047	$91,938
- Air Conditioner	0	0	$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
Modified Energy Fitness	440	2,793	$356.35	$156,792	435	1,214,955	$0.04349	$52,838	$21,899	$0	$21,899	$231,529
TOTAL RESIDENTIAL PROGRAMS	731	4,398		$338,910		2,619,205		$113,875	$52,412	$0	$52,412	$505,197
COMMERCIAL PROGRAMS												
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
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	731	4,398		$338,910		2,619,205		$113,875	$52,412	$0	$52,412	$505,197

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

** Cumulative participants include a reduction for the cumulative participants as of 01/01/2006.

Year 2009

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)		AVERAGE ACTUAL PROGRAM COSTS PER PARTICIPANT (3) (4) / (1)	TOTAL ACTUAL PROGRAM COSTS (4)	NET LOST REV/QTRS (KWH/ PARTICIPANT) (5)	TOTAL ENERGY SAVINGS KWH/ HALF (6) (2)X(5)	NET LOST REVENUE (S/KWH) (7)	TOTAL NET * LOST REVENUES (8) (6)X(7)	EFFICIENCY INCENTIVE (EX. C, PG.19C) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10) (4)X(5%)	TOTAL * INCENTIVE (11) (9)+(10)	TOTAL ACTUAL COSTS TO BE RECOVERED (12) (4)+(8)+(11)
RESIDENTIAL PROGRAMS													
Energy Fitness	0	0		$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
Targeted Energy Efficiency	119	575	**	$1,060.16	$126,159	1,016	584,200	$0.04346	$25,389	$9,189	$0	$9,189	$160,737
- All Electric	22	210	**	$93.27	$2,052	568	119,280	$0.04352	$5,191	$1,357	$0	$1,357	$8,600
- Non-All Electric													
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	0	0	$0.00000	$0	$0	$0	$0	$0
- Resistance Heat	0	0		$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
- Non Resistance Heat													
High - Efficiency Heat Pump	61	299	**	$449.18	$27,400	875	261,625	$0.04350	$11,381	$8,539	$0	$8,539	$47,320
- Mobile Home													
Mobile Home New Construction	88	552	**	$552.84	$48,650	861	475,272	$0.04351	$20,679	$9,816	$0	$9,816	$79,145
- Heat Pump	0	0		$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
- Air Conditioner													
Modified Energy Fitness	425	2,775	**	$383.51	$162,993	435	1,207,125	$0.04345	$52,450	$21,152	$0	$21,152	$236,595
High Efficiency Heat Pump	28	7	***	$305.36	$8,550	1,879	13,153	$0.04349	$572	$13,387	$0	$13,387	$22,509
- Resistance Heat Replacement	61	16	***	$442.62	$27,000	301	4,816	$0.04353	$210	$0	$1,350	$1,350	$28,560
- Heat Pump Replacement													
Energy Education for Student Program (NEED)	0	0	***	$0.00	$8,139	92	0	$0.04370	$0	$0	$0	$0	$8,139
Community Outreach Program (CFL)	926	149	***	$5.84	$5,404	92	13,708	$0.04370	$599	$4,621	$0	$4,621	$10,624
TOTAL RESIDENTIAL PROGRAMS	1,730	4,583			$416,347		2,679,179		$116,471	$68,061	$1,350	$69,411	$602,229
COMMERCIAL PROGRAMS													
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
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	1,730	4,583			$416,347		2,679,179		$116,471	$68,061	$1,350	$69,411	$602,229

* Lost revenue and efficiency incentives are based on prospective values.
** Cumulative participants include a reduction for the cumulative participants as of 07/01/2006.
*** Cumulative participants include a reduction for the cumulative participants as of 01/01/2009 (High Efficiency Heat Pump, Energy Education for Students and Community Outreach Program (CFL)).

KPSC Case No. 2012-00051
Commission Staff's First Set of Data Requests
Order Dated March 8, 2012
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Year 2009

KENTUCKY POWER COMPANY
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM

YEAR 14 (2nd HALF)

Exhibit C
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PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)		AVERAGE ACTUAL PROGRAM COSTS PER PARTICIPANT (3) (4) / (1)	TOTAL ACTUAL PROGRAM COSTS (4)	NET LOST REV/QTRS (KWH/ PARTICIPANT) (5)	TOTAL ENERGY SAVINGS KWH/ HALF (6) (2)X(5)	NET LOST REVENUE ($/KWH) (7)	TOTAL NET * LOST REVENUES (8) (6)X(7)	EFFICIENCY INCENTIVE (EX. C, PG.19C) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10) (4)X(5%)	TOTAL * INCENTIVE (11) (9)+(10)	TOTAL ACTUAL COSTS TO BE RECOVERED (12) (4)+(8)+(11)
RESIDENTIAL PROGRAMS													
Energy Fitness	0	0		$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
Targeted Energy Efficiency	140	620	**	$993.48	$139,087	1,016	629,920	$0.04346	$27,376	$10,811	$0	$10,811	$177,274
- All Electric	61	200	**	$101.34	$6,182	568	113,600	$0.04352	$4,944	$3,762	$0	$3,762	$14,888
- Non-All Electric													
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	0	0	$0.00000	$0	$0	$0	$0	$0
- Resistance Heat	0	0		$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
- Non Resistance Heat													
High - Efficiency Heat Pump	99	342	**	$449.49	$44,500	874	298,908	$0.04350	$13,002	$13,859	$0	$13,859	$71,361
- Mobile Home													
Mobile Home New Construction	103	556	**	$544.17	$56,050	860	478,160	$0.04351	$20,805	$11,490	$0	$11,490	$88,345
- Heat Pump	0	0		$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
- Air Conditioner													
Modified Energy Fitness	375	2,631	**	$372.99	$139,871	435	1,144,485	$0.04345	$49,728	$18,664	$0	$18,664	$208,263
High Efficiency Heat Pump	63	60	***	$514.29	$32,400	1,879	112,740	$0.04349	$4,903	$30,120	$0	$30,120	$67,423
- Resistance Heat Replacement	156	144	***	$451.92	$70,500	300	43,200	$0.04353	$1,880	$0	$3,525	$3,525	$75,905
- Heat Pump Replacement													
Energy Education for Student Program (NEED)	1,130	558	***	$8.00	$9,045	92	51,336	$0.04370	$2,243	$5,627	$0	$5,627	$16,915
Community Outreach Program (CFL)	2,818	2,501	***	$10.19	$28,715	92	230,092	$0.04370	$10,055	$14,062	$0	$14,062	$52,832
TOTAL RESIDENTIAL PROGRAMS	4,945	7,612			$526,350		3,102,441		$134,936	$108,395	$3,525	$111,920	$773,206
COMMERCIAL PROGRAMS													
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
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	4,945	7,612			$526,350		3,102,441		$134,936	$108,395	$3,525	$111,920	$773,206

* Lost revenue and efficiency incentives are based on prospective values.
** Cumulative participants include a reduction for the cumulative participants as of 01/01/2007.
*** Cumulative participants include a reduction for the cumulative participants as of 01/01/2009 (High Efficiency Heat Pump, Energy Education for Students and Community Outreach Program (CFL)).

