

RECEIVED

JUN 28 2013

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION FOR A GENERAL)
ADJUSTMENT OF ELECTRIC RATES) Case No. 2013-00197
OF KENTUCKY POWER COMPANY)

DIRECT TESTIMONY OF

DAVID A. DAVIS

ON BEHALF OF KENTUCKY POWER COMPANY

VERIFICATION

The undersigned, David A.Davis, being duly sworn, deposes and says he is the Manager, Property Accounting Policy and Research that he has personal knowledge of the matters set forth in the forgoing testimony and the information contained therein is true and correct to the best of his information, knowledge and belief.

David A. Davis

David A. Davis

STATE OF OHIO

)

) Case No. 2013-00197

County of FRANKLIN

)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by David A. Davis, this the 17th day of June, 2013.

Kathy L Messer

Notary Public

My Commission Expires: Aug 18, 2017



**DIRECT TESTIMONY OF
DAVID A. DAVIS ON BEHALF OF
KENTUCKY POWER COMPANY
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY**

CASE NO. 2013-00197

TABLE OF CONTENTS

I. Introduction..... 1
II. Purpose of Testimony..... 4
III. Definition of Depreciation..... 5
IV. Depreciation Study Overview..... 6
V. Study Methods and Procedures..... 7
VI. Study Results.....11

**DIRECT TESTIMONY OF
DAVID A. DAVIS ON BEHALF OF
KENTUCKY POWER COMPANY
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY**

I. INTRODUCTION

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is David A. Davis. My business address is 1 Riverside Plaza, Columbus,
3 Ohio 43215.

4 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5 A. I am an employee of American Electric Power Service Corporation (AEPSC) a wholly
6 owned subsidiary of American Electric Power Company, Inc. (AEP). My position is
7 Manager – Property Accounting Policy and Research.

8 My responsibilities include providing the AEP electric operating subsidiaries
9 with accounting support for regulatory filings, including the preparation of depreciation
10 studies and testimony. I also monitor regulatory proceedings and legislation for
11 accounting implications and assist in determining the appropriate regulatory accounting
12 treatment.

13 **Q. PLEASE BRIEFLY DESCRIBE YOUR EDUCATIONAL BACKGROUND AND**
14 **BUSINESS EXPERIENCE.**

15 A. I received a Masters Degree in Business Administration from the University of Dayton
16 in 1988. I also have a Bachelors degree in Business Administration with a major in
17 accounting from Ohio University that I received in 1976. I am a Certified Public
18 Accountant (Inactive) in the state of Ohio. In 1980, I was employed by Columbus

1 Southern Power Company (CSP), one of the AEP operating companies, as an
2 accountant. I have held various positions in the Accounting Department including
3 Special Studies, Reports and Lease Accounting. From 1984 to 1985, I was employed by
4 Columbia Gas System Service Corporation as a staff auditor, where my responsibilities
5 included financial and procedural audits of the Columbia Gas Distribution Companies
6 and other subsidiary companies. From 1986 to present, I have been employed by AEP
7 at the Service Corporation, CSP or Ohio Power. At AEP, I have held several positions
8 including Supervisor of Consolidation Accounting, Manager/Supervisor of Property
9 Accounting (for 16 years) and my current position of Manager – Property Accounting
10 Policy and Research.

11 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE ANY REGULATORY**
12 **COMMISSIONS?**

13 A. Yes. In 2007, I prepared a depreciation study and testimony and testified before the
14 Oklahoma Corporation Commission (OCC) on behalf of Public Service of Oklahoma
15 (PSO) concerning depreciation in Cause No. PUD 200600285. Also, in 2007 I prepared
16 a depreciation study that was provided to the Louisiana Public Service Commission in
17 Docket No. U23327, Subdocket A on behalf of Southwestern Electric Power Company
18 (SWEPCO) for its generation assets. In 2008, I prepared an updated depreciation study
19 and testimony for PSO and testified before the OCC in Cause No. PUD 200800144. In
20 2009, I prepared a depreciation study for SWEPCO that was filed with the Arkansas
21 Public Service Commission in Docket No. 09-008-U. Also, in 2009, I prepared a
22 depreciation study for SWEPCO that was filed with the Public Utility Commission of

1 Texas in Docket No. 37364. In 2010, I submitted an updated depreciation study and
2 testimony for PSO in Cause No. 201000050. In February 2011, I filed a depreciation
3 study including testimony in Ohio with the Public Utilities Commission of Ohio on
4 behalf of AEP affiliates Columbus Southern Power Company and Ohio Power
5 Company (Case Numbers 11-351-EL-AIR and 11-352-EL-AIR). In July 2011, I filed a
6 depreciation study and testimony in Michigan with the Michigan Public Service
7 Commission in Case No. U-16801 for AEP affiliate Indiana Michigan Power Company
8 (I&M). In September 2011, I filed a depreciation study and testimony in Indiana with
9 the Indiana Utility Regulatory Commission in Cause No. 44075 for I&M. In July 2012,
10 I filed an updated depreciation study and testimony in Texas with the Public Utility
11 Commission of Texas in Docket No. 40443 for SWEPCO. In August 2012, I filed
12 testimony and a depreciation study report with the Federal Energy Regulatory
13 Commission (FERC) for Transource Missouri, LLC (a joint venture between AEP and
14 Great Plains Energy) in Docket No. ER12-2554-000. In December 2012, I filed
15 testimony and exhibits with FERC for AEP affiliate Appalachian Power Company
16 (APCo) detailing how book depreciation rates used in formula rate calculations are
17 determined in Docket No. ER13-0539-000. In 2013, I filed rebuttal testimony and
18 testified in Virginia for the APCo asset transfer Case No. PUE-2012-00141.

19 **Q. HAVE YOU HAD ANY FORMAL TRAINING RELATING TO**
20 **DEPRECIATION AND UTILITY ACCOUNTING?**

21 A. Yes. I am currently President of the Society of Depreciation Professionals (SDP) and
22 have completed training offered by the SDP that included Depreciation Basics, Life

1 Analysis for Valuations, Life and Net Salvage Analysis, and Preparing and Defending a
2 Depreciation Study. These training classes included an introduction to Plant and
3 Depreciation Accounting, Data Requirements and Collection, Depreciation Models,
4 Life Cycle Analysis, Current Regulatory Issues, Actuarial Life Analysis, Net Salvage
5 Analysis and Simulation Life Analysis. I am a member of the American Institute of
6 Certified Public Accountants and have attended and participated in numerous Edison
7 Electric Institute Property Accounting and Valuation meetings.

8 In addition, I traveled to Tirana, Albania in 2010 with the USAID program to
9 provide a presentation to Albanian utility personnel regarding "Depreciation for a
10 Regulated Utility".

II. PURPOSE OF TESTIMONY

11 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

12 A. My testimony recommends revised depreciation accrual rates for Kentucky Power
13 Company's (Kentucky Power or Company) electric plant in service based on a
14 depreciation study for electric utility plant in service at December 31, 2012. Schedules I
15 and II in the Depreciation Study Report detail the results of the study. The depreciation
16 rates determined by the study are intended to provide recovery of invested capital, cost
17 of removal, and credit for salvage over the expected life of the property.

18 The revised depreciation rates are primarily required due to changes in
19 investment, expected life and net salvage of Kentucky Power's property that takes into
20 account the 2015 retirement of Big Sandy Plant and the proposed transfer of a 50%
21 undivided interest in the Mitchell generating station from AEP affiliate Ohio Power

1 Company to Kentucky Power. As with many coal plants and units, Big Sandy Plant is
2 being shut down because it is not economically feasible to equip it with necessary
3 environmental controls, not because it has reached the end of its service life.

4 **Q. ARE YOU SPONSORING ANY EXHIBITS IN THIS PROCEEDING?**

5 A. Yes. I am sponsoring EXHIBIT DAD-1 which includes my depreciation study report,
6 EXHIBIT DAD-2 which is a copy of the Sargent & Lundy dismantling studies
7 performed for Big Sandy and Mitchell plants to provide terminal removal costs for these
8 plants/units and EXHIBIT DAD-3 which includes a copy of my depreciation study work
9 papers.

10 **Q. WERE THESE EXHIBITS PREPARED OR ASSEMBLED BY YOU OR**
11 **UNDER YOUR DIRECT SUPERVISION?**

12 A. Yes.

III. DEFINITION OF DEPRECIATION

13 **Q. PLEASE EXPLAIN THE DEFINITION OF DEPRECIATION AS USED IN**
14 **PREPARING YOUR DEPRECIATION STUDY.**

15 A. The definition of depreciation that I used in preparing the study is the same that is used
16 by the FERC and the National Association of Regulatory Utility Commissioners. That
17 definition is:

18 Depreciation, as applied to depreciable electric plant, means the loss in
19 service value not restored by current maintenance, incurred in connection
20 with the consumption or prospective retirement of electric plant in the course
21 of service from causes which are known to be in current operation and
22 against which the utility is not protected by insurance. Among the causes to
23 be given consideration are wear and tear, decay, action of the elements,
24 inadequacy, obsolescence, changes in the art, changes in demand and
25 requirements of public authorities.

1 Service value means the difference between original cost and the net salvage
 2 value (net salvage value means the salvage value of the property retired less
 3 the cost of removal) of the electric plant.

IV. DEPRECIATION STUDY OVERVIEW

4 **Q. HOW DO THE DEPRECIATION RATES AND ANNUAL ACCRUALS**
 5 **CALCULATED IN YOUR 2012 DEPRECIATION STUDY COMPARE WITH**
 6 **KENTUCKY POWER'S CURRENT RATES AND ACCRUALS?**

7 A. A comparison of Kentucky Power's current rates and accruals and the study rates and
 8 accruals is shown below based on total Company December 31, 2012 depreciable plant
 9 balances:

Annual Rates and Accruals

Functional Group	Current		(a)	Recommended		Increase
	Rate %	Amount		Rate %	Amount	(Decrease)
Steam Production	3.80%	54,033,937	(a)	4.30%	61,146,122	7,112,185
Transmission Plant	1.71%	8,323,096		2.80%	13,621,211	5,298,115
Distribution Plant	3.52%	22,879,551		4.47%	29,033,040	6,153,489
General Plant	2.54%	<u>825,815</u>		4.14%	<u>1,345,045</u>	<u>519,230</u>
Total	3.32%	<u>86,062,399</u>		4.05%	<u>105,145,418</u>	<u>19,083,019</u>

(a) Steam Production includes a 50% share of the Mitchell Generating Station with the current rates for Mitchell from AEP affiliate Ohio Power Company.

10 Based on results of the depreciation study which includes a 50% share of the
 11 Mitchell Generating Station I am recommending an increase in annual depreciation
 12 expense of \$19,083,019 on a total Company basis using depreciable plant balances at

1 December 31, 2012. These changes are necessary because of changes in average service
2 lives (in large part because of the timing of the planned retirement of the Big Sandy
3 units) and the net salvage estimates used to calculate the Company's depreciation rates.
4 Kentucky Power's current depreciation rates are based on a 1991 settlement agreement
5 in Case No. 91-066 which were made effective on April 1, 1991. I have provided
6 Company witness Mitchell the proposed depreciation rates for him to develop the
7 proposed annualized test year depreciation expense based on the March 31, 2013 test
8 year depreciable plant balances.

V. STUDY METHODS AND PROCEDURES

9 **Q. PLEASE BRIEFLY DESCRIBE THE METHODS AND PROCEDURES USED**
10 **IN THE STUDY.**

11 A. The methods and procedures are fully described in my depreciation study report labeled
12 Exhibit DAD-1. In summary, all of the property included in the depreciation report was
13 considered on a group plan. Under the group plan, depreciation is accrued upon the
14 basis of the original cost of all property included in each depreciable plant group instead
15 of individual items of property. Upon retirement of any depreciable property, its full
16 cost, less any net salvage realized, is charged to the accumulated provision for
17 depreciation regardless of the age of the particular item retired. Also under this plan, the
18 dollars in each primary plant account are considered as a separate group for depreciation
19 accounting purposes and an annual depreciation rate for each account is determined.
20 In this study, the plant groups consisted of the individual primary plant accounts for
21 Production, Transmission, Distribution and General Plant property. The depreciation

1 rates were calculated by the Average Remaining Life Method, which is the same
2 method that was used to calculate Kentucky Power's current depreciation rates. The
3 Average Remaining Life Method recovers the original cost of the plant, adjusted for net
4 salvage, less accumulated depreciation over the average remaining life of the plant.

5 Production Plant original cost, accumulated depreciation and terminal net
6 salvage by plant account for Big Sandy and Mitchell plants (Mitchell Plant cost
7 included at the proposed 50% Kentucky share) were combined in the depreciation study.
8 The combined amounts were used to establish production plant depreciation rates by
9 plant account that incorporate the 2015 retirement of Big Sandy Plant and fully
10 depreciate each plant account by Mitchell Plant's estimated 2040 retirement year.

11 A separate depreciation rate was calculated for Mitchell Plant's SCR catalyst
12 since AEP Generation determined that the catalyst has a shorter life than other plant
13 assets (9 years).

14 The average service lives for the Company's Transmission, Distribution and
15 General Plant were determined using statistical procedures similar to those used in the
16 insurance industry in studies of human mortality. The historical retirement experience
17 of property groups was studied and retirement characteristics of the property were
18 described using the Iowa-type retirement dispersion curves.

19 Net salvage for each property group was determined based on actual historical
20 experience for Production, Transmission, Distribution and General Plant accounts. In
21 addition Production plant included terminal net salvage amounts for Steam Production
22 Plant. To determine these amounts, Kentucky Power commissioned the independent

1 engineering firm, Sargent & Lundy (S&L), to prepare conceptual dismantling cost
2 estimates to be included in Kentucky Power's depreciation rates for the Big Sandy and
3 Mitchell Plants. The recommended depreciation rates for Production Plant included the
4 dismantling cost for Big Sandy and Mitchell Plants at their estimated retirement dates.

5 **Q. WHY DID KENTUCKY POWER RETAIN S&L TO PERFORM A**
6 **DISMANTLING STUDY OF THEIR STEAM GENERATING UNITS?**

7 A. The S&L dismantling study provides estimated removal cost and salvage amounts
8 specific to Big Sandy and Mitchell generating stations and is therefore a reasonable
9 method to arrive at future expected terminal net salvage amounts. A copy of the S&L
10 dismantling study is included with my testimony as EXHIBIT DAD-2.

11 **Q. WERE THERE ANY ADJUSTMENTS MADE TO THE RESULTS PROVIDED**
12 **BY THE DISMANTLING STUDY WHEN ADDING THE S&L NET SALVAGE**
13 **AMOUNTS TO THE DEPRECIATION STUDY?**

14 A. Yes. S&L provided terminal net salvage amounts, excluding any asbestos, ash pond or
15 landfill type removal costs, in 2013 dollars. I applied a 2.5% inflation rate factor to the
16 net salvage amounts provided by the S&L study to determine the terminal net salvage
17 amount at each plant's retirement year. The terminal net salvage amount after inflation
18 was used in the calculation of net salvage percentages in the depreciation study.

19 **Q. WHAT IS THE SOURCE OF THE 2.5% INFLATION RATE USED FOR THIS**
20 **PURPOSE?**

21 A. The 2.5% inflation rate was taken from a publication titled "The Livingston Survey"
22 dated December 12, 2012. The Livingston Survey is published by the research

1 department of the Federal Reserve Bank of Philadelphia and provides a long term
2 inflation outlook projecting an inflation rate for a 10 year period.

3 **Q. WHY DID S&L'S STEAM PLANT DISMANTLING STUDY ESTIMATES**
4 **EXCLUDE THE COST TO REMOVE ASBESTOS AND TO COVER ASH**
5 **PONDS AND LANDFILLS?**

6 A. The cost to remove asbestos and to cover ash ponds and landfills are included separately
7 in the Company's salvage and removal calculations by generating station using
8 estimates provided by AEP engineering.

9 **Q. WOULD YOU PLEASE EXPLAIN WHY YOU CALCULATED A SEPARATE**
10 **DEPRECIATION RATE FOR MITCHELL PLANT'S SELECTIVE**
11 **CATALYTIC REDUCTION (SCR) CATALYST?**

12 A. Yes. AEP Engineering determined that the depreciable life of the Mitchell Plant SCR
13 catalyst was approximately 9 years. Since the life of the catalyst is much shorter than
14 the remaining life of the plant, it is more appropriate to depreciate it over a shorter life
15 than the remaining life of the plant.

16 **Q. DO YOU HAVE ANY RECOMMENDATIONS REGARDING THE**
17 **DEPRECIATION RATES CALCULATED BY THE DEPRECIATION STUDY?**

18 A. Yes. Kentucky Power's currently applies depreciation rates and maintains accumulated
19 depreciation by functional plant classification (Production, Transmission, Distribution
20 and General). I recommend that the Commission authorize Kentucky Power to adopt
21 and apply the proposed depreciation accrual rates at the primary plant account level, and
22 that the accumulated depreciation by primary plant account be established as of the date

1 the revised depreciation rates become effective. Maintaining accumulated depreciation
2 at the primary account level will facilitate monitoring depreciation accruals and actual
3 salvage and removal activity for future depreciation study purposes, and eliminate the
4 requirement to allocate the reserve to primary plant accounts in future depreciation
5 studies.

VI. STUDY RESULTS

6 **Q. WOULD YOU PLEASE EXPLAIN THE RESULTS OF YOUR STUDY FOR**
7 **STEAM PRODUCTION PLANT?**

8 A. Yes. The composite depreciation rate for Steam Production Plant increased from 3.80%
9 to 4.30% primarily due to the 2015 retirement of Big Sandy Plant. As with many coal
10 plants and units, the Big Sandy Plant is being shut down because it is not economically
11 feasible to equip it with necessary environmental controls, not because it has reached the
12 end of its service life.

13 **Q. WOULD YOU PLEASE EXPLAIN THE RESULTS OF YOUR STUDY FOR**
14 **TRANSMISSION PLANT?**

15 A. Yes. The depreciation rate for Transmission Plant increased from 1.71% to 2.80% due
16 to increases in the net salvage ratio for 4 accounts (accounts 353, 354, 355, and 356) and
17 decreases in the average service life for three accounts (353, 354, and 355). These
18 changes were partially offset by an increase in average service life for account 352. An
19 analysis of the \$5,298,115 annual Transmission depreciation expense increase indicates
20 that the net salvage ratio increase (1 minus the net salvage percentage) accounted for
21 \$4,798,910 of the increase, and that other changes caused a \$499,205 increase.

1 Q. **WOULD YOU PLEASE EXPLAIN THE RESULTS OF YOUR STUDY FOR**
2 **DISTRIBUTION PLANT?**

3 A. Yes. The depreciation rate for Distribution Plant increased from 3.52% to 4.47% due to
4 increases in the net salvage ratio for nine accounts (accounts 361, 362, 364, 365, 367,
5 368, 369, 371 and 373) and a decrease in the average service life for one account
6 (account 370). The increase was partially offset by an increase in average service life
7 for five accounts (accounts 361, 362, 366, 369, and 373). An analysis of the \$6,153,489
8 annual Distribution depreciation expense increase indicates that the net salvage ratio
9 increase accounted for \$10,791,012 of the depreciation expense increase and other
10 changes amounted to a \$4,637,523 decrease.

11 Q. **WOULD YOU PLEASE EXPLAIN THE RESULTS OF YOUR STUDY FOR**
12 **GENERAL PLANT?**

13 A. Yes. The depreciation rate for General Plant increased from 2.54% to 4.14% due to an
14 increase in the net salvage ratio for three accounts (391, 394 and 398) and a reduction in
15 the average service life for account 390. The increase was partially offset by a decrease
16 in the net salvage ratio for accounts 390 and 397. An analysis of the \$519,230 annual
17 General Plant depreciation expense increase shows that the changes in the net salvage
18 ratio resulted in a \$36,227 decrease and other changes amounted to a \$555,457 increase.

19 Q. **DOES THIS CONCLUDE YOUR PRE-FILED DIRECT TESTIMONY?**

20 A. Yes.

KENTUCKY POWER COMPANY

DEPRECIATION STUDY REPORT

OF

ELECTRIC PLANT IN SERVICE

AT DECEMBER 31, 2012

DEPRECIATION STUDY REPORT

Table of Contents

<u>SUBJECT</u>		<u>PAGE</u>
I. Introduction	.....	3
II. Discussion of Methods and Procedures Used In The Study	.....	5
III. Net Salvage	.....	13
IV. Calculation of Depreciation Requirement at December 31, 2012	.....	15
V. Study Results	.....	16
SCHEDULE I – Explanation of Columns	.....	19
SCHEDULE I – Calculation of Depreciation Rates by the Remaining Life Method	.....	20
SCHEDULE II – Compare Depreciation Rates Using Current and Study Rates	.....	22
SCHEDULE III – Comparison of Mortality Characteristics	.....	24
SCHEDULE IV – Estimated Generation Plant Retirement Dates	.....	25

I. INTRODUCTION

This report presents the results of a depreciation study of Kentucky Power Company's (Kentucky Power) depreciable electric utility plant in service at December 31, 2012. The study was prepared by David A. Davis, Manager – Property Accounting Policy and Research at American Electric Power Service Corporation (AEPSC). The purpose of the depreciation study was to develop appropriate annual depreciation accrual rates for each of the primary plant accounts that comprise the functional groups for which Kentucky Power computes its annual depreciation expense.

The recommended depreciation rates are based on the Average Remaining Life Method of computing depreciation. Further explanation of this method is contained in Section II of this report.

The definition of depreciation used in my Study is the same as that used by the Federal Energy Regulatory Commission (FERC) and the National Association of Regulatory Utility Commissioners:

"Depreciation, as applied to depreciable electric plant, means the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of electric plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand and requirements of public authorities."

"Service value means the difference between original cost and the net salvage value (net salvage value means the salvage value of the

property retired less the cost of removal) of the electric plant." (FERC Accounting and Reporting Requirements for Public Utilities and Licensees, ¶15.001.)

Schedule I of this report shows the recommended depreciation accrual rates by primary plant accounts and composited to functional plant classifications. Schedule II compares depreciation expense using rates approved by the Commission and rates recommended by my depreciation study. Schedule III shows a comparison of the current mortality characteristics that were used to compute the recommended depreciation rates and the mortality characteristics used to determine the existing depreciation rates and accruals for Transmission, Distribution and General Plant Functions. A comparison of Kentucky Power's current functional group composite depreciation rates and accruals to recommended functional group rates and accruals based on December 31, 2012 depreciable plant balances follows:

Functional Group	<u>Annual Rates and Accruals</u>					
	Current		(a)	Recommended		Increase (Decrease)
	Rate %	Amount		Rate %	Amount	
Steam Production	3.80%	54,033,937		4.30%	61,146,122	7,112,185
Transmission Plant	1.71%	8,323,096		2.80%	13,621,211	5,298,115
Distribution Plant	3.52%	22,879,551		4.47%	29,033,040	6,153,489
General Plant	2.54%	<u>825,815</u>		4.14%	<u>1,345,045</u>	<u>519,230</u>
Total	3.32%	<u>86,062,399</u>		4.05%	<u>105,145,418</u>	<u>19,083,019</u>

(a) Steam Production includes a 50% share of the Mitchell Generating Station with the current rates for Mitchell from AEP affiliate Ohio Power Company.

Based on Total Company Depreciable Plant In-Service as of December 31, 2012, I am recommending an increase in depreciation rates that result in an increase in annual depreciation expense of \$19,083,019. The depreciation rate changes are

necessary because of changes in average service lives and net salvage estimates used to calculate Kentucky Power's depreciation rates. Kentucky Power's current approved depreciation rates are based on a 1991 settlement agreement in Case No. 91-066 and were made effective on April 1, 1991.

II. DISCUSSION OF METHODS AND PROCEDURES USED IN THE STUDY

1. Group Method

All of the depreciable property included in this report was considered on a group plan. Under the group plan, depreciation expense is accrued upon the basis of the original cost of all property included in each depreciable plant account. Upon retirement of any depreciable property, its full cost, less any net salvage realized, is charged to the accrued depreciation reserve regardless of the age of the particular item retired. Also, under this plan, the dollars in each primary plant account are considered as a separate group for depreciation accounting purposes and an annual depreciation rate for each account is determined. The annual accruals by primary account were then summed, to arrive at the total accrual for each functional group. The total accrual divided by the original cost yields the functional group accrual rate.

2. Annual Depreciation Rates Using the Average Remaining Life Method

Kentucky Power's current depreciation rates are based on the Average Remaining Life Method. The Average Remaining Life Method recovers the original cost of the plant, adjusted for net salvage, less accumulated depreciation, over the average remaining life of the plant. By this method, the annual depreciation rate for each account is determined on the following basis:

$$\text{Annual Depreciation Expense} = \frac{(\text{Orig. Cost}) (\text{Net Salvage Ratio}) - \text{Accumulated Depreciation}}{\text{Average Remaining Life}}$$

$$\text{Annual Depreciation Rate} = \frac{\text{Annual Depreciation Expense}}{\text{Original Cost}}$$

3. Methods of Life Analysis

Depending upon the type of property and the nature of the data available from the property accounting records, one of three life analyses was used to arrive at the historically realized mortality characteristics and service lives of the depreciable plant investments. These methods are identified and described as follows:

Life Span Analysis

The life span analysis was employed for Steam Production Plant. The life-span method of analysis is particularly suited to specific location property, such as generating plants, where all of the surviving investments are likely to be retired in total at a future date. The key elements in the life span analysis are the age of the surviving investments, the projected retirement date of the facility and the expected interim retirements. Interim retirements are those retirements that are expected to occur between the date of the depreciation study and the expected final retirement date of the generating plant. Examples of interim retirements include fans, pumps, motors, a set of boiler tubes, a turbine rotor, etc. The interim retirement history for each primary production plant account was analyzed and the results of those analyses were used to project future interim retirements.

The age of the surviving investments was obtained from Kentucky Power's property accounting records and from the accounting records of affiliate Ohio Power Company (OPCo) for Mitchell Generating Plant investment. American Electric Power Service Corporation (AEPSC) provided the retirement dates used in the life-span analysis for Steam Production Plant.

For the depreciation study analysis, Kentucky Power's investment in production plant included the Company's current ownership of Big Sandy units and its proposed ownership (following a transfer from Ohio Power Company) of an undivided 50% interest in the Mitchell generating station.

Steam Production Plant

Kentucky Power's depreciable investment in Steam Production Plant currently includes the Big Sandy Generating plant. In Case No. 2012-00578, the Company is seeking from the Commission a certificate of public convenience and necessity for the transfer of an undivided 50% interest in the Mitchell Generating Station from Ohio Power Company. The Big Sandy plant is located highway 23 near Louisa, Kentucky and includes two generating units. The Mitchell Plant is located on the Ohio River near Moundsville, West Virginia and also consists of two generating units. All generating units at the Big Sandy and Mitchell plants are coal fired.

The generating units and their capacities are as follows (also shown on Schedule IV – Estimated Generation Plant Retirement Dates):

<u>Plant</u>	<u>Unit</u>	<u>Rating</u>	<u>Commercial Operating Date</u>
Big Sandy	1	260 MW	1963

Big Sandy	2	800 MW	1969
Mitchell	1	770 MW	1971
Mitchell	2	790 MW	1971

AEPSC evaluated each of the generating units and determined the following retirement dates for the units:

<u>Plant</u>	<u>Unit</u>	<u>Retirement Date</u>
Big Sandy	1,2	2015
Mitchell Plant	1,2	2040

Since Kentucky Power's last depreciation study (property investment dated December 31, 2008), AEP has reevaluated the expected retirement dates for its generation plant including Big Sandy Units 1-2. The reevaluation for these two Big Sandy units indicated that their current estimated retirement date should be 2015 instead of the previously estimated individual unit retirement dates of 2023 for Unit 1 and 2029 for Unit 2. According to AEPSC, the earlier Big Sandy Units 1-2 retirement date is because it is not economically feasible to equip the units with necessary environmental controls, not because they have reached the end of their service lives. The shorter estimated life span for Big Sandy Units 1-2 is the primary reason for the higher amount of recommended Steam Production depreciation expense.

Current plans are for the Mitchell Plant to operate for a total life of 69 years or until 2040.

Actuarial Analysis – Transmission, Distribution and General Plant

This method of analyzing past experience represents the

application to industrial property of statistical procedures developed in the life insurance field for investigating human mortality. It is distinguished from other methods of life estimation by the requirement that it is necessary to know the age of the property at the time of its retirement and the age of survivors, or plant remaining in service; that is, the installation date must be known for each particular retirement and for each particular survivor.

The application of this method involves the statistical procedure known as the "annual rate method" of analysis. This procedure relates the retirements during each age interval to the exposures at the beginning of that interval, the ratio of these being the annual retirement ratio. Subtracting each retirement ratio from unity yields a sequence of annual survival ratios from which a survivor curve can be determined. This is accomplished by the consecutive multiplication of the survivor ratios. The length of this curve depends primarily upon the age of the oldest property. Normally, if the period of years from the inception of the account to the time of the study is short in relation to the expected maximum life of the property, an incomplete or stub survivor curve results.

While there are a number of acceptable methods of smoothing and extending this stub survivor curve in order to compute the area under it from which the average life is determined, the well-known Iowa Type Curve Method was used in this study.

By this procedure, instead of mathematically smoothing and projecting the stub survivor curve to determine the average life of the group, it was assumed that the stub curve would have the same mortality

characteristics as the type curve selected. The selection of the appropriate type curve and average life is accomplished by plotting the stub curve, superimposing on it lowa curves of the various types and average lives drawn to the same scale, and then determining which lowa type curve and average life best matches the stub.

The Actuarial Method of Life Analysis was used for the following accounts:

- 352.0 Transmission Structures & Improvements
- 353.0 Transmission Station Equipment
- 361.0 Distribution Structures & Improvements
- 362.0 Distribution Station Equipment
- 390.0 General Structures & Improvements

The result of the actuarial analysis for the above accounts is detailed in my depreciation study work papers.

Simulated Plant Record Analysis – Transmission and Distribution Plant

The “Simulated Plant Record” (SPR) method designates a class of statistical techniques that provide an estimate of the age distribution, mortality dispersion and average service life of property accounts whose recorded history provides no indication of the age of the property units when retired from service. For each such account, the available property records usually reveal only the annual gross additions, annual retirements and balances with no indication of the age of either plant retirements or annual plant balances. For this study, the “Balances method” of analysis was used.

The SPR Balances Method is a trial and error procedure that attempts to duplicate the annual balance of a plant account by distributing the actual annual gross additions over time according to an assumed mortality distribution. Specifically, the dollars remaining in service at any date are estimated by multiplying each year's additions by the successive proportion surviving at each age as given by the assumed survivor characteristics. For a given year, the balance indicated is the accumulation of survivors from all vintages and this is compared with the actual book balance. This process is repeated for a different survivor curves and average life combinations until a pattern is discovered which produces a series of "simulated balances" most nearly equaling the actual balances shown in a company's books.

This determination is based on the distribution producing the minimum sum of squared differences between the simulated balance and the actual balances over a test period of years.

The iterative nature of the simulated methods makes them ideally suited for computerized analysis. For each analysis of a given property account, the computer program provides a single page summary containing the results of each analysis indicating the "best fit" based on criteria selected by the user.

The results of my analysis using the Balance Method is shown in the depreciation study work papers. The analysis also shows the value of the Index of Variation of the difference that is calculated according to the the Balances Method where a lower value for the Index of Variation

indicates better agreement with the actual data.