Year 2010

KENTUCKY POWER COMPANY
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM

Exhibit C
PAGE 16A of 20

YEAR 15 (1st HALF)	NEW PARTICIPANT	CUMULATIVE PARTICIPANT		AVERAGE ACTUAL PROGRAM COSTS	TOTAL ACTUAL PROGRAM	NET LOST REV/QTRS	TOTAL ENERGY SAVINGS	NET LOST REVENUE	TOTAL NET * LOST	EFFICIENCY INCENTIVE	MAXIMIZING INCENTIVE	TOTAL *	TOTAL ACTUAL COSTS TO BE
PROGRAM DESCRIPTIONS	NUMBER (1)	NUMBER (2)		PER PARTICIPANT (3)	COSTS (4)	(KWH/ PARTICIPANT) (5)	KWH/ QTR (6)	($/KWH) (7)	REVENUES (8)	(EX. C, PG.19C) (9)	(5% of COSTS) (10)	INCENTIVE (11)	RECOVERED (12)
				(4) / (1)			(2)X(5)		(6)X(7)		(4)X(5%)	(9)+(10)	(4)+(8)+(11)
RESIDENTIAL PROGRAMS													
Energy Fitness	0	0		$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
Targeted Energy Efficiency	174	720	**	$1,161.51	$202,103	1,016	731,520	$0.04346	$31,792	$13,436	$0	$13,436	$247,331
- All Electric	31	237	**	$114.10	$3,537	568	134,616	$0.04352	$5,858	$1,912	$0	$1,912	$11,307
- Non-All Electric													
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	0	0	$0.00000	$0	$0	$0	$0	$0
- Resistance Heat	0	0		$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
- Non Resistance Heat													
High - Efficiency Heat Pump	97	416	**	$422.16	$40,950	875	364,000	$0.04350	$15,834	$13,579	$0	$13,579	$70,363
- Mobile Home													
Mobile Home New Construction	115	621	**	$527.83	$60,700	861	534,681	$0.04351	$23,264	$4,462	$0	$4,462	$88,426
- Heat Pump	0	0		$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
- Air Conditioner													
Modified Energy Fitness	501	2,762	**	$392.89	$196,836	435	1,201,470	$0.04345	$52,204	$24,935	$0	$24,935	$273,975
High Efficiency Heat Pump	97	135	***	$450.00	$43,650	1,879	253,665	$0.04349	$11,032	$46,376	$0	$46,376	$101,058
- Resistance Heat Replacement	272	348	***	$416.73	$113,350	301	104,748	$0.04353	$4,560	$0	$5,668	$5,668	$123,578
- Heat Pump Replacement													
Energy Education for Student Program (NEED)	488	1,299	***	$50.99	$24,881	73	94,827	$0.04327	$4,103	$2,430	$0	$2,430	$31,414
Community Outreach Program (CFL)	2,644	4,482	***	$16.10	$42,564	91	407,862	$0.04376	$17,848	$13,194	$0	$13,194	$73,606
TOTAL RESIDENTIAL PROGRAMS	4,419	11,020			$728,571		3,827,389		$166,495	$120,324	$5,668	$125,992	$1,021,058
COMMERCIAL PROGRAMS													
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
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	4,419	11,020			$728,571		3,827,389		$166,495	$120,324	$5,668	$125,992	$1,021,058

* Lost revenue and efficiency incentives are based on prospective values.
** Cumulative participants include a reduction for the cumulative participants as of 01/01/2007.
*** Cumulative participants include a reduction for the cumulative participants as of 01/01/2009 (High Efficiency Heat Pump, Energy Education for Students and Community Outreach Program (CFL)).

Year 2010															
														Exhibit C	
KENTUCKY POWER COMPANY														PAGE 16B-1 of	20
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM															
YEAR 15 (2nd HALF)	NEW PARTICIPANT	CUMULATIVE PARTICIPANT		AVERAGE ACTUAL PROGRAM COSTS	TOTAL ACTUAL PROGRAM	NET LOST REV/QTRS	TOTAL ENERGY SAVINGS	NET LOST REVENUE	TOTAL NET * LOST	EFFICIENCY INCENTIVE	MAXIMIZING INCENTIVE	TOTAL *	TOTAL ACTUAL COSTS TO BE
PROGRAM DESCRIPTIONS	NUMBER (1)	NUMBER (2)		PER PARTICIPANT (3)	COSTS (4)	(KWH/ PARTICIPANT) (5)	KWH/ QTRs (6)	($/KWH) (7)	REVENUES (8)	(EX. C, PG.19C) (9)	(5% of COSTS) (10)	INCENTIVE (11)	RECOVERED (12)
				(4) / (1)			(2)X(5)		(6)X(7)		(4)X(5%)	(9)+(10)	(4)+(8)+(11)
RESIDENTIAL PROGRAMS	0	0		$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
Energy Fitness													
Targeted Energy Efficiency	172	787	**	$809.62	$139,254	1,016	799,592	$0.05746	$45,945	$13,282	$0	$13,282	$198,481
- All Electric	23	242	**	$102.35	$2,354	568	137,456	$0.05746	$7,898	$1,419	$0	$1,419	$11,671
- Non-All Electric													
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	0	0	$0.00000	$0	$0	$0	$0	$0
- Resistance Heat	0	0		$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
- Non Resistance Heat													
High - Efficiency Heat Pump	136	496	**	$469.49	$63,850	875	434,000	$0.05750	$24,955	$19,039	$0	$19,039	$107,844
- Mobile Home													
Mobile Home New Construction	119	617	**	$558.82	$66,500	861	531,237	$0.05745	$30,520	$13,274	$0	$13,274	$110,294
- Heat Pump	0	0		$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
- Air Conditioner													
Modified Energy Fitness	699	2,939	**	$317.39	$221,857	435	1,278,465	$0.05752	$73,537	$34,789	$0	$34,789	$330,183
High Efficiency Heat Pump	155	264	***	$326.00	$50,530	1,879	496,056	$0.05748	$28,513	$74,106	$0	$74,106	$153,149
- Resistance Heat Replacement	237	621	***	$559.79	$132,670	301	186,921	$0.05750	$10,748	$0	$6,634	$6,634	$150,052
- Heat Pump Replacement													
Energy Education for Student Program (NEED)	1,059	1,220	***	$5.55	$5,880	74	90,280	$0.05714	$5,159	$5,274	$0	$5,274	$16,313
Community Outreach Program (CFL)	2,167	3,516	***	$6.72	$14,570	91	319,956	$0.05768	$18,455	$10,813	$0	$10,813	$43,838
Residential Efficient Products	0	0		$0.00	$0	0	0	$0.05818	$0	$0	$0	$0	$0
- Compact Flourescent Lamp (CFL)	0	0		$0.00	$0	0	0	$0.05793	$0	$0	$0	$0	$0
- Specialty Bulbs	0	0		$0.00	$0	0	0	$0.05854	$0	$0	$0	$0	$0
- LED Lights													
HVAC Diagnostic & Tune-Up	0	0		$0.00	$0	0	0	$0.05749	$0	$0	$0	$0	$0
- Air Conditioner	28	3		$101.79	$2,850	371	1,113	$0.05749	$64	$319	$0	$319	$3,233
- Heat Pump													
Residential Load Management (Pilot Program)	0	0		$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
- Air Conditioner	0	0		$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
- Water Heating													
TOTAL RESIDENTIAL PROGRAMS	4,795	10,705			$700,315		4,275,076		$245,794	$172,315	$6,634	$178,949	$1,125,058

Year 2010													
												Exhibit C	
KENTUCKY POWER COMPANY												PAGE 16B-2 of	20
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM													
													TOTAL ACTUAL
YEAR 15 (2nd HALF)	NEW	CUMULATIVE	AVERAGE ACTUAL	TOTAL ACTUAL	NET LOST	TOTAL ENERGY	NET LOST	TOTAL NET *	EFFICIENCY	MAXIMIZING			
	PARTICIPANT	PARTICIPANT	PROGRAM COSTS	PROGRAM	REV/QTRS	SAVINGS	REVENUE	LOST	INCENTIVE	INCENTIVE	TOTAL *		COSTS TO BE
PROGRAM DESCRIPTIONS	NUMBER (1)	NUMBER (2)	PER PARTICIPANT (3)	COSTS (4)	(KWH/ PARTICIPANT) (5)	KWH/ QTRs (6)	($/KWH) (7)	REVENUES (8)	(EX. C, PG.19C) (9)	(5% of COSTS) (10)	INCENTIVE (11)		RECOVERED (12)
			(4) / (1)			(2)X(5)		(6)X(7)		(4)X(5%)	(9)+(10)		(4)+(8)+(11)
COMMERCIAL PROGRAMS													
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													
Commercial A/C & Heat Pump Program	0	0	$0.00	$0	0	0	$0.14803	$0	$0	$0	$0		$0
- Air Conditioner Replacement	0	0	$0.00	$0	0	0	$0.58599	$0	$0	$0	$0		$0
- Heat Pump Replacement													
HVAC Diagnostic & Tune-Up	0	0	$0.00	$0	0	0	$0.06480	$0	$0	$0	$0		$0
- Air Conditioner	1	0	$125.00	$125	819	0	$0.06476	$0	$30	$0	$30		$155
- Heat Pump													
Commercial Load Management (Pilot Program)	0	0	$0.00	$0	0	0	$0.00000	$0	$0	$0	$0		$0
- Air Conditioner	0	0	$0.00	$0	0	0	$0.00000	$0	$0	$0	$0		$0
- Water Heating													
Commercial Incentive	0	0	$0.00	$0	0	0	$0.25657	$0	$0	$0	$0		$0
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TOTAL COMMERCIAL PROGRAMS	1	0		$125		0		$0	$30	$0	$30		$155
	========	========		========		========		========	========	========	========		========
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	4,796	10,705		$700,440		4,275,076		$245,794	$172,345	$6,634	$178,979		$1,125,213
	========	========		========		========		========	========	========	========		========

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

** Cumulative participants include a reduction for the cumulative participants as of 04/01/2007.

*** Cumulative participants include a reduction for the cumulative participants as of 01/01/2009 (High Efficiency Heat Pump, Energy Education for Students and Community Outreach Program (CFL)).

Year 2011															
														Exhibit C	
KENTUCKY POWER COMPANY														PAGE 17A-1 of	20
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM															
															TOTAL ACTUAL
YEAR 16 (1st HALF)	NEW	CUMULATIVE		AVERAGE ACTUAL PROGRAM COSTS	TOTAL ACTUAL PROGRAM	NET LOST REV/QTRS	TOTAL ENERGY SAVINGS	NET LOST REVENUE	TOTAL NET * LOST	EFFICIENCY INCENTIVE	MAXIMIZING INCENTIVE	TOTAL * INCENTIVE	COSTS TO BE RECOVERED
	PARTICIPANT	PARTICIPANT											
PROGRAM DESCRIPTIONS	NUMBER (1)	NUMBER (2)		PER PARTICIPANT (3) (4) / (1)	COSTS (4)	(KWH/ PARTICIPANT) (5)	KWH/ QTR (6) (2)X(5)	($/KWH) (7)	REVENUES (8) (6)X(7)	(EX. C, PG.19C) (9)	(5% of COSTS) (10) (4)X(5%)	(11) (9)+(10)	(12) (4)+(8)+(11)
RESIDENTIAL PROGRAMS													
Energy Fitness	0	0		$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
Targeted Energy Efficiency													
- All Electric	110	814		$692.04	$76,124	1,050	854,700	$0.05746	$49,111	$16,253	$0	$16,253	$141,488
- Non-All Electric	6	208		$140.17	$841	448	93,184	$0.05746	$5,354	$0	$42	$42	$6,237
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	0	0	$0.00000	$0	$0	$0	$0	$0
- Resistance Heat	0	0		$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
- Non Resistance Heat													
High - Efficiency Heat Pump	94	442		$502.11	$47,198	1,403	620,126	$0.05750	$35,657	$27,615	$0	$27,615	$110,470
- Mobile Home													
Mobile Home New Construction	68	624		$680.15	$46,250	731	456,144	$0.05745	$26,205	$6,393	$0	$6,393	$78,848
- Heat Pump	0	0		$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
- Air Conditioner													
Modified Energy Fitness	645	3,039		$346.52	$223,503	283	860,037	$0.05752	$49,469	$9,456	$0	$9,456	$282,428
High Efficiency Heat Pump	154	328	**	$452.59	$69,699	728	238,784	$0.05748	$13,725	$12,030	$0	$12,030	$95,454
- Resistance Heat Replacement	212	608	**	$429.25	$91,000	923	561,184	$0.05750	$32,268	$25,033	$0	$25,033	$148,301
- Heat Pump Replacement													
Energy Education for Student Program (NEED)	938	2,034	**	$12.40	$11,635	48	97,632	$0.05714	$5,579	$1,613	$0	$1,613	$18,827
Community Outreach Program (CFL)	2,518	5,442	**	$19.93	$50,179	50	272,100	$0.05768	$15,695	$9,871	$0	$9,871	$75,745
Residential Efficient Products													
- Compact Flourescent Lamp (CFL)	77,764	20,801		$1.82	$141,810	17	353,617	$0.05818	$20,573	$24,107	$0	$24,107	$186,490
- Specialty Bulbs	0	0		$0.00	$8	15	0	$0.05793	$0	$0	$0	$0	$8
- LED Lights	0	0		$0.00	$259	21	0	$0.05854	$0	$0	$0	$0	$259
HVAC Diagnostic & Tune-Up	64	19		$50.00	$3,200	155	2,945	$0.05749	$169	$84	$0	$84	$3,453
- Air Conditioner	290	148		$72.24	$20,950	371	54,908	$0.05749	$3,157	$3,300	$0	$3,300	$27,407
- Heat Pump													
Residential Load Management (Pilot Program)	0	0		$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
- Air Conditioner	0	0		$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
- Water Heating													
TOTAL RESIDENTIAL PROGRAMS	82,863	34,507			$782,656		4,465,361		$256,962	$135,755	$42	$135,797	$1,175,415

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KENTUCKY POWER COMPANY
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM

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YEAR 16 (1st HALF)	NEW PARTICIPANT	CUMULATIVE PARTICIPANT	AVERAGE ACTUAL PROGRAM COSTS	TOTAL ACTUAL PROGRAM	NET LOST REV/QTRS	TOTAL ENERGY SAVINGS	NET LOST REVENUE	TOTAL NET * LOST	EFFICIENCY INCENTIVE	MAXIMIZING INCENTIVE	TOTAL * INCENTIVE	TOTAL ACTUAL COSTS TO BE RECOVERED
PROGRAM DESCRIPTIONS	NUMBER (1)	NUMBER (2)	PER PARTICIPANT (3) (4) / (1)	COSTS (4)	(KWH/ PARTICIPANT) (5)	KWH/ QTR (6) (2)X(5)	($/KWH) (7)	REVENUES (8) (6)X(7)	(EX. C, PG.19C) (9)	(5% of COSTS) (10) (4)X(5%)	(11) (9)+(10)	(12) (4)+(8)+(11)
COMMERCIAL PROGRAMS												
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			$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
Commercial A/C & Heat Pump Program												
- Air Conditioner Replacement	1	0	$300.00	$300	140	0	$0.06482	$0	$1	$0	$1	$301
- Heat Pump Replacement	15	4	$256.67	$3,850	558	2,232	$0.06482	$145	$872	$0	$872	$4,867
HVAC Diagnostic & Tune-Up												
- Air Conditioner	1	0	$0.00	$0	343	0	$0.06480	$0	$7	$0	$7	$7
- Heat Pump	18	8	$72.22	$1,300	818	6,544	$0.06476	$424	$532	$0	$532	$2,256
Commercial Load Management (Pilot Program)												
- Air Conditioner	0	0	$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
- Water Heating	0	0	$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
Commercial Incentive	0	0	$0.00	$0	0	0	$0.06603	$0	$0	$0	$0	$0
TOTAL COMMERCIAL PROGRAMS	35	12		$5,450		8,776		$569	$1,412	$0	$1,412	$7,431
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	82,898	34,519		$788,106		4,474,137		$257,531	$137,167	$42	$137,209	$1,182,846

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

** Cumulative participants include a reduction for the cumulative participants as of 01/01/2009 (High Efficiency Heat Pump, Energy Education for Students and Community Outreach Program (CFL)).