The SPR Method of Life Analysis was utilized for the following accounts:

- 354.0 Transmission Towers & Fixtures
- 355.0 Transmission Poles & Fixtures
- 356.0 Transmission Overhead Conductor & Devices
- 364.0 Distribution Poles, Towers & Fixtures
- 365.0 Distribution OH Conductor & Devices
- 366.0 Distribution Underground Conduit
- 367.0 Distribution Underground Conductor & Devices
- 368.0 Distribution Line Transformers
- 369.0 Distribution Services
- 370.0 Distribution Meters
- 371.0 Installation on Customers Premises
- 373.0 Street Lighting & Signal Systems

Vintage Year Accounting – General Equipment

In 1998, the Company began using a vintage year accounting method for general plant accounts 391 to 398 in accordance with Federal Energy Regulatory Commission Accounting Release Number 15 (AR-15). This accounting method requires the amortization of vintage groups of property over their useful lives. AR-15 also requires that property be retired when it meets its average service life.

As a result, my recommendation for these accounts is that the current useful life approved by the Commission be retained and used to continue amortization of the account balances.

4. Final Selection of Average Life and Curve Type

The final selection of average life and curve type for each depreciable plant account analyzed by the Actuarial and SPR Methods was primarily based on the results of the mortality analyses of past retirement history.

III. NET SALVAGE

1. Net Salvage - Steam Production Plant

The net salvage analysis for steam production plant included a review of Mitchell Plant's experienced functional interim retirement, salvage and removal history for the period 2001-2012. No interim retirements were estimated for Big Sandy Plant since the plant is estimated to retire in 2015 and the Company estimates that there will be few interim retirements in the period between 2013 and 2015.

While this type of analysis was used to determine the net salvage applicable to interim retirements for steam production plant, the most significant net salvage amounts for generating plants occurs at the end of their life. Therefore, to assist in establishing total net salvage applicable to Kentucky Power's Big Sandy generating plant and for OPCo's Mitchell plant, Kentucky Power contracted with Sargent & Lundy (S&L) to prepare conceptual demolition cost estimates for these plants. The S&L cost estimates to demolish the plants are based on current (2013) price levels which were inflated to retirement date in the depreciation study. These estimates were incorporated into the calculation of net salvage ratios for Steam Production Plant. S&L's demolition costs do not include Asset Retirement Obligation (ARO) amounts associated with the removal of asbestos or any cost associated with the final disposition of Big Sandy or Mitchell Plant landfills and ash ponds. The costs to remove asbestos and cover

ash ponds were taken from Kentucky Power and OPCo's estimates to retire these items in each company's Asset Retirement Obligation accounting estimates.

2. Net Salvage – Transmission, Distribution and General Plant

The net salvage percentages used in this report for Transmission, Distribution and General Plant are expressed as percent of original cost and are based on the Company's experience combined with the judgment of the analyst. Kentucky Power maintains salvage and removal costs in its depreciation ledger at the functional plant level, rather than by primary plant accounts. To determine gross salvage, gross removal and net salvage percentages for individual plant accounts, original cost retirements, salvage and removal were taken from the Company's account history in its PowerPlant software which detailed these amounts by account for the period 2000 to 2012. Gross salvage and cost of removal percentages were calculated using the data from this thirteen year time period for each account. The salvage and removal percentages for each account were then netted to determine a net salvage percentage for each account.

The net salvage percents were converted to net salvage ratios (1 minus the net salvage percentage) and appear in Column IV on Schedule I and were used to determine the total amount to be recovered through depreciation. The same net salvage was also reflected in the determination of the calculated depreciation requirement, which was used to allocate accumulated depreciation at the functional group to the accounts comprising each group.

5. Net Salvage – Ratios

The net salvage ratios shown on Schedule I of this report may be explained as follows:

- a. Where the ratio is shown as unity (1.00), it was assumed that the net salvage in that particular account would be zero.
- b. Where the ratio is less than unity, it was assumed that the salvage exceeded the removal costs. For example, if the net salvage were 20%, the net salvage ratio would be expressed as .80.
- c. Where the ratio is greater than unity, it was assumed that the salvage was less than the cost of removal. For example, if the net salvage were minus 5%, the net salvage ratio would be expressed as 1.05.

IV. CALCULATION OF DEPRECIATION REQUIREMENT AT DECEMBER 31, 2012

The accumulated depreciation by functional group was allocated to individual plant accounts based on the calculation of a depreciation requirement (theoretical reserve) for each plant account using the average service life, curve type and net salvage amount recommended in this study.

V. STUDY RESULTS

Production, Transmission, Distribution and General plant results are discussed below. In addition, Transmission, Distribution and General Plant average service life, retirement dispersion pattern and net salvage percentages used to calculate each primary plant account depreciation rate are shown on

Schedule III. The mortality characteristics and net salvage values for the current rates are also shown. The changes to the mortality characteristics follow the trends shown by historical retirement experience. Gross salvage and gross cost of removal percentages were largely based on the history of the account for the period 2000-2012.

Steam Production Plant

Depreciation rates for Steam Production Plant were calculated using the combined values of Big Sandy and Mitchell plants by plant account with the expectation that the total cost of these two plants would be recovered by 2040 which is the estimated retirement date for Mitchell Plant. The depreciation rate calculation assumes that any remaining net book value for Big Sandy Plant after its 2015 retirement will be recovered over the remaining life of Mitchell Plant. For comparison purposes on Schedule II, Mitchell Plant's current rates are from OPCo's current depreciation rates. The comparison of steam production depreciation accruals using the currently approved depreciation rates and the depreciation study rates includes Mitchell Plant. The amounts used for Mitchell Plant are 50% of the plant's original cost and accumulated depreciation on OPCo's books at December 31, 2012.

Steam production depreciation expense increased primarily due to the shorter life estimate for Big Sandy Plant. The shorter Big Sandy Plant life estimate is because it is not economically feasible to equip the plant with necessary environmental controls, not because it has reached the end of its service life.

Terminal demolition costs are included in the steam production depreciation rates. The estimates of demolition costs were developed by Sargent & Lundy. S&L estimated demolition cost in 2013 dollars for Big Sandy

Plant and Mitchell Plant (Kentucky Power's 50% share) was \$28,831,786 and \$21,185,697, respectively.

Transmission Plant

The depreciation rates for Transmission plant increased from 1.71% to 2.80% due to increases in the net salvage ratio for four accounts (accounts 353, 354, 355 and 356) and decreases in the average service life for three accounts (accounts 353, 354, and 355). The increase was partially offset by an increase in the average service life for account 352. An analysis of the \$5,298,115 annual Transmission depreciation expense increase indicates that the net salvage ratio changes (1 minus the net salvage percentage) accounted for \$4,798,910 of the increase and that other changes including the decrease in average service life for the three accounts caused a \$499,205 increase.

Distribution Plant

The depreciation rates for Distribution plant increased from 3.52% to 4.47% due to increases in the net salvage ratio for nine accounts (accounts 361, 362, 364, 365, 367, 368, 369, 371 and 373) and a decrease in the average service life for one account (account 370). The increase was partially offset by an increase in average service life for five accounts (accounts 361, 362, 366, 369 and 373). An analysis of the \$6,153,489 annual Distribution depreciation expense increase shows that the net salvage ratio increase accounted for \$10,791,012 of the depreciation expense increase and other changes including the changes in average service life amounted to a \$4,637,523 decrease.

General Plant

The depreciation rates for General plant increased from 2.54% to 4.14% due to increases in the net salvage ratio for three accounts (accounts 390, 394 and 398) and a reduction in the average service life for account 390. The increase was partially offset by decreases in the net salvage ratio for accounts 390 and 397. An analysis of the \$519,230 annual General depreciation expense increase shows that the net salvage ratio changes amounted to a \$36,227 decrease and other changes caused a \$555,457 increase.

SCHEDULE I – EXPLANATION OF COLUMN HEADINGS

Schedule I shows the determination of the recommended annual depreciation accrual rate by primary plant accounts by the straight line remaining life method. An explanation of the schedule follows:

Column I	-	Account number.
Column II	-	Account title.
Column III	-	Original Cost at December 31, 2012
Column IV	-	Net Salvage Ratio.
Column V	-	Total to be Recovered (Column III) * (Column IV).
Column VI	-	Calculated Depreciation Requirement.
Column VII	-	Allocated Accumulated Depreciation – accumulated depreciation (book reserve) spread to each account on the basis of the Calculated Depreciation Requirement shown in Column VI.
Column VIII	-	Remaining to be Recovered (Column V - Column VII).
Column IX	-	Average Remaining Life.
Column X	-	Recommended Annual Accrual Amount.
Column XI	-	Recommended Annual Accrual Percent or Depreciation Rate (Column X/Column III).



Big Sandy Plant Unit 1 & 2
CONCEPTUAL DEMOLITION COST ESTIMATE

Prepared for:
Kentucky Power Company (Owner)
and American Electric Power Service Corporation

Project No. 11488-066
March 12, 2013
Revision A

Sargent & Lundy^{LLC}

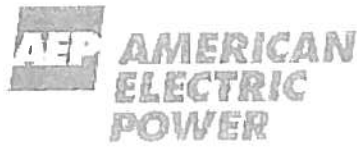
55 East Monroe Street
Chicago, IL 60603-5780 USA



Big Sandy Plant Unit 1 & 2
Kentucky Power Company
American Electric Power Service Corporation
Conceptual Demolition Cost Estimate
March 12, 2013

Issue Summary Page

Revision Number	Date	Purpose	Prepared By	Reviewed By	Approved By	Pages Affected
A	03/12/13	Comments	R. Kinsinger <i>R. Kinsinger</i>	J. A. Eyanchik <i>J. A. Eyanchik</i> D. F. Franczak <i>D. F. Franczak</i>		All



Big Sandy Plant Unit 1 & 2
Kentucky Power Company
American Electric Power Service Corporation
Conceptual Demolition Cost Estimate
March 12, 2013

TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
1 INTRODUCTION	1
2 COST ESTIMATE SUMMARY	1
3 TECHNICAL BASIS	2
4 COMMERCIAL BASIS	2
4.1 General Information	2
4.2 Quantities/Material Cost	3
4.3 Construction Labor Wages.....	3
4.4 Scrap Value.....	4
4.5 Indirect Costs.....	4
4.6 Escalation	4
4.7 Contingency	4
4.8 Assumptions.....	5
5 REFERENCES	6

<u>EXHIBIT</u>	<u>DESCRIPTION</u>
1	Conceptual Demolition Cost Estimate No. 31983A



Big Sandy Plant Unit 1 & 2
Kentucky Power Company
American Electric Power Service Corporation
Conceptual Demolition Cost Estimate
March 12, 2013

1.0 INTRODUCTION

The Big Sandy Plant located near Louisa, Kentucky in Lawrence County is owned and operated by Kentucky Power Company, a subsidiary of American Electric Power (AEP). The plant consists of two (2) generating units with a total generating capacity of 1,097 megawatts (Unit 1 = 281MW, Unit 2 = 816 MW). Units 1 & 2 were placed in operation in 1963 and 1969 respectively.

The American Electric Power Service Corporation (AEPSC) recently contracted Sargent & Lundy, LLC. to prepare a conceptual demolition cost estimate using 1st Quarter 2013 pricing levels. The objective of the conceptual demolition cost estimate is to determine the gross demolition costs for Big Sandy Plant Units 1 and 2 (including gross salvage credits and any other benefits). The cost estimate considers the demolition/dismantlement methodology which complies with current OSHA rules and regulations.

2.0 COST ESTIMATE SUMMARY

Conceptual Demolition Cost Estimate No. 31983A, dated February 22, 2013, was prepared and is included as Exhibit 1. The cost estimate is structured into a code of accounts as identified in Table 2-1.

Table 2-1
Cost Estimate Code of Accounts

Account Number	Description
10	Demolition Costs (including steel, equipment & piping scrap value)
18	Scrap Value Costs
91	Other Direct & Construction Indirect Costs
93	Indirect Costs
94	Contingency Costs
96	Escalation Costs

The results of the cost estimate are provided in Table 2-2 below:



Big Sandy Plant Unit 1 & 2
Kentucky Power Company
American Electric Power Service Corporation
Conceptual Demolition Cost Estimate
March 12, 2013

Table 2-2
Cost Estimate Results Summary

Description	Total Cost
Demolition Cost	\$38,725,498
Scrap Value	\$(20,887,112)
Direct Cost Subtotal	\$17,838,386
Indirect Cost	\$ 1,783,800
Contingency Cost	\$9,209,600
Total Project Cost	\$28,831,786

3.0 TECHNICAL BASIS

The scope of dismantlement includes the complete Big Sandy Plant Units 1 & 2 generating facility and plant common services associated with both units. Common facilities include:

- 825 ft Chimney
- Various Buildings
- Coal Rail and Truck Unloading Facilities

The following are excluded from the scope of the conceptual demolition cost estimate.

- Bottom Ash Pond
- Asbestos Removal
- Switchyard

The scope of the demolition cost estimate is based on a review of the facility by two (2) S&L employees conducted in January 2013 for development of the demolition cost estimate.

4.0 COMMERCIAL BASIS

4.1 General Information

The Conceptual Demolition Cost Estimate prepared for the Big Sandy Plant is a conceptual estimate of the cost to dismantle Big Sandy Plant Units 1 and 2.

Costs were calculated for (1) demolition of existing plant structures and equipment and associated site restoration costs, (2) scrap value of steel and copper, (3) associated indirect costs, and (4) contingency.



Big Sandy Plant Unit 1 & 2
Kentucky Power Company
American Electric Power Service Corporation
Conceptual Demolition Cost Estimate
March 12, 2013

All units used in the cost estimate are U.S. Standard and all costs are in US Dollars (1st Quarter 2013 levels). A two (2) year demolition schedule is anticipated not including asbestos removal (to be performed prior to start of demolition work).

4.2 Quantities/Material Cost

Quantities of pieces of equipment and/or bulk material commodities used in this cost estimate were intended to be reasonable and representative of projects of this type. Material quantities were estimated from the site plot plan and other drawings and data provided by AEP and Plant Personnel.

4.3 Construction Labor Wages

Craft labor rates (Craft Hourly Rate) for the cost estimate were calculated as Non-Union Kentucky Craft Labor rates based on Personnel Administration Services (PAS) Inc. "2013 Merit Shop Wage and Benefit Survey". The craft rates were incorporated into work crews appropriate for the activities by adding allowances for small tools, construction equipment, insurance, and site overheads to arrive at crew hourly rates detailed in the cost estimate. A 1.05 regional labor productivity multiplier was included based on Compass International Global Construction Yearbook, 2013 Edition, for non-union work in Kentucky.

4.3.1 Labor Work Schedule and Incentives

The estimate assumed a 5x8 work week. No other labor incentives are included.

4.3.2 Construction Indirects

Allowances were included in the cost estimate as direct costs as noted for the following:

- Freight: Material and scrap freight included in the material and scrap costs.
- Additional Crane Allowance: None included. Cost of cranes and construction machinery are included in the labor wage rates.
- Mobilization and Demobilization: Included in labor wage rates.
- Scaffolding: Included in labor wage rates.
- Consumables: Included in material and labor costs.
- Per Diem Costs: Excluded from the estimate.
- Contractor's General and Administrative Costs and Profit: Included in the labor wage rates.



Big Sandy Plant Unit 1 & 2
Kentucky Power Company
American Electric Power Service Corporation
Conceptual Demolition Cost Estimate
March 12, 2013

4.4 Scrap Value

The value of scrap was determined by a 12 month average (March 2012 through February of 2013) using Zone 4 (USA Midwest) of the "Scrap Metals Market Watch" (www.americanrecycler.com).

Since the values obtained are delivered pieces, 10% of the values obtained were deducted to pay for separation, preparation and shipping to the mills. This resulted in realized prices of:

- Mixed Steel Value @ \$287/Ton
- Copper Value @ \$6,091/Ton
- Stainless Steel @ \$1,336/Ton

Note: 1 Ton = 2,000 Lbs

All steel is considered to be mixed steel unless otherwise noted.

4.5 Indirect Costs

Allowances were included in the cost estimate as indirect costs as noted for the following:

- Engineering, Procurement and Project Services: None included.
- Construction Management Support: None included.
- Owners Cost: Included as 10.0% of the total direct cost. Owners Costs include owner project engineering, administration and construction management, permits and fees, legal expenses, taxes, etc.

4.6 Escalation

No allowance for escalation was included in the cost estimate. All costs are determined in 1st Quarter 2013 levels.

4.7 Contingency

Allowances were included in the cost estimate as contingency as noted for the following:

- Scrap Value: Included as a 15.0% reduction in the salvage value resulting in a total net reduction in the salvage value. The contingency assumes a potential drop in salvage value thus increasing the project cost.
- Material: Included as 15.0% of the total material cost.
- Labor: Included as 15.0% of the total labor cost.
- Indirect: Included as 15.0% of the total indirect cost.



4.8 Assumptions

The following assumptions apply to the cost estimate.

- All chemicals will be removed by the Owner prior to demolition, from the facilities to be demolished.
- All coal and fuel oil will be consumed prior to demolition.
- Catalyst, if any, is assumed to be removed and returned to the OEM by others, prior to demolition.
- All electrical equipment and wiring is de-energized prior to start of dismantlement.
- No extraordinary environmental costs for demolition have been included. Removal of five (5) feet of fill inside the bermed areas around the oil tanks and metal cleaning waste tank is included.
- Asbestos and PCB's are removed from site by others prior to start of demolition.
- Bottom Ash Pond is not included. These costs will be determined by the Owner.
- Demolition of the chimney will be subcontracted. The chimney is 825 ft high and is located approximately 580 ft from the Big Sandy River to the South and 480 ft from the main switchyard to the North. Also, the main line for the Chesapeake and Ohio Railroad is approximately 825 ft North and US 29 is approximately 50 ft beyond the railroad. Therefore Careful Demolition (top down demolition process) will be used to dismantle the chimney. The chimney is demolished by breaking it up from the top and dropping the debris down the throat of the chimney and removing the debris periodically through the duct openings on the sides of the chimney (located 75 to 100 ft above grade). The remaining chimney below the duct openings is then demolished as any other structure.
- Switchyards within the plant boundaries are not part of the scope, neither are access roads to these facilities. Fences and gates needed to protect the switchyard will be left in place. The other site fences are removed.
- All items above grade and to a depth of 2 foot will be demolished. Any other items buried more than 2 foot will remain in place. All foundations are removed and buried on site with the exception of power block (turbine building, boiler building and service building), and the one (1) chimney thick mat foundation at grade. These foundations will have two (2) feet of soil spread over them and will be graded into the surrounding area.



Big Sandy Plant Unit 1 & 2
Kentucky Power Company
American Electric Power Service Corporation
Conceptual Demolition Cost Estimate
March 12, 2013

- Underground piping, conduit and cable ducts will be abandoned in place.
- Underground piping larger than 4 feet diameter will be filled with sand or slurry and capped at the ends to prevent collapse. Non-metal pipe will be collapsed.
- All demolished materials are considered debris, except for organic combustibles and non-embedded metals which have scrap value.
- The basis for salvage estimating is for scrap value only. No resale of equipment or material is included.
- Handling, on-site and off-site disposal of hazardous materials would be performed in compliance with methods approved by Owner.
- Disturbed areas will be buried under 2 feet of topsoil mulched and seeded with grass – no other landscaping is included.
- All borrow material is assumed to be purchased from nearby (10 mile round trip) offsite sources.
- Debris not suitable for burial is to be disposed of off-site. Assumed distance to final disposal is within a 5 mile haul.

5.0 REFERENCES

Drawings utilized in the preparation of this demolition cost estimate are identified in Table 5-1.



Big Sandy Plant Unit 1 & 2
Kentucky Power Company
American Electric Power Service Corporation
Conceptual Demolition Cost Estimate
March 12, 2013

Table 5-1

Reference Drawings

Unit	Document Number	Revision	Title
0	12-5030-2	0	Plot Plan
0	12-5030-10	0	Plot Plan
0	12-5030A-2	0	SCR Project Plot Plan
1	1-1200A-18	1	Auxiliary One Line
1	1-5031-2	1	General Cross Section
1	1-5032-2	1	Long Section Thru Turbine Room & Service Building Unit 1
1	1-5033-2	1	Long Section Thru Heater Bay & Service Building & Elev. South Side of Blr
2	2-1395	2	Fire Protection Foam House Electrical Assembly
2	2-1396	2	Fire Protection Sump F.O. Tank, & Truck Unloading Station Electrical Assemblies
2	2-3044-4-1	2	Concrete Stack Circular Steel Platforms
2	2-4101-2	2	Plumbing & Drainage, Roof & Drain System Sheet 1 of 6
2	2-4103-1	2	Plumbing & Drainage, Roof & Drain System Sheet 3 of 6
2	2-4107-2	2	Plumbing & Drainage, Floor Plan Service Building
2	2-4112-4	2	Plumbing & Drainage, Locomotive House & Tractor Shed Building
2	2-4122	2	Plumbing & Drainage, Service Building Annex Plans & Details
2	2-5001-3	2	Composite Cycle Diagram Unit 2
2	2-5050-15	2	Circulating Water Piping Sheet 1 of 3
2	2-5051-10	2	Circulating Water Piping Sheet 2 of 3
2	2-5109-1	2	Metal Cleaning Waste Treatment Facility General Arrangement & Yard Piping
2	2-5110-1	2	Metal Cleaning Waste Treatment Facility Piping Details
2	2-5135-32	2	Yard Piping Unit No 2, Sheet 1 of 3
2	2-536801-3	2	Urea Conversion Area Piping Composite
2	2-536802-0	2	Urea Preparation Area Piping Composite
2	2-536803-2	2	Urea Conversion Area Piping Composite
2	2-536804-2	2	Urea Conversion Area Piping Composite



Big Sandy Plant Unit 1 & 2
Kentucky Power Company
American Electric Power Service Corporation
Conceptual Demolition Cost Estimate
March 12, 2013

Unit	Document Number	Revision	Title
2	2-538806-0	2	SCR Project Composite Piping Units 1 & 2 Precipitator Area
2	2-538807-1	2	SCR Project Piping Site Key Plan
2	2-538829-0	2	SCR Project Composite Piping Plans El. 116' 3"
2	Figure BS-2-3-15-1	2	Cooling Tower
2	2-MSK-459	2	Study of Revised River Water Makeup for Units 1 & 2
2	100109-9267512-02	2	SCR General Arrangement, Front Sectional View
2	100109-9267513-02	2	SCR General Arrangement, Unit 2 - Rear Sectional Views
2	100109-9267514-02	2	SCR General Arrangement, Unit 2 - Auxiliary Views
2	100109-9267520-02	2	SCR General Arrangement, SCR 2 - Plan View
2	100109-9267521-02	2	SCR General Arrangement, Unit 2 - Plan View
2	100109-9267530-02	2	SCR General Arrangement, Big Sandy 2, Isometric View
2	Training Document	2	Big Sandy Unit 2 Longitudinal Sections
2	Training Document	2	Big Sandy Unit 2 General Cross Section

0 = Common For Units 1& 2

1 = Unit 1

2 = Unit 2



Big Sandy Plant Unit 1 & 2
Kentucky Power Company
American Electric Power Service Corporation
Conceptual Demolition Cost Estimate
March 12, 2013

EXHIBIT 1
Big Sandy Plant Units 1 & 2
Conceptual Demolition Cost Estimate No. 31983A

**AEP/ Kentucky Power
Decommissioning Study Big Sandy
Units 1, 2 and Common Facilities**

Project name	Big Sandy
Estimator	RCK
Labor rate table	13NUKY
Project No.	11488-066
Station Name	Big Sandy
Unit	1, 2 and Common
Location	Kentucky
Product Factor	1
Price Level	2013
Issue Date	2/22/2013
Estimate Date	2/22/2013
Reviewed By	JAE
Approved By	MNO
Status	<i>Comment</i>
Estimate No.	31983A
Estimate Class	Conceptual
Report format	Sorted by 'Area/Group phase' 'Group phase' summary
Cost index	NUKY

ESTIMATE NO.: 31983A
 PROJECT NO.: 11488-066
 ISSUE DATE: 2/22/2013
 PREP./REV.: RCK/JAE
 APPROVED: MNO

AEP/ Kentucky Power
 Decommissioning Study Big Sandy
 Units 1, 2 and Common Facilities

Estimate & Budget

Estimate Totals

Description	Amount	Totals	Hours
LABOR	29,540,432		357,986.217 hrs
MATERIAL	7,535,066		
SUBCONTRACT	1,650,000		
SCRAP RECOVERY	<u>(20,887,112)</u>		
	17,838,386	17,838,386	
91-1 SCAFFOLDING			
91-2 OT WORKING 5-10 HOUR DAYS			
91-3 OT Working 7-10 Hr Days			
91-2 PER DIEM			
91-5 CONSUMABLES			
91-6 FREIGHT ON EQUIPMENT			
91-7 FREIGHT ON SPECIAL EQUIP.			
91-8 FREIGHT ON MATERIAL			
91-9 FREIGHT ON SCRAP INCL			
91-10 SALES TAX			
91-11 CONTRACTOR'S G&A EXPENSE			
91-12 CONTRACTOR'S PROFIT		17,838,386	
93-1 EP&P SERVICES			
93-2 CM SUPPORT			
93-3 START-UP/COMMISSIONING			
93-4 START-UP/SPARE PARTS			
93-5 EXCESS LIABILITY INSUR.			
93-6 SALES TAX ON INDIRECTS			
93-7 OWNER'S COST	1,783,800		
93-8 EPC FEE	<u>1,783,800</u>	19,622,186	
94-3 CONTINGENCY ON MATERIAL	1,130,300		
94-4 CONTINGENCY ON LABOR	4,431,100		
94-5 CONTINGENCY ON SUB.	247,500		
94-6 CONTINGENCY ON SCRAP	3,133,100		
94-7 CONTINGENCY ON INDIRECTS	<u>267,600</u>	28,831,786	
	9,209,600		
96-3 ESCALATION ON MATERIAL			
96-4 ESCALATION ON LABOR			
96-5 ESCALATION ON SUB.			
96-6 ESCALATION ON SCRAP			
96-7 ESCALATION ON INDIRECTS		28,831,786	
98 INTEREST DURING CONSTR.		28,831,786	
Total		28,831,786	

ESTIMATE NO.: 31556A
 PROJECT NO.: 11488-066
 ISSUE DATE: 2/22/2013
 PREP./REV.: RCK/JAE
 APPROVED: MNO

AEP/ Kentucky Power
 Decommissioning Study Big Sandy
 Units 1, 2 and Common Facilities

2/22/2013 1:22 PM

AREA	GROUP	PHASE	DESCRIPTION	LABOR MAN HRS	LABOR AMOUNT	MATERIAL AMOUNT	SUB AMOUNT	PROCESS EQUIP AMOUNT	TOTAL AMOUNT
Common									
	10.00.00		WHOLE PLANT DEMOLITION	74,076	8,819,470	7,449,896	1,650,000		17,919,366
	18.00.00		SCRAP VALUE					(2,183,209)	(2,183,209)
			Common	74,076	8,819,470	7,449,896	1,650,000	(2,183,209)	15,736,157
Unit 1									
	10.00.00		WHOLE PLANT DEMOLITION	82,596	6,043,293	27,770			6,071,063
	18.00.00		SCRAP VALUE					(5,153,373)	(5,153,373)
			Unit 1	82,596	6,043,293	27,770		(5,153,373)	917,690
Unit 2									
	10.00.00		WHOLE PLANT DEMOLITION	201,314	14,677,668	57,400			14,735,068
	18.00.00		SCRAP VALUE					(13,550,530)	(13,550,530)
			Unit 2	201,314	14,677,668	57,400		(13,550,530)	1,184,539

AEP/ Kentucky Power
 Decommissioning Study Big Sandy
 Units 1, 2 and Common Facilities

AREA	GROUP	PHASE	DESCRIPTION	NOTES	TAKEOFF QUANTITY	PROCESS EQUIP AMOUNT	MATERIAL AMOUNT	SUB AMOUNT	LABOR MAN HRS	LABOR PRICE	LABOR AMOUNT	TOTAL AMOUNT
Common	10.00.00		WHOLE PLANT DEMOLITION									
		10.21.00	CIVIL WORK									
			COVERED DISTURBED AREAS OF SITE W/2 FT TOPSOIL	OFFSITE SUPPLY	296,500 CY	-	7,116,000	-	15,572	102.05 /MH	1,589,171	8,705,171
			SEED AND MULCH		92 AC	-	256,496	-	2,609	32.86 /MH	85,740	342,236
			PAVED SURFACES	LEAVE ROAD TO SWITCHYARD	15,400 SY	-	0	-	1,941	102.05 /MH	198,097	198,097
			DEMOLITION - 26450 TRACK FEET of 110# RAILROAD TRACK		26,450 TF	-	0	-	8,335	102.05 /MH	850,595	850,595
			DEMOLITION - PERIMETER FENCE	LEAVE SWITCHYARD FENCES	4,500 LF	-	0	-	189	102.05 /MH	19,295	19,295
			CIVIL WORK				7,372,496		28,647		2,742,899	10,115,395
		10.22.00	CONCRETE									
			BUILDING PAD FOUNDATION 110LB/CY, OUTBUILDINGS & MISC FDNS		2,555 CY	-	0	-	3,019	76.08 /MH	229,708	229,708
			EQUIPMENT FOUNDATION 110 LB/CY, MISC EQUIPMENT		1,300 CY	-		-	1,387	76.08 /MH	105,553	105,553
			INTAKE CLOSURE		800 CY	-	73,600	-	840	76.08 /MH	63,933	137,533
			CONCRETE				73,600		5,247		399,194	472,794
		10.24.00	ARCHITECTURAL									
			BUILDING, WAREHOUSE #4, 100' X 35' X 14' TALL		49,000 CF	-		-	309	74.88 /MH	23,125	23,125
			BUILDING, CHEMICAL BLDG, 3900 SF X 14' TALL		54,600 CF	-		-	344	74.88 /MH	25,768	25,768
			BUILDING, WAREHOUSE #5, 100' X 50' X 14' TALL		70,000 CF	-		-	441	74.88 /MH	33,035	33,035
			BUILDING, CONSTRUCTION OFFICES, 140' X 50' X 14' TALL		98,000 CF	-		-	618	74.88 /MH	46,249	46,249
			BUILDING, CONSTRUCTION LOCKERROOM / WAREHOUSE, 100' X 40' X 14' TALL		56,000 CF	-		-	353	74.88 /MH	26,428	26,428
			BUILDING, ANNEX, 85' X 48' 14' TALL		57,120 CF	-		-	360	74.88 /MH	26,957	26,957
			BUILDING, CAR DUMPER, 40' X 68' X 22' TALL		59,840 CF	-		-	377	74.88 /MH	28,240	28,240
			BUILDING, SHOWER BLDG & COAL HANDLING OFFICE, 80' X 74' X 20' TALL		118,400 CF	-		-	746	74.88 /MH	55,877	55,877
			BUILDING, THAW-OUT SHED, 220' X 24' X 14' TALL		73,920 CF	-		-	466	74.88 /MH	34,885	34,885
			BUILDING, THAW-OUT SHED ELECTRICAL, 90' X 20' X 14' TALL		25,200 CF	-		-	159	74.88 /MH	11,893	11,893
			BUILDING, TRACTOR REPAIR BUILDING PART 1 88' X 25' X 14' TALL		30,800 CF	-		-	194	74.88 /MH	14,536	14,536
			BUILDING, TRACTOR REPAIR BUILDING PAR2 1 40' X 24' X 14' TALL		13,440 CF	-		-	85	74.88 /MH	6,343	6,343
			BUILDING, PICNIC SHELTER, 60' X 34' X 10' TALL		20,400 CF	-		-	129	74.88 /MH	9,627	9,627
			BUILDING, WAREHOUSE BOB AREA, 150' X 74' X 14' TALL		155,400 CF	-		-	979	74.88 /MH	73,338	73,338
			BUILDING, OLD GATEHOUSE - TRAIONING BLDG, 35' X 30' X 12' TALL		12,600 CF	-		-	79	74.88 /MH	5,946	5,946
			BUILDING, RIVER SCREEN HOUSEM 50' X 30' X 14' TALL		21,000 CF	-		-	132	74.88 /MH	9,911	9,911
			BUILDING, FOAM HOUSE, 30' X 30' X 12' TALL		10,800 CF	-		-	68	74.88 /MH	5,097	5,097
			BUILDING, WATER TREATING BLDG, 40' X 30' X 14' TALL		16,800 CF	-		-	106	74.88 /MH	7,928	7,928
			BUILDING, GATEHOUSE - NORTH ENTRANCE, 20' X 16' X 14' TALL		4,480 CF	-		-	28	74.88 /MH	2,114	2,114
			BUILDING, FIREHOUSE, 30' X 15' X 12' TALL		5,400 CF	-		-	34	74.88 /MH	2,548	2,548
			BUILDING, UNIDENTIFIED BLDG WEST OF FIRE HOUSE, 60' X 24' X 12' TALL		17,280 CF	-		-	109	74.88 /MH	8,155	8,155
			BUILDING, UNIDENTIFIED BLDG EAST OF FIRE HOUSE, 60' X 24' X 12' TALL		17,280 CF	-		-	109	74.88 /MH	8,155	8,155