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ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM														
YEAR 16 (2nd HALF)	NEW	CUMULATIVE		AVERAGE ESTIMATED	TOTAL ESTIMATED	NET LOST	TOTAL	NET LOST	TOTAL NET *	EFFICIENCY	MAXIMIZING			TOTAL ESTIMATED
	PARTICIPANT	PARTICIPANT		PROGRAM COSTS	PROGRAM	REV/QTRS	ENERGY SAVINGS	REVENUE	LOST	INCENTIVE	INCENTIVE	TOTAL *		COSTS TO BE
PROGRAM DESCRIPTIONS	NUMBER	NUMBER		PER PARTICIPANT	COSTS	(KWH/ PARTICIPANT)	KWH/ QTRs	($/KWH)	REVENUES	(EX. C, PG.19C)	(5% of COSTS)	INCENTIVE		RECOVERED
	(1)	(2)		(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(9)+(10)		(4)+(8)+(11)
				(4) / (1)			(2)X(5)		(6)X(7)		(4)X(5%)			
RESIDENTIAL PROGRAMS														
Energy Fitness	0	0		$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0	$0
Targeted Energy Efficiency														
- All Electric	141	769		$1,428.37	$201,400	526	404,494	$0.05749	$23,254	$20,833	$0	$20,833	$245,487	$245,487
- Non-All Electric	23	195		$114.30	$2,629	224	43,680	$0.05746	$2,510	$0	$131	$131	$5,270	$5,270
Compact Fluorescent Bulb	0	0		$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0	$0
High - Efficiency Heat Pump	0	0		$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0	$0
- Resistance Heat	0	0		$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0	$0
- Non Resistance Heat														
High - Efficiency Heat Pump	114	552		$417.85	$47,635	702	387,504	$0.05750	$22,281	$33,491	$0	$33,491	$103,407	$103,407
- Mobile Home														
Mobile Home New Construction	92	603		$500.38	$46,035	365	220,095	$0.05749	$12,653	$8,649	$0	$8,649	$67,337	$67,337
- Heat Pump	0	0		$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0	$0
- Air Conditioner														
Modified Energy Fitness	556	3,354		$397.49	$221,004	142	476,268	$0.05757	$27,419	$8,151	$0	$8,151	$256,574	$256,574
High Efficiency Heat Pump	121	483	**	$480.50	$58,140	365	176,295	$0.05745	$10,128	$9,453	$0	$9,453	$77,721	$77,721
- Resistance Heat Replacement	194	678	**	$466.22	$90,446	461	312,558	$0.05750	$17,972	$22,908	$0	$22,908	$131,326	$131,326
- Heat Pump Replacement														
Energy Education for Student Program (NEED)	958	3,383	**	$12.90	$12,361	24	81,192	$0.05750	$4,669	$1,648	$0	$1,648	$18,678	$18,678
Community Outreach Program (CFL)	2,397	3,845	**	$3.89	$9,335	26	99,970	$0.05765	$5,763	$9,396	$0	$9,396	$24,494	$24,494
Residential Efficient Products	55,928	28,215		$3.06	$170,927	8	225,720	$0.05818	$13,132	$17,338	$0	$17,338	$201,397	$201,397
- Compact Flourescent Lamp (CFL)	0	0		$0.00	$26	7	0	$0.05793	$0	$0	$0	$0	$26	$26
- Specialty Bulbs	0	0		$0.00	$1,125	10	0	$0.05854	$0	$0	$0	$0	$1,125	$1,125
- LED Lights														
HVAC Diagnostic & Tune-Up	168	101		$142.19	$23,888	78	7,878	$0.05749	$453	$220	$0	$220	$24,561	$24,561
- Air Conditioner	440	178		$118.61	$52,188	185	32,930	$0.05749	$1,893	$5,007	$0	$5,007	$59,088	$59,088
- Heat Pump														
Residential Load Management (Pilot Program)	6	1		$8,624.83	$51,749	0	0	$0.00000	$0	$0	$0	$0	$51,749	$51,749
- Air Conditioner	4	1		$12,937.25	$51,749	0	0	$0.00000	$0	$0	$0	$0	$51,749	$51,749
- Water Heating														
TOTAL RESIDENTIAL PROGRAMS	61,142	42,358			$1,040,637		2,468,584		$142,127	$137,094	$131	$137,225	$1,319,989	$1,319,989

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ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM												17B-2 of	20
YEAR 16 (2nd HALF)	NEW	CUMULATIVE		AVERAGE ESTIMATED PROGRAM COSTS	TOTAL ESTIMATED PROGRAM	NET LOST REV/QTRS	TOTAL ENERGY SAVINGS	NET LOST REVENUE	TOTAL NET * LOST	EFFICIENCY INCENTIVE	MAXIMIZING INCENTIVE	TOTAL *	TOTAL ESTIMATED COSTS TO BE
PROGRAM DESCRIPTIONS	PARTICIPANT NUMBER	PARTICIPANT NUMBER		PER PARTICIPANT	COSTS	(KWH/ PARTICIPANT)	KWH/ QTRs	($/KWH)	REVENUES	(EX. C, PG.19C)	(5% of COSTS)	INCENTIVE	RECOVERED
	(1)	(2)		(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
				(4) / (1)			(2)X(5)		(6)X(7)		(4)X(5%)	(9)+(10)	(4)+(8)+(11)
COMMERCIAL PROGRAMS													
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
Commercial A/C & Heat Pump Program													
- Air Conditioner Replacement	2	1		$4,053.00	$8,106	71	71	$0.07447	$5	$2	$0	$2	$8,113
- Heat Pump Replacement	6	2		$1,876.33	$11,258	279	558	$0.07430	$41	$349	$0	$349	$11,648
HVAC Diagnostic & Tune-Up													
- Air Conditioner	45	30		$223.56	$10,060	172	5,160	$0.07424	$383	$326	$0	$326	$10,769
- Heat Pump	88	47		$178.81	$15,735	410	19,270	$0.07429	$1,432	$2,601	$0	$2,601	$19,768
Commercial Load Management (Pilot Program)													
- Air Conditioner	0	0		$0.00	$7,157	0	0	$0.00000	$0	$0	$0	$0	$7,157
- Water Heating	0	0		$0.00	$7,157	0	0	$0.00000	$0	$0	$0	$0	$7,157
Commercial Incentive	18	2		$14,017.44	$252,314	3,739	7,478	$0.07512	$562	$42,852	$0	$42,852	$295,728
TOTAL COMMERCIAL PROGRAMS	159	82			$311,787		32,537		$2,423	$46,130	$0	$46,130	$360,340
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	61,301	42,440			$1,352,424		2,501,121		$144,550	$183,224	$131	$183,355	$1,680,329

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

** Cumulative participants include a reduction for the cumulative participants as of 01/01/2009 (High Efficiency Heat Pump, Energy Education for Students and Community Outreach Program (CFL)).