AEP/ Kentucky Power
 Decommissioning Study Big Sandy
 Units 1, 2 and Common Facilities

AREA	GROUP	PHASE	DESCRIPTION	NOTES	TAKEOFF QUANTITY	PROCESS EQUIP AMOUNT	MATERIAL AMOUNT	SUB AMOUNT	LABOR MAN HRS	LABOR PRICE	LABOR AMOUNT	TOTAL AMOUNT
		10.24.00	ARCHITECTURAL BUILDING, SHED SW OF UNIT 1 SERVICE BLDG, 40' X 30' X 12' TALL		14,400 CF	-		-	91	74.88 /MH	6,796	6,796
			ARCHITECTURAL						6,316		472,952	472,952
		10.25.00	CONCRETE CHIMNEY & STACK 825' TALL CONCRETE CHIMNEY	PRICE SHOWN IS A SUBCONTRACTED PRICE	825 VLF	-		1,650,000		76.08 /MH		1,650,000
			CONCRETE CHIMNEY & STACK					1,650,000				1,650,000
		10.31.00	MECHANICAL EQUIPMENT TANKS, FUEL OIL TANK, 3,400,000 GALLONS, BOTTOM ONLY (TOP HAS BEEN REMOVED)	90' DIA, BASE ONLY	32 TN	-		-	91	65.32 /MH	5,940	5,940
			TANKS, FUEL OIL TANK, 500,000 GALLONS	52' DIA. X 32' TALL	50 TN	-		-	140	65.32 /MH	9,167	9,167
			TANKS, METAL CLEANING WASTE TANK 1,000,000 GALLONS	70' DIA. X 35' TALL	83 TN	-		-	233	65.32 /MH	15,217	15,217
			MECHANICAL EQUIPMENT						464		30,324	30,324
		10.33.00	MATERIAL HANDLING EQUIPMENT MATERIAL HANDLING EQUIPMENT - COAL HANDLING SYSTEM		1,015 TN	-		-	2,159	65.32 /MH	141,026	141,026
			MATERIAL HANDLING EQUIPMENT						2,159		141,026	141,026
		10.35.00	PIPING PIPING - CIRC WATER PIPING AND TUNNELS		1 LS	-		-	1,071	76.08 /MH	81,514	81,514
			PIPING - DEMO BOP PIPING AND HANGERS		1 LS	-		-	535	65.32 /MH	34,924	34,924
			PIPING						1,606		116,439	116,439
		10.41.00	ELECTRICAL EQUIPMENT MISCELLANEOUS ELECTRICAL EQUIPMENT		75 TN	-		-	211	65.32 /MH	13,750	13,750
			MISCELLANEOUS ELECTRICAL EQUIPMENT, TRANSFORMERS		50 TN	-		-	140	65.32 /MH	9,167	9,167
			ELECTRICAL EQUIPMENT						351		22,917	22,917
		10.42.00	RACEWAY, CABLE TRAY, & CONDUIT RACEWAY, CABLE TRAY, & CONDUIT - RACEWAY, CABLE TRAY, & CONDUIT		225 TN	-		-	479	65.32 /MH	31,262	31,262
									479		31,262	31,262
		10.86.00	WASTE WASTE - OIL CONTAMINATED FILL, 3,400,000 GALLON OIL TANK COINTAINMENT	ASSUMED 5 FEET DEEP IS CONTAMINATED - DISPOSAL COSTS	16,225 CY	-	0	-	20,179	168.94 /MH	3,409,039	3,409,039
			WASTE - METAL CLEANING TANK BERMED AREA CONTAMINATED FILL	ASSUMED 5 FEET DEEP IS CONTAMINATED - DISPOSAL COSTS	3,889 CY	-	0	-	4,837	168.94 /MH	817,119	817,119
			WASTE - BUILDING WASTE - COMMON BLDGS	HAULING & DISPOSAL COSTS	380 CY	-	3,800	-	40	65.32 /MH	2,607	6,407
			WASTE - OIL CONTAMINATED FILL, 500,000 GALLON OIL TANK COINTAINMENT	ASSUMED 5 FEET DEEP IS CONTAMINATED - DISPOSAL COSTS	3,016 CY	-	0	-	3,751	168.94 /MH	633,693	633,693
			WASTE				3,800		28,807		4,862,457	4,866,257
			WHOLE PLANT DEMOLITION				7,449,896	1,650,000	74,076		8,819,470	17,919,366
	18.00.00		SCRAP VALUE									
		18.10.00	MIXED STEEL									(47,068)
			MIXED STEEL REBAR RECOVERY FROM OUTBUILDINGS FOUNDATIONS & MISC FDNS		-164 TN		(47,068)	-		65.89 /MH		(47,068)
			MIXED STEEL REBAR RECOVERY FROM 825' CHIMNEY		-448 TN		(128,576)	-		65.89 /MH	0	(128,576)
			MIXED STEEL, STEEL LINER FROM 825' CHIMNEY		-278 TN		(79,786)	-		65.89 /MH	0	(79,786)

AEP/ Kentucky Power
 Decommissioning Study Big Sandy
 Units 1, 2 and Common Facilities

AREA	GROUP	PHASE	DESCRIPTION	NOTES	TAKEOFF QUANTITY	PROCESS EQUIP AMOUNT	MATERIAL AMOUNT	SUB AMOUNT	LABOR MAN HRS	LABOR PRICE	LABOR AMOUNT	TOTAL AMOUNT
		18.10.00	MIXED STEEL									
			MIXED STEEL, EQUIPMENT FOUNDATION 110 LB/CY, MISC EQUIPMENT, REINFORCING		-72 TN	(20,664)	-	-		65.89 /MH		(20,664)
			MIXED STEEL, MATERIAL HANDLING EQUIPMENT - COAL HANDLING SYSTEM, COMMON		-1,015 TN	(291,305)	-	-		65.89 /MH		(291,305)
			MIXED STEEL, 26450 TF OF RAILROAD TRACK, 110# RAIL		-970 TN	(278,390)	-	-		65.89 /MH	0	(278,390)
			MIXED STEEL, RACEWAY, CABLE TRAY, & CONDUIT -		-225 TN	(64,575)	-	-		65.89 /MH	0	(64,575)
			MIXED STEEL, MISCELLANEOUS ELECTRICAL EQUIPMENT, TRANSFORMERS		-25 TN	(7,175)	-	-		65.89 /MH		(7,175)
			MIXED STEEL, TANKS, FUEL OIL TANK, 3,400,000 GALLONS, BOTTOM ONLY (TOP HAS BEEN REMOVED)		-32 TN	(9,299)	-	-		65.89 /MH		(9,299)
			MIXED STEEL, TANKS, FUEL OIL TANK, 500,000 GALLONS		-50 TN	(14,350)	-	-		65.89 /MH		(14,350)
			MIXED STEEL, TANKS, METAL CLEANING WASTE TANK 1,000,000 GALLONS		-83 TN	(23,821)	-	-		65.89 /MH		(23,821)
			MIXED STEEL			(965,009)						(965,009)
		18.30.00	COPPER									
			COPPER SCRAP CABLE & COMMON		-150 TN	(913,650)	-	-		65.89 /MH		(913,650)
			COPPER, MISCELLANEOUS ELECTRICAL EQUIPMENT, TRANSFORMERS		-50 TN	(304,550)	-	-		65.89 /MH		(304,550)
			COPPER			(1,218,200)						(1,218,200)
			SCRAP VALUE			(2,183,209)						(2,183,209)
			Common			(2,183,209)	7,449,896	1,650,000	74,076		8,819,470	15,736,157
Unit 1												
	10.00.00		WHOLE PLANT DEMOLITION									
		10.22.00	CONCRETE									
			BUILDING PAD FOUNDATION 110 LB/CY, UNIT 1 COOLING TOWER BASIN		3,835 CY	-	0	-	4,532	76.08 /MH	344,787	344,787
			BUILDING PAD FOUNDATION 110LB/CY, OUTBUILDINGS & MISC FDNS		49 CY	-	-	-	58	76.08 /MH	4,405	4,405
			ELEVATED FOUNDATION 110/CY, UNIT 1 COOLING TOWER SHELL		7,112 CY	-	0	-	4,475	76.08 /MH	340,449	340,449
			ELEVATED FOUNDATION, UNIT 1 TURBINE AND BLR BLDGS		2,000 CY	-	0	-	1,258	76.08 /MH	95,739	95,739
			TURBINE PEDESTAL FOUNDATION 140 LB/CY, UNIT 1		1,911 CY	-	0	-	3,613	76.08 /MH	274,895	274,895
			CONCRETE						13,936		1,060,276	1,060,276
		10.23.00	STEEL									
			DUCTWORK WBREECHINGS AND STEEL SUPPORTS, UNIT 1		537 TN	-	0	-	1,507	65.89 /MH	99,310	99,310
			STEEL						1,507		99,310	99,310
		10.24.00	ARCHITECTURAL									
			BUILDING, UNIT 1 POWER BLOCK, INCLUDING TURBINE BLDG, BOILER HOUSE PREHTR FAN ENCLOSURE & COAL BUNKERS		4,501,000 CF	-	0	-	47,279	74.88 /MH	3,540,282	3,540,282
			BUILDING, UNIT 1 THAW-OUT SHED, 60' X 22' X 16' TALL		21,120 CF	-	-	-	133	74.88 /MH	9,967	9,967
			ARCHITECTURAL						47,413		3,550,250	3,550,250
		10.31.00	MECHANICAL EQUIPMENT									
			MAIN BOILER AND APPURTENANCES, UNIT 1		3,218 TN	-	0	-	6,845	71.35 /MH	488,392	488,392
			FD & ID FANS, UNIT 1		214 TN	-	0	-	455	71.35 /MH	32,478	32,478

AEP/ Kentucky Power
 Decommissioning Study Big Sandy
 Units 1, 2 and Common Facilities

AREA	GROUP	PHASE	DESCRIPTION	NOTES	TAKEOFF QUANTITY	PROCESS EQUIP AMOUNT	MATERIAL AMOUNT	SUB AMOUNT	LABOR MAN HRS	LABOR PRICE	LABOR AMOUNT	TOTAL AMOUNT
		10.31.00	MECHANICAL EQUIPMENT									
			FEEDWATER DEARATING EQUIPMENT, UNIT 1		100 TN	-	0	-	213	65.32 /MH	13,894	13,894
			TANKS, UNIT 1 CONDENSATE STORAGE TANK, 300,000 GALLONS	36 DIA. X 40' TALL	29 TN	-	-	-	81	65.32 /MH	5,317	5,317
			WATER TREATMENT DEMINERALIZATION & CHEMICAL TREATMENT EQUIPMENT, UNIT 1		136 TN	-	0	-	289	65.32 /MH	18,896	18,896
			TURBINE GENERATOR, UNIT 1		750 TN	-	0	-	1,595	65.32 /MH	104,207	104,207
			CONDENSER, UNIT 1		423 TN	-	0	-	900	65.32 /MH	58,773	58,773
			CIRCULATING WATER EQUIPMENT, UNIT 1		69 TN	-	0	-	147	65.32 /MH	9,587	9,587
			COOLING TOWER, UNIT 1 REMOVE FILL		295,000 CF	-	0	-	1,859	65.32 /MH	121,446	121,446
			MECHANICAL EQUIPMENT - UNIT 1		155 TN	-	0	-	330	65.32 /MH	21,536	21,536
			MISC. POWER PLANT EQUIPMENT		1 LS	-	0	-	331	65.32 /MH	21,613	21,613
			MECHANICAL EQUIPMENT - DEMOLISH UNIT 1 TURBINE ROOM OVERHEAD CRANE									
			MECHANICAL EQUIPMENT - UNIT 1 DUST COLLECTORS		137 TN	-	0	-	291	65.32 /MH	19,035	19,035
			MECHANICAL EQUIPMENT - PRECIPITATORS UNIT 1		200 TN	-	0	-	425	65.32 /MH	27,788	27,788
			MECHANICAL EQUIPMENT						13,762		942,962	942,962
		10.33.00	MATERIAL HANDLING EQUIPMENT									
			MATERIAL HANDLING EQUIPMENT - UNIT 1 ASH HANDLING EQUIPMENT		77 TN	-	0	-	164	65.32 /MH	10,699	10,699
			MATERIAL HANDLING EQUIPMENT - UNIT 1 FUEL EQUIPMENT, CONVEYORS INCL TRUSSES & BENTS		837 TN	-	0	-	1,780	65.32 /MH	116,295	116,295
			MATERIAL HANDLING EQUIPMENT						1,944		126,993	126,993
		10.34.00	HVAC									
			HVAC - UNIT 1		1 LS	-	-	-	897	65.32 /MH	58,596	58,596
			HVAC						897		58,596	58,596
		10.35.00	PIPING									
			PIPING - UNIT 1 BOILER PLANT AND TURBINE PIPING		799 TN	-	0	-	1,784	65.32 /MH	116,552	116,552
			PIPING						1,784		116,552	116,552
		10.41.00	ELECTRICAL EQUIPMENT									
			GENERATOR BUS TRANSFORMERS		344 TN	-	0	-	966	65.32 /MH	63,067	63,067
			UNIT 1 MAIN POWER TRANSFORMER		34 TN	-	0	-	95	65.32 /MH	6,233	6,233
			STATION AUXILIARY TRANSFORMERS, UNIT 1 MAIN AUX TRANSFORMERS						1,061		69,301	69,301
			ELECTRICAL EQUIPMENT									
		10.86.00	WASTE									
			WASTE - UNIT 1 COOLING TOWER FILL	FIBERGLASS AND WOOD, HAULING & DISPOSAL COSTS	1,094 CY	-	10,940	-	115	65.32 /MH	7,506	18,446
			WASTE - UNIT 1 BLDG WASTE	HAULING & DISPOSAL COSTS	1,683 CY	-	16,830	-	177	65.32 /MH	11,548	28,378
			WASTE				27,770		292		19,054	46,824
			WHOLE PLANT DEMOLITION				27,770		82,696		6,043,293	6,071,063
		18.00.00	SCRAP VALUE									
		18.10.00	MIXED STEEL									
			MIXED STEEL, UNIT 1 POWER BLOCK, INCLUDING TURBINE BLDG, BOILER HOUSE PREHTR FAN ENCLOSURE & COAL BUNKERS & SERVICE BLDG		-2,251 TN	(646,037)	-	-		65.89 /MH		(646,037)
			MIXED STEEL, REBAR RECOVERED, TURBINE PEDESTAL FOUNDATION 140 LB/CY, UNIT 1		-105 TN	(30,135)	-	-		65.89 /MH	0	(30,135)
			MIXED STEEL, UNIT 1 COOLING TOWER REINFORCING RECOVERED		-603 TN	(173,061)	-	-		65.89 /MH	0	(173,061)

AEP/ Kentucky Power
 Decommissioning Study Big Sandy
 Units 1, 2 and Common Facilities

AREA	GROUP	PHASE	DESCRIPTION	NOTES	TAKEOFF QUANTITY	PROCESS EQUIP AMOUNT	MATERIAL AMOUNT	SUB AMOUNT	LABOR MAN HRS	LABOR PRICE	LABOR AMOUNT	TOTAL AMOUNT
		18.10.00	MIXED STEEL		-110 TN	(31,570)	-	-		65.89 /MH		(31,570)
			MIXED STEEL, ELEVATED FOUNDATION, UNIT 1 TURBINE AND BLR BLDGS, REINFORCING								0	(923,566)
			MIXED STEEL, MAIN BOILER AND APPURTENANCES, UNIT 1		-3,218 TN	(923,566)	-	-		65.89 /MH	0	(923,566)
			MIXED STEEL, FD & ID FANS, UNIT 1		-214 TN	(61,418)	-	-		65.89 /MH	0	(61,418)
			MIXED STEEL, DUCTWORK W/BREECHINGS AND STEEL SUPPORTS, UNIT 1		-537 TN	(154,119)	-	-		65.89 /MH	0	(154,119)
			MIXED STEEL, FEEDWATER DEARATING EQUIPMENT, UNIT 1		-100 TN	(28,700)	-	-		65.89 /MH	0	(28,700)
			MIXED STEEL, WATER TREATMENT DEMINERALIZATION & CHEMICAL TREATMENT EQUIPMENT, UNIT 1		-136 TN	(39,032)	-	-		65.89 /MH	0	(39,032)
			MIXED STEEL, UNIT 1 CONDENSER		-287 TN	(82,369)	-	-		65.89 /MH	0	(82,369)
			MIXED STEEL, MATERIAL HANDLING EQUIPMENT - UNIT 1 ASH HANDLING EQUIPMENT		-77 TN	(22,099)	-	-		65.89 /MH	0	(22,099)
			MIXED STEEL, MATERIAL HANDLING EQUIPMENT - UNIT 1 FUEL EQUIPMENT, CONVEYORS INCL TRUSSES & BENTS		-837 TN	(240,219)	-	-		65.89 /MH	0	(240,219)
			MIXED STEEL, TURBINE GENERATOR, UNIT 1		-750 TN	(215,250)	-	-		65.89 /MH	0	(215,250)
			MIXED STEEL, CIRCULATING WATER EQUIPMENT, UNIT 1		-69 TN	(19,803)	-	-		65.89 /MH	0	(19,803)
			MIXED STEEL, MECHANICAL EQUIPMENT - UNIT 1 MISC. POWER PLANT EQUIPMENT		-155 TN	(44,485)	-	-		65.89 /MH	0	(44,485)
			MIXED STEEL, MECHANICAL EQUIPMENT - UNIT 1 DUST COLLECTORS		-137 TN	(39,319)	-	-		65.89 /MH	0	(39,319)
			MIXED STEEL, PIPING - UNIT 1 BOILER PLANT AND TURBINE PIPING		-799 TN	(229,313)	-	-		65.89 /MH	0	(229,313)
			MIXED STEEL, MECHANICAL EQUIPMENT - PRECIPITATORS UNIT 1		-200 TN	(57,400)	-	-		65.89 /MH	0	(57,400)
			MIXED STEEL, GENERATOR BUS TRANSFORMERS UNIT 1 MAIN POWER TRANSFORMER		-193 TN	(55,535)	-	-		65.89 /MH	0	(55,535)
			MIXED STEEL, STATION AUXILIARY TRANSFORMERS, UNIT 1 MAIN AUX TRANSFORMERS		-20 TN	(5,654)	-	-		65.89 /MH	0	(5,654)
			MIXED STEEL, TANKS, UNIT 1 CONDENSATE STORAGE TANK, 300,000 GALLONS		-29 TN	(8,323)	-	-		65.89 /MH	0	(8,323)
			MIXED STEEL			(3,107,406)						(3,107,406)
		18.30.00	COPPER									
			COPPER, UNIT 1 CONDENSER TUBES		-135 TN	(824,721)	-	-		65.89 /MH		(824,721)
			COPPER / NI									(898,423)
			COPPER, GENERATOR BUS TRANSFORMERS UNIT 1 MAIN POWER TRANSFORMER		-147 TN	(898,423)	-	-		65.89 /MH		(898,423)
			COPPER, STATION AUXILIARY TRANSFORMERS, UNIT 1 MAIN AUX TRANSFORMERS		-53 TN	(322,823)	-	-		65.89 /MH		(322,823)
			COPPER			(2,045,967)						(2,045,967)
			SCRAP VALUE			(5,153,373)						(5,153,373)
			Unit 1			(5,153,373)	27,770		82,596		6,043,293	917,690
Unit 2	10.00.00		WHOLE PLANT DEMOLITION									
		10.22.00	CONCRETE									
			BUILDING PAD FOUNDATION 110 LB/CY, UNIT 2 COOLING TOWER BASIN		9,583 CY				11,324	76.08 /MH	861,564	861,564

AEP/ Kentucky Power
 Decommissioning Study Big Sandy
 Units 1, 2 and Common Facilities

AREA	GROUP	PHASE	DESCRIPTION	NOTES	TAKEOFF QUANTITY	PROCESS EQUIP AMOUNT	MATERIAL AMOUNT	SUB AMOUNT	LABOR MAN HRS	LABOR PRICE	LABOR AMOUNT	TOTAL AMOUNT
		10.22.00	CONCRETE									
			BUILDING PAD FOUNDATION 110LB/CY, OUTBUILDINGS & MISC FDNS		363 CY	-			429	76.08 /MH	32,636	32,636
			ELEVATED FOUNDATION 110/CY, UNIT 2		13,122 CY	-			8,256	76.08 /MH	628,146	628,146
			COOLING TOWER SHELL									
			ELEVATED FOUNDATION, UNIT 2		2,035 CY	-			1,280	76.08 /MH	97,415	97,415
			TURBINE AND BLR BLDGS									
			TURBINE PEDESTAL FOUNDATION 140 LB/CY, UNIT 2		7,778 CY	-			14,706	76.08 /MH	1,118,856	1,118,856
			CONCRETE						35,997		2,738,616	2,738,616
		10.23.00	STEEL									
			DUCTWORK W/BREECHINGS AND STEEL SUPPORTS, UNIT 2		1,022 TN	-			2,868	65.89 /MH	189,004	189,004
			STEEL						2,868		189,004	189,004
		10.24.00	ARCHITECTURAL									
			BUILDING, UNIT 2 POWER BLOCK, INCLUDING TURBINE BLDG, BOILER HOUSE PREHTR FAN ENCLOSURE & COAL BUNKERS		8,863,000 CF	-	0		93,099	74.88 /MH	6,971,234	6,971,234
			BUILDING, UNIT 2, UREA SYSTEM BLDG, 60' 45' X 40' TALL		108,000 CF	-			681	74.88 /MH	50,969	50,969
			BUILDING, UNIT 2 UREA SYSTEM AMMONIA ON DEMAND (AOD) BLDG, 60' X 40' X 14' TALL		33,500 CF	-			212	74.88 /MH	15,857	15,857
			BUILDING, UNIT 2 SCR BLDG, 70' 67' X 20' TALL		93,800 CF	-			591	74.88 /MH	44,267	44,267
			ARCHITECTURAL						94,582		7,082,327	7,082,327
		10.31.00	MECHANICAL EQUIPMENT									
			MAIN BOILER AND APPURTENANCES, UNIT 2		12,160 TN	-			25,866	71.35 /MH	1,845,507	1,845,507
			FD & ID FANS, UNIT 2		6,135 TN	-			13,050	71.35 /MH	931,101	931,101
			FEEDWATER DEARATING EQUIPMENT, UNIT 2		215 TN	-			457	65.32 /MH	29,873	29,873
			TANKS, UNIT 2 CLEAN CONDENSATE TANK, 750,000 GALLONS	57' DIA. X 41' TALL	77 TN	-			216	65.32 /MH	14,117	14,117
			TANKS, UNIT 2 CONTAMINATED CONDENSATE TANK, 500,000 GALLONS	52' DIA. X 32' TALL	50 TN	-			140	65.32 /MH	9,167	9,167
			TANKS, UNIT 2 UREA SOLUTION STORAGE TANK, 200,000 GALLONS TK103-100	35' DIA. X 30' TALL	25 TN	-			70	65.32 /MH	4,583	4,583
			TANKS, UNIT 2 UREA SOLUTION STORAGE TANK, 200,000 GALLONS TK104-100	35' DIA. X 30' TALL	25 TN	-			70	65.32 /MH	4,583	4,583
			WATER TREATMENT DEMINERALIZATION & CHEMICAL TREATMENT EQUIPMENT, UNIT 2		269 TN	-			572	65.32 /MH	37,375	37,375
			TURBINE GENERATOR, UNIT 2		2,045 TN	-			4,350	65.32 /MH	284,137	284,137
			CONDENSER, UNIT 2		1,165 TN	-			2,478	65.32 /MH	161,868	161,868
			CIRCULATING WATER EQUIPMENT, UNIT 2		484 TN	-			1,030	65.32 /MH	67,248	67,248
			COOLING TOWER, UNIT 2 REMOVE FILL		664,000 CF	-			4,185	65.32 /MH	273,356	273,356
			MECHANICAL EQUIPMENT - UNIT 2		613 TN	-			1,304	65.32 /MH	85,172	85,172
			MISC. POWER PLANT EQUIPMENT									
			MECHANICAL EQUIPMENT - DEMOLISH UNIT 2 TURBINE ROOM OVERHEAD CRANE		1 LS	-			331	65.32 /MH	21,613	21,613
			MECHANICAL EQUIPMENT - UNIT 2		269 TN	-			572	65.32 /MH	37,375	37,375
			DUST COLLECTORS		600 TN	-			1,276	65.32 /MH	83,365	83,365
			MECHANICAL EQUIPMENT - PRECIPITATORS UNIT 2									
			MECHANICAL EQUIPMENT - SCR UNIT 2		664 TN	-			1,412	65.32 /MH	92,258	92,258
			MECHANICAL EQUIPMENT						57,380		3,982,698	3,982,698
		10.33.00	MATERIAL HANDLING EQUIPMENT									

ESTIMATE NO.: 3199JA
 PROJECT NO.: 11488-066
 ISSUE DATE: 2/22/2013
 PREP./REV.: RCK/JAE
 APPROVED: MND

AEP/ Kentucky Power
 Decommissioning Study Big Sandy
 Units 1, 2 and Common Facilities

2/22/2013 1:19 PM

AREA	GROUP	PHASE	DESCRIPTION	NOTES	TAKEOFF QUANTITY	PROCESS EQUIP AMOUNT	MATERIAL AMOUNT	SUB AMOUNT	LABOR MAN HRS	LABOR PRICE	LABOR AMOUNT	TOTAL AMOUNT
		10.33.00	MATERIAL HANDLING EQUIPMENT									
			MATERIAL HANDLING EQUIPMENT - UNIT 2 ASH HANDLING EQUIPMENT		377 TN	-	-	-	802	65.32 /MH	52,381	52,381
			MATERIAL HANDLING EQUIPMENT - UNIT 2 FUEL EQUIPMENT, CONVEYORS INCL TRUSSES & BENTS		32 TN	-	-	-	68	65.32 /MH	4,446	4,446
			MATERIAL HANDLING EQUIPMENT						870		56,827	56,827
		10.34.00	HVAC									
			HVAC - UNIT 2		1 LS	-	-	-	1,780	65.32 /MH	116,300	116,300
			HVAC						1,780		116,300	116,300
		10.35.00	PIPING									
			PIPING - UNIT 2 BOILER PLANT AND TURBINE PIPING		2,690 TN	-	-	-	6,007	65.32 /MH	392,396	392,396
			PIPING						6,007		392,396	392,396
		10.41.00	ELECTRICAL EQUIPMENT									
			GENERATOR BUS TRANSFORMERS		328 TN	-	-	-	921	65.32 /MH	60,134	60,134
			UNIT 2 MAIN POWER TRANSFORMER									
			STATION AUXILIARY TRANSFORMERS, UNIT 2 MAIN AUX TRANSFORMERS		109 TN	-	-	-	306	65.32 /MH	19,984	19,984
			ELECTRICAL EQUIPMENT						1,227		80,117	80,117
		10.86.00	WASTE									
			WASTE - UNIT 2 COOLING TOWER FILL	FIBERGLASS AND WOOD, HAULING & DISPOSAL COSTS	2,460 CY	-	24,600	-	258	65.32 /MH	16,879	41,479
			WASTE - UNIT 2 BLDG WASTE	HAULING & DISPOSAL COSTS	3,280 CY	-	32,800	-	345	65.32 /MH	22,505	55,305
			WASTE				57,400		603		39,384	96,784
			WHOLE PLANT DEMOLITION				57,400		201,314		14,677,668	14,735,068
	18.00.00		SCRAP VALUE									
		18.10.00	MIXED STEEL									
			MIXED STEEL, UNIT 2 POWER BLOCK, INCLUDING TURBINE BLDG, BOILER HOUSE PREHTR FAN ENCLOSURE & COAL BUNKERS & SERVICE BLDG		-4,431 TN	(1,271,841)	-	-		65.89 /MH		(1,271,841)
			MIXED STEEL, REBAR RECOVERED, TURBINE PEDESTAL FOUNDATION 140 LB/CY, UNIT 2		-467 TN	(134,029)	-	-		65.89 /MH		(134,029)
			MIXED STEEL, UNIT 2 COOLING TOWER REINFORCING RECOVERED		-1,249 TN	(358,463)	-	-		65.89 /MH		(358,463)
			MIXED STEEL, ELEVATED FOUNDATION, UNIT 2 TURBINE AND BLR BLDGS, REINFORCING		-112 TN	(32,144)	-	-		65.89 /MH		(32,144)
			MIXED STEEL, MAIN BOILER AND APPURTENANCES, UNIT 2		-12,160 TN	(3,489,920)	-	-		65.89 /MH		(3,489,920)
			MIXED STEEL, FD & ID FANS, UNIT 2		-6,135 TN	(1,760,745)	-	-		65.89 /MH		(1,760,745)
			MIXED STEEL, DUCTWORK W/BREACHINGS AND STEEL SUPPORTS, UNIT 2		-1,022 TN	(293,314)	-	-		65.89 /MH		(293,314)
			MIXED STEEL, FEEDWATER DEARATING EQUIPMENT, UNIT 2		-215 TN	(61,705)	-	-		65.89 /MH		(61,705)
			MIXED STEEL, WATER TREATMENT DEMINERALIZATION & CHEMICAL TREATMENT EQUIPMENT, UNIT 2		-269 TN	(77,203)	-	-		65.89 /MH		(77,203)
			MIXED STEEL, UNIT 2 CONDENSER		-792 TN	(227,304)	-	-		65.89 /MH		(227,304)
			MIXED STEEL, MATERIAL HANDLING EQUIPMENT - UNIT 2 ASH HANDLING EQUIPMENT		-377 TN	(108,199)	-	-		65.89 /MH		(108,199)
			MIXED STEEL, MATERIAL HANDLING EQUIPMENT - UNIT 2 FUEL EQUIPMENT, CONVEYORS INCL TRUSSES & BENTS		-35 TN	(10,045)	-	-		65.89 /MH		(10,045)
			MIXED STEEL, TURBINE GENERATOR, UNIT 2		-2,045 TN	(586,915)	-	-		65.89 /MH		(586,915)
			MIXED STEEL, CIRCULATING WATER EQUIPMENT, UNIT 2		-484 TN	(138,908)	-	-		65.89 /MH		(138,908)

ESTIMATE NO.: 3199JA
 PROJECT NO.: 11488-066
 ISSUE DATE: 2/22/2013
 PREP./REV.: RCK/JAE
 APPROVED: MNO

AEP/ Kentucky Power
 Decommissioning Study Big Sandy
 Units 1, 2 and Common Facilities

2/22/2013 1:19 PM

AREA	GROUP	PHASE	DESCRIPTION	NOTES	TAKEOFF QUANTITY	PROCESS EQUIP AMOUNT	MATERIAL AMOUNT	SUB AMOUNT	LABOR MAN HRS	LABOR PRICE	LABOR AMOUNT	TOTAL AMOUNT
		18.10.00	MIXED STEEL									
			MIXED STEEL, MECHANICAL EQUIPMENT - UNIT 2 MISC. POWER PLANT EQUIPMENT		-613 TN	(175,931)	-	-		65.89 /MH		(175,931)
			MIXED STEEL, MECHANICAL EQUIPMENT - UNIT 2 DUST COLLECTORS		-269 TN	(77,203)	-	-		65.89 /MH		(77,203)
			MIXED STEEL, PIPING - UNIT 2 BOILER PLANT AND TURBINE PIPING		-2,690 TN	(772,030)	-	-		65.89 /MH		(772,030)
			MIXED STEEL, MECHANICAL EQUIPMENT - PRECIPITATORS UNIT 2		-600 TN	(172,200)	-	-		65.89 /MH		(172,200)
			MIXED STEEL, GENERATOR BUS TRANSFORMERS UNIT 2 MAIN POWER TRANSFORMERS		-180 TN	(51,804)	-	-		65.89 /MH		(51,804)
			MIXED STEEL, STATION AUXILIARY TRANSFORMERS, UNIT 2 MAIN AUX TRANSFORMERS		-56 TN	(16,072)	-	-		65.89 /MH		(16,072)
			MIXED STEEL, MECHANICAL EQUIPMENT - SCR UNIT 2		-664 TN	(190,568)	-	-		65.89 /MH		(190,568)
			MIXED STEEL, TANKS, UNIT 2 CLEAN CONDENSATE TANK, 750,000 GALLONS		-77 TN	(22,099)	-	-		65.89 /MH		(22,099)
			MIXED STEEL, TANKS, UNIT 2 CONTAMINATED CONDENSATE TANK, 500 000 GALLONS		-50 TN	(14,350)	-	-		65.89 /MH		(14,350)
			MIXED STEEL, TANKS, UNIT 2 UREA SOLUTION STORAGE TANK, 200,000 GALLONS TK103-100		-25 TN	(7,175)	-	-		65.89 /MH		(7,175)
			MIXED STEEL, TANKS, UNIT 2 UREA SOLUTION STORAGE TANK, 200,000 GALLONS TK104-100		-25 TN	(7,175)	-	-		65.89 /MH		(7,175)
			MIXED STEEL			(10,057,341)						(10,057,341)
		18.30.00	COPPER									
			COPPER, UNIT 2 CONDENSER TUBES		-373 TN	(2,271,943)	-	-		65.89 /MH		(2,271,943)
			COPPER / NI									
			COPPER, GENERATOR BUS TRANSFORMERS UNIT 2 MAIN POWER TRANSFORMER		-147 TN	(898,423)	-	-		65.89 /MH		(898,423)
			COPPER, STATION AUXILIARY TRANSFORMERS, UNIT 2 MAIN AUX TRANSFORMERS		-53 TN	(322,823)	-	-		65.89 /MH		(322,823)
			COPPER			(3,493,189)						(3,493,189)
			SCRAP VALUE			(13,550,530)						(13,550,530)
			Unit 2			(13,550,530)	57,400		201,314		14,677,668	1,184,539



Mitchell Plant Unit 1 & 2
CONCEPTUAL DEMOLITION COST ESTIMATE

Prepared for:
Kentucky Power Company (Owner)
and American Electric Power Service Corporation

Project No. 11488-066
February 22, 2013
Revision A

Sargent & Lundy^{LLC}

55 East Monroe Street
Chicago, IL 60603-5780 USA



Mitchell Plant Unit 1 & 2
Kentucky Power Company
American Electric Power Service Corporation
Conceptual Demolition Cost Estimate
February 22, 2013

Issue Summary Page

Revision Number	Date	Purpose	Prepared By	Reviewed By	Approved By	Pages Affected
A	02/22/13	Comments	R. Kinsinger <i>Matthew Rck</i>	J. A. Evanchik <i>J. A. Evanchik</i> D. F. Franczak <i>D. F. Franczak</i>		All



Mitchell Plant Unit 1 & 2
Kentucky Power Company
American Electric Power Service Corporation
Conceptual Demolition Cost Estimate
February 22, 2013

TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
1 INTRODUCTION	1
2 COST ESTIMATE SUMMARY	1
3 TECHNICAL BASIS	2
4 COMMERCIAL BASIS	3
4.1 General Information	3
4.2 Quantities/Material Cost	3
4.3 Construction Labor Wages.....	3
4.4 Scrap Value.....	4
4.5 Indirect Costs.....	4
4.6 Escalation	4
4.7 Contingency	5
4.8 Assumptions.....	5
5 REFERENCES	7

<u>EXHIBIT</u>	<u>DESCRIPTION</u>
1	Conceptual Demolition Cost Estimate No. 31982A



Mitchell Plant Unit 1 & 2
Kentucky Power Company
American Electric Power Service Corporation
Conceptual Demolition Cost Estimate
February 22, 2013

1.0 INTRODUCTION

The Mitchell Plant located near Moundsville, West Virginia in Marshall County is owned and operated by Kentucky Power Company, a subsidiary of American Electric Power (AEP). The plant consists of two (2) generating units with a total generating capacity of 1,632 megawatts (618, MW per unit). Unit 1 & 2 were placed in operation in 1971.

AEP recently contracted S&L to prepare a conceptual demolition cost estimate using 1st Quarter 2013 pricing levels. The objective of the conceptual demolition cost estimate is to determine the gross demolition costs for Mitchell Plant Units 1 and 2 (including gross salvage credits and any other benefits), in support of documenting a component of future AEP book depreciation rates for potential inclusion in the submittal of rate cases at the commissions of the States that Kentucky Power Company serves, and other potential uses. The cost estimate considers the demolition/dismantlement methodology which complies with current applicable environmental and health laws and regulations.

2.0 COST ESTIMATE SUMMARY

Conceptual Demolition Cost Estimate No. 31982A, dated February 22, 2013, was prepared and is included as Exhibit 1. The cost estimate is structured into a code of accounts as identified in Table 2-1.

Table 2-1
Cost Estimate Code of Accounts

Account Number	Description
10	Demolition Costs (including steel, equipment & piping scrap value)
18	Scrap Value Costs
91	Other Direct & Construction Indirect Costs
93	Indirect Costs
94	Contingency Costs
96	Escalation Costs



Mitchell Plant Unit 1 & 2
Kentucky Power Company
American Electric Power Service Corporation
Conceptual Demolition Cost Estimate
February 22, 2013

The results of the cost estimate are provided in Table 2-2 below:

Table 2-2
Cost Estimate Results Summary

Description	Total Cost
Demolition Cost	\$62,531,960
Scrap Value	\$(38,063,765)
Direct Cost Subtotal	\$24,468,195
Indirect Cost	\$ 2,446,800
Contingency Cost	\$15,456,400
Total Project Cost	\$42,371,395

3.0 TECHNICAL BASIS

The scope of dismantlement includes the complete Mitchell Plant Units 1 & 2 generating facility and plant common services associated with both units. Common facilities include:

- 1,200 ft Chimney
- 1,000 ft Chimney
- Various Buildings
- FGD Common Equipment

The following are excluded from the scope of the conceptual demolition cost estimate.

- Bottom Ash Pond
- Asbestos Removal
- Switchyard

The scope of the demolition cost estimate is based on a review of the facility by two (2) S&L employees conducted in January 2013 for development of the demolition cost estimate.



Mitchell Plant Unit 1 & 2
Kentucky Power Company
American Electric Power Service Corporation
Conceptual Demolition Cost Estimate
February 22, 2013

4.0 COMMERCIAL BASIS

4.1 General Information

The Conceptual Demolition Cost Estimate prepared for the Mitchell Plant is a conceptual estimate of the cost to dismantle Mitchell Plant Units 1 and 2.

Costs were calculated for (1) demolition of existing plant structures and equipment and associated site restoration costs, (2) scrap value of steel and copper, (3) associated indirect costs, and (4) contingency. All units used in the cost estimate are U.S. Standard and all costs are in US Dollars (1st Quarter 2013 levels). A two (2) year demolition schedule is anticipated not including asbestos removal (to be performed prior to start of demolition work).

4.2 Quantities/Material Cost

Quantities of pieces of equipment and/or bulk material commodities used in this cost estimate were intended to be reasonable and representative of projects of this type. Material quantities were estimated from the site plot plan and other drawings and data provided by AEP and Plant Personnel.

4.3 Construction Labor Wages

Craft labor rates (Craft Hourly Rate) for the cost estimate were calculated as Non-Union West Virginia Craft Labor rates based on Personnel Administration Services (PAS) Inc. "2013 Merit Shop Wage and Benefit Survey". The craft rates were incorporated into work crews appropriate for the activities by adding allowances for small tools, construction equipment, insurance, and site overheads to arrive at crew hourly rates detailed in the cost estimate. A 1.00 regional labor productivity multiplier was included based on Compass International Global Construction Yearbook, 2011 Edition, for non-union work in West Virginia.

4.3.1 Labor Work Schedule and Incentives

The estimate assumed a 5x8 work week. No other labor incentives are included.

4.3.2 Construction Indirects

Allowances were included in the cost estimate as direct costs as noted for the following:

- Freight: Material and scrap freight included in the material and scrap costs.



Mitchell Plant Unit 1 & 2
Kentucky Power Company
American Electric Power Service Corporation
Conceptual Demolition Cost Estimate
February 22, 2013

- Additional Crane Allowance: None included. Cost of cranes and construction machinery are included in the labor wage rates.
- Mobilization and Demobilization: Included in labor wage rates.
- Scaffolding: Included in labor wage rates.
- Consumables: Included in material and labor costs.
- Per Diem Costs: Excluded from the estimate.
- Contractor's General and Administrative Costs and Profit: Included in the labor wage rates.

4.4 Scrap Value

The value of scrap was determined by a 12 month average (March 2012 through February of 2013) using Zone 4 (USA Midwest) of the "Scrap Metals Market Watch" (www.americanrecycler.com).

Since the values obtained are delivered pieces, 10% of the values obtained were deducted to pay for separation, preparation and shipping to the mills. This resulted in realized prices of:

- Mixed Steel Value @ \$287/Ton
- Copper Value @ \$6,091/Ton
- Stainless Steel @ \$1,336/Ton

Note: 1 Ton = 2,000 Lbs

All steel is considered to be mixed steel unless otherwise noted.

4.5 Indirect Costs

Allowances were included in the cost estimate as indirect costs as noted for the following:

- Engineering, Procurement and Project Services: None included.
- Construction Management Support: None included.
- Owners Cost: Included as 10.0% of the total direct cost. Owners Costs include owner project engineering, administration and construction management, permits and fees, legal expenses, taxes, etc.

4.6 Escalation

No allowance for escalation was included in the cost estimate. All costs are determined in 1st Quarter 2013 levels.



4.7 Contingency

Allowances were included in the cost estimate as contingency as noted for the following:

- Scrap Value: Included as a 15.0% reduction in the salvage value resulting in a total net reduction in the salvage value. The contingency assumes a potential drop in salvage value thus increasing the project cost.
- Material: Included as 15.0% of the total material cost.
- Labor: Included as 15.0% of the total labor cost.
- Indirect: Included as 15.0% of the total indirect cost.

4.8 Assumptions

The following assumptions apply to the cost estimate.

- All chemicals will be removed by the Owner prior to demolition, from the facilities to be demolished.
- All coal and fuel oil will be consumed prior to demolition.
- Catalyst, if any, is assumed to be removed and returned to the OEM by others, prior to demolition.
- All electrical equipment and wiring is de-energized prior to start of dismantlement.
- No extraordinary environmental costs for demolition have been included. Removal of five (5) feet of fill inside the beamed areas around the oil tanks and metal cleaning waste tank is included.
- Asbestos and PCB's are removed from site by others prior to start of demolition.
- Bottom Ash Pond is not included. These costs will be determined by the Owner.
- Demolition of the chimneys will be subcontracted.
- Switchyards within the plant boundaries are not part of the scope, neither are access roads to these facilities. Fences and gates needed to protect the switchyard will be left in place. The other site fences are removed.
- All items above grade and to a depth of 2 foot will be demolished. Any other items buried more than 2 foot will remain in place. All foundations are removed and buried on site with the exception of power block (turbine building, boiler building and service building), FGD building, limestone preparation building, gypsum dewatering building and the two (2) chimney thick mat foundations at



grade. These foundations will have two (2) feet of soil spread over them and will be graded into the surrounding area.

- Underground piping, conduit and cable ducts will be abandoned in place.
- Underground piping larger than 4 feet diameter will be filled with sand or slurry and capped at the ends to prevent collapse. Non-metal pipe will be collapsed.
- All demolished materials are considered debris, except for organic combustibles and non-embedded metals which have scrap value.
- The basis for salvage estimating is for scrap value only. No resale of equipment or material is included.
- Handling, on-site and off-site disposal of hazardous materials would be performed in compliance with methods approved by Owner.
- Disturbed areas will be buried under 2 feet of topsoil mulched and seeded with grass – no other landscaping is included.
- All borrow material is assumed to be purchased from nearby (10 mile round trip) offsite sources.
- Debris not suitable for burial is to be disposed of off-site. Assumed distance to final disposal is within a 5 mile haul.



Mitchell Plant Unit 1 & 2
Kentucky Power Company
American Electric Power Service Corporation
Conceptual Demolition Cost Estimate
February 22, 2013

5.0 REFERENCES

Drawings utilized in the preparation of this demolition cost estimate are identified in Table 5-1.

Table 5-1
Reference Drawings

Unit	Document Number	Revision	Title
12	E-1000	1	34.5KV & COAL HANDLING-1000
12	E-1100	0	FISH CREEK STATION 69KV/34.5KV ONE LINE DIAGRAM & PROTECTION
12	1200D	23	COAL HDNLG BARGE UNLOADING AUX ONE-LINE DIAG
12	1200E	16	COAL HDNLG AUX ONE-LINE DIAG.
12	1200H	1	COAL HDLG AUX ONE-LINE DIAG CAR THAWING
12	121001	3	FGD ONE LINE DIAGRAM
12	121102	4	ELECTRICAL 138-13.8 KV SUBSTATION LINE 2 BUS B ONE LINE DIAGRAM
12	121020	5	DRY SORBENT 13.8KV AUXILIARY ONE LINE DIAGRAM
12	121101	4	ELECTRICAL 138-13.8 KV SUBSTATION LINE 1 BUS A ONE LINE DIAGRAM
12	50008	8	GENL ARRGT PREC INSTALL COMP PLAN BELOW EL 676-0
12	50009	4	GENL ARRGT PREC INSTALL PLAN ABOVE EL 676-0
12	50012	3	GENL ARRGT PREC ACCESS & RECTIFIER REMVL
12	5028A	0	ARRANGEMENT AND DETAILS FEEDER DOWN SPOUT UNIT 1 AND 2
12	5030	16	PLOT PLAN
12	5031	2	GENERAL CROSS SECTS
12	5032	1	GENERAL CROSS SECTS @ GEN
12	5034	2	LONG SECTS THRU HTR BAY
12	5035	1	LONG SECTS THRU STM GEN
12	5036	1	CROSS SECTS PULV BAY
12	5041	2	PLANS HTR BAY & STM GEN ELS 58-0, 70-0, & 80-0
12	5042	2	SLAG BLOWER PLATFORMS - HEATER BAY AND TURBINE ROOM ROOF
12	5043	1	PLANS DEAEER & UPPER LEVEL SLAG BLWRS PLATF
12	5044	1	COMP MAIN FLOOR
12	5044A	0	PROPERTY PLAN & ASH STORAGE AREA
12	5044B	2	EQUIPMENT LOCATION - CONNERS RUN PUMP HOUSE
12	5070000A	1	SITE LAYOUT
12	5070000A	0	GENERAL ARRANGEMENT FGD BUILDING EL. 667'-0"
12	5070000B	0	GENERAL ARRANGEMENT FGD BUILDING EL. 705'-0"
12	5070000C	0	GENERAL ARRANGEMENT FGD BUILDING EL. 720'-0"
12	5070000D	0	GENERAL ARRANGEMENT FGD BUILDING EL. 743'-0"
12	5070000E	0	GENERAL ARRANGEMENT FGD BUILDING EL. 755'-2 1/2"
12	5070000F	0	GENERAL ARRANGEMENT FGD BUILDING EL. 776'-3"



Mitchell Plant Unit 1 & 2
Kentucky Power Company
American Electric Power Service Corporation
Conceptual Demolition Cost Estimate
February 22, 2013

Unit	Document Number	Revision	Title
12	5070000G	0	GENERAL ARRANGEMENT FGD BUILDING EL. 798'-0 1/2"
12	5070000H	0	GENERAL ARRANGEMENT FGD BUILDING ELEVATION LOOKING EAST
12	5070000I	0	GENERAL ARRANGEMENT FGD BUILDING ELEVATION LOOKING NORTH
12	5070000J	0	GENERAL ARRANGEMENT FGD BUILDING LABORATORY
12	5070001A	0	GENERAL ARRANGEMENT DEWATERING AREA EL. 667'-0"
12	5070001B	0	GENERAL ARRANGEMENT DEWATERING AREA EL. 695'-0"
12	5070001C	0	GENERAL ARRANGEMENT DEWATERING AREA EL. 729'-6"
12	5070001D	0	GENERAL ARRANGEMENT DEWATERING AREA EL. 757'-4" & EL. 781'-0"
12	5070001E	0	GENERAL ARRANGEMENT DEWATERING AREA ELEVATION LOOKING NORTH
12	5070002A	0	GENERAL ARRANGEMENT REAGENT PREP AREA EL. 667'-0"
12	5070002B	0	GENERAL ARRANGEMENT REAGENT PREP AREA EL. 705'-1 1/4"
12	5070002C	0	GENERAL ARRANGEMENT REAGENT PREP AREA EL. 729'-6" & EL 784'-2"
12	5070003	0	GENERAL ARRANGEMENT UREA U2A AREA
12	5070006	0	GENERAL ARRANGEMENT SERVICE WATER AREA PLAN VIEW
12	5070007	0	GENERAL ARRANGEMENT EXISTING AUX BOILER STACK RELOCATION
12	5070007A	0	ELEVATION AUX BOILER STACK RELOCATIONS
12	5070008A	1	GENERAL ARRANGEMENT DRY SOLID SORBENT SYSTEM ENLARGED PLAN
12	5070008B	0	GENERAL ARRANGEMENT DRY SOLID SORBENT SYSTEM SECTION A-A
12	5070008C	0	GENERAL ARRANGEMENT DRY SORBENT SYSTEM OVERALL PLAN
12	5070008D	0	GENERAL ARRANGEMENT DRY SOLID SORBENT SYSTEM SECTION B-B
12	5070009	0	GENERAL ARRANGEMENT COAL BLENDING SYSTEM PLAN
12	5070010	0	GENERAL ARRANGEMENT GYPSUM CONVEYORS TO WALLBOARD PLANT
12	5078000B	2	HYDRAULIC PROFILE
12	5078000C	2	KEY PLAN
12	5078000J	2	PIPERACK ENLARGED LOWER PLAN
12	5078000K	2	PIPERACK ENLARGED MIDDLE PLAN
12	5078000L	2	PIPERACK ENLARGED UPPER PLAN
12	12-5080022	1	GENERAL ARRANGEMENT FGD REAGENT PREP AREA GROUND FLOOR EL 667'-0"
12	12-5080023	1	GENERAL ARRANGEMENT FGD REAGENT PREP AREA PLAN AT EL 681'-6-1/4"



Mitchell Plant Unit 1 & 2
Kentucky Power Company
American Electric Power Service Corporation
Conceptual Demolition Cost Estimate
February 22, 2013

Unit	Document Number	Revision	Title
12	12-5080024	1	GENERAL ARRANGEMENT FGD REAGENT PREP AREA PLAN AT PLATF EL 705'-1 1/4"
12	12-5080025	1	GENERAL ARRANGEMENT FGD REAGENT PREP AREA PLAN AT PLATF EL 741'-1 1/4"
12	12-5080026	1	GENERAL ARRANGEMENT FGD REAGENT PREP AREA FRONT SECTION F1-F1
12	12-5080027	1	GENERAL ARRANGEMENT FGD REAGENT PREP AREA FRONT SECTION F2-F2
12	12-5080028	1	GENERAL ARRANGEMENT FGD REAGENT PREP AREA FRONT SECTION F3-F3
12	12-5080029	1	GENERAL ARRANGEMENT FGD REAGENT PREP AREA FRONT SECTION F4-F4
12	12-5080030	1	GENERAL ARRANGEMENT FGD REAGENT PREP AREA SIDE SECTION S1-S1
12	12-5080031	1	GENERAL ARRANGEMENT FGD REAGENT PREP AREA SIDE SECTION S2-S2
12	5080074	2	GENERAL ARRANGEMENT FGD BYPRODUCT DWT AREA SIDE SECTION S3-S3
12	5080302	0	DEISGN ARRGT ABS AREA PIPE GROUND FLOOR TO EL 692'-0"
12	548839E	1	GENERAL ARRGT FGD MAINT STORAGE AREA GROUND FLOOR TO EL 667'-0"
12	549320E	2	ERECTION ARRGT DRB-4Z PC FIRED BURNER CW
12	549321E	2	ERECTION ARRGT DRB-4Z PC FIRED BURNER CW
12	549322E	2	ERECTION ARRGT DRB-4Z PC FIRED BURNER CW
12	549323E	2	ERECTION ARRGT DRB-4Z PC FIRED BURNER CCW
12	71002-MA-0-5090100	0	SCR SYSTEM EQUIPMENT ARRANGEMENT PLAN
1	1200A1	20	AUX ONE LINE DIAG SHEET 1 OF 2
1	1200A2	20	AUX ONE LINE DIAG SH 2 OF 2
1	12001	5	PRECIP AUX ONE-LINE
1	12002	5	PRECIPITATOR EQUIP POWER DIST AUX ONE-LINE DIAG
1	121002	2	UNIT 1 FGD 13.8KV - 4.16KV AUXILIARY ONE LINE DIAGRAM
1	50003	7	FLY ASH REMOVAL WET SYSTEM UNIT 1
1	50010	2	GENL ARRGT PREC INSTALL SECTIONS
1	5033	2	LONG SECTS THRU TURB RM
1	5037	6	BASEMENT PLAN ELEVATION 1' -0' UNIT 1
1	5038	3	MISC FL & PLATF BELOW MAIN FL
1	5039	2	MAIN FL PLAN EL 36-0
1	5040	2	HTR BAY & STM GEN EL 46'0" 48'0" & 52'6"
1	5090000	2	SCR GENERAL ARRGT ELEVATION A/10 LOOKING SOUTH
1	5090001	2	SCR GENERAL ARRGT ELEVATION B/11 LOOKING WEST
1	5090002	2	SCR GENERAL ARRGT ELEVATION C/12 LOOKING EAST
1	5090003	1	SCR GENERAL ARRGT ELEVATION D/13 LOOKING WEST
1	5090004	2	SCR GENERAL ARRANGEMENT ELEVATION H/14 & J/14 CENTER AND OUTBOUND RETURN DUCTS
1	5090005	1	SCR GENERAL ARRANGEMENT PLAN VIEW E/20



Mitchell Plant Unit 1 & 2
Kentucky Power Company
American Electric Power Service Corporation
Conceptual Demolition Cost Estimate
February 22, 2013

Unit	Document Number	Revision	Title
1	5090006	2	SCR GENERAL ARRANGEMENT PLAN VIEW F/21
1	5090007	2	SCR GENERAL ARRANGEMENT PLAN VIEW G/22
1	5090008	1	SCR GENERAL ARRANGEMENT PLAN VIEW H/23
2	1200A2	19	AUX ONE LINE DIAG SH 2 OF 2
2	1200A1	19	AUX ONE LINE DIAG SH 1 OF 2
2	121003	3	UNIT 2 FGD 13.8KV - 4.16KV AUXILIARY ONE LINE DIAGRAM
2	50011	2	GENERAL ARRANGEMENT PREC INSTALL SECTIONS
2	50014	0	ARRANGEMENT FD FAN ROOM NEW MOTORS & ROTORS
2	5033	1	LONG SECTS THRU TURB ROOM
2	5037	3	BASEMENT PLAN ELEVATION 1" - 0"
2	5038	2	MISC FLOORS & PLATFORM BELOW MAIN FLOOR
2	5039	3	MAIN FLOOR PLAN EL 36-0
2	5040	2	HEATER BAY & STEAM GENERATOR EL 46-0; 48-0 & 52-6
2	5090000	1	SCR GENERAL ARRGT ELEVATION A/10 LOOKING SOUTH
2	5090001	1	SCR GENERAL ARRGT ELEVATION B/11 LOOKING WEST
2	5090002	1	SCR GENERAL ARRGT ELEVATION C/12 LOOKING EAST
2	5090003	1	SCR GENERAL ARRGT ELEVATION D/13 LOOKING WEST
2	5090005	1	SCR GENERAL ARRANGEMENT PLAN VIEW E/20
2	5090006	1	SCR GENERAL ARRANGEMENT PLAN VIEW F/21
2	5090007	1	SCR GENERAL ARRANGEMENT PLAN VIEW G/22
2	5090008	1	SCR GENERAL ARRANGEMENT PLAN VIEW H/23

12 = Common For Units 1+2

1 = Unit 1

2 = Unit 2



Mitchell Plant Unit 1 & 2
Kentucky Power Company
American Electric Power Service Corporation
Conceptual Demolition Cost Estimate
February 22, 2013

EXHIBIT 1
Flint Creek Plant Unit 1
Conceptual Demolition Cost Estimate No. 31982A

**AEP/ Kentucky Power
Decommissioning Study Mitchell Plant
Units 1, 2 and Common Facilities**

Project name	Mitchell Plant
Estimator	RCK
Labor rate table	13NUWV
Project No.	11488-066
Station Name	Mitchell Plant
Unit	1, 2 and Common
Location	West Virginia
Product Factor	1
Price Level	2013
Issue Date	2/22/2013
Estimate Date	2/22/2013
Reviewed By	JAE
Approved By	MNO
Status	<i>Comments</i>
Estimate No.	31982A
Estimate Class	Conceptual
Report format	Sorted by 'Area/Group phase' 'Group phase' summary
Cost index	NUWV

ESTIMATE NO.: 31502A
 PROJECT NO.: 11488-066
 ISSUE DATE: 2/22/2013
 PREP./REV.: RCK/JAE
 APPROVED: MNO

AEP/ Kentucky Power
 Decommissioning Study Mitchell Plant
 Units 1, 2 and Common Facilities

February 26, 2013

Estimate Totals

Description	Amount	Totals	Hours
LABOR	46,995,884		589,630.602 hrs
MATERIAL	11,136,076		
SUBCONTRACT	4,400,000		
SCRAP RECOVERY	<u>(38,063,765)</u>		
	24,468,195	24,468,195	
91-1 SCAFFOLDING			
91-2 OT WORKING 5-10 HOUR DAYS			
91-3 OT Working 7-10 Hr Days			
91-2 PER DIEM			
91-5 CONSUMABLES			
91-6 FREIGHT ON EQUIPMENT			
91-7 FREIGHT ON SPECIAL EQUIP.			
91-8 FREIGHT ON MATERIAL			
91-9 FREIGHT ON SCRAP INCL			
91-10 SALES TAX			
91-11 CONTRACTOR'S G&A EXPENSE			
91-12 CONTRACTOR'S PROFIT		24,468,195	
93-1 EP&P SERVICES			
93-2 CM SUPPORT			
93-3 START-UP/COMMISSIONING			
93-4 START-UP/SPARE PARTS			
93-5 EXCESS LIABILITY INSUR.			
93-6 SALES TAX ON INDIRECTS			
93-7 OWNER'S COST	2,446,800		
93-8 EPC FEE		2,446,800	
		26,914,995	
94-3 CONTINGENCY ON MATERIAL	1,670,400		
94-4 CONTINGENCY ON LABOR	7,049,400		
94-5 CONTINGENCY ON SUB.	660,000		
94-6 CONTINGENCY ON SCRAP	5,709,600		
94-7 CONTINGENCY ON INDIRECTS	<u>367,000</u>		
	15,456,400	42,371,395	
96-3 ESCALATION ON MATERIAL			
96-4 ESCALATION ON LABOR			
96-5 ESCALATION ON SUB.			
96-6 ESCALATION ON SCRAP			
96-7 ESCALATION ON INDIRECTS		42,371,395	
98 INTEREST DURING CONSTR.		42,371,395	
Total		42,371,395	

ESTIMATE NO.: 31562A
 PROJECT NO.: 11488-066
 ISSUE DATE: 2/22/2013
 PREP./REV.: RCK/JAE
 APPROVED: MNO

AEP/ Kentucky Power
 Decommissioning Study Mitchell Plant
 Units 1, 2 and Common Facilities

© 2013 AEP/ Kentucky Power

AREA	GROUP	PHASE	DESCRIPTION	LABOR MAN HRS	LABOR AMOUNT	MATERIAL AMOUNT	SUB AMOUNT	PROCESS EQUIP AMOUNT	TOTAL AMOUNT
Common									
	10.00.00		WHOLE PLANT DEMOLITION	211,270	19,483,672	11,020,976	4,400,000		34,904,648
	18.00.00		SCRAP VALUE					(8,643,497)	(8,643,497)
			Common	211,270	19,483,672	11,020,976	4,400,000	(8,643,497)	26,261,150
Unit 1									
	10.00.00		WHOLE PLANT DEMOLITION	190,383	13,835,429	57,550			13,892,979
	18.00.00		SCRAP VALUE					(14,999,173)	(14,999,173)
			Unit 1	190,383	13,835,429	57,550		(14,999,173)	(1,106,194)
Unit 2									
	10.00.00		WHOLE PLANT DEMOLITION	187,978	13,676,784	57,550			13,734,334
	18.00.00		SCRAP VALUE					(14,421,095)	(14,421,095)
			Unit 2	187,978	13,676,784	57,550		(14,421,095)	(686,761)

AEP/ Kentucky Power
 Decommissioning Study Mitchell Plant
 Units 1, 2 and Common Facilities