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ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM													18A-1 of	20
YEAR 17 (1st QTR)	NEW	CUMULATIVE		AVERAGE ESTIMATED	TOTAL ESTIMATED	NET LOST	TOTAL	NET LOST	TOTAL NET *	EFFICIENCY	MAXIMIZING			TOTAL ESTIMATED
	PARTICIPANT	PARTICIPANT		PROGRAM COSTS	PROGRAM	REV/QTRS	ENERGY SAVINGS	REVENUE	LOST	INCENTIVE	INCENTIVE	TOTAL *	COSTS TO BE	
PROGRAM DESCRIPTIONS	NUMBER	NUMBER		PER PARTICIPANT	COSTS	(KWH/ PARTICIPANT)	KWH/ QTRs	($/KWH)	REVENUES	(EX. C, PG.19C)	(5% of COSTS)	INCENTIVE	RECOVERED	
	(1)	(2)		(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
				(4) / (1)			(2)X(5)		(6)X(7)		(4)X(5%)	(9)+(10)	(4)+(8)+(11)	
RESIDENTIAL PROGRAMS														
Energy Fitness	0	0		$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0	$0
Targeted Energy Efficiency														
- All Electric	65	865		$1,019.35	$66,258	491	424,715	$0.05749	$24,417	$6,033	$0	$6,033	$96,708	$96,708
- Non-All Electric	5	161		$70.00	$350	218	35,098	$0.05746	$2,017	$464	$0	$464	$2,831	$2,831
Compact Fluorescent Bulb	0	0		$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0	$0
High - Efficiency Heat Pump														
- Resistance Heat	0	0		$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0	$0
- Non Resistance Heat	0	0		$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0	$0
High - Efficiency Heat Pump														
- Mobile Home	38	615		$450.00	$17,100	646	397,290	$0.05750	$22,844	$8,997	$0	$8,997	$48,941	$48,941
Mobile Home New Construction														
- Heat Pump	34	580		$551.32	$18,745	420	243,600	$0.05749	$14,005	$2,821	$0	$2,821	$35,571	$35,571
- Air Conditioner	0	0		$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0	$0
Modified Energy Fitness	290	3,235		$355.83	$103,192	163	527,305	$0.05757	$30,357	$1,847	$0	$1,847	$135,396	$135,396
High Efficiency Heat Pump														
- Resistance Heat Replacement	71	342	**	$450.00	$31,950	336	114,912	$0.05745	$6,602	$16,099	$0	$16,099	$54,651	$54,651
- Heat Pump Replacement	110	530	**	$450.00	$49,500	425	225,250	$0.05750	$12,952	$24,941	$0	$24,941	$87,393	$87,393
Energy Education for Student Program (NEED)	600	2,196	**	$15.85	$9,510	56	122,976	$0.05750	$7,071	$1,902	$0	$1,902	$18,483	$18,483
Community Outreach Program (CFL)	280	2,368	**	$12.19	$3,413	62	146,816	$0.05765	$8,464	$1,336	$0	$1,336	$13,213	$13,213
Residential Efficient Products														
- Compact Flourescent Lamp (CFL)	29,988	13,813		$2.67	$79,997	8	110,504	$0.05818	$6,429	$9,296	$0	$9,296	$95,722	$95,722
- Specialty Bulbs	0	0		$0.00	$0	7	0	$0.05793	$0	$0	$0	$0	$0	$0
- LED Lights	0	0		$0.00	$0	10	0	$0.05854	$0	$0	$0	$0	$0	$0
HVAC Diagnostic & Tune-Up														
- Air Conditioner	25	11		$135.56	$3,389	78	858	$0.05749	$49	$33	$0	$33	$3,471	$3,471
- Heat Pump	125	114		$135.55	$16,944	185	21,090	$0.05749	$1,212	$1,423	$0	$1,423	$19,579	$19,579
Residential Load Management (Pilot Program)														
- Air Conditioner	29	10		$1,263.28	$36,635	0	0	$0.00000	$0	$0	$0	$0	$36,635	$36,635
- Water Heating	29	10		$1,263.28	$36,635	0	0	$0.00000	$0	$0	$0	$0	$36,635	$36,635
TOTAL RESIDENTIAL PROGRAMS	31,689	24,850			$473,618		2,370,414		$136,419	$75,192	$0	$75,192	$685,229	$685,229

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ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM													
YEAR 17 (1st QTR)	NEW PARTICIPANT	CUMULATIVE PARTICIPANT		AVERAGE ESTIMATED PROGRAM COSTS	TOTAL ESTIMATED PROGRAM	NET LOST REV/QTRS	TOTAL ENERGY SAVINGS	NET LOST REVENUE	TOTAL NET * LOST	EFFICIENCY INCENTIVE	MAXIMIZING INCENTIVE	TOTAL *	TOTAL ESTIMATED COSTS TO BE
PROGRAM DESCRIPTIONS	NUMBER (1)	NUMBER (2)		PER PARTICIPANT (3)	COSTS (4)	(KWH/ PARTICIPANT) (5)	KWH/ QTRs (6)	($/KWH) (7)	REVENUES (8)	(EX. C, PG.19C) (9)	(5% of COSTS) (10)	INCENTIVE (11)	RECOVERED (12)
				(4) / (1)			(2)X(5)		(6)X(7)		(4)X(5%)	(9)+(10)	(4)+(8)+(11)
COMMERCIAL PROGRAMS													
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
Commercial A/C & Heat Pump Program													
- Air Conditioner Replacement	0	0		$0.00	$0	71	0	$0.07447	$0	$0	$0	$0	$0
- Heat Pump Replacement	8	3		$841.13	$6,729	279	837	$0.07430	$62	$465	$0	$465	$7,256
HVAC Diagnostic & Tune-Up													
- Air Conditioner	0	0		#DIV/0!	$0	172	0	$0.07424	$0	$0	$0	$0	$0
- Heat Pump	12	6		$135.58	$1,627	410	2,460	$0.07429	$183	$355	$0	$355	$2,165
Commercial Load Management (Pilot Program)													
- Air Conditioner	1	0		$1,263.00	$1,263	0	0	$0.00000	$0	$0	$0	$0	$0
- Water Heating	1	0		$1,263.00	$1,263	0	0	$0.00000	$0	$0	$0	$0	$1,263
Commercial Incentive	36	13		$10,592.89	$381,344	5,750	74,750	$0.07512	$5,615	$22,820	$0	$22,820	$409,779
							78,047		$5,860	$23,640	$0	$23,640	$421,726
TOTAL COMMERCIAL PROGRAMS	58	22			$392,226								
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	31,747	24,872			$865,844		2,448,461		$142,279	$98,832	$0	$98,832	$1,106,955

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

** Cumulative participants include a reduction for the cumulative participants as of 01/01/2009 (High Efficiency Heat Pump, Energy Education for Students and Community Outreach Program (CFL)).

Year 2012														
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ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM													18B-1 of	20
YEAR 17 (2nd, 3rd & 4th QTRs)	NEW	CUMULATIVE		AVERAGE ESTIMATED	TOTAL ESTIMATED	NET LOST	TOTAL	NET LOST	TOTAL NET *	EFFICIENCY	MAXIMIZING		TOTAL ESTIMATED
	PARTICIPANT	PARTICIPANT		PROGRAM COSTS	PROGRAM	REV/QTRS	ENERGY SAVINGS	REVENUE	LOST	INCENTIVE	INCENTIVE	TOTAL *	COSTS TO BE
PROGRAM DESCRIPTIONS	NUMBER	NUMBER		PER PARTICIPANT	COSTS	(KWH/ PARTICIPANT)	KWH/ QTRs	($/KWH)	REVENUES	(EX. C, PG.19C)	(5% of COSTS)	INCENTIVE	RECOVERED
	(1)	(2)		(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
				(4) / (1)			(2)X(5)		(6)X(7)		(4)X(5%)	(9)+(10)	(4)+(8)+(11)
RESIDENTIAL PROGRAMS													
Energy Fitness	0	0		$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
Targeted Energy Efficiency													
- All Electric	325	939		$1,019.21	$331,242	1,471	1,381,269	$0.05749	$79,409	$30,163	$0	$30,163	$440,814
- Non-All Electric	30	181		$71.63	$2,149	655	118,555	$0.05746	$6,812	$2,784	$0	$2,784	$11,745
Compact Fluorescent Bulb	0	0		$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
High - Efficiency Heat Pump													
- Resistance Heat	0	0		$0.00	$0	0	0	$0.00000	$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													
- Mobile Home	172	637		$450.00	$77,400	1,937	1,233,869	$0.05747	$70,910	$40,721	$0	$40,721	$189,031
Mobile Home New Construction													
- Heat Pump	156	584		$551.31	$86,005	1,261	736,424	$0.05747	$42,322	$12,942	$0	$12,942	$141,269
- Air Conditioner	0	0		$0.00	$0	0	0	$0.00000	$0	$0	$0	$0	$0
Modified Energy Fitness	910	3,057		$355.83	$323,808	488	1,491,816	$0.05751	$85,794	$5,797	$0	$5,797	$415,399
High Efficiency Heat Pump													
- Resistance Heat Replacement	204	574	**	$450.00	$91,800	1,006	577,444	$0.05750	$33,203	$46,255	$0	$46,255	$171,258
- Heat Pump Replacement	365	771	**	$450.00	$164,250	1,273	981,483	$0.05746	$56,396	$82,760	$0	$82,760	$303,406
Energy Education for Student Program (NEED)	1,400	2,717	**	$15.85	$22,190	166	451,022	$0.05730	$25,844	$4,438	$0	$4,438	$52,472
Community Outreach Program (CFL)	4,520	7,875	**	$12.19	$55,087	186	1,464,750	$0.05758	$84,340	$21,560	$0	$21,560	$160,987
Residential Efficient Products													
- Compact Flourescent Lamp (CFL)	102,355	52,115		$2.66	$272,068	25	1,302,875	$0.05818	$75,801	$31,730	$0	$31,730	$379,599
- Specialty Bulbs	25	9		$69.40	$1,735	22	198	$0.05793	$11	$9	$0	$9	$1,755
- LED Lights	775	114		$1.81	$1,405	31	3,534	$0.05854	$207	$0	$70	$70	$1,682
HVAC Diagnostic & Tune-Up													
- Air Conditioner	225	237		$143.29	$32,241	233	55,221	$0.05749	$3,175	$295	$0	$295	$35,711
- Heat Pump	625	644		$109.90	$68,686	556	358,064	$0.05749	$20,585	$7,113	$0	$7,113	$96,384
Residential Load Management (Pilot Program)													
- Air Conditioner	81	54		$1,196.36	$96,905	0	0	$0.00000	$0	$0	$0	$0	$96,905
- Water Heating	81	54		$1,196.36	$96,905	0	0	$0.00000	$0	$0	$0	$0	$96,905
TOTAL RESIDENTIAL PROGRAMS	112,249	70,562			$1,723,876		10,156,524		$584,809	$286,567	$70	$286,637	$2,595,322