AREA	GROUP	PHASE	DESCRIPTION	NOTES	TAKEOFF QUANTITY	PROCESS EQUIP AMOUNT	MATERIAL AMOUNT	SUB AMOUNT	LABOR MAN HRS	LABOR PRICE	LABOR AMOUNT	TOTAL AMOUNT
Common												
	10.00.00		WHOLE PLANT DEMOLITION									
		10.21.00	CIVIL WORK									
			COVERED DISTURBED AREAS OF SITE W/2 FT TOPSOIL	OFFSITE SUPPLY	438,827 CY	-	10,531,848	-	21,941	101.99 /MH	2,237,798	12,769,646
			SEED AND MULCH		136 AC	-	379,168	-	3,672	33.72 /MH	123,820	502,988
			PAVED SURFACES	LEAVE ROAD TO SWITCHYARD	8,900 SY	-	-	-	1,068	101.99 /MH	108,925	108,925
			DEMOLITION - 228000 TRACK FEET of 110# RAILROAD TRACK		228,000 TF	-	-	-	68,400	101.99 /MH	6,976,116	6,976,116
			DEMOLITION - PULL SHEET PILE & CAP FOR BARGE CELLS		654 TN	-	-	-	1,766	101.99 /MH	180,094	180,094
			DEMOLITION - PERIMETER FENCE	LEAVE SWITCHYARD FENCES	15,600 LF	-	-	-	624	101.99 /MH	63,642	63,642
			CIVIL WORK				10,911,016		97,471		9,690,395	20,601,411
		10.22.00	CONCRETE									
			BUILDING PAD FOUNDATION 110LB/CY, OUTBUILDINGS & MISC FDNS		6,600 CY	-	-	-	7,425	75.99 /MH	564,226	564,226
			EQUIPMENT FOUNDATION 110 LB/CY, MISC EQUIPMENT		1,300 CY	-	-	-	1,321	75.99 /MH	100,368	100,368
			INTAKE CLOSURE	GROUT OR SAND FILL	800 CY	-	73,600	-	800	75.99 /MH	60,792	134,392
			DEMOLITION, CONCRETE - REMOVE BARGE CELL PILE CAPS		780 CY	-	-	-	1,404	75.99 /MH	106,690	106,690
			CONCRETE				73,600		10,950		832,075	905,675
		10.24.00	ARCHITECTURAL									
			BUILDING, FGD BLDG		2,100,000 CF	-	-	-	12,600	75.09 /MH	946,134	946,134
			BUILDING, DEWATERING AREA BLDG		800,000 CF	-	-	-	4,800	75.09 /MH	360,432	360,432
			BUILDING, REAGENT PREP AREA		830,000 CF	-	-	-	4,980	75.09 /MH	373,948	373,948
			BUILDING, SERVICE BLDG		1,040,400 CF	-	-	-	12,485	75.09 /MH	937,484	937,484
			BUILDING, CEMS BLDG		1,000 CF	-	-	-	6	75.09 /MH	451	451
			BUILDING, GYPSUM STORAGE BLDG		2,160,000 CF	-	-	-	12,960	75.09 /MH	973,166	973,166
			BUILDING, RELOCATED WAREHOUSE		39,600 CF	-	-	-	238	75.09 /MH	17,841	17,841
			BUILDING, MAINTENANCE SLURRY BLDG		10,032 CF	-	-	-	60	75.09 /MH	4,520	4,520
			BUILDING, CONSTRUCTION FACILITIES BLDG		184,800 CF	-	-	-	1,109	75.09 /MH	83,260	83,260
			BUILDING, ID FAN ELECTRICAL BLDG		19,600 CF	-	-	-	118	75.09 /MH	8,831	8,831
			BUILDING, RELOCATED ELECTRICAL BLDG		10,500 CF	-	-	-	63	75.09 /MH	4,731	4,731
			BUILDING, UREA UNLOADING BLDG		10,368 CF	-	-	-	62	75.09 /MH	4,671	4,671
			BUILDING, UREA HYDOLIZER & TANK BLDG		265,200 CF	-	-	-	1,591	75.09 /MH	119,483	119,483
			BUILDING, CPS TREATMENT BLDG		918,000 CF	-	-	-	5,508	75.09 /MH	413,596	413,596
			BUILDING, CPS WASTE TRANSFER HOUSE		20,000 CF	-	-	-	120	75.09 /MH	9,011	9,011
			BUILDING, RIVER WATER MAKEUP PUMP HOUSE		32,000 CF	-	-	-	192	75.09 /MH	14,417	14,417
			BUILDING, PRECIPITATOR PARTS WAREHOUSE		266,000 CF	-	-	-	1,586	75.09 /MH	119,844	119,844
			BUILDING, TRACTOR SHED		72,000 CF	-	-	-	432	75.09 /MH	32,439	32,439
			BUILDING, HEAVY EQUIPMENT STORAGE BLDG		208,000 CF	-	-	-	1,248	75.09 /MH	93,712	93,712
			BUILDING, DELUGE VALVE BLDG		1,000 CF	-	-	-	6	75.09 /MH	451	451
			BUILDING, EXISTING CONSOL		64,800 CF	-	-	-	389	75.09 /MH	29,195	29,195
			TRANSFER STATION #1									
			BUILDING, STATION HTS-3		31,200 CF	-	-	-	187	75.09 /MH	14,057	14,057
			BUILDING, STATION HTS-2B		56,000 CF	-	-	-	336	75.09 /MH	25,230	25,230
			BUILDING, STATION HTS-2A		96,000 CF	-	-	-	576	75.09 /MH	43,252	43,252
			BUILDING, COAL BLENDING SYSTEM ELECTRICAL ROOM		9,600 CF	-	-	-	58	75.09 /MH	4,325	4,325
			BUILDING, UTILITY SHOWER BLDG		65,450 CF	-	-	-	393	75.09 /MH	29,488	29,488
			BUILDING, TRAINING CENTER		50,400 CF	-	-	-	302	75.09 /MH	22,707	22,707
			BUILDING, MAIN GATE HOUSE		4,800 CF	-	-	-	29	75.09 /MH	2,163	2,163
			BUILDING, CONTROL ROOM		73,500 CF	-	-	-	441	75.09 /MH	33,115	33,115
			SIMULATOR BLDG									

AEP/ Kentucky Power
 Decommissioning Study Mitchell Plant
 Units 1, 2 and Common Facilities

AREA	GROUP	PHASE	DESCRIPTION	NOTES	TAKEOFF QUANTITY	PROCESS EQUIP AMOUNT	MATERIAL AMOUNT	SUB AMOUNT	LABOR MAN HRS	LABOR PRICE	LABOR AMOUNT	TOTAL AMOUNT
		10.24.00	ARCHITECTURAL BUILDING, SOUTH WARE HOUSE COMPLEX - 4 WAREHOUSES		414,050 CF	-			2,484	75.09 /MH	186,546	186,546
			ARCHITECTURAL						65,368		4,908,498	4,908,498
		10.25.00	CONCRETE CHIMNEY & STACK 1200' TALL CONCRETE CHIMNEY	PRICE SHOWN IS SUBCONTRACTED PRICE	1,200 VLF	-	2,400,000			75.99 /MH		2,400,000
			1000' TALL CONCRETE CHIMNEY	PRICE SHOWN IS SUBCONTRACTED PRICE	1,000 VLF	-	2,000,000			75.99 /MH		2,000,000
			CONCRETE CHIMNEY & STACK					4,400,000				4,400,000
		10.31.00	MECHANICAL EQUIPMENT TANK, DEWATERING HYDROCLONE FEED TANK A, 850,800 GALLON	61'6" DIA X 63' HIGH	123 TN	-			329	65.69 /MH	21,589	21,589
			TANK, DEWATERING HYDROCLONE FEED TANK B, 850,800 GALLON	61'6" DIA X 63' HIGH	123 TN	-			329	65.69 /MH	21,589	21,589
			TANK, RECLAIM WATER TANK A, 351,000 GALLONS	45' DIA X 58' HIGH	60 TN	-			160	65.69 /MH	10,531	10,531
			TANK, RECLAIM WATER TANK B, 351,000 GALLONS	45' DIA X 58' HIGH	60 TN	-			160	65.69 /MH	10,531	10,531
			TANK, REAGENT SLURRY STORAGE TANK A, 457,920 GALLONS	50' DIA. X 50' HIGH	64 TN	-			171	65.69 /MH	11,234	11,234
			TANK, REAGENT SLURRY STORAGE TANK B, 457,920 GALLONS	50' DIA. X 50' HIGH	64 TN	-			171	65.69 /MH	11,234	11,234
			TANK, MAINTENANCE STORAGE TANK, 1,417,000 GALLONS	61'6" DIA X 67' TALL	129 TN	-			345	65.69 /MH	22,643	22,643
			TANK, FGD SERVICE WATER TANK, 399,480 GALLONS	36'6" DIA X 58'6" HIGH	37 TN	-			99	65.69 /MH	6,494	6,494
			TANK, UREA FEED TANK, 200,000 GALLONS	35' DIA X 30' HIGH	25 TN	-			67	65.69 /MH	4,388	4,388
			TANK, FUEL OIL STORAGE TANK, 500,000 GALLONS	52' DIA X 32' HIGH	50 TN	-			134	65.69 /MH	8,776	8,776
			TANKS, FUEL OIL STORAGE TANK, 1,500,000 GALLONS	80' DIA X 42' HIGH	131 TN	-			350	65.69 /MH	22,994	22,994
			TANK, METAL CLEANING WASTE TREATMENT TANK, 1,000,000 GALLONS	70' DIA X 35' HIGH	83 TN	-			222	65.69 /MH	14,568	14,568
			MECHANICAL EQUIPMENT - FGD EQUIPMENT		646 TN	-			1,308	65.69 /MH	85,932	85,932
			MECHANICAL EQUIPMENT - DRY SORBENT SYSTEM		100 TN	-			203	65.69 /MH	13,302	13,302
			MECHANICAL EQUIPMENT						4,046		265,807	265,807
		10.33.00	MATERIAL HANDLING EQUIPMENT MATERIAL HANDLING EQUIPMENT - LIMESTONE/GYPSUM GYPSUM CLAMSHELL UNLOADER		400 TN	-			810	65.69 /MH	53,209	53,209
			MATERIAL HANDLING EQUIPMENT - LIMESTONE/GYPSUM BUCKET BARGE UNLOADER		400 TN	-			810	65.69 /MH	53,209	53,209
			MATERIAL HANDLING EQUIPMENT - COAL BUCKET BARGE UNLOADER		400 TN	-			810	65.69 /MH	53,209	53,209
			MATERIAL HANDLING EQUIPMENT - GYPSUM HANDLING SYSTEM		2,152 TN	-			4,358	65.69 /MH	286,264	286,264
			MATERIAL HANDLING EQUIPMENT - LIMESTONE HANDLING SYSTEM		733 TN	-			1,484	65.69 /MH	97,505	97,505
			MATERIAL HANDLING EQUIPMENT - COAL HANDLING SYSTEM		2,300 TN	-			4,658	65.69 /MH	305,951	305,951
			MATERIAL HANDLING EQUIPMENT - COAL HANDLING SYSTEM - COAL BLENDING SYSTEM		944 TN	-			1,912	65.69 /MH	125,573	125,573
			MATERIAL HANDLING EQUIPMENT						14,841		974,920	974,920
		10.35.00	PIPING PIPING - CIRC WATER PIPING AND TUNNELS		1 LS	-			1,020	75.99 /MH	77,510	77,510

AEP/ Kentucky Power
 Decommissioning Study Mitchell Plant
 Units 1, 2 and Common Facilities

AREA	GROUP	PHASE	DESCRIPTION	NOTES	TAKEOFF QUANTITY	PROCESS EQUIP AMOUNT	MATERIAL AMOUNT	SUB AMOUNT	LABOR MAN HRS	LABOR PRICE	LABOR AMOUNT	TOTAL AMOUNT
		10.35.00	PIPING									
			PIPING - DEMO BOP PIPING AND HANGERS		1 LS	-			509	65.69 /MH	33,436	33,436
			PIPING						1,529		110,946	110,946
		10.41.00	ELECTRICAL EQUIPMENT									
			MISCELLANEOUS ELECTRICAL EQUIPMENT		100 TN	-			267	65.69 /MH	17,552	17,552
			MISCELLANEOUS ELECTRICAL EQUIPMENT, TRANSFORMERS		407 TN	-			1,086	65.69 /MH	71,368	71,368
			ELECTRICAL EQUIPMENT						1,354		88,920	88,920
		10.42.00	RACEWAY, CABLE TRAY, & CONDUIT									
			RACEWAY, CABLE TRAY & CONDUIT -		396 TN	-			40	65.69 /MH	2,601	2,601
			RACEWAY, CABLE TRAY, & CONDUIT						40		2,601	2,601
		10.86.00	WASTE									
			WASTE - OIL CONTAMINATED FILL	ASSUMED 5 FEET DEEP IS CONTAMINATED	9,204 CY	-	0		10,916	168.91 /MH	1,843,812	1,843,812
			WASTE - METAL CLEANING TANK BERMED AREA CONTAMINATED FILL	ASSUMED 5 FEET DEEP IS CONTAMINATED	3,703 CY	-	0		4,392	168.91 /MH	741,812	741,812
			WASTE - BUILDING WASTE - COMMON BLDGS		3,636 CY	-	36,360		364	65.69 /MH	23,885	60,245
			WASTE				36,360		15,671		2,609,609	2,645,869
			WHOLE PLANT DEMOLITION				11,020,976	4,400,000	211,270		19,483,672	34,904,648
	18.00.00		SCRAP VALUE									
		18.10.00	MIXED STEEL									
			MIXED STEEL, DEWATERING HYDROCLONE FEED TANK A, 850,800 GALLON		-123 TN	(35,301)				65.97 /MH		(35,301)
			MIXED STEEL, DEWATERING HYDROCLONE FEED TANK B, 850,800 GALLON		-123 TN	(35,301)				65.97 /MH		(35,301)
			MIXED STEEL, RECLAIM WATER TANK A, 351,000 GALLONS		-60 TN	(17,220)				65.97 /MH		(17,220)
			MIXED STEEL, RECLAIM WATER TANK B, 351,000 GALLONS		-60 TN	(17,220)				65.97 /MH		(17,220)
			MIXED STEEL, REAGENT SLURRY STORAGE TANK A, 457,920 GALLONS		-64 TN	(18,368)				65.97 /MH		(18,368)
			MIXED STEEL, REAGENT SLURRY STORAGE TANK B, 457,920 GALLONS		-64 TN	(18,368)				65.97 /MH		(18,368)
			MIXED STEEL, MAINTENANCE STORAGE TANK, 1,417,000 GALLONS		-129 TN	(37,023)				65.97 /MH		(37,023)
			MIXED STEEL, FGD SERVICE WATER TANK, 399,480 GALLONS		-37 TN	(10,619)				65.97 /MH		(10,619)
			MIXED STEEL, UREA FEED TANK, 200,000 GALLONS		-25 TN	(7,175)				65.97 /MH		(7,175)
			MIXED STEEL, FUEL OIL STORAGE TANK, 500,000 GALLONS		-50 TN	(14,350)				65.97 /MH		(14,350)
			MIXED STEEL, FUEL OIL STORAGE TANK, 1,500,000 GALLONS		-131 TN	(37,597)				65.97 /MH		(37,597)
			MIXED STEEL, METAL CLEANING WASTE TREATMENT TANK, 1,000,000 GALLONS		-83 TN	(23,821)				65.97 /MH		(23,821)
			MIXED STEEL, FGD BLDG FRAMING & GIRTS		-1,050 TN	(301,350)				65.97 /MH		(301,350)
			MIXED STEEL, DEWATERING AREA BLDG FRAMING & GIRTS		-400 TN	(114,800)				65.97 /MH		(114,800)
			MIXED STEEL, REAGENT PREP AREA FRAMING & GIRTS		-414 TN	(118,818)				65.97 /MH		(118,818)
			MIXED STEEL, SERVICE BLDG FRAMING & GIRTS		-520 TN	(149,240)				65.97 /MH		(149,240)

AEP/ Kennedy Power
 Decommissioning Study Mitchell Plant
 Units 1, 2 and Common Facilities

AREA	GROUP	PHASE	DESCRIPTION	NOTES	TAKEOFF QUANTITY	PROCESS EQUIP AMOUNT	MATERIAL AMOUNT	SUB AMOUNT	LABOR MAN HRS	LABOR PRICE	LABOR AMOUNT	TOTAL AMOUNT
		10.10.00	MIXED STEEL									
			MIXED STEEL REBAR RECOVERY FROM OUTBUILDINGS FOUNDATIONS & MISC FDN'S		-363 TN	(104,181)	-	-		65.97 /MH		(104,181)
			MIXED STEEL REBAR RECOVERY FROM 1200' CHIMNEY		-580 TN	(195,160)	-	-		65.97 /MH		(195,160)
			MIXED STEEL, STEEL LINER FROM 1200' CHIMNEY		-1,005 TN	(288,435)	-	-		65.97 /MH		(288,435)
			MIXED STEEL, EQUIPMENT FOUNDATION 110 LB/CY, MISC EQUIPMENT, REINFORCING		-72 TN	(20,664)	-	-		65.97 /MH		(20,664)
			MIXED STEEL REBAR RECOVERY FROM 1000' CHIMNEY		-730 TN	(209,510)	-	-		65.97 /MH		(209,510)
			MIXED STEEL, MECHANICAL EQUIPMENT - FGD EQUIPMENT		-646 TN	(185,402)	-	-		65.97 /MH		(185,402)
			MIXED STEEL, MATERIAL HANDLING EQUIPMENT - LIMESTONE/GYPSUM		-400 TN	(114,800)	-	-		65.97 /MH		(114,800)
			GYPSUM CLAMSHELL UNLOADER		-400 TN	(114,800)	-	-		65.97 /MH		(114,800)
			MIXED STEEL, MATERIAL HANDLING EQUIPMENT - LIMESTONE/GYPSUM BUCKET BARGE UNLOADER		-400 TN	(114,800)	-	-		65.97 /MH		(114,800)
			MIXED STEEL, MATERIAL HANDLING EQUIPMENT - COAL BUCKET BARGE UNLOADER		-728 TN	(208,936)	-	-		65.97 /MH		(208,936)
			MIXED STEEL, MATERIAL HANDLING EQUIPMENT - GYPSUM HANDLING SYSTEM		-2,158 TN	(619,346)	-	-		65.97 /MH		(619,346)
			MIXED STEEL, MATERIAL HANDLING EQUIPMENT - LIMESTONE HANDLING SYSTEM		-3,244 TN	(931,028)	-	-		65.97 /MH		(931,028)
			MIXED STEEL, MATERIAL HANDLING EQUIPMENT - COAL HANDLING SYSTEM, COMMON		-100 TN	(28,700)	-	-		65.97 /MH		(28,700)
			MIXED STEEL, MECHANICAL EQUIPMENT - DRY SORBENT SYSTEM		-8,388 TN	(2,407,356)	-	-		65.97 /MH		(2,407,356)
			MIXED STEEL, 228000 TF OF RAILROAD TRACK		-654 TN	(187,698)	-	-		65.97 /MH		(187,698)
			MIXED STEEL, DEMOLITION - PULL SHEET PILE & CAP FOR BARGE CELLS		-396 TN	(113,652)	-	-		65.97 /MH		(113,652)
			MIXED STEEL, RACEWAY, CABLE TRAY, & CONDUIT		-223 TN	(63,886)	-	-		65.97 /MH		(63,886)
			MIXED STEEL, MISCELLANEOUS ELECTRICAL EQUIPMENT, TRANSFORMERS									
			MIXED STEEL			(6,864,925)						(6,864,925)
		18.30.00	COPPER									
			COPPER SCRAP CABLE & COMMON		-200 TN	(1,218,200)	-	-		65.97 /MH		(1,218,200)
			COPPER, MISCELLANEOUS ELECTRICAL EQUIPMENT, TRANSFORMERS		-92 TN	(560,372)	-	-		65.97 /MH		(560,372)
			COPPER			(1,778,572)						(1,778,572)
			SCRAP VALUE			(8,643,497)						(8,643,497)
			Common			(8,643,497)	11,020,976	4,400,000	211,270		19,483,672	26,261,150
Unit 1												
	10.00.00		WHOLE PLANT DEMOLITION									
		10.22.00	CONCRETE									
			BUILDING PAD FOUNDATION 110 LB/CY, UNIT 1 COOLING TOWER BASIN		8,840 CY		-	-	9,945	75.99 /MH	755,721	755,721
			ELEVATED FOUNDATION 110/CY, UNIT 1 COOLING TOWER SHELL		9,200 CY		-	-	5,511	75.99 /MH	418,766	418,766
			ELEVATED FOUNDATION, UNIT 1 TURBINE AND BLR BLDGS		2,000 CY		-	-	1,198	75.99 /MH	91,036	91,036

ESTIMATE NO.: 31000A
 PROJECT NO.: 11488-066
 ISSUE DATE: 2/22/2013
 PREP/REV.: RCK/JAE
 APPROVED: MNO

AEP/ Kentucky Power
 Decommissioning Study Mitchell Plant
 Units 1, 2 and Common Facilities

Engineering & Construction

AREA	GROUP	PHASE	DESCRIPTION	NOTES	TAKEOFF QUANTITY	PROCESS EQUIP AMOUNT	MATERIAL AMOUNT	SUB AMOUNT	LABOR MAN HRS	LABOR PRICE	LABOR AMOUNT	TOTAL AMOUNT
		10.22.00	CONCRETE TURBINE PEDESTAL FOUNDATION 140 LB/CY, UNIT 1		7,778 CY	-			14,000	75.99 /MH	1,063,890	1,063,890
			CONCRETE						30,654		2,329,413	2,329,413
		10.23.00	STEEL DUCTWORK WBRECHINGS AND STEEL SUPPORTS, UNIT 1		1,922 TN	-			5,136	65.97 /MH	338,794	338,794
			STEEL						5,136		338,794	338,794
		10.24.00	ARCHITECTURAL BUILDING, UNIT 1 POWER BLOCK, INCLUDING TURBINE BLDG, BOILER HOUSE PREHTR FAN ENCLOSURE & COAL BUNKERS		8,500,000 CF	-			85,000	75.09 /MH	6,382,650	6,382,650
			ARCHITECTURAL						85,000		6,382,650	6,382,650
		10.31.00	MECHANICAL EQUIPMENT MAIN BOILER AND APPURTENANCES, UNIT 1		12,160 TN	-			24,624	71.44 /MH	1,759,139	1,759,139
			FD & ID FANS, UNIT 1		6,135 TN	-			12,423	71.44 /MH	887,526	887,526
			FEEDWATER DEARATING EQUIPMENT, UNIT 1		215 TN	-			435	65.69 /MH	28,600	28,600
			TANK, UNIT 1 CLEAN CONDENSATE TANK, 753,000 GALLONS	60' DIA X 40' HIGH	77 TN	-			206	65.69 /MH	13,515	13,515
			TANK, UNIT 1 CONTAMINATED CONDENSATE TANK, 500,000 GALLONS	50' DIA X 35' HIGH	50 TN	-			134	65.69 /MH	8,776	8,776
			TANK, UNIT 1 EQUALIZATION TANK, 220,600 GALLONS	38' DIA X 30' HIGH	30 TN	-			80	65.69 /MH	5,266	5,266
			TANK, UNIT 1 ABSORBER REACTION TANK		462 TN	-			1,234	65.69 /MH	81,092	81,092
			WATER TREATMENT DEMINERALIZATION & CHEMICAL TREATMENT EQUIPMENT, UNIT 1		269 TN	-			545	65.69 /MH	35,783	35,783
			TURBINE GENERATOR, UNIT 1		2,045 TN	-			4,141	65.69 /MH	272,031	272,031
			CONDENSER, UNIT 1		1,165 TN	-			2,359	65.69 /MH	154,971	154,971
			CIRCULATING WATER EQUIPMENT, UNIT 1		484 TN	-			980	65.69 /MH	64,383	64,383
			COOLING TOWER, UNIT 1 REMOVE FILL		690,000 CF	-			4,140	65.69 /MH	271,957	271,957
			MECHANICAL EQUIPMENT - UNIT 1		613 TN	-			1,241	65.69 /MH	81,543	81,543
			MISC. POWER PLANT EQUIPMENT		1 LS	-			315	65.69 /MH	20,692	20,692
			MECHANICAL EQUIPMENT - DEMOLISH UNIT 1 TURBINE ROOM OVERHEAD CRANE			-						
			MECHANICAL EQUIPMENT - UNIT 1 DUST COLLECTORS		269 TN	-			545	65.69 /MH	35,783	35,783
			MECHANICAL EQUIPMENT - PRECIPITATORS UNIT 1		1,000 TN	-			2,025	65.69 /MH	133,022	133,022
			MECHANICAL EQUIPMENT - SCR UNIT 1		664 TN	-			1,345	65.69 /MH	88,327	88,327
			MECHANICAL EQUIPMENT			-			56,772		3,942,404	3,942,404
		10.33.00	MATERIAL HANDLING EQUIPMENT MATERIAL HANDLING EQUIPMENT - UNIT 1 ASH HANDLING EQUIPMENT		377 TN	-			763	65.69 /MH	50,149	50,149
			MATERIAL HANDLING EQUIPMENT - UNIT 1 FUEL EQUIPMENT, CONVEYORS INCL TRUSSES & BENTS		1,432 TN	-			2,900	65.69 /MH	190,488	190,488
			MATERIAL HANDLING EQUIPMENT			-			3,663		240,637	240,637
		10.34.00	HVAC HVAC - UNIT 1		1 LS	-			1,695	65.69 /MH	111,345	111,345
			HVAC			-			1,695		111,345	111,345
		10.35.00	PIPING PIPING - UNIT 1 BOILER PLANT AND TURBINE PIPING		2,690 TN	-			5,719	65.69 /MH	375,677	375,677
			PIPING			-			5,719		375,677	375,677
		10.41.00	ELECTRICAL EQUIPMENT			-						

AEP/ Kentucky Power
 Decommissioning Study Mitchell Plant
 Units 1, 2 and Common Facilities

AREA	GROUP	PHASE	DESCRIPTION	NOTES	TAKEOFF QUANTITY	PROCESS EQUIP AMOUNT	MATERIAL AMOUNT	SUB AMOUNT	LABOR MAN HRS	LABOR PRICE	LABOR AMOUNT	TOTAL AMOUNT
		10.41.00	ELECTRICAL EQUIPMENT									
			GENERATOR BUS TRANSFORMERS		328 TN	-			876	65.69 /MH	57,572	57,572
			UNIT 1 MAIN POWER TRANSFORMER									
			STATION AUXILIARY TRANSFORMERS,		109 TN	-			291	65.69 /MH	19,132	19,132
			UNIT 1 MAIN AUX TRANSFORMERS									
			ELECTRICAL EQUIPMENT						1,168		76,704	76,704
		10.86.00	WASTE									
			WASTE - UNIT 1 COOLING TOWER FILL	FIBERGLASS AND WOOD	2,555 CY	-	25,550		256	65.69 /MH	16,784	42,334
			WASTE - USER DEFINED - UNIT 1 BLDG		3,200 CY	-	32,000		320	65.69 /MH	21,021	53,021
			WASTE									
			WASTE				57,550		576		37,805	95,355
			WHOLE PLANT DEMOLITION				57,550		190,383		13,836,429	13,892,979
	18.00.00		SCRAP VALUE									
	18.10.00		MIXED STEEL									
			MIXED STEEL, UNIT 1 CLEAN		-77 TN	(22,099)	-			65.97 /MH		(22,099)
			CONDENSATE TANK, 753,000 GALLONS									
			MIXED STEEL, UNIT 1 CONTAMINATED		-50 TN	(14,350)	-			65.97 /MH		(14,350)
			CONDENSATE TANK, 500,000 GALLONS									
			MIXED STEEL, UNIT 1 EQUALIZATION		-30 TN	(8,610)	-			65.97 /MH		(8,610)
			TANK, 220,600 GALLONS									
			MIXED STEEL, UNIT 1 POWER BLOCK,		-4,250 TN	(1,219,750)	-			65.97 /MH		(1,219,750)
			INCLUDING TURBINE BLDG, BOILER									
			HOUSE PREHTR FAN ENCLOSURE &									
			COAL BUNKERS									
			MIXED STEEL, REBAR RECOVERED,		-467 TN	(134,029)	-			65.97 /MH		(134,029)
			TURBINE PEDESTAL FOUNDATION 140									
			LB/CY, UNIT 1									
			MIXED STEEL, UNIT 1 COOLING TOWER		-440 TN	(126,280)	-			65.97 /MH		(126,280)
			REINFORCING RECOVERED									
			MIXED STEEL, ELEVATED		-110 TN	(31,570)	-			65.97 /MH		(31,570)
			FOUNDATION, UNIT 1 TURBINE AND									
			BLR BLDGS, REINFORCING									
			MIXED STEEL, MAIN BOILER AND		-12,160 TN	(3,489,920)	-			65.97 /MH		(3,489,920)
			APPURTENANCES, UNIT 1									
			MIXED STEEL, FD & ID FANS, UNIT 1		-6,135 TN	(1,760,745)	-			65.97 /MH		(1,760,745)
			MIXED STEEL, DUCTWORK		-1,922 TN	(551,614)	-			65.97 /MH		(551,614)
			WBRECHINGS AND STEEL									
			SUPPORTS, UNIT 1									
			MIXED STEEL, FEEDWATER		-215 TN	(61,705)	-			65.97 /MH		(61,705)
			DEARATING EQUIPMENT, UNIT 1									
			MIXED STEEL, WATER TREATMENT		-269 TN	(77,203)	-			65.97 /MH		(77,203)
			DEMINEALIZATION & CHEMICAL									
			TREATMENT EQUIPMENT, UNIT 1									
			MIXED STEEL, UNIT 1 CONDENSER		-792 TN	(227,304)	-			65.97 /MH		(227,304)
			MIXED STEEL, MATERIAL HANDLING		-377 TN	(108,199)	-			65.97 /MH		(108,199)
			EQUIPMENT - UNIT 1 ASH HANDLING									
			EQUIPMENT									
			MIXED STEEL, MATERIAL HANDLING		-1,432 TN	(410,984)	-			65.97 /MH		(410,984)
			EQUIPMENT - UNIT 1 FUEL EQUIPMENT,									
			CONVEYORS INCL TRUSSES & BENTS									
			MIXED STEEL, TURBINE GENERATOR,		-2,045 TN	(586,915)	-			65.97 /MH		(586,915)
			UNIT 1									
			MIXED STEEL, CIRCULATING WATER		-484 TN	(138,908)	-			65.97 /MH		(138,908)
			EQUIPMENT, UNIT 1									
			MIXED STEEL, MECHANICAL		-613 TN	(175,931)	-			65.97 /MH		(175,931)
			EQUIPMENT - UNIT 1 MISC. POWER									
			PLANT EQUIPMENT									
			MIXED STEEL, MECHANICAL		-269 TN	(77,203)	-			65.97 /MH		(77,203)
			EQUIPMENT - UNIT 1 DUST									
			COLLECTORS									
			MIXED STEEL, PIPING - UNIT 1 BOILER		-2,690 TN	(772,030)	-			65.97 /MH		(772,030)
			PLANT AND TURBINE PIPING									
			MIXED STEEL, MECHANICAL		-1,000 TN	(287,000)	-			65.97 /MH		(287,000)
			EQUIPMENT - PRECIPITATORS UNIT 1									

AEP/ Kentucky Power
 Decommissioning Study Mitchell Plant
 Units 1, 2 and Common Facilities

AREA	GROUP	PHASE	DESCRIPTION	NOTES	TAKEOFF QUANTITY	PROCESS EQUIP AMOUNT	MATERIAL AMOUNT	SUB AMOUNT	LABOR MAN HRS	LABOR PRICE	LABOR AMOUNT	TOTAL AMOUNT
		18.10.00	MIXED STEEL MIXED STEEL, GENERATOR BUS TRANSFORMERS UNIT 1 MAIN POWER TRANSFORMER		-180 TN	(51,804)	-	-		65.97 /MH		(51,804)
			MIXED STEEL, STATION AUXILIARY TRANSFORMERS, UNIT 1 MAIN AUX TRANSFORMERS		-56 TN	(16,072)	-	-		65.97 /MH		(16,072)
			MIXED STEEL, MECHANICAL EQUIPMENT - SCR UNIT 1		-664 TN	(190,568)	-	-		65.97 /MH		(190,568)
			MIXED STEEL			(10,540,793)						(10,540,793)
		18.20.00	STAINLESS STEEL STAINLESS STEEL, TANK, UNIT 1 ABSORBER REACTION TANK		-462 TN	(645,414)	-	-		65.97 /MH		(645,414)
			STAINLESS STEEL			(645,414)						(645,414)
		18.30.00	COPPER COPPER, UNIT 1 CONDENSER CU / NI TUBES		-373 TN	(2,271,943)	-	-		65.97 /MH		(2,271,943)
			COPPER, GENERATOR BUS TRANSFORMERS UNIT 1 MAIN POWER TRANSFORMER		-200 TN	(1,218,200)	-	-		65.97 /MH		(1,218,200)
			COPPER, STATION AUXILIARY TRANSFORMERS, UNIT 1 MAIN AUX TRANSFORMERS		-53 TN	(322,823)	-	-		65.97 /MH		(322,823)
			COPPER			(3,812,966)						(3,812,966)
			SCRAP VALUE			(14,999,173)						(14,999,173)
			Unit 1			(14,999,173)	57,550		190,383		13,835,429	(1,106,194)
Unit 2												
	10.00.00		WHOLE PLANT DEMOLITION									
		10.22.00	CONCRETE BUILDING PAD FOUNDATION 110 LB/CY, UNIT 2 COOLING TOWER BASIN		8,840 CY	-	-	-	9,945	75.99 /MH	755,721	755,721
			ELEVATED FOUNDATION 110/CY, UNIT 2 COOLING TOWER SHELL		9,200 CY	-	-	-	5,511	75.99 /MH	418,766	418,766
			ELEVATED FOUNDATION , UNIT 2 TURBINE AND BLR BLDGS		2,000 CY	-	-	-	1,198	75.99 /MH	91,036	91,036
			TURBINE PEDESTAL FOUNDATION 140 LB/CY, UNIT 2		7,778 CY	-	-	-	14,000	75.99 /MH	1,063,890	1,063,890
			CONCRETE						30,654		2,329,413	2,329,413
		10.23.00	STEEL DUCTWORK WBREECHINGS AND STEEL SUPPORTS, UNIT 2		1,022 TN	-	-	-	2,731	65.97 /MH	180,150	180,150
			STEEL						2,731		180,150	180,150
		10.24.00	ARCHITECTURAL BUILDING, UNIT 2 POWER BLOCK, INCLUDING TURBINE BLDG, BOILER HOUSE PREHTR FAN ENCLOSURE & COAL BUNKERS		8,500,000 CF	-	-	-	85,000	75.09 /MH	6,382,650	6,382,650
			ARCHITECTURAL						85,000		6,382,650	6,382,650
		10.31.00	MECHANICAL EQUIPMENT MAIN BOILER AND APPURTENANCES, UNIT 2		12,160 TN	-	-	-	24,624	71.44 /MH	1,759,139	1,759,139
			FD & ID FANS, UNIT 2		6,135 TN	-	-	-	12,423	71.44 /MH	887,526	887,526
			FEEDWATER DEARATING EQUIPMENT, UNIT 2		215 TN	-	-	-	435	65.69 /MH	28,600	28,600
			TANK, UNIT 2 CLEAN CONDENSATE TANK, 753,000 GALLONS	60" DIA X 40' HIGH	77 TN	-	-	-	206	65.69 /MH	13,515	13,515
			TANK, UNIT 2 CONTAMINATED CONDENSATE TANK, 500,000 GALLONS	50" DIA X 35' HIGH	50 TN	-	-	-	134	65.69 /MH	8,776	8,776
			TANK, UNIT 2 EQUALIZATION TANK, 220 600 GALLONS	38" DIA X 30' HIGH	30 TN	-	-	-	80	65.69 /MH	5,266	5,266

AEP/ Kentucky Power
 Decommissioning Study Mitchell Plant
 Units 1, 2 and Common Facilities

AREA	GROUP	PHASE	DESCRIPTION	NOTES	TAKEOFF QUANTITY	PROCESS EQUIP AMOUNT	MATERIAL AMOUNT	SUB AMOUNT	LABOR MAN HRS	LABOR PRICE	LABOR AMOUNT	TOTAL AMOUNT
		10.31.00	MECHANICAL EQUIPMENT									
			TANK, UNIT 2 ABSORBER REACTION TANK		462 TN	-			1,234	65.69 /MH	81,092	81,092
			WATER TREATMENT DEMINERALIZATION & CHEMICAL TREATMENT EQUIPMENT, UNIT 2		269 TN	-			545	65.69 /MH	35,783	35,783
			TURBINE GENERATOR, UNIT 2		2,045 TN	-			4,141	65.69 /MH	272,031	272,031
			CONDENSER, UNIT 2		1,165 TN	-			2,359	65.69 /MH	154,971	154,971
			CIRCULATING WATER EQUIPMENT, UNIT 2		484 TN	-			980	65.69 /MH	64,383	64,383
			COOLING TOWER, UNIT 2 REMOVE FILL		690,000 CF	-			4,140	65.69 /MH	271,957	271,957
			MECHANICAL EQUIPMENT - UNIT 2		613 TN	-			1,241	65.69 /MH	81,543	81,543
			MISC. POWER PLANT EQUIPMENT									
			MECHANICAL EQUIPMENT - DEMOLISH UNIT 2 TURBINE ROOM OVERHEAD CRANE		1 LS	-			315	65.69 /MH	20,692	20,692
			MECHANICAL EQUIPMENT - UNIT 2 DUST COLLECTORS		269 TN	-			545	65.69 /MH	35,783	35,783
			MECHANICAL EQUIPMENT - PRECIPITATORS UNIT 2		1,000 TN	-			2,025	65.69 /MH	133,022	133,022
			MECHANICAL EQUIPMENT - SCR UNIT 2		664 TN	-			1,345	65.69 /MH	88,327	88,327
			MECHANICAL EQUIPMENT						56,772		3,942,404	3,942,404
		10.33.00	MATERIAL HANDLING EQUIPMENT									
			MATERIAL HANDLING EQUIPMENT - UNIT 2 ASH HANDLING EQUIPMENT		377 TN	-			763	65.69 /MH	50,149	50,149
			MATERIAL HANDLING EQUIPMENT - UNIT 2 FUEL EQUIPMENT, CONVEYORS INCL. TRUSSES & BENTS		1,432 TN	-			2,900	65.69 /MH	190,488	190,488
			MATERIAL HANDLING EQUIPMENT						3,663		240,637	240,637
		10.34.00	HVAC									
			HVAC - UNIT 2		1 LS	-			1,695	65.69 /MH	111,345	111,345
			HVAC						1,695		111,345	111,345
		10.35.00	PIPING									
			PIPING - UNIT 2 BOILER PLANT AND TURBINE PIPING		2,690 TN	-			5,719	65.69 /MH	375,677	375,677
			PIPING						5,719		375,677	375,677
		10.41.00	ELECTRICAL EQUIPMENT									
			GENERATOR BUS TRANSFORMERS		328 TN	-			876	65.69 /MH	57,572	57,572
			UNIT 2 MAIN POWER TRANSFORMER		109 TN	-			291	65.69 /MH	19,132	19,132
			STATION AUXILIARY TRANSFORMERS, UNIT 2 MAIN AUX TRANSFORMERS						1,168		76,704	76,704
			ELECTRICAL EQUIPMENT									
		10.86.00	WASTE									
			WASTE - UNIT 2 COOLING TOWER FILL	FIBERGLASS AND WOOD	2,555 CY	-	25,550		256	65.69 /MH	16,784	42,334
			WASTE - USER DEFINED - UNIT 2 BLDG WASTE		3,200 CY	-	32,000		320	65.69 /MH	21,021	53,021
			WASTE				57,550		576		37,805	95,355
			WHOLE PLANT DEMOLITION				57,550		187,978		13,676,784	13,734,334
		18.00.00	SCRAP VALUE									
		18.10.00	MIXED STEEL									
			MIXED STEEL, UNIT 2 CLEAN CONDENSATE TANK, 753,000 GALLONS		-77 TN	(22,099)				65.97 /MH		(22,099)
			MIXED STEEL, UNIT 2 CONTAMINATED CONDENSATE TANK, 500,000 GALLONS		-50 TN	(14,350)				65.97 /MH		(14,350)
			MIXED STEEL, UNIT 2 EQUALIZATION TANK, 220,600 GALLONS		-30 TN	(8,610)				65.97 /MH		(8,610)
			MIXED STEEL, UNIT 2 POWER BLOCK, INCLUDING TURBINE BLDG, BOILER HOUSE PREHTR FAN ENCLOSURE & COAL BUNKERS		-4,250 TN	(1,219,750)				65.97 /MH		(1,219,750)

AEP/ Kentucky Power
 Decommissioning Study Mitchell Plant
 Units 1, 2 and Common Facilities

AREA	GROUP	PHASE	DESCRIPTION	NOTES	TAKEOFF QUANTITY	PROCESS EQUIP AMOUNT	MATERIAL AMOUNT	SUB AMOUNT	LABOR MAN HRS	LABOR PRICE	LABOR AMOUNT	TOTAL AMOUNT
		18.10.00	MIXED STEEL									
			MIXED STEEL, REBAR RECOVERED, TURBINE PEDESTAL FOUNDATION 140 LB/CY, UNIT 2		-467 TN	(134,029)	-	-		65.97 /MH		(134,029)
			MIXED STEEL, UNIT 2 COOLING TOWER REINFORCING RECOVERED		-440 TN	(126,280)	-	-		65.97 /MH		(126,280)
			MIXED STEEL, ELEVATED FOUNDATION UNIT 2 TURBINE AND BLR BLDGS, REINFORCING		-110 TN	(31,570)	-	-		65.97 /MH		(31,570)
			MIXED STEEL, MAIN BOILER AND APPURTENANCES, UNIT 2		-12,160 TN	(3,489,920)	-	-		65.97 /MH		(3,489,920)
			MIXED STEEL, FD & ID FANS, UNIT 2		-6,135 TN	(1,760,745)	-	-		65.97 /MH		(1,760,745)
			MIXED STEEL, DUCTWORK W/BREACHINGS AND STEEL SUPPORTS, UNIT 2		-1,022 TN	(293,314)	-	-		65.97 /MH		(293,314)
			MIXED STEEL, FEEDWATER DEARATING EQUIPMENT, UNIT 2		-215 TN	(61,705)	-	-		65.97 /MH		(61,705)
			MIXED STEEL, WATER TREATMENT DEMINERALIZATION & CHEMICAL TREATMENT EQUIPMENT, UNIT 2		-269 TN	(77,203)	-	-		65.97 /MH		(77,203)
			MIXED STEEL, UNIT 2 CONDENSER		-792 TN	(227,304)	-	-		65.97 /MH		(227,304)
			MIXED STEEL, MATERIAL HANDLING EQUIPMENT - UNIT 2 ASH HANDLING EQUIPMENT		-377 TN	(108,199)	-	-		65.97 /MH		(108,199)
			MIXED STEEL, MATERIAL HANDLING EQUIPMENT - UNIT 2 FUEL EQUIPMENT, CONVEYORS INCL TRUSSES & BENTS		-1,432 TN	(410,984)	-	-		65.97 /MH		(410,984)
			MIXED STEEL, TURBINE GENERATOR, UNIT 2		-2,045 TN	(586,915)	-	-		65.97 /MH		(586,915)
			MIXED STEEL, CIRCULATING WATER EQUIPMENT, UNIT 2		-484 TN	(138,908)	-	-		65.97 /MH		(138,908)
			MIXED STEEL, MECHANICAL EQUIPMENT - UNIT 2 MISC. POWER PLANT EQUIPMENT		-613 TN	(175,931)	-	-		65.97 /MH		(175,931)
			MIXED STEEL, MECHANICAL EQUIPMENT - UNIT 2 DUST COLLECTORS		-269 TN	(77,203)	-	-		65.97 /MH		(77,203)
			MIXED STEEL, PIPING - UNIT 2 BOILER PLANT AND TURBINE PIPING		-2,690 TN	(772,030)	-	-		65.97 /MH		(772,030)
			MIXED STEEL, MECHANICAL EQUIPMENT - PRECIPITATORS UNIT 2		-1,000 TN	(287,000)	-	-		65.97 /MH		(287,000)
			MIXED STEEL, GENERATOR BUS TRANSFORMERS UNIT 2 MAIN POWER TRANSFORMERS		-180 TN	(51,804)	-	-		65.97 /MH		(51,804)
			MIXED STEEL, STATION AUXILIARY TRANSFORMERS, UNIT 2 MAIN AUX TRANSFORMERS		-56 TN	(16,072)	-	-		65.97 /MH		(16,072)
			MIXED STEEL, MECHANICAL EQUIPMENT - SCR UNIT 2		-664 TN	(190,568)	-	-		65.97 /MH		(190,568)
			MIXED STEEL			(10,282,493)						(10,282,493)
		18.20.00	STAINLESS STEEL									
			STAINLESS STEEL, TANK, UNIT 2 ABSORBER REACTION TANK		-462 TN	(645,414)	-	-		65.97 /MH		(645,414)
			STAINLESS STEEL			(645,414)						(645,414)
		18.30.00	COPPER									
			COPPER, UNIT 2 CONDENSER CU / NI TUBES		-373 TN	(2,271,943)	-	-		65.97 /MH		(2,271,943)
			COPPER, GENERATOR BUS TRANSFORMERS UNIT 2 MAIN POWER TRANSFORMER		-147 TN	(898,423)	-	-		65.97 /MH		(898,423)
			COPPER, STATION AUXILIARY TRANSFORMERS, UNIT 2 MAIN AUX TRANSFORMERS		-53 TN	(322,823)	-	-		65.97 /MH		(322,823)

ESTIMATE NO.: 315001
 PROJECT NO.: 11488-066
 ISSUE DATE: 2/22/2013
 PREP./REV.: RCK/JAE
 APPROVED: MNO

AEP/ Kentucky Power
 Decommissioning Study Mitchell Plant
 Units 1, 2 and Common Facilities

2/22/2013 1:09 PM

AREA	GROUP	PHASE	DESCRIPTION	NOTES	TAKEOFF QUANTITY	PROCESS EQUIP AMOUNT	MATERIAL AMOUNT	SUB AMOUNT	LABOR MAN HRS	LABOR PRICE	LABOR AMOUNT	TOTAL AMOUNT
			COPPER			(3,493,189)						(3,493,189)
			SCRAP VALUE			(14,421,095)						(14,421,095)
			Unit 2			(14,421,095)	57,550		187,978		13,676,784	(686,761)

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
DEPRECIATION STUDY WORKPAPERS**

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
PRODUCTION PLANT NET SALVAGE RATIO CALCULATION**

KENTUCKY POWER COMPANY
2012 DEPRECIATION STUDY
CALCULATION OF NET SALVAGE RATIO AT RETIREMENT DATE

Plant/Units	Terminal Salvage at Retirement Date	Interim Salvage Amount	Total Salvage Amount	Terminal Removal at Retirement Date	Interim Removal Amount	Total Removal Amount	Original Cost at Dec. 2012	Salvage as a % of Original Cost	Removal as a % of Original Cost	Net Salvage Percent	Net Salvage Ratio
Big Sandy Plant	\$21,944,522	\$0	\$21,944,522	\$107,171,725	\$7,193,369	\$114,365,094	\$546,782,126	4.01%	20.92%	-16.91%	1.17
Mitchell Plant (A)	<u>\$37,070,302</u>	<u>\$3,878,013</u>	<u>\$40,948,315</u>	<u>\$87,693,956</u>	<u>\$7,193,369</u>	<u>\$94,887,325</u>	<u>\$868,016,733</u>	4.72%	10.93%	-6.21%	1.06
Total Generation Plant	<u>\$59,014,824</u>	<u>\$3,878,013</u>	<u>\$62,892,837</u>	<u>\$194,865,681</u>	<u>\$14,386,738</u>	<u>\$209,252,419</u>	<u>\$1,414,798,859</u>				

(A) Kentucky's share at 50%.

KENTUCKY POWER COMPANY
2012 DEPRECIATION STUDY
CALCULATION OF TERMINAL SALVAGE AND REMOVAL AT RETIREMENT DATE
USING SARGENT & LUNDY STUDY DATA AND CONSUMER'S PRICE INDEX

Plant/Units	Terminal Salvage	Terminal Removal	Terminal Net Salvage	Average Inflation Rate (1)	Plant Retirement Year	Years Until Plant Retirement	Terminal Salvage at Retirement Date	Terminal Removal at Retirement Date	Terminal Net Salvage at Retirement Date
<u>Big Sandy Plant</u>									
S&L Estimate	\$20,887,112	\$49,718,898	(\$28,831,786)	2.50%	2015	2	\$21,944,522	\$52,235,917	(\$30,291,395)
Asbestos Cost	\$0	\$7,735,808	(\$7,735,808)				\$0	\$7,735,808	(\$7,735,808)
Ash Pond Closure	\$0	<u>\$47,200,000</u>	<u>(\$47,200,000)</u>				\$0	<u>\$47,200,000</u>	<u>(\$47,200,000)</u>
Total Big Sandy Plant	\$20,887,112	\$104,654,706	(\$83,767,594)				\$21,944,522	\$107,171,725	(\$85,227,203)
<u>Mitchell Plant</u>									
S&L Estimate	\$19,031,883	\$40,217,580	(\$21,185,697)	2.50%	2040	27	\$37,070,302	\$78,335,803	(\$41,265,501)
Ash Pond & Abestos Cost	\$0	<u>\$9,358,153</u>	<u>(\$9,358,153)</u>				\$0	<u>\$9,358,153</u>	<u>(\$9,358,153)</u>
Total Mitchell Plant	\$19,031,883	\$49,575,733	(\$30,543,850)				\$37,070,302	\$87,693,956	(\$50,623,654)
TOTALS	\$39,918,995	\$154,230,439	(\$114,311,444)				\$59,014,824	\$194,865,681	(\$135,850,857)

Note (1) Source Livingston Survey dated December 2012 (survey performed by Federal Reserve Bank of Philadelphia)

**KENTUCKY POWER COMPANY
2012 DEPRECIATION STUDY
CALCULATION OF TERMINAL SALVAGE AND REMOVAL AT 2013 PRICE LEVEL**

Plant/Units (A)	Terminal Salvage	Terminal Removal	Net Salvage	KEPCo Share of Plant/Unit	Terminal Salvage - Price Level 2013	Terminal Removal - Price Level 2013	Terminal Net Salvage - Price Level 2013
<i>Big Sandy Plant</i>							
S&L Estimate	\$20,887,112	\$49,718,898	-\$28,831,786	100.00%	\$20,887,112	\$49,718,898	-\$28,831,786
Asbestos Cost	\$0	\$4,640,350	-\$4,640,350	100.00%	\$0	\$4,640,350	-\$4,640,350
Ash Pond Closure	<u>\$0</u>	<u>\$47,200,000</u>	<u>-\$47,200,000</u>	100.00%	<u>\$0</u>	<u>\$47,200,000</u>	<u>-\$47,200,000</u>
Total Big Sandy Plant	\$20,887,112	\$101,559,248	-\$80,672,136		\$20,887,112	\$101,559,248	-\$80,672,136
<i>Mitchell Plant</i>							
S&L Estimate	\$38,063,765	\$80,435,160	-\$42,371,395	50.00%	\$19,031,883	\$40,217,580	-\$21,185,697
Ash Pond & Abestos Cost	<u>\$0</u>	<u>\$18,716,305</u>	<u>-\$18,716,305</u>	50.00%	<u>\$0</u>	<u>\$9,358,153</u>	<u>-\$9,358,153</u>
Total Mitchell Plant	\$38,063,765	\$99,151,465	-\$61,087,700		\$19,031,883	\$49,575,733	-\$30,543,850
TOTALS	\$58,950,877	\$200,710,713	-\$141,759,836		\$39,918,995	\$151,134,981	-\$111,215,986

NOTES:

A. Asbestos and ash pond removal excluded from the Sargent & Lundy estimates

KENTUCKY POWER COMPANY
MITCHELL PLANT - CALCULATION OF INTERIM RETIREMENT REMOVAL AND SALVAGE AMOUNTS
DEPRECIATION STUDY AT DECEMBER 2012

Account	Interim Retirement Amount (a)	Interim Removal %	Interim Salvage %	Interim Removal Amount (b)	Interim Salvage Amount (b)
311	\$4,953,528	8.31%	4.48%	\$411,638	\$221,918
312	\$69,800,859	8.31%	4.48%	\$5,800,451	\$3,127,078
314	\$9,874,170	8.31%	4.48%	\$820,544	\$442,363
315	\$722,061	8.31%	4.48%	\$60,003	\$32,348
316	<u>\$1,212,192</u>	8.31%	4.48%	<u>\$100,733</u>	<u>\$54,306</u>
	\$86,562,810			\$7,193,369	\$3,878,013
	Interim Net Salvage %		-3.83%		

Notes:

- (a) Since Big Sandy Plant is expected to retire in 2015, this calculation uses interim retirements from Mitchell Plant.
- (b) Interim retirements at 50% to calculate Kentucky's share.

Kentucky Power Company
Depreciation Study Dated December 31, 2012
Mitchell Plant - Interim Retirements
For the Period from 2001 to 2012

<u>Account</u>	<u>Year</u>	<u>Retirements</u>	<u>Removal</u>	<u>Salvage</u>
311	2001	\$21,765	\$187,365	\$0
311	2002	\$1	\$41,029	\$0
311	2004	\$240,619	\$7,419	(\$277)
311	2005	\$44,637	\$0	\$0
311	2006	\$117,034	\$43,214	\$0
311	2007	\$254,355	\$0	\$0
311	2008	\$134,756	\$0	\$0
311	2009	\$1,183,627	\$0	\$0
311	2010	\$369,693	\$0	\$0
311	2011	\$238,912	\$0	\$0
311	2012	\$228,490	\$0	\$0
312	2001	\$853,884	\$2,861,778	\$13,042
312	2002	\$124,523	\$2,373,757	\$15,555
312	2003	\$96,073	(\$940)	\$14,054
312	2004	\$2,815,071	\$15,046	\$161,856
312	2005	\$451,404	(\$66,192)	(\$5,304)
312	2006	\$23,768,595	\$0	\$855
312	2007	\$12,378,052	(\$4,136)	\$393,095
312	2008	\$2,188,801	(\$2,298)	\$623,281
312	2009	\$1,765,107	(\$96,567)	\$16,005
312	2010	\$1,865,365	\$0	\$119,039
312	2011	\$3,413,980	\$0	\$0
312	2012	\$4,550,398	(\$763,327)	\$277,815
314	2001	\$1,574,439	\$719,409	(\$30)
314	2002	\$18,478	\$398,986	\$23,698
314	2003	\$4	\$0	\$30,057
314	2004	\$484,197	(\$532)	\$216,848
314	2005	\$8,204	(\$115,172)	(\$159)
314	2006	\$1,919,910	\$0	\$855
314	2007	\$564,857	\$0	\$8,728
314	2008	\$105,090	(\$2,298)	\$250,142
314	2009	\$116,469	\$0	\$0
314	2010	\$43,554	\$0	\$119,039
314	2011	\$673,220	\$0	\$0
314	2012	\$2,837,013	\$0	\$277,815
315	2001	\$0	\$1,481	\$0
315	2002	\$0	\$0	\$0
315	2003	\$18,498	\$8,253	\$0
315	2004	\$16,152	\$178	\$108,584
315	2005	\$2,213	(\$57,586)	\$0
315	2006	\$138,254	\$0	\$428
315	2007	\$93,839	\$0	\$4,364
315	2008	\$46,825	(\$1,149)	\$125,071
315	2009	\$27,892	\$0	\$0
315	2010	\$154,409	\$0	\$59,520
315	2011	\$37,354	\$0	\$0
315	2012	\$20,125	\$0	\$138,908
316	2002	\$2	\$0	\$0
316	2003	\$1	\$0	\$0
316	2004	\$21,476	\$93	(\$1)
316	2005	\$43,204	\$0	\$0
316	2006	\$9,768	\$0	\$0
316	2007	\$21,643	\$0	\$0
316	2008	\$58,367	\$0	\$0
316	2009	\$39,497	\$0	\$0
316	2010	\$483,006	\$0	\$0
316	2011	\$19,144	\$0	\$0
316	2012	<u>\$36,341</u>	<u>\$0</u>	<u>\$0</u>
		\$66,738,587	\$5,547,812	\$2,992,885

Removal and Salvage as a % of Retirements

8.31%

4.48%

Note - Since Big Sandy Plant is expected to retire in 2015, this calculation uses data from only Mitchell Plant.

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
BIG SANDY PLANT
AVERAGE AGE OF SURVIVING PLANT

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT
BIG SANDY GENERATING PLANT - Account 311**

VINTAGE YEAR	SURVIVING BALANCE	AGE (YEARS)	DOLLAR YEARS	AVERAGE AGE (YEARS)
1963	5,649,093	49.5	279,630,094	
1964	13,194	48.5	639,909	
1965	18,352	47.5	871,720	
1966	3,636	46.5	169,074	
1967	217	45.5	9,874	
1968	19,142	44.5	851,800	
1969	14,848,367	43.5	645,903,971	
1970	798,917	42.5	33,953,973	
1971	162,704	41.5	6,752,216	
1972	56,780	40.5	2,299,590	
1973	2,605	39.5	102,898	
1974	5,005	38.5	192,693	
1975	28,389	37.5	1,064,588	
1976	65,662	36.5	2,396,663	
1977	76,759	35.5	2,724,945	
1978	282,698	34.5	9,753,075	
1979	163,014	33.5	5,460,982	
1980	1,036	32.5	33,670	
1981	205,671	31.5	6,478,636	
1982	642,677	30.5	19,601,635	
1983	333,124	29.5	9,827,151	
1984	2,624	28.5	74,783	
1985	-2,666	27.5	-73,312	
1987	34,955	25.5	891,353	
1988	171,684	24.5	4,206,258	
1989	15,604	23.5	366,694	
1990	452,845	22.5	10,189,005	
1991	11,250	21.5	241,875	
1992	20,716	20.5	424,678	
1993	157,920	19.5	3,079,440	
1994	1,185,417	18.5	21,930,220	
1995	12,062	17.5	211,076	
1996	465,478	16.5	7,680,392	
1997	719,120	15.5	11,146,360	
1998	1,339,186	14.5	19,418,195	
1999	56,378	13.5	761,108	
2000	169,349	12.5	2,116,860	
2001	431	11.5	4,951	
2002	6,208,831	10.5	65,192,725	
2003	309,433	9.5	2,939,616	
2004	555,899	8.5	4,725,138	
2005	1,838,533	7.5	13,788,998	
2006	827,912	6.5	5,381,431	
2007	937,589	5.5	5,156,739	
2008	1,844,079	4.5	8,298,357	
2009	1,075,904	3.5	3,765,663	
2010	310,432	2.5	776,080	
2011	318,981	1.5	478,472	
2012	<u>742,356</u>	0.5	<u>371,178</u>	
	43,159,343		1,222,263,490	28.32

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT
BIG SANDY GENERATING PLANT - Account 312**

VINTAGE <u>YEAR</u>	SURVIVING <u>BALANCE</u>	AGE <u>(YEARS)</u>	DOLLAR <u>YEARS</u>	AVERAGE AGE <u>(YEARS)</u>
1963	4,803,679	49.5	237,782,117	
1964	104,317	48.5	5,059,375	
1965	28,441	47.5	1,350,948	
1966	31,857	46.5	1,481,351	
1967	1,203	45.5	54,737	
1968	34,587	44.5	1,539,116	
1969	34,368,545	43.5	1,495,031,688	
1970	2,331,209	42.5	99,076,391	
1971	1,552,947	41.5	64,447,288	
1972	650,002	40.5	26,325,072	
1973	54,734	39.5	2,161,993	
1974	634,949	38.5	24,445,530	
1975	927,822	37.5	34,793,325	
1976	379,986	36.5	13,869,472	
1977	569,745	35.5	20,225,934	
1978	3,135,888	34.5	108,188,132	
1979	2,834,221	33.5	94,946,400	
1980	1,500,367	32.5	48,761,943	
1981	2,042,101	31.5	64,326,182	
1982	3,684,145	30.5	112,366,418	
1983	1,682,108	29.5	49,622,190	
1984	1,270,809	28.5	36,218,050	
1985	1,588,014	27.5	43,670,393	
1986	1,277,585	26.5	33,856,004	
1987	2,803,811	25.5	71,497,177	
1988	2,019,230	24.5	49,471,133	
1989	1,285,048	23.5	30,198,629	
1990	1,591,536	22.5	35,809,554	
1991	1,132,562	21.5	24,350,083	
1992	2,519,831	20.5	51,656,545	
1993	2,381,634	19.5	46,441,865	
1994	10,858,700	18.5	200,885,947	
1995	9,871,910	17.5	172,758,427	
1996	7,498,470	16.5	123,724,756	
1997	6,791,010	15.5	105,260,663	
1998	6,019,556	14.5	87,283,556	
1999	146,483	13.5	1,977,523	
2000	661,852	12.5	8,273,146	
2001	310,716	11.5	3,573,238	
2002	32,948,597	10.5	345,960,264	
2003	147,095,539	9.5	1,397,407,616	
2004	5,457,637	8.5	46,389,914	
2005	4,476,430	7.5	33,573,223	
2006	6,009,485	6.5	39,061,650	
2007	3,447,483	5.5	18,961,159	
2008	26,661,957	4.5	119,978,807	
2009	1,002,263	3.5	3,507,922	
2010	7,239,174	2.5	18,097,936	
2011	5,028,287	1.5	7,542,431	
2012	<u>8,153,533</u>	0.5	<u>4,076,766</u>	
	368,901,994		5,667,319,979	15.36

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT
BIG SANDY GENERATING PLANT - Account 314**

VINTAGE YEAR	SURVIVING BALANCE	AGE (YEARS)	DOLLAR YEARS	AVERAGE AGE (YEARS)
1963	5,378,356	49.5	266,228,629	
1965	6	47.5	295	
1966	59,271	46.5	2,756,082	
1967	-2,274	45.5	-103,462	
1968	-30	44.5	-1,317	
1969	20,344,893	43.5	885,002,858	
1970	807,173	42.5	34,304,868	
1971	702,552	41.5	29,155,908	
1972	263,990	40.5	10,691,595	
1973	59,137	39.5	2,335,912	
1974	14,534	38.5	559,554	
1975	240,134	37.5	9,005,025	
1976	9,309	36.5	339,779	
1977	19,103	35.5	678,157	
1978	11,239	34.5	387,743	
1979	529,416	33.5	17,735,452	
1980	-9,347	32.5	-303,785	
1981	1,893,106	31.5	59,632,839	
1982	412,999	30.5	12,596,470	
1983	1,014,327	29.5	29,922,647	
1984	59,855	28.5	1,705,863	
1985	353	27.5	9,718	
1986	70,889	26.5	1,878,559	
1987	226,283	25.5	5,770,223	
1988	3,248,362	24.5	79,584,875	
1989	1,951,999	23.5	45,871,977	
1990	949,491	22.5	21,363,554	
1991	1,613,278	21.5	34,685,473	
1993	2,630,759	19.5	51,299,796	
1994	2,166,603	18.5	40,082,156	
1995	1,138,602	17.5	19,925,541	
1996	1,599,423	16.5	26,390,483	
1997	127	15.5	1,969	
1998	11,027,112	14.5	159,893,125	
1999	7,235	13.5	97,679	
2000	51,912	12.5	648,905	
2001	17,232	11.5	198,164	
2002	8,951,879	10.5	93,994,733	
2003	1,861,942	9.5	17,688,450	
2004	1,510,645	8.5	12,840,486	
2005	608,469	7.5	4,563,520	
2006	1,707,818	6.5	11,100,819	
2007	861,144	5.5	4,736,291	
2008	35,223,578	4.5	158,506,100	
2009	179,871	3.5	629,548	
2010	40,782	2.5	101,954	
2011	540,722	1.5	811,084	
2012	306,399	0.5	153,199	
	110,300,662		2,155,459,493	19.54

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT
BIG SANDY GENERATING PLANT - Account 315**