Year 2012													
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ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM													
YEAR 17 (2nd, 3rd & 4th QTRs)	NEW PARTICIPANT	CUMULATIVE PARTICIPANT		AVERAGE ESTIMATED PROGRAM COSTS	TOTAL ESTIMATED PROGRAM	NET LOST REV/QTRS	TOTAL ENERGY SAVINGS	NET LOST REVENUE	TOTAL NET * LOST	EFFICIENCY INCENTIVE	MAXIMIZING INCENTIVE	TOTAL *	TOTAL ESTIMATED COSTS TO BE
PROGRAM DESCRIPTIONS	NUMBER (1)	NUMBER (2)		PER PARTICIPANT (3)	COSTS (4)	(KWH/ PARTICIPANT) (5)	KWH/ QTRs (6)	($/KWH) (7)	REVENUES (8)	(EX. C, PG.19C) (9)	(5% of COSTS) (10)	INCENTIVE (11)	RECOVERED (12)
				(4) / (1)			(2)X(5)		(6)X(7)		(4)X(5%)	(9)+(10)	(4)+(8)+(11)
COMMERCIAL PROGRAMS													
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
Commercial A/C & Heat Pump Program													
- Air Conditioner Replacement	20	12		$841.15	$16,823	211	2,532	$0.07319	$185	$19	$0	$19	$17,027
- Heat Pump Replacement	32	26		$841.16	$26,917	837	21,762	$0.07344	$1,598	$1,859	$0	$1,859	$30,374
HVAC Diagnostic & Tune-Up													
- Air Conditioner	55	33		$271.64	$14,940	515	16,995	$0.07336	$1,247	$398	$0	$398	$16,585
- Heat Pump	103	61		$202.07	$20,813	1,228	74,908	$0.07341	$5,499	$3,045	$0	$3,045	$29,357
Commercial Load Management (Pilot Program)													
- Air Conditioner	9	5		$1,865.56	$16,790	0	0	$0.00000	$0	$0	$0	$0	$16,790
- Water Heating	9	5		$1,865.56	$16,790	0	0	$0.00000	$0	$0	$0	$0	$16,790
Commercial Incentive	136	86		$9,186.63	$1,249,381	17,250	1,483,500	$0.07414	$109,987	$86,210	$0	$86,210	$1,445,578
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TOTAL COMMERCIAL PROGRAMS	364	228			$1,362,454		1,599,697		$118,516	$91,531	$0	$91,531	$1,572,501
	========	========			========		========		========	========	========	========	========
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	112,613	70,790			$3,086,330		11,756,221		$703,325	$378,098	$70	$378,168	$4,167,823
	========	========			========		========		========	========	========	========	========

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

** Cumulative participants include a reduction for the cumulative participants as of 01/01/2009 (High Efficiency Heat Pump, Energy Education for Students and Community Outreach Program (CFL)).

KENTUCKY POWER COMPANY
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PROGRAM DESCRIPTIONS	PARTICIPANT (1)	UTILITY (2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	NUMBER OF NEW PARTICIPANTS YEAR 1 (11)	YEAR 2 (12)	YEAR 3 (13)	YEAR 4 (14)	YEAR 5 (15)	YEAR 6 (16)	YEAR 7 (17)	YEAR 8 (18)	YEAR 9 (19)	YEAR 10 (20)	YEAR 11 (21)	YEAR 12 (22)	YEAR 13 (23)	YEAR 14 (24)	YEAR 15 (25)	YEAR 16 (26)	YEAR 17 (27)	YEAR 18 (28)	YEAR 19 (29)	YEAR 20 (30)	YEAR 21 (31)	YEAR 22 (32)	YEAR 23 (33)	YEAR 24 (34)	YEAR 25 (35)	YEAR 26 (36)	YEAR 27 (37)	YEAR 28 (38)	YEAR 29 (39)	YEAR 30 (40)
	INITIAL VALUES	PROSP VALUES	1999 VALUES	2002/ 2003 VALUES	2005 VALUES	2008 VALUES	2009 VALUES	2010 VALUES	2011 VALUES	2012 VALUES	1st half	2nd half	1st half	2nd half	1st half	2nd half	1st half	2nd half	1st half	2nd half	1st half	2nd half	1st half	2nd half	1st half	2nd half	1st half	2nd half	1st half	2nd half	1st half	2nd half	1st half	2nd half	1st half	2nd half	1st half	2nd half	1st half	2nd half
RESIDENTIAL PROGRAMS																																							
Energy Fitness	$78.22	$29.78	$33.69	$33.69	$33.69	n/a	n/a	n/a	n/a	n/a	552	273	690	544	448	306	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Targeted Energy Efficiency																																							
- All Electric	$0.00	$0.00	$0.00	$0.00	$0.00	$77.22	$77.22	$77.22	$147.75	$92.81	223	116	175	122	131	75	62	66	93	62	88	63	76	100	60	72	89	66	85	75	87	128	103	119	89	119	140	174	
- Non-All Electric	$9.71	$1.66	$5.02	$4.28	$15.73	$61.68	$61.68	$61.68	($37.28)	$92.81	74	20	93	24	42	12	8	28	21	18	46	32	13	7	69	10	72	57	26	34	46	29	50	55	20	22	61	31	
Compact Fluorescent Bulb	$1.58	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	209	0	0	0	0	0	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																																							
- Resistance Heat	$19.73	$7.22	$44.19	$44.19	$44.19	n/a	n/a	n/a	n/a	n/a	530	123	220	211	108	69	140	38	25	23	30	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Non Resistance Heat	$16.09	$29.11	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	527	124	186	29	64	7	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																																							
- Mobile Home	$38.86	$32.60	$84.21	$28.92	$79.20	$139.99	$139.99	$139.99	$293.76	$236.75	356	109	127	66	173	101	134	45	43	53	47	43	43	34	29	41	46	34	40	46	45	50	45	61	74	61	99	97	
Mobile Home New Construction ***																																							
- Heat Pump	n/a	n/a	$44.42	$4.06	$124.99	$111.55	$111.55	$111.55	$94.01	$82.05	0	0	0	0	33	88	123	101	94	83	92	57	61	46	64	69	70	67	83	90	94	84	129	95	108	88	103	40	
- Air Conditioner				$0.41	$0.41	n/a	n/a	n/a	n/a	n/a								0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Modified Energy Fitness				$21.66	$42.08	$49.77	$49.77	$49.77	$14.66	$9.37								161	441	334	391	371	351	440	560	515	485	560	440	425	375	591								
High Efficiency Heat Pump																																							
- Resistance Heat Replacement							$478.10	$478.10	$78.12	$226.74																												26	63	97	
- Heat Pump Replacement							$0.00	$0.00	$118.08	$226.74																												61	156	272	
Energy Education for Student Program (HEED)							$4.99	$4.99	$1.72	$3.17																												0	1,130	489	
Community Outreach Program (CFL)							$4.99	$4.99	$3.92	$4.77																												926	2,918	2,944	
Residential Efficient Product																																							
- Compact Flourescent Lamp (CFL								$0.69	$0.31	$0.31																															
- Specialty Bulbs								$1.65	$0.34	$0.34																															
- LED Lights								$0.00	($0.76)	($0.76)																															
HVAC Diagnostic & Tune-UE																																							
- Air Conditioner								$1.31	$1.31	$1.31																															
- Heat Pump								$11.30	$11.30	$11.30																															
Residenal Load Management																																							
- Air Conditioner								$0.00	$0.00	$0.00																															
- Water Heaters								$0.00	$0.00	$0.00																															
TOTAL RESIDENTIAL PROGRAMS																																							
*** Participants since 09/01/08																																							
COMMERCIAL PROGRAMS																																							
Smart Audit - Class 1	$0.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	91	243	166	204	178	166	188	144	159	134	131	125	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Class 2	$0.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	5	11	26	26	9	16	21	8	29	28	5	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Smart Financing - Existing Building	$599.34	$813.28	$262.54	$232.54	$232.54	$232.54	$232.54	$232.54	$232.54	$232.54	1	0	11	8	29	6	25	16	24	15	15	7	25	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Smart Financing - New Building	$20.33	$28.76	$262.33	$262.33	$262.33	$262.33	$262.33	$262.33	$262.33	$262.33	0	1	0	1	5	3	8	4	0	8	18	0	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Commercial A/C & Heat Pump Program																																							
- Air Conditioner Replacemen								$0.93	$0.93	$0.93																															
- Heat Pump Replacemen								$58.10	$58.10	$58.10																															
HVAC Diagnostic & Tune-UE																																							
- Air Conditioner								$7.24	$7.24	$7.24																															
- Heat Pump								$29.56	$29.56	$29.56																															
Commercial Incentive								$0.00	$2,350.69	$833.90																															
Commercial Load Manageme								$0.00	$0.00	$0.00																															
- Air Conditioner								$0.00	$0.00	$0.00																															
- Water Heating																																							
TOTAL COMMERCIAL PROGRAMS																																							
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)																																							
Smart Audit - Class 1	$0.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	15	8	21	12	3	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	$0.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	2	1	0	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	0
Smart Financing - General	$178.65	$382.80	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0	0	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 Financing - Compressed Air System	$4,850.21	$4,048.83	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0	0	0	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																																							
ANNUAL SHARED SAVINGS (5)																																							