VINTAGE YEAR	SURVIVING BALANCE	AGE (YEARS)	DOLLAR YEARS	AVERAGE AGE (YEARS)
1963	1,456,348	49.5	72,089,211	
1965	1,390	47.5	66,027	
1969	6,052,712	43.5	263,292,977	
1970	553,244	42.5	23,512,866	
1971	355,383	41.5	14,748,395	
1972	13,318	40.5	539,379	
1973	114,131	39.5	4,508,175	
1974	1,489	38.5	57,327	
1976	289,966	36.5	10,583,759	
1977	113,934	35.5	4,044,657	
1978	216,942	34.5	7,484,499	
1979	39,097	33.5	1,309,742	
1980	65,736	32.5	2,136,412	
1981	429,265	31.5	13,521,835	
1982	353,773	30.5	10,790,077	
1983	89,002	29.5	2,625,559	
1984	88,303	28.5	2,516,636	
1985	87,208	27.5	2,398,211	
1986	486	26.5	12,879	
1987	119,792	25.5	3,054,696	
1988	187,376	24.5	4,590,712	
1989	100,224	23.5	2,355,264	
1990	212,675	22.5	4,785,189	
1991	106,173	21.5	2,282,720	
1992	38,842	20.5	796,261	
1993	115,632	19.5	2,254,824	
1994	29,209	18.5	540,373	
1995	11,402	17.5	199,529	
1996	326,010	16.5	5,379,159	
1997	933,276	15.5	14,465,772	
1998	403,442	14.5	5,849,915	
1999	2,861	13.5	38,624	
2000	103,072	12.5	1,288,397	
2001	75,779	11.5	871,463	
2002	540,904	10.5	5,679,497	
2003	893,356	9.5	8,486,884	
2004	19,722	8.5	167,638	
2005	6,829	7.5	51,218	
2006	182,121	6.5	1,183,784	
2007	173,582	5.5	954,703	
2008	241,690	4.5	1,087,604	
2009	366,294	3.5	1,282,030	
2010	424,452	2.5	1,061,130	
2011	25,797	1.5	38,696	
2012	<u>428,637</u>	0.5	<u>214,319</u>	
	16,390,876		505,199,024	30.82

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT
BIG SANDY GENERATING PLANT - Account 316**

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1963	782,549	49.5	38,736,176	
1964	4,644	48.5	225,234	
1965	5,340	47.5	253,650	
1966	8,383	46.5	389,810	
1967	2,344	45.5	106,652	
1968	3,755	44.5	167,098	
1969	1,523,960	43.5	66,292,275	
1970	197,493	42.5	8,393,453	
1971	84,826	41.5	3,520,279	
1972	48,144	40.5	1,949,832	
1973	23,088	39.5	911,976	
1974	94	38.5	3,619	
1975	124,869	37.5	4,682,588	
1976	18,611	36.5	679,302	
1977	8,980	35.5	318,788	
1978	34,424	34.5	1,187,628	
1979	23,860	33.5	799,316	
1980	11,193	32.5	363,762	
1981	93,588	31.5	2,948,015	
1982	72,372	30.5	2,207,351	
1984	65,241	28.5	1,859,369	
1985	87,922	27.5	2,417,855	
1986	96,287	26.5	2,551,606	
1987	32,012	25.5	816,306	
1988	29,324	24.5	718,438	
1989	82,538	23.5	1,939,643	
1990	17,035	22.5	383,281	
1991	29,306	21.5	630,079	
1992	93,344	20.5	1,913,543	
1993	11,344	19.5	221,217	
1994	1,240,962	18.5	22,957,789	
1995	100,817	17.5	1,764,290	
1996	170,913	16.5	2,820,063	
1997	217,359	15.5	3,369,063	
1998	46,840	14.5	679,186	
1999	33,445	13.5	451,506	
2000	7,491	12.5	93,632	
2001	50,660	11.5	582,593	
2002	73,297	10.5	769,622	
2003	572,195	9.5	5,435,848	
2004	175,897	8.5	1,495,128	
2005	197,053	7.5	1,477,901	
2006	214,203	6.5	1,392,320	
2007	264,613	5.5	1,455,370	
2008	220,861	4.5	993,876	
2009	52,726	3.5	184,541	
2010	723,311	2.5	1,808,278	
2011	23,248	1.5	34,872	
2012	<u>26,492</u>	0.5	<u>13,246</u>	
	8,029,253		195,367,265	24.33

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
MITCHELL PLANT
AVERAGE AGE OF SURVIVING PLANT

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT
MITCHELL GENERATING PLANT - Account 311, 100% of Cost**

VINTAGE YEAR	SURVIVING BALANCE	AGE (YEARS)	DOLLAR YEARS	AVERAGE AGE (YEARS)
1967	192	45.5	8,736	
1971	19,806,422	41.5	821,966,513	
1972	718,822	40.5	29,112,291	
1973	127,112	39.5	5,020,924	
1974	225,656	38.5	8,687,756	
1975	90,549	37.5	3,395,588	
1976	75,380	36.5	2,751,370	
1977	34,027	35.5	1,207,959	
1978	3,814,302	34.5	131,593,419	
1979	351,042	33.5	11,759,907	
1980	62,260	32.5	2,023,450	
1981	43,286	31.5	1,363,509	
1982	30,459	30.5	929,000	
1983	144,247	29.5	4,255,287	
1984	97,223	28.5	2,770,856	
1985	146,509	27.5	4,028,998	
1986	1,614,042	26.5	42,772,113	
1987	39,876	25.5	1,016,838	
1988	55,088	24.5	1,349,656	
1989	671,741	23.5	15,785,914	
1990	960,291	22.5	21,606,548	
1991	151,150	21.5	3,249,725	
1992	453,275	20.5	9,292,138	
1993	153,991	19.5	3,002,825	
1994	29,619	18.5	547,952	
1995	608,347	17.5	10,646,073	
1996	3,181	16.5	52,487	
1997	547,070	15.5	8,479,585	
1998	120,917	14.5	1,753,297	
1999	459,874	13.5	6,208,299	
2000	1,551,135	12.5	19,389,188	
2001	343,866	11.5	3,954,459	
2002	404,897	10.5	4,251,419	
2003	295,845	9.5	2,810,528	
2004	1,099,463	8.5	9,345,436	
2005	261,325	7.5	1,959,938	
2006	555,068	6.5	3,607,942	
2007	27,426,087	5.5	150,843,479	
2008	2,805,450	4.5	12,624,525	
2009	9,751,543	3.5	34,130,401	
2010	2,931,177	2.5	7,327,943	
2011	3,082,354	1.5	4,623,531	
2012	<u>661,961</u>	0.5	<u>330,981</u>	
	82,806,121		1,411,838,783	17.05

Note: Excludes Mountaineer Gypsum Unloader

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT
MITCHELL GENERATING PLANT - Account 312, 100% of Cost**

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1971	69,164,427	41.5	2,870,323,721	
1972	7,749,904	40.5	313,871,112	
1973	816,979	39.5	32,270,671	
1974	496,075	38.5	19,098,888	
1975	1,959,741	37.5	73,490,288	
1976	10,273,004	36.5	374,964,646	
1977	14,776,370	35.5	524,561,135	
1978	66,571,594	34.5	2,296,719,993	
1979	2,050,864	33.5	68,703,944	
1980	2,111,534	32.5	68,624,855	
1981	2,121,634	31.5	66,831,471	
1982	2,375,402	30.5	72,449,761	
1983	1,529,313	29.5	45,114,734	
1984	2,539,903	28.5	72,387,236	
1985	646,873	27.5	17,789,008	
1986	537,785	26.5	14,251,303	
1987	4,933,362	25.5	125,800,731	
1988	4,907,316	24.5	120,229,242	
1989	3,688,645	23.5	86,683,158	
1990	38,169	22.5	858,803	
1991	3,582,629	21.5	77,026,524	
1992	1,771,098	20.5	36,307,509	
1993	6,381,424	19.5	124,437,768	
1994	24,723,764	18.5	457,389,634	
1995	901,785	17.5	15,781,238	
1996	1,023,544	16.5	16,888,476	
1997	3,647,649	15.5	56,538,560	
1998	781,020	14.5	11,324,790	
1999	489,543	13.5	6,608,831	
2000	9,955,286	12.5	124,441,075	
2001	13,851,800	11.5	159,295,700	
2002	6,262,389	10.5	65,755,085	
2003	4,988,921	9.5	47,394,750	
2004	4,593,022	8.5	39,040,687	
2005	37,600,068	7.5	282,000,510	
2006	32,333,025	6.5	210,164,663	
2007	1,014,832,579	5.5	5,581,579,185	
2008	48,668,377	4.5	219,007,697	
2009	26,748,207	3.5	93,618,725	
2010	17,961,587	2.5	44,903,968	
2011	11,853,244	1.5	17,779,866	
2012	<u>17,590,012</u>	0.5	<u>8,795,006</u>	
	1,489,829,867		14,961,104,947	10.04

Note: Excludes SCR Catalyst and Mountaineer Gypsum Unloader

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT
MITCHELL GENERATING PLANT - Account 314, 100% of Cost**

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1970	227,008	42.5	9,647,840	
1971	41,747,227	41.5	1,732,509,921	
1972	393,308	40.5	15,928,974	
1973	61,114	39.5	2,414,003	
1974	743,405	38.5	28,621,093	
1975	35,212	37.5	1,320,450	
1976	157,691	36.5	5,755,722	
1977	127,705	35.5	4,533,528	
1978	100,037	34.5	3,451,277	
1979	130,222	33.5	4,362,437	
1980	64,547	32.5	2,097,778	
1981	424,251	31.5	13,363,907	
1982	35,962	30.5	1,096,841	
1983	29,143	29.5	859,719	
1984	1,977,872	28.5	56,369,352	
1985	103,346	27.5	2,842,015	
1986	345,795	26.5	9,163,568	
1987	934,470	25.5	23,828,985	
1988	2,999,084	24.5	73,477,558	
1989	2,328,086	23.5	54,710,021	
1990	220,195	22.5	4,954,388	
1991	207,085	21.5	4,452,328	
1992	7,307,412	20.5	149,801,946	
1993	8,830,775	19.5	172,200,113	
1994	1,011,497	18.5	18,712,695	
1995	18,077	17.5	316,348	
1996	19,733	16.5	325,595	
1997	2,431,536	15.5	37,688,808	
1998	521,590	14.5	7,563,055	
1999	1,380,650	13.5	18,638,775	
2000	3,047,291	12.5	38,091,138	
2001	4,986,605	11.5	57,345,958	
2002	1,020,863	10.5	10,719,062	
2003	206,415	9.5	1,960,943	
2004	618,470	8.5	5,256,995	
2005	9,226,959	7.5	69,202,193	
2006	1,651,217	6.5	10,732,911	
2007	815,899	5.5	4,487,445	
2008	46,460	4.5	209,070	
2009	466,636	3.5	1,633,226	
2010	236,075	2.5	590,188	
2011	2,510,969	1.5	3,766,454	
2012	<u>6,101,477</u>	0.5	<u>3,050,739</u>	
	105,849,371		2,668,055,362	25.21

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT
MITCHELL GENERATING PLANT - Account 315, 100% of Cost**

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1971	12,229,473	41.5	507,523,130	
1972	706,737	40.5	28,622,849	
1974	8,797	38.5	338,685	
1976	5,062	36.5	184,763	
1977	61,319	35.5	2,176,825	
1978	8,458,402	34.5	291,814,869	
1979	48,059	33.5	1,609,977	
1980	87,452	32.5	2,842,190	
1981	2,302	31.5	72,513	
1982	20,700	30.5	631,350	
1983	1,471,609	29.5	43,412,466	
1984	360,467	28.5	10,273,310	
1985	135,439	27.5	3,724,573	
1986	290,792	26.5	7,705,988	
1987	92,862	25.5	2,367,981	
1988	21,956	24.5	537,922	
1989	467,621	23.5	10,989,094	
1990	63,477	22.5	1,428,233	
1991	410,751	21.5	8,831,147	
1992	94,424	20.5	1,935,692	
1993	102,965	19.5	2,007,818	
1994	142,344	18.5	2,633,364	
1995	13,545	17.5	237,038	
1996	19,415	16.5	320,348	
1997	18,232	15.5	282,596	
1998	86,834	14.5	1,259,093	
2000	74,915	12.5	936,438	
2001	512	11.5	5,888	
2002	63,692	10.5	668,766	
2003	401,922	9.5	3,818,259	
2004	150,856	8.5	1,282,276	
2005	956,565	7.5	7,174,238	
2006	359,890	6.5	2,339,285	
2007	465,351	5.5	2,559,431	
2008	88,727	4.5	399,272	
2009	433,867	3.5	1,518,535	
2010	429,395	2.5	1,073,488	
2011	958,526	1.5	1,437,789	
2012	<u>242,631</u>	0.5	<u>121,316</u>	
	30,047,885		957,098,795	31.85

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT
MITCHELL GENERATING PLANT - Account 316, 100% of Cost**

VINTAGE YEAR	SURVIVING BALANCE	AGE (YEARS)	DOLLAR YEARS	AVERAGE AGE (YEARS)
1971	3,419,322	41.5	141,901,863	
1972	189,199	40.5	7,662,560	
1973	17,319	39.5	684,101	
1974	11,574	38.5	445,599	
1975	24,099	37.5	903,713	
1976	21,465	36.5	783,473	
1977	28,721	35.5	1,019,596	
1978	457,209	34.5	15,773,711	
1979	46,236	33.5	1,548,906	
1980	34,563	32.5	1,123,298	
1981	1,641	31.5	51,692	
1982	89,343	30.5	2,724,962	
1983	35,206	29.5	1,038,577	
1984	133,374	28.5	3,801,159	
1985	63,076	27.5	1,734,590	
1986	122,570	26.5	3,248,105	
1987	37,899	25.5	966,425	
1988	28,449	24.5	697,001	
1989	51,452	23.5	1,209,122	
1990	61,451	22.5	1,382,648	
1991	45,323	21.5	974,445	
1992	112,454	20.5	2,305,307	
1993	66,357	19.5	1,293,962	
1994	42,589	18.5	787,897	
1995	45,182	17.5	790,685	
1996	46,038	16.5	759,627	
1997	43,758	15.5	678,249	
1998	105,910	14.5	1,535,695	
1999	60,576	13.5	817,776	
2000	267,384	12.5	3,342,300	
2001	11,065	11.5	127,248	
2002	252,991	10.5	2,656,406	
2003	92,943	9.5	882,959	
2004	1,004,774	8.5	8,540,579	
2005	229,052	7.5	1,717,890	
2006	413,661	6.5	2,688,797	
2007	357,729	5.5	1,967,510	
2008	129,774	4.5	583,983	
2009	3,839,669	3.5	13,438,842	
2010	1,042,226	2.5	2,605,565	
2011	751,337	1.5	1,127,006	
2012	<u>440,381</u>	0.5	<u>220,191</u>	
	14,275,341		238,544,020	16.71

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
MITCHELL PLANT
INTERIM RETIREMENT ANALYSIS

KENTUCKY POWER COMPANY
Interim Activity Analysis @ December 31, 2012
Plant - MITCHELL Account 311 - 100% of Cost

Year	Additions	Retmts	Transfers & Adj.	Beginning Balance	Interim Retmts	Remarks
1999	0.00	0.00	0.00	34,151,859.72		Beginning Balance Dec 1999
2000	1,313,411.84	104,012.39	9,913.00	34,151,859.72	104,012.39	
2001	344,456.31	21,764.71	0.00	35,371,172.17	21,764.71	
2002	427,468.39	1.00	0.00	35,693,863.77	1.00	
2003	17,102.64	0.00	0.00	36,121,331.16	0.00	
2004	1,401,785.72	240,619.38	0.00	36,138,433.80	240,619.38	
2005	138,418.65	44,636.79	0.00	37,299,600.14	44,636.79	
2006	820,171.33	117,034.12	0.00	37,393,382.00	117,034.12	
2007	28,174,324.93	254,355.05	0.00	38,096,519.21	254,355.05	
2008	2,371,386.82	134,755.91	0.00	66,016,489.09	134,755.91	
2009	9,694,901.49	1,183,626.88	0.00	68,253,120.00	1,183,626.88	
2010	4,020,529.56	369,693.20	0.00	76,764,394.61	369,693.20	
2011	1,865,228.32	238,912.09	0.00	80,415,230.97	238,912.09	
2012	878,800.60	228,489.86	114,263.34	82,041,547.20	228,489.86	
Total	51,467,986.60	2,937,901.38	124,176.34	663,756,943.84	2,937,901.38	

Interim Retirement Factor

0.00443

Note: Used to determine the interim retirement factor. This spreadsheet shows 100% of the Mitchell Plant activity and balances but since the purpose is to calculate the interim retirement factor, multiplying all of the activity and balances by 50% would yield the same interim retirement factor so showing only the Kentucky share is unnecessary.

KENTUCKY POWER COMPANY
Interim Activity Analysis @ December 31, 2012
Plant - MITCHELL Account 312 - 100% of Cost

Year	Additions	Retmts	Transfers & Adj.	Beginning Balance	Interim Retmts	Remarks
1999	0.00	0.00	0.00	283,418,121.90		Beginning Balance Dec 1999
2000	9,239,539.76	506,498.62	3,077,442.35	283,418,121.90	506,498.62	
2001	10,869,656.67	853,883.69	0.00	295,228,605.39	853,883.69	
2002	575,786.82	124,523.20	0.00	305,244,378.37	124,523.20	
2003	7,333,818.27	96,072.71	0.00	305,695,641.99	96,072.71	
2004	12,910,360.05	2,815,071.42	0.00	312,933,387.55	2,815,071.42	
2005	1,281,866.02	451,404.01	(201,517.00)	323,028,676.18	451,404.01	
2006	73,414,989.59	23,768,594.93	0.00	323,657,621.19	4,843,520.93	Eliminate unusual retirements due to FGD and SCR installation.
2007	1,022,698,356.75	12,378,052.43	0.00	373,304,015.85	5,153,877.43	Eliminate unusual retirements due to FGD and SCR installation.
2008	43,345,213.24	2,188,801.37	0.00	1,383,624,320.17	2,188,801.37	
2009	37,980,790.93	1,765,107.47	0.00	1,424,780,732.04	1,765,107.47	
2010	13,296,638.42	1,865,365.04	163,748.46	1,460,996,415.50	1,865,365.04	
2011	22,899,453.99	3,413,980.01	0.00	1,472,591,437.34	3,413,980.01	
2012	20,499,083.50	9,497,178.61	2,670,841.50	1,492,076,911.32	9,497,178.61	
Total	1,276,345,554.01	59,724,533.51		9,756,580,264.79	33,575,284.51	

Interim Retirement Factor

0.00344

Note: Used to determine the interim retirement factor. This spreadsheet shows 100% of the Mitchell Plant activity and balances but since the purpose is to calculate the interim retirement factor, multiplying all of the activity and balances by 50% would yield the same interim retirement factor so showing only the Kentucky share is unnecessary.

KENTUCKY POWER COMPANY
Interim Activity Analysis @ December 31, 2012
Plant - MITCHELL Account 314 - 100% of Cost

Year	Additions	Retmts	Transfers & Adj.	Beginning Balance	Interim Retmts	Remarks
1999	0.00	0.00	0.00	74,981,783.23		Beginning Balance Dec 1999
2000	3,139,381.43	15,421.28	5,947,241.00	74,981,783.23	15,421.28	
2001	4,272,767.54	1,574,439.31	0.00	84,052,984.38	1,574,439.31	
2002	169,228.91	18,477.77	0.00	86,751,312.61	18,477.77	
2003	3,914,362.69	4.00	0.00	86,902,063.75	4.00	
2004	867,394.71	484,197.15	0.00	90,816,422.44	484,197.15	
2005	26,573.39	8,203.84	0.00	91,199,620.00	8,203.84	
2006	9,326,868.59	1,919,909.71	0.00	91,217,989.55	1,919,909.71	
2007	2,361,864.19	564,856.89	0.00	98,624,948.43	564,856.89	
2008	49,538.69	105,089.68	0.00	100,421,955.73	105,089.68	
2009	466,860.50	116,469.27	0.00	100,366,404.74	116,469.27	
2010	239,787.78	43,553.80	(163,748.46)	100,716,795.97	43,553.80	
2011	2,508,652.34	673,219.91	0.00	100,749,281.49	673,219.91	
2012	6,101,670.27	2,837,012.83	0.00	102,584,713.92	2,837,012.83	
Total	33,444,951.03	8,360,855.44	5,783,492.54	1,209,386,276.24	8,360,855.44	

Interim Retirement Factor

0.00691

Note: Used to determine the interim retirement factor. This spreadsheet shows 100% of the Mitchell Plant activity and balances but since the purpose is to calculate the interim retirement factor, multiplying all of the activity and balances by 50% would yield the same interim retirement factor so showing only the Kentucky share is unnecessary.

KENTUCKY POWER COMPANY
Interim Activity Analysis @ December 31, 2012
Plant - MITCHELL Account 315 - 100% of Cost

Year	Additions	Retmts	Transfers & Adj.	Beginning Balance	Interim Retmts	Remarks
1999	0.00	0.00	0.00	25,483,796.21		Beginning Balance Dec 1999
2000	68,306.78	72,038.14	350,667.00	25,483,796.21	72,038.14	
2001	7,180.38	0.00	0.00	25,830,731.85	0.00	
2002	0.00	0.00	0.00	25,837,912.23	0.00	
2003	221,154.36	18,497.98	0.00	25,837,912.23	18,497.98	
2004	400,108.69	16,152.39	0.00	26,040,568.61	16,152.39	
2005	10,904.59	2,212.73	0.00	26,424,524.91	2,212.73	
2006	474,135.84	138,254.23	0.00	26,433,216.77	138,254.23	
2007	1,496,916.58	93,839.26	0.00	26,769,098.38	93,839.26	
2008	95,552.53	46,824.53	0.00	28,172,175.70	46,824.53	
2009	425,448.34	27,892.08	0.00	28,220,903.70	27,892.08	
2010	447,898.68	154,409.10	0.00	28,618,459.96	154,409.10	
2011	693,033.38	37,354.38	0.00	28,911,949.54	37,354.38	
2012	500,380.68	20,124.55	0.00	29,567,628.54	20,124.55	
Total	4,841,020.83	627,599.37	350,667.00	352,148,878.63	627,599.37	

Interim Retirement Factor

0.00178

Note: Used to determine the interim retirement factor. This spreadsheet shows 100% of the Mitchell Plant activity and balances but since the purpose is to calculate the interim retirement factor, multiplying all of the activity and balances by 50% would yield the same interim retirement factor so showing only the Kentucky share is unnecessary.

KENTUCKY POWER COMPANY
Interim Activity Analysis @ December 31, 2012
Plant - MITCHELL Account 316 - 100% of Cost

Year	Additions	Retmts	Transfers & Adj.	Beginning Balance	Interim Retmts	Remarks
1999	0.00	0.00	0.00	6,122,564.54	0.00	Beginning Balance Dec 1999
2000	96,464.32	929.00	12,654.00	6,122,564.54	929.00	
2001	12,470.62	0.00	0.00	6,230,753.86	0.00	
2002	7,227.95	2.00	0.00	6,243,224.48	2.00	
2003	104,097.76	1.00	0.00	6,250,450.43	1.00	
2004	919,948.55	21,475.87	0.00	6,354,547.19	21,475.87	
2005	465,171.00	43,204.33	0.00	7,253,019.87	43,204.33	
2006	306,820.81	9,767.87	0.00	7,674,986.54	9,767.87	
2007	721,646.31	21,643.07	0.00	7,972,039.48	21,643.07	
2008	129,935.65	58,366.60	0.00	8,672,042.72	58,366.60	
2009	3,650,453.20	39,497.34	0.00	8,743,611.77	39,497.34	
2010	938,685.05	483,006.21	0.00	12,354,567.63	483,006.21	
2011	1,053,697.87	19,144.43	0.00	12,810,246.47	19,144.43	
2012	460,449.46	36,340.50	6,432.00	13,844,799.91	36,340.50	
Total	8,867,068.55	733,378.22	19,086.00	116,649,419.43	733,378.22	

Interim Retirement Factor

0.00629

Note: Used to determine the interim retirement factor. This spreadsheet shows 100% of the Mitchell Plant activity and balances but since the purpose is to calculate the interim retirement factor, multiplying all of the activity and balances by 50% would yield the same interim retirement factor so showing only the Kentucky share is unnecessary.

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
BIG SANDY PLANT
AVERAGE REMAINING LIFE

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE REMAINING LIFE
BIG SANDY GENERATING PLANT - Account 311
RETIREMENT YEAR 2015
ANNUAL INTERIM RETIREMENT RATE = 0.00000**

<u>YEAR</u>	<u>AMOUNT RETIRED</u>	<u>REM LIFE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE REM LIFE</u>
2013	0	0.5	0	
2014	0	1.5	0	
2015	<u>43,159,342</u>	2.5	<u>107,898,355</u>	
TOTALS	43,159,342		107,898,355	2.50

Note: Since Big Sandy Plant's retirement date is 2015, interim retirements are expected to be minimal and estimated at \$0 for this analysis.

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE REMAINING LIFE
BIG SANDY GENERATING PLANT - Account 312
RETIREMENT YEAR 2015
ANNUAL INTERIM RETIREMENT RATE = 0.00000**

<u>YEAR</u>	<u>AMOUNT RETIRED</u>	<u>REM LIFE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE REM LIFE</u>
2013	0	0.5	0	
2014	0	1.5	0	
2015	<u>368,901,994</u>	2.5	<u>922,254,985</u>	
TOTALS	368,901,994		922,254,985	2.50

Note: Since Big Sandy Plant's retirement date is 2015, interim retirements are expected to be minimal and estimated at \$0 for this analysis.

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE REMAINING LIFE
BIG SANDY GENERATING PLANT - Account 314
RETIREMENT YEAR 2015
ANNUAL INTERIM RETIREMENT RATE = 0**

<u>YEAR</u>	<u>AMOUNT RETIRED</u>	<u>REM LIFE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE REM LIFE</u>
2013	0	0.5	0	
2014	0	1.5	0	
2015	<u>110,300,661</u>	2.5	<u>275,751,653</u>	
TOTALS	110,300,661		275,751,653	2.50

Note: Since Big Sandy Plant's retirement date is 2015, interim retirements are expected to be minimal and estimated at \$0 for this analysis.

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE REMAINING LIFE
BIG SANDY GENERATING PLANT - Account 315
RETIREMENT YEAR 2015
ANNUAL INTERIM RETIREMENT RATE = 0**

<u>YEAR</u>	<u>AMOUNT RETIRED</u>	<u>REM LIFE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE REM LIFE</u>
2013	0	0.5	0	
2014	0	1.5	0	
2015	<u>16,390,876</u>	2.5	<u>40,977,190</u>	
TOTALS	16,390,876		40,977,190	2.50

Note: Since Big Sandy Plant's retirement date is 2015, interim retirements are expected to be minimal and estimated at \$0 for this analysis.

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE REMAINING LIFE
BIG SANDY GENERATING PLANT - Account 316
RETIREMENT YEAR 2015
ANNUAL INTERIM RETIREMENT RATE = 0**

<u>YEAR</u>	<u>AMOUNT RETIRED</u>	<u>REM LIFE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE REM LIFE</u>
2013	0	0.5	0	
2014	0	1.5	0	
2015	<u>8,029,253</u>	2.5	<u>20,073,133</u>	
TOTALS	8,029,253		20,073,133	2.50

Note: Since Big Sandy Plant's retirement date is 2015, interim retirements are expected to be minimal and estimated at \$0 for this analysis.

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
MITCHELL PLANT
AVERAGE REMAING LIFE

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE REMAINING LIFE
MITCHELL GENERATING PLANT - Account 311, 50% of Cost
RETIREMENT YEAR 2040
ANNUAL INTERIM RETIREMENT RATE = 0.00443

<u>YEAR</u>	<u>AMOUNT RETIRED</u>	<u>REM LIFE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE REM LIFE</u>
2013	183,464	0.5	91,732	
2014	183,464	1.5	275,196	
2015	183,464	2.5	458,660	
2016	183,464	3.5	642,124	
2017	183,464	4.5	825,588	
2018	183,464	5.5	1,009,052	
2019	183,464	6.5	1,192,516	
2020	183,464	7.5	1,375,980	
2021	183,464	8.5	1,559,444	
2022	183,464	9.5	1,742,908	
2023	183,464	10.5	1,926,372	
2024	183,464	11.5	2,109,836	
2025	183,464	12.5	2,293,300	
2026	183,464	13.5	2,476,764	
2027	183,464	14.5	2,660,228	
2028	183,464	15.5	2,843,692	
2029	183,464	16.5	3,027,156	
2030	183,464	17.5	3,210,620	
2031	183,464	18.5	3,394,084	
2032	183,464	19.5	3,577,548	
2033	183,464	20.5	3,761,012	
2034	183,464	21.5	3,944,476	
2035	183,464	22.5	4,127,940	
2036	183,464	23.5	4,311,404	
2037	183,464	24.5	4,494,868	
2038	183,464	25.5	4,678,332	
2039	183,464	26.5	4,861,796	
2040	<u>36,460,358</u>	27.5	<u>1,002,659,845</u>	
TOTALS	41,413,886		1,069,532,473	25.83

Interim Retirement Amount 4,953,528

Note: Excludes Mountaineer Gypsum unloader investment.

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE REMAINING LIFE
MITCHELL GENERATING PLANT - Account 312, 50% of Cost
RETIREMENT YEAR 2040
ANNUAL INTERIM RETIREMENT RATE = 0.00344

<u>YEAR</u>	<u>AMOUNT RETIRED</u>	<u>REM LIFE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE REM LIFE</u>
2013	2,585,217	0.5	1,292,609	
2014	2,585,217	1.5	3,877,826	
2015	2,585,217	2.5	6,463,043	
2016	2,585,217	3.5	9,048,260	
2017	2,585,217	4.5	11,633,477	
2018	2,585,217	5.5	14,218,694	
2019	2,585,217	6.5	16,803,911	
2020	2,585,217	7.5	19,389,128	
2021	2,585,217	8.5	21,974,345	
2022	2,585,217	9.5	24,559,562	
2023	2,585,217	10.5	27,144,779	
2024	2,585,217	11.5	29,729,996	
2025	2,585,217	12.5	32,315,213	
2026	2,585,217	13.5	34,900,430	
2027	2,585,217	14.5	37,485,647	
2028	2,585,217	15.5	40,070,864	
2029	2,585,217	16.5	42,656,081	
2030	2,585,217	17.5	45,241,298	
2031	2,585,217	18.5	47,826,515	
2032	2,585,217	19.5	50,411,732	
2033	2,585,217	20.5	52,996,949	
2034	2,585,217	21.5	55,582,166	
2035	2,585,217	22.5	58,167,383	
2036	2,585,217	23.5	60,752,600	
2037	2,585,217	24.5	63,337,817	
2038	2,585,217	25.5	65,923,034	
2039	2,585,217	26.5	68,508,251	
2040	<u>681,715,690</u>	27.5	<u>18,747,181,475</u>	
TOTALS	751,516,549		19,689,493,085	26.20

Interim Retirement Amount 69,800,859

Note: Excludes Mountaineer Gypsum unloader investment and SCR Catalyst included in SCR asset location.