KENTUCKY POWER COMPANY
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ANNUAL SHARED SAVINGS (5)

		YEAR 16		YEAR 17		YEAR 1	YEAR 2		YEAR 3		YEAR 4		YEAR 5		YEAR 6		YEAR 7		YEAR 8		YEAR 9		YEAR 10		YEAR 11		YEAR 12		YEAR 13		YEAR 14	
PROGRAM DESCRIPTIONS	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)	(69)	(70)
						(1)X(11)	(1)X(12)	(2)X(13)	(2)X(14)	(2)X(15)	(3)X(16)	(3)X(17)	(3)X(18)	(3)X(19)	(3)X(20)	(3)X(21)	(4)X(22)	(4)X(23)	(4)X(24)	(4)X(25)	(4)X(26)	(4)X(27)	(5)X(28)	(5)X(29)	(5)X(30)	(5)X(31)	(5)X(32)	(5)X(33)	(6)X(34)	(6)X(35)	(7)X(36)	(7)X(37)
	2nd half	1st half	2nd half	1st qtr	2nd, 3rd & 4th qtrs		1st half	2nd half	1st half	2nd half	1st half	2nd half	1st half	2nd half	1st half	2nd half	1st half	2nd half	1st half	2nd half	1st half	2nd half	1st half	2nd half	1st half	2nd half	1st half	2nd half	1st half	2nd half	1st half	2nd half
RESIDENTIAL PROGRAMS																																
Energy Fitness	0	0	0	0	0	$43,177	$21,354	$14,317	$11,304	$9,309	$10,370	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Targeted Energy Efficiency																																
- All Electric	172	110	141	65	325	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$9,189	$9,873	$9,189	$10,811
- Non-All Electric	23	6	23	5	30	$719	$252	$154	$40	$70	$60	$40	$141	$105	$90	$231	$137	$56	$30	$295	$43	$308	$1,125	$513	$671	$908	$572	$987	$3,454	$1,234	$1,357	$3,762
Compact Fluorescent Bulb	0	0	0	0	0	$425	$0	$0	$0	$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																																
- Resistance Heat	0	0	0	0	0	$10,634	$2,427	$1,588	$152	$780	$4,375	$6,187	$1,679	$1,105	$1,016	$1,326	$44	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
- Non Resistance Heat	0	0	0	0	0	$8,799	$2,070	$5,414	$757	$1,863	$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 - Mobile Home	136	94	114	38	172	$13,834	$4,236	$4,128	$2,145	$5,673	$8,505	$11,284	$3,789	$3,021	$4,463	$3,958	$1,244	$1,244	$983	$839	$1,186	$1,330	$2,693	$3,168	$3,802	$3,564	$3,960	$3,564	$8,539	$10,359	$8,539	$13,859
Mobile Home New Construction ***																																
- Heat Pump	119	68	92	34	156	$0	$0	$0	$0	$0	$4,353	$5,464	$4,469	$4,175	$3,687	$4,097	$231	$248	$187	$260	$276	$284	$8,372	$10,372	$11,246	$11,746	$10,497	$16,120	$10,597	$12,047	$9,816	$11,490
- Air Conditioner	0	0	0	0	0														$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Modified Energy Fitness	659	645	556	290	910														$2,127	$9,287	$7,034	$9,234	$15,612	$14,770	$18,515	$23,565	$21,671	$20,469	$27,871	$21,899	$21,152	$16,664
High Efficiency Heat Pump																																
- Resistance Heat Replacement	155	154	121	71	204																										$13,387	$30,120
- Heat Pump Replacement	237	212	194	110	365																										$0	$0
Energy Education for Student Program (NEED)	1,059	938	958	600	1,400																										$0	$5,627
Community Outreach Program (CFL)	2,167	2,518	2,397	260	4,520																										$4,621	$14,092
Residential Efficient Products																																
- Compact Flourescent Lamp (CFL	0	77,764	55,928	20,988	102,355																											
- Specialty Bulbs	0	0	0	0	25																											
- LED Lights	0	0	0	0	775																											
HVAC Diagnostic & Tune-Up																																
- Air Conditioner	0	64	168	25	225																											
- Heat Pump	28	290	440	125	625																											
Residential Load Managemer																																
- Air Conditioner		0	6	29	81																											
- Water Heating		0	4	29	81																											
TOTAL RESIDENTIAL PROGRAMS						$77,585	$30,339	$25,601	$14,398	$17,645	$27,663	$22,975	$10,095	$9,006	$9,256	$9,602	$1,656	$1,548	$3,327	$10,681	$8,539	$10,156	$27,802	$28,823	$34,234	$39,783	$36,700	$41,080	$59,650	$52,412	$68,061	$108,395
*** Participants since 09/01/98																																
COMMERCIAL PROGRAMS																																
Smart Audit - Class 1	0	0	0	0	0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
- 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	$0	$0	$0	$0	$0	$0	$0	$0
Smart Financing - Existing Building	0	0	0	0	0	$500	$0	$8,946	$6,506	$23,585	$1,395	$5,814	$3,721	$5,581	$3,488	$3,488	$1,628	$5,814	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Smart Financing - New Building	0	0	0	0	0	$0	$50	$0	$29	$144	$787	$2,099	$1,049	$0	$2,099	$4,722	$1,312	$4,197	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Commercial A/C & Heat Pump Program																																
- Air Conditioner Replacemen	0	1	2	0	20																											
- Heat Pump Replacemen	0	15	6	8	32																											
HVAC Diagnostic & Tune-Up																																
- Air Conditioner	0	1	45	0	55																											
- Heat Pump	1	18	83	12	103																											
Commercial Incentive	0	0	15	36	130																											
Commercial Load Managemer																																
- Air Conditioner		0	0	1	9																											
- Water Heating		0	0	1	9																											
TOTAL COMMERCIAL PROGRAMS						$500	$50	$8,946	$6,535	$23,729	$2,182	$7,913	$4,770	$5,581	$5,587	$8,210	$2,940	$10,011	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)																																
Smart Audit - Class 1	0	0	0	0	0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$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	$0	$0	$0	$0	$0	$0	$0	$0
Smart Financing - General	0	0	0	0	0	$0	$0	$0	$0	$383	$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	$0	$0	$0	$0	$0	$0	$0	$0
TOTAL INDUSTRIAL PROGRAMS						$0	$0	$0	$0	$383	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
ANNUAL SHARED SAVINGS (5)						$78,091	$30,389	$34,547	$20,933	$41,757	$29,845	$30,888	$14,865	$14,587	$14,843	$17,812	$4,596	$11,559	$3,327	$10,681	$8,539	$10,156	$27,802	$28,823	$34,234	$39,783	$36,700	$41,080	$59,650	$52,412	$68,061	$108,395

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

Exhibit C
PAGE
19C of 20

PROGRAM DESCRIPTIONS	YEAR 15 (71) (8)X(38) 1st half	(72) (8)X(39) 2nd half	YEAR 16 (73) (9)X(40) 1st half	(74) (9)X(41) 2nd half	YEAR 17 (75) (10)X(42) 1st qtr	(76) (10)X(43) 2nd, 3rd & 4th qtrs
RESIDENTIAL PROGRAMS						
Energy Fitness	$0	$0	$0	$0	$0	$0
Targeted Energy Efficiency						
- All Electric	$13,436	$13,282	$16,253	$20,833	$6,033	$30,163
- Non-All Electric	$1,917	$1,419	($224)	($557)	$464	$2,784
Compact Fluorescent Bulb	$0	$0	$0	$0	$0	$0
High - Efficiency Heat Pump						
- Resistance Heat	$0	$0	$0	$0	$0	$0
- Non Resistance Heat	$0	$0	$0	$0	$0	$0
High - Efficiency Heat Pump						
- Mobile Home	$13,579	$19,039	$27,615	$33,491	$8,997	$40,721
Mobile Home New Construction ***						
- Heat Pump	$4,462	$13,274	$6,393	$8,649	$2,621	$12,942
- Air Conditioner	$0	$0	$0	$0	$0	$0
Modified Energy Fitness	$24,935	$34,789	$9,459	$8,151	$1,847	$5,707
High Efficiency Heat Pump						
- Resistance Heat Replacement	$46,376	$74,106	$12,030	$9,453	$16,089	$46,255
- Heat Pump Replacement	$0	$0	$25,033	$22,908	$24,941	$62,760
Energy Education for Student Program (NEED)	$2,430	$5,274	$1,613	$1,648	$1,902	$4,428
Community Outreach Program (CFL)	$13,194	$10,813	$9,871	$9,396	$1,336	$21,560
Residential Efficient Products						
- Compact Flourescent Lamp (CFL		$0	$24,107	$17,338	$9,256	$31,730
- Specialty Bulbs		$0	$0	$0	$0	$0
- LED Lights		$0	$0	$0	$0	($509)
HVAC Diagnostic & Tune-Up						
- Air Conditioner		$0	$84	$220	$33	$295
- Heat Pump		$319	$3,300	$5,007	$1,423	$7,113
Residential Load Managemer						
- Air Conditioner			$0	$0	$0	$0
- Water Heating			$0	$0	$0	$0
TOTAL RESIDENTIAL PROGRAMS	$120,324	$172,315	$135,531	$136,237	$75,192	$285,978
*** Participants since 09/01/99						
COMMERCIAL PROGRAMS						
Smart Audit - Class 1	$0	$0	$0	$0	$0	$0
- Class 2	$0	$0	$0	$0	$0	$0
Smart Financing - Existing Building	$0	$0	$0	$0	$0	$0
Smart Financing - New Building	$0	$0	$0	$0	$0	$0
Commercial A/C & Heat Pump Program						
- Air Conditioner Replacemen		$0	$1	$2	$0	$19
- Heat Pump Replacemen		$0	$872	$349	$465	$1,859
HVAC Diagnostic & Tune-Up						
- Air Conditioner		$0	$7	$326	$0	$398
- Heat Pump		$30	$532	$2,601	$355	$3,045
Commercial Incentive		$0	$0	$42,852	$22,820	$86,210
Commercial Load Managemer						
- Air Conditioner			$0	$0	$0	$0
- Water Heating			$0	$0	$0	$0
TOTAL COMMERCIAL PROGRAMS	$0	$30	$1,412	$46,130	$23,640	$91,531
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)						
Smart Audit - Class 1	$0	$0	$0	$0	$0	$0
Smart Audit - Class 2	$0	$0	$0	$0	$0	$0
Smart Financing - General	$0	$0	$0	$0	$0	$0
Smart Financing - Compressed Air System	$0	$0	$0	$0	$0	$0
TOTAL INDUSTRIAL PROGRAMS	$0	$0	$0	$0	$0	$0
ANNUAL SHARED SAVINGS ($)	$120,324	$172,345	$136,943	$182,367	$98,832	$377,509

	KENTUCKY POWER COMPANY		Exhibit C	
	FORECAST OF 2012 KENTUCKY RETAIL ENERGY SALES IN KWH		PAGE 20 of	20
	FOR RESIDENTIAL, COMMERCIAL AND INDUSTRIAL SECTORS			
	PROGRAM YR 17 - 2012			
LINE NO.	YEAR	RESIDENTIAL SECTOR	COMMERCIAL SECTOR	INDUSTRIAL SECTOR
1	TOTAL ULTIMATE SALES (KWH) *	2,430,700,000	1,424,000,000	3,249,000,000
2	LESS NON-METERED **	14,584,200	8,544,000	19,494,000
3	TOTAL ESTIMATED RETAIL KWH SALES	2,416,115,800	1,415,456,000	3,229,506,000
4	LESS OPT - OUT CUSTOMERS KWH	0	0	0
5	KWH BEFORE LOST REVENUE IMPACTS	2,416,115,800	1,415,456,000	3,229,506,000
6	LESS LOST REVENUE IMPACTS ***	12,526,938	1,677,744	0
7	ADJUSTED KWH BY SECTOR	2,403,588,862	1,413,778,256	3,229,506,000
8	LINE 7/LINE 1	98.9%	99.3%	99.4%
LINE NO.	PROGRAM YR 17 (1st QTR)	RESIDENTIAL SECTOR	COMMERCIAL SECTOR	INDUSTRIAL SECTOR
9	TOTAL ULTIMATE SALES (KWH) *	797,400,000	352,500,000	810,100,000
10	LINE 8	98.9%	99.3%	99.4%
11	ADJUSTED KWH BY SECTOR	788,628,600	350,032,500	805,239,400
LINE NO.	PROGRAM YR 17 (2nd, 3rd & 4th QTRs)	RESIDENTIAL SECTOR	COMMERCIAL SECTOR	INDUSTRIAL SECTOR
12	TOTAL ULTIMATE SALES (KWH) *	1,633,300,000	1,071,500,000	2,438,900,000
13	LINE 8	98.9%	99.3%	99.4%
14	ADJUSTED KWH BY SECTOR	1,615,333,700	1,063,999,500	2,424,266,600
*	SOURCE: 2012 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 2009.			
***	LOST REVENUE IMPACTS			
	Page 18A of 20, Column 6 - TOTAL RESIDENTIAL PROGRAMS	2,370,414	78,047	-
	Page 18B of 20, Column 6 - TOTAL RESIDENTIAL PROGRAMS	10,156,524	1,599,697	-
	TOTAL	12,526,938	1,677,744	-

Kentucky Power Company

REQUEST

Provide the date of the first billing cycle for the revenue months from March 2012 through January 2013.

RESPONSE

Please see the table below for the date of the first billing cycle for revenue months March 2012 through January 2013.

Revenue Month	Cycle 1 Begin Date
March 2012	February 29, 2012
April 2012	March 29, 2012
May 2012	April 30, 2012
June 2012	May 30, 2012
July 2012	June 28, 2012
August 2012	July 30, 2012
September 2012	August 28, 2012
October 2012	September 27, 2012
November 2012	October 26, 2012
December 2012	November 28, 2012
January 2013	December 31, 2012

WITNESS: Lila P Munsey