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE REMAINING LIFE
MITCHELL GENERATING PLANT - Account 314, 50% of Cost
RETIREMENT YEAR 2040
ANNUAL INTERIM RETIREMENT RATE = 0.00691**

<u>YEAR</u>	<u>AMOUNT RETIRED</u>	<u>REM LIFE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE REM LIFE</u>
2013	365,710	0.5	182,855	
2014	365,710	1.5	548,565	
2015	365,710	2.5	914,275	
2016	365,710	3.5	1,279,985	
2017	365,710	4.5	1,645,695	
2018	365,710	5.5	2,011,405	
2019	365,710	6.5	2,377,115	
2020	365,710	7.5	2,742,825	
2021	365,710	8.5	3,108,535	
2022	365,710	9.5	3,474,245	
2023	365,710	10.5	3,839,955	
2024	365,710	11.5	4,205,665	
2025	365,710	12.5	4,571,375	
2026	365,710	13.5	4,937,085	
2027	365,710	14.5	5,302,795	
2028	365,710	15.5	5,668,505	
2029	365,710	16.5	6,034,215	
2030	365,710	17.5	6,399,925	
2031	365,710	18.5	6,765,635	
2032	365,710	19.5	7,131,345	
2033	365,710	20.5	7,497,055	
2034	365,710	21.5	7,862,765	
2035	365,710	22.5	8,228,475	
2036	365,710	23.5	8,594,185	
2037	365,710	24.5	8,959,895	
2038	365,710	25.5	9,325,605	
2039	365,710	26.5	9,691,315	
2040	<u>43,050,516</u>	27.5	<u>1,183,889,190</u>	
TOTALS	52,924,686		1,317,190,485	24.89

Interim Retirement Amount 9,874,170

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE REMAINING LIFE
MITCHELL GENERATING PLANT - Account 315, 50% of Cost
RETIREMENT YEAR 2040
ANNUAL INTERIM RETIREMENT RATE = 0.00178**

<u>YEAR</u>	<u>AMOUNT RETIRED</u>	<u>REM LIFE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE REM LIFE</u>
2013	26,743	0.5	13,372	
2014	26,743	1.5	40,115	
2015	26,743	2.5	66,858	
2016	26,743	3.5	93,601	
2017	26,743	4.5	120,344	
2018	26,743	5.5	147,087	
2019	26,743	6.5	173,830	
2020	26,743	7.5	200,573	
2021	26,743	8.5	227,316	
2022	26,743	9.5	254,059	
2023	26,743	10.5	280,802	
2024	26,743	11.5	307,545	
2025	26,743	12.5	334,288	
2026	26,743	13.5	361,031	
2027	26,743	14.5	387,774	
2028	26,743	15.5	414,517	
2029	26,743	16.5	441,260	
2030	26,743	17.5	468,003	
2031	26,743	18.5	494,746	
2032	26,743	19.5	521,489	
2033	26,743	20.5	548,232	
2034	26,743	21.5	574,975	
2035	26,743	22.5	601,718	
2036	26,743	23.5	628,461	
2037	26,743	24.5	655,204	
2038	26,743	25.5	681,947	
2039	26,743	26.5	708,690	
2040	<u>14,301,881</u>	27.5	<u>393,301,728</u>	
TOTALS	15,023,942		403,049,551	26.83

Interim Retirement Amount 722,061

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE REMAINING LIFE
MITCHELL GENERATING PLANT - Account 316, 50% of Cost
RETIREMENT YEAR 2040
ANNUAL INTERIM RETIREMENT RATE = 0.00629

<u>YEAR</u>	<u>AMOUNT RETIRED</u>	<u>REM LIFE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE REM LIFE</u>
2013	44,896	0.5	22,448	
2014	44,896	1.5	67,344	
2015	44,896	2.5	112,240	
2016	44,896	3.5	157,136	
2017	44,896	4.5	202,032	
2018	44,896	5.5	246,928	
2019	44,896	6.5	291,824	
2020	44,896	7.5	336,720	
2021	44,896	8.5	381,616	
2022	44,896	9.5	426,512	
2023	44,896	10.5	471,408	
2024	44,896	11.5	516,304	
2025	44,896	12.5	561,200	
2026	44,896	13.5	606,096	
2027	44,896	14.5	650,992	
2028	44,896	15.5	695,888	
2029	44,896	16.5	740,784	
2030	44,896	17.5	785,680	
2031	44,896	18.5	830,576	
2032	44,896	19.5	875,472	
2033	44,896	20.5	920,368	
2034	44,896	21.5	965,264	
2035	44,896	22.5	1,010,160	
2036	44,896	23.5	1,055,056	
2037	44,896	24.5	1,099,952	
2038	44,896	25.5	1,144,848	
2039	44,896	26.5	1,189,744	
2040	<u>5,925,478</u>	27.5	<u>162,950,645</u>	
TOTALS	<u>7,137,670</u>		<u>179,315,237</u>	25.12

Interim Retirement Amount 1,212,192

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
PRODUCTION PLANT THEORETICAL RESERVE CALCULATION

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATED DEPRECIATION RESERVE
STEAM PRODUCTION PLANT

	Plant Balance	Total To Be Recovered	Avg. Age	Avg. Rem. Life	Avg. Life	Net Salvage	% Rem. Life to Avg. Life	Calculated Reserve %	Calculated Reserve w/o Net Salvage	Calculated Reserve with Net Salvage
STEAM PRODUCTION PLANT										
BIG SANDY										
311.0	43,159,342	50,496,430	28.32	2.50	30.82	-17%	6.11%	91.89%	39,658,422	46,400,354
312.0	368,901,994	431,615,333	15.36	2.50	17.86	-17%	14.00%	88.00%	317,263,977	371,186,853
314.0	110,300,661	129,051,773	19.54	2.50	22.04	-17%	11.34%	88.66%	97,789,243	114,413,414
315.0	16,390,876	19,177,325	30.82	2.50	33.32	-17%	7.50%	92.50%	15,161,068	17,738,450
316.0	<u>9,029,253</u>	<u>9,394,226</u>	24.33	2.50	26.83	-17%	9.32%	90.68%	<u>7,281,093</u>	<u>8,518,879</u>
Total	<u>546,782,126</u>	<u>639,735,087</u>							<u>477,153,803</u>	<u>558,269,950</u>
MITCHELL (a)										
311.0	41,413,886	43,898,719	17.05	25.83	42.88	-6%	60.24%	39.76%	16,467,042	17,455,064
312.0	751,516,549	796,607,542	10.04	26.20	36.24	-6%	72.30%	27.70%	208,201,605	220,693,701
314.0	52,924,686	56,100,167	25.21	24.89	50.10	-6%	49.68%	50.32%	26,631,364	28,229,246
315.0	15,023,942	15,925,379	31.85	26.83	58.68	-6%	45.72%	54.28%	8,154,611	8,643,888
316.0	<u>7,137,670</u>	<u>7,565,930</u>	16.71	25.12	41.83	-6%	60.05%	39.95%	<u>2,951,314</u>	<u>3,022,393</u>
Total	<u>868,016,733</u>	<u>920,097,737</u>							<u>262,305,935</u>	<u>278,044,292</u>
<hr/>										
Big Sandy plus Mitchell	Plant Balance	Total To Be Recovered								
311.0	84,573,228	94,395,149								
312.0	1,120,418,543	1,228,222,875								
314.0	163,225,347	185,151,940								
315.0	31,414,818	35,102,704								
316.0	15,166,923	16,960,156								
Total Production Plant	<u>1,414,798,859</u>	<u>1,559,832,824</u>								

Note (a) Mitchell Plant Cost is 60% of the total cost (excluding SCR catalyst) at December 31, 2012 to represent Kentucky Power's share.

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
PRODUCTION PLANT DEPRECIATION RATE CALCULATIONS

KENTUCKY POWER COMPANY
CALCULATION OF DEPRECIATION RATE - ACCOUNT 311
TOTAL PRODUCTION PLANT - (includes Kentucky's Share of Mitchell at 50%)
RETIREMENT YEAR, BIG SANDY UNITS 1&2 - 2015, MITCHELL UNITS 1&2 - 2040
DEPRECIATION STUDY AS OF DECEMBER 31, 2012

Depreciation Rate = 4.18%

<u>YEAR</u>	<u>Retirements (1)</u>	<u>Ending Plant Balance</u>	<u>Average Plant Balance</u>	<u>Depreciation Accrual</u>	<u>Ending Reserve Balance</u>
2012		84,573,228		45,028,287	45,028,287
2013	183,416	84,389,812	84,481,520	3,528,313	48,373,184
2014	183,416	84,206,396	84,298,104	3,520,653	51,710,421
2015 (2)	43,159,342	41,047,054	62,626,725	2,615,563	11,166,642
2016	183,416	40,863,638	40,955,346	1,710,472	12,693,698
2017	183,416	40,680,222	40,771,930	1,702,812	14,213,094
2018	183,416	40,496,806	40,588,514	1,695,152	15,724,830
2019	183,416	40,313,390	40,405,098	1,687,491	17,228,905
2020	183,416	40,129,974	40,221,682	1,679,831	18,725,320
2021	183,416	39,946,558	40,038,266	1,672,171	20,214,075
2022	183,416	39,763,142	39,854,850	1,664,511	21,695,170
2023	183,416	39,579,726	39,671,434	1,656,850	23,168,604
2024	183,416	39,396,310	39,488,018	1,649,190	24,634,378
2025	183,416	39,212,894	39,304,602	1,641,530	26,092,492
2026	183,416	39,029,478	39,121,186	1,633,870	27,542,946
2027	183,416	38,846,062	38,937,770	1,626,209	28,985,739
2028	183,416	38,662,646	38,754,354	1,618,549	30,420,872
2029	183,416	38,479,230	38,570,938	1,610,889	31,848,345
2030	183,416	38,295,814	38,387,522	1,603,229	33,268,158
2031	183,416	38,112,398	38,204,106	1,595,569	34,680,311
2032	183,416	37,928,982	38,020,690	1,587,908	36,084,803
2033	183,416	37,745,566	37,837,274	1,580,248	37,481,635
2034	183,416	37,562,150	37,653,858	1,572,588	38,870,807
2035	183,416	37,378,734	37,470,442	1,564,928	40,252,319
2036	183,416	37,195,318	37,287,026	1,557,267	41,626,170
2037	183,416	37,011,902	37,103,610	1,549,607	42,992,361
2038	183,416	36,828,486	36,920,194	1,541,947	44,350,892
2039	183,416	36,645,070	36,736,778	1,534,287	45,701,763
2040	<u>36,645,070</u>	0	18,322,535	<u>765,228</u>	9,821,921
TOTALS	84,573,228			94,395,149	

Amount to be Recovered:

Total to be Recovered at December 2012	94,395,149
Original Cost at December 2012	<u>84,573,228</u>
Final Removal Cost	9,821,921

- (1) Interim retirements from Mitchell Plant remaining life calculation by account. Big Sandy interim retirements estimated at \$0.
- (2) Adjustment for retirement of the original cost of Big Sandy Plant to reduce the Original Cost and Accumulated Depreciation balance in 2015 by the Original Cost amount and depreciate the remaining value of Production Plant over the remaining life of Mitchell Plant. The retirement for 2015 includes an interim retirement.

KENTUCKY POWER COMPANY
CALCULATION OF DEPRECIATION RATE - ACCOUNT 312
TOTAL PRODUCTION PLANT - (includes Kentucky's Share of Mitchell at 50%)
RETIREMENT YEAR, BIG SANDY UNITS 1&2 - 2015, MITCHELL UNITS 1&2 - 2040
DEPRECIATION STUDY AS OF DECEMBER 31, 2012

Depreciation Rate = 4.07%

<u>YEAR</u>	<u>Retirements (1)</u>	<u>Ending Plant Balance</u>	<u>Average Plant Balance</u>	<u>Depreciation Accrual</u>	<u>Ending Reserve Balance</u>
2012		1,120,418,543		385,642,708	385,642,708
2013	2,562,507	1,117,856,036	1,119,137,290	45,588,130	428,668,331
2014	2,562,507	1,115,293,529	1,116,574,783	45,483,746	471,589,570
2015 (2)	368,901,994	746,391,535	930,842,532	37,917,930	140,605,506
2016	2,562,507	743,829,028	745,110,282	30,352,115	168,395,114
2017	2,562,507	741,266,521	742,547,775	30,247,731	196,080,338
2018	2,562,507	738,704,014	739,985,268	30,143,348	223,661,179
2019	2,562,507	736,141,507	737,422,761	30,038,964	251,137,636
2020	2,562,507	733,579,000	734,860,254	29,934,580	278,509,709
2021	2,562,507	731,016,493	732,297,747	29,830,196	305,777,398
2022	2,562,507	728,453,986	729,735,240	29,725,812	332,940,703
2023	2,562,507	725,891,479	727,172,733	29,621,428	359,999,624
2024	2,562,507	723,328,972	724,610,226	29,517,044	386,954,161
2025	2,562,507	720,766,465	722,047,719	29,412,660	413,804,314
2026	2,562,507	718,203,958	719,485,212	29,308,276	440,550,083
2027	2,562,507	715,641,451	716,922,705	29,203,893	467,191,469
2028	2,562,507	713,078,944	714,360,198	29,099,509	493,728,471
2029	2,562,507	710,516,437	711,797,691	28,995,125	520,161,089
2030	2,562,507	707,953,930	709,235,184	28,890,741	546,489,323
2031	2,562,507	705,391,423	706,672,677	28,786,357	572,713,173
2032	2,562,507	702,828,916	704,110,170	28,681,973	598,832,639
2033	2,562,507	700,266,409	701,547,663	28,577,589	624,847,721
2034	2,562,507	697,703,902	698,985,156	28,473,205	650,758,419
2035	2,562,507	695,141,395	696,422,649	28,368,821	676,564,733
2036	2,562,507	692,578,888	693,860,142	28,264,438	702,266,664
2037	2,562,507	690,016,381	691,297,635	28,160,054	727,864,211
2038	2,562,507	687,453,874	688,735,128	28,055,670	753,357,374
2039	2,562,507	684,891,367	686,172,621	27,951,286	778,746,153
2040	<u>684,891,367</u>	0	342,445,684	<u>13,949,547</u>	107,804,333
TOTALS	1,120,418,543			1,228,222,876	

Amount to be Recovered:

Total to be Recovered at December 2012	1,228,222,875
Original Cost at December 2012	<u>1,120,418,543</u>
Final Removal Cost	107,804,332

(1) Interim retirements from Mitchell Plant remaining life calculation by account. Big Sandy interim retirements estimated at \$0.

(2) Adjustment for retirement of the original cost of Big Sandy Plant to reduce the Original Cost and Accumulated Depreciation balance in 2015 by the Original Cost amount and depreciate the remaining value of Production Plant over the remaining life of Mitchell Plant. The retirement for 2015 includes an interim retirement.

KENTUCKY POWER COMPANY
CALCULATION OF DEPRECIATION RATE - ACCOUNT 314
TOTAL PRODUCTION PLANT - (includes Kentucky's Share of Mitchell at 50%)
RETIREMENT YEAR, BIG SANDY UNITS 1&2 - 2015, MITCHELL UNITS 1&2 - 2040
DEPRECIATION STUDY AS OF DECEMBER 31, 2012

Depreciation Rate = 5.87%

<u>YEAR</u>	<u>Retirements (1)</u>	<u>Ending Plant Balance</u>	<u>Average Plant Balance</u>	<u>Depreciation Accrual</u>	<u>Ending Reserve Balance</u>
2012		163,225,348		91,074,105	91,074,105
2013	365,710	162,859,638	163,042,493	9,574,202	100,282,597
2014	365,710	162,493,928	162,676,783	9,552,727	109,469,614
2015 (2)	110,300,662	52,193,266	107,343,597	6,303,445	5,472,397
2016	365,710	51,827,556	52,010,411	3,054,162	8,160,849
2017	365,710	51,461,846	51,644,701	3,032,687	10,827,826
2018	365,710	51,096,136	51,278,991	3,011,212	13,473,328
2019	365,710	50,730,426	50,913,281	2,989,736	16,097,354
2020	365,710	50,364,716	50,547,571	2,968,261	18,699,905
2021	365,710	49,999,006	50,181,861	2,946,786	21,280,981
2022	365,710	49,633,296	49,816,151	2,925,310	23,840,581
2023	365,710	49,267,586	49,450,441	2,903,835	26,378,706
2024	365,710	48,901,876	49,084,731	2,882,360	28,895,356
2025	365,710	48,536,166	48,719,021	2,860,885	31,390,531
2026	365,710	48,170,456	48,353,311	2,839,409	33,864,230
2027	365,710	47,804,746	47,987,601	2,817,934	36,316,454
2028	365,710	47,439,036	47,621,891	2,796,459	38,747,203
2029	365,710	47,073,326	47,256,181	2,774,984	41,156,477
2030	365,710	46,707,616	46,890,471	2,753,508	43,544,275
2031	365,710	46,341,906	46,524,761	2,732,033	45,910,598
2032	365,710	45,976,196	46,159,051	2,710,558	48,255,446
2033	365,710	45,610,486	45,793,341	2,689,082	50,578,818
2034	365,710	45,244,776	45,427,631	2,667,607	52,880,715
2035	365,710	44,879,066	45,061,921	2,646,132	55,161,137
2036	365,710	44,513,356	44,696,211	2,624,657	57,420,084
2037	365,710	44,147,646	44,330,501	2,603,181	59,657,555
2038	365,710	43,781,936	43,964,791	2,581,706	61,873,551
2039	365,710	43,416,226	43,599,081	2,560,231	64,068,072
2040	<u>43,416,226</u>	0	21,708,113	<u>1,274,747</u>	21,926,593
TOTALS	163,225,348			185,151,941	

Amount to be Recovered:

Total to be Recovered at December 2012	185,151,940
Original Cost at December 2012	<u>163,225,348</u>
Final Removal Cost	21,926,592

(1) Interim retirements from Mitchell Plant remaining life calculation by account. Big Sandy interim retirements estimated at \$0.

(2) Adjustment for retirement of the original cost of Big Sandy Plant to reduce the Original Cost and Accumulated Depreciation balance in 2015 by the Original Cost amount and depreciate the remaining value of Production Plant over the remaining life of Mitchell Plant. The retirement for 2015 includes an interim retirement.

KENTUCKY POWER COMPANY
CALCULATION OF DEPRECIATION RATE - ACCOUNT 315
TOTAL PRODUCTION PLANT - (includes Kentucky's Share of Mitchell at 50%)
RETIREMENT YEAR, BIG SANDY UNITS 1&2 - 2015, MITCHELL UNITS 1&2 - 2040
DEPRECIATION STUDY AS OF DECEMBER 31, 2012

Depreciation Rate = 2.69%

<u>YEAR</u>	<u>Retirements (1)</u>	<u>Ending Plant Balance</u>	<u>Average Plant Balance</u>	<u>Depreciation Accrual</u>	<u>Ending Reserve Balance</u>
2012		31,414,818		23,135,258	23,135,258
2013	26,743	31,388,075	31,401,447	845,062	23,953,577
2014	26,743	31,361,332	31,374,704	844,342	24,771,176
2015 (2)	16,390,876	14,970,456	23,165,894	623,430	9,003,730
2016	26,743	14,943,713	14,957,085	402,519	9,379,506
2017	26,743	14,916,970	14,930,342	401,799	9,754,562
2018	26,743	14,890,227	14,903,599	401,079	10,128,898
2019	26,743	14,863,484	14,876,856	400,359	10,502,514
2020	26,743	14,836,741	14,850,113	399,640	10,875,411
2021	26,743	14,809,998	14,823,370	398,920	11,247,588
2022	26,743	14,783,255	14,796,627	398,200	11,619,045
2023	26,743	14,756,512	14,769,884	397,481	11,989,783
2024	26,743	14,729,769	14,743,141	396,761	12,359,801
2025	26,743	14,703,026	14,716,398	396,041	12,729,099
2026	26,743	14,676,283	14,689,655	395,322	13,097,678
2027	26,743	14,649,540	14,662,912	394,602	13,465,537
2028	26,743	14,622,797	14,636,169	393,882	13,832,676
2029	26,743	14,596,054	14,609,426	393,162	14,199,095
2030	26,743	14,569,311	14,582,683	392,443	14,564,795
2031	26,743	14,542,568	14,555,940	391,723	14,929,775
2032	26,743	14,515,825	14,529,197	391,003	15,294,035
2033	26,743	14,489,082	14,502,454	390,284	15,657,576
2034	26,743	14,462,339	14,475,711	389,564	16,020,397
2035	26,743	14,435,596	14,448,968	388,844	16,382,498
2036	26,743	14,408,853	14,422,225	388,125	16,743,880
2037	26,743	14,382,110	14,395,482	387,405	17,104,542
2038	26,743	14,355,367	14,368,739	386,685	17,464,484
2039	26,743	14,328,624	14,341,996	385,966	17,823,707
2040	<u>14,328,624</u>	0	7,164,312	<u>192,803</u>	3,687,886
TOTALS	31,414,818			35,102,704	

Amount to be Recovered:

Total to be Recovered at December 2012	35,102,704
Original Cost at December 2012	<u>31,414,818</u>
Final Removal Cost	<u>3,687,886</u>

- (1) Interim retirements from Mitchell Plant remaining life calculation by account. Big Sandy interim retirements estimated at \$0.
- (2) Adjustment for retirement of the original cost of Big Sandy Plant to reduce the Original Cost and Accumulated Depreciation balance in 2015 by the Original Cost amount and depreciate the remaining value of Production Plant over the remaining life of Mitchell Plant. The retirement for 2015 includes an interim retirement.

KENTUCKY POWER COMPANY
CALCULATION OF DEPRECIATION RATE - ACCOUNT 316
TOTAL PRODUCTION PLANT - (includes Kentucky's Share of Mitchell at 50%)
RETIREMENT YEAR, BIG SANDY UNITS 1&2 - 2015, MITCHELL UNITS 1&2 - 2040
DEPRECIATION STUDY AS OF DECEMBER 31, 2012

Depreciation Rate = 4.61%

<u>YEAR</u>	<u>Retirements (1)</u>	<u>Ending Plant Balance</u>	<u>Average Plant Balance</u>	<u>Depreciation Accrual</u>	<u>Ending Reserve Balance</u>
2012		15,166,923		7,724,591	7,724,591
2013	44,896	15,122,027	15,144,475	697,557	8,377,252
2014	44,896	15,077,131	15,099,579	695,490	9,027,846
2015 (2)	8,029,253	7,047,878	11,062,505	509,541	1,508,134
2016	44,896	7,002,982	7,025,430	323,593	1,786,831
2017	44,896	6,958,086	6,980,534	321,525	2,063,460
2018	44,896	6,913,190	6,935,638	319,457	2,338,021
2019	44,896	6,868,294	6,890,742	317,389	2,610,514
2020	44,896	6,823,398	6,845,846	315,321	2,880,939
2021	44,896	6,778,502	6,800,950	313,253	3,149,296
2022	44,896	6,733,606	6,756,054	311,185	3,415,585
2023	44,896	6,688,710	6,711,158	309,117	3,679,806
2024	44,896	6,643,814	6,666,262	307,049	3,941,959
2025	44,896	6,598,918	6,621,366	304,981	4,202,044
2026	44,896	6,554,022	6,576,470	302,913	4,460,061
2027	44,896	6,509,126	6,531,574	300,846	4,716,011
2028	44,896	6,464,230	6,486,678	298,778	4,969,893
2029	44,896	6,419,334	6,441,782	296,710	5,221,707
2030	44,896	6,374,438	6,396,886	294,642	5,471,453
2031	44,896	6,329,542	6,351,990	292,574	5,719,131
2032	44,896	6,284,646	6,307,094	290,506	5,964,741
2033	44,896	6,239,750	6,262,198	288,438	6,208,283
2034	44,896	6,194,854	6,217,302	286,370	6,449,757
2035	44,896	6,149,958	6,172,406	284,302	6,689,163
2036	44,896	6,105,062	6,127,510	282,234	6,926,501
2037	44,896	6,060,166	6,082,614	280,166	7,161,771
2038	44,896	6,015,270	6,037,718	278,098	7,394,973
2039	44,896	5,970,374	5,992,822	276,031	7,626,108
2040	<u>5,970,374</u>	0	2,985,187	<u>137,498</u>	1,793,232
TOTALS	15,166,923			16,960,155	

Amount to be Recovered:

Total to be Recovered at December 2012	16,960,156
Original Cost at December 2012	<u>15,166,923</u>
Final Removal Cost	1,793,233

(1) Interim retirements from Mitchell Plant remaining life calculation by account. Big Sandy interim retirements estimated at \$0.

(2) Adjustment for retirement of the original cost of Big Sandy Plant to reduce the Original Cost and Accumulated Depreciation balance in 2015 by the Original Cost amount and depreciate the remaining value of Production Plant over the remaining life of Mitchell Plant. The retirement for 2015 includes an interim retirement.

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
Mitchell Plant SCR Catalyst - Depreciation Rate Calculation**

<u>Unit</u>	<u>Layer</u>	<u>Cycle</u>	<u>Installed</u>	Estimated Life - Yrs (a)	Estimated Retirement	<u>Cost</u>	Kentucky Share at 50%	<u>Weighted Cost</u>
1	2nd	Initial	Apr-07	7	Apr-14	1,130,225	565,113	3,955,791
1	3rd	Initial	Apr-07	9	Apr-16	1,130,225	565,113	5,086,017
1	4th	Initial	Oct-09	9	Oct-18	3,162,411	1,581,206	14,230,854
1	1st	1st Replacement	May-12	8	May-20	2,665,575	1,332,788	10,662,304
2	2nd	Initial	Dec-06	8	Dec-14	1,102,124	551,062	4,408,496
2	3rd	Initial	Dec-06	10	Dec-16	1,102,125	551,063	5,510,630
2	4th	Initial	Mar-09	10	Mar-19	2,899,756	1,449,878	14,498,780
2	1st	1st Replacement	Apr-12	9	Apr-21	<u>2,727,349</u>	<u>1,363,675</u>	<u>12,273,075</u>
						15,919,790	7,959,898	70,625,947
Accumulated Depreciation SCR Catalyst						1,881,105	940,553	
Remaining Amount						14,038,685	7,019,345	
Average Life - Years								8.87
Depreciation Rate								11.11%
Annual Depreciation Expense								884,345
Estimated Remaining Life								7.94
Calculated Reserve								836,967

Notes:

(a) The estimated life for each layer of SCR Catalyst was estimated by AEP Generation Engineering.

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
TRANSMISSION PLANT WORK PAPERS

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2012
Transmission Plant

<i>Account</i>	<u>350 RIGHTS OF WAY</u>	
Depreciable Balance	\$25,871,752	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	75	75
Iowa Curve	R4.0	R4.0
Gross Removal, %	N/A	0
Gross Salvage, %	N/A	0
Net Salvage %	0	0
N/A = not available		

This account includes land rights and easements associated with Transmission lines or Transmission substations.

The average age of the property in this account is 23.89 years.

Use the 75 year life and R4.0 dispersion currently embedded in rates from Case No. 91-066.

Since there is no salvage and removal activity for this account, the recommended gross salvage and gross removal percentage is 0%.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2012
Transmission Plant

<i>Account</i>	<u>352 STRUCTURES & IMPROVEMENTS</u>	
Depreciable Balance	\$6,596,340	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	55	60
Iowa Curve	S1.5	S3.0
Gross Removal, %	N/A	0
Gross Salvage, %	N/A	0
Net Salvage %	0	0

This account represents Transmission substation structures and includes property such as fencing or buildings found in a substation.

The average age of the property in this account is 26.35 years.

Property in this account continues to age. The current life analysis indicates that the average service life should be changed to 60 years and following an S3.0 Iowa Curve type dispersion.

There have been minimal retirements from this account and based on a lack of sufficient history, the recommendation is to continue to use a 0% gross salvage and removal rate.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2012
Transmission Plant

<i>Account</i>	<u>353 STATION EQUIPMENT</u>	
Depreciable Balance	\$169,157,602	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	50	47
Iowa Curve	R0.5	L1.5
Gross Removal, %	N/A	15
Gross Salvage, %	N/A	7
Net Salvage %	25	-8

Account 353 includes a variety of Transmission substation equipment such as circuit breakers, transformers and switchgear.

The average age of the property in this account is 15.19 years.

The current life analysis indicates that the average service life should be changed to 47 years and following an L1.5 Iowa Curve type dispersion.

Based on salvage and removal experience from 2000 to 2012, a gross salvage value of 7% with a cost of removal of 15% resulting in a net salvage of -8% is recommended.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2012
Transmission Plant

<i>Account</i>	<u>354 TOWERS & FIXTURES</u>	
Depreciable Balance	\$94,468,956	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	55	51
Iowa Curve	R4.0	S6.0
Gross Removal, %	N/A	13
Gross Salvage, %	N/A	3
Net Salvage %	0	-10

Account 354 consists of transmission towers which are used to transmit electricity.

The average age of the property in this account is 27.14 years.

The current life analysis indicates that the average service life should be changed to 51 years and following an S6.0 Iowa Curve type dispersion.

Based on salvage and removal experience from 2000 to 2012, a gross salvage value of 3% with a cost of removal of 13% resulting in a net salvage of -10% is recommended.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2012
Transmission Plant

<i>Account</i>	<u>355 POLES & FIXTURES</u>	
Depreciable Balance	\$70,056,521	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	45	43
Iowa Curve	R3.0	L3.0
Gross Removal, %	N/A	61
Gross Salvage, %	N/A	1
Net Salvage %	0	-60

This account includes transmission poles and fixtures which are used to transmit electricity.

The average age of the property in this account is 11.16 years.

The current life analysis indicates that the average service life should be changed to 43 years and following an L3.0 Iowa Curve type dispersion.

Based on salvage and removal experience from 2000 to 2012, a gross salvage value of 1% with a cost of removal of 61% resulting in a net salvage of -60% is recommended.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2012
Transmission Plant

<i>Account</i>	<u>356 OVERHEAD CONDUCTOR & DEVICES</u>	
Depreciable Balance	\$120,461,944	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	50	50
Iowa Curve	R3.0	S6.0
Gross Removal, %	N/A	32
Gross Salvage, %	N/A	6
Net Salvage %	10	-26

Account 356 consists of transmission overhead conductor that is used to transmit electricity at transmission voltages.

The average age of the property in this account is 22.29 years.

The current life analysis indicates that the average service life should continue to be the 50 years currently embedded in rates from Case No. 91-066 but the dispersion should be changed to follow an S6.0 Iowa Curve.

Based on the salvage and removal experience for 2000 through 2012, a gross salvage value of 6% is recommended with a corresponding cost of removal of 32% resulting in a net salvage recommendation of -26%.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2012
Transmission Plant

<i>Account</i>	<u>357 UNDERGROUND CONDUIT</u>	
Depreciable Balance	\$11,590	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	37	37
Iowa Curve	R2.0	R2.0
Gross Removal, %	N/A	0
Gross Salvage, %	N/A	0
Net Salvage %	0	0

Investment in account 357 includes underground conduit used for transmission of electricity. There is a minimal investment in this account. The vintage year of investments in this account is from 1997. Since there is no history of retirements, there is no way to analyze the life and dispersion.

The average age of the property in this account is 15.50 years.

Use the 37 year life and R2.0 dispersion currently embedded in rates from Case No. 91-066.

Since there is no salvage and removal activity for this account, the recommended gross salvage and gross removal percentage is 0%.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2012
Transmission Plant

<i>Account</i>	<u>358 UNDERGROUND CONDUCTOR & DEVICES</u>	
Depreciable Balance	\$106,066	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	44	44
Iowa Curve	R1.0	R1.0
Gross Removal, %	N/A	0
Gross Salvage, %	N/A	0
Net Salvage %	0	0

Investment in account 358 includes underground conductor and devices used for transmission of electricity. The vintage year of investments in this account are from 1983. Since there is no history of retirements, there is no way to analyze the life and dispersion.

The average age of the property in account 358 is 29.50 years.

Use the 44 year life and R1.0 dispersion currently embedded in rates from Case No. 91-066.

Since there is no salvage and removal activity for this account, the recommended gross salvage and gross removal percentage is 0%.

KENTUCKY POWER COMPANY

DEPRECIATION STUDY AS OF DECEMBER 31, 2012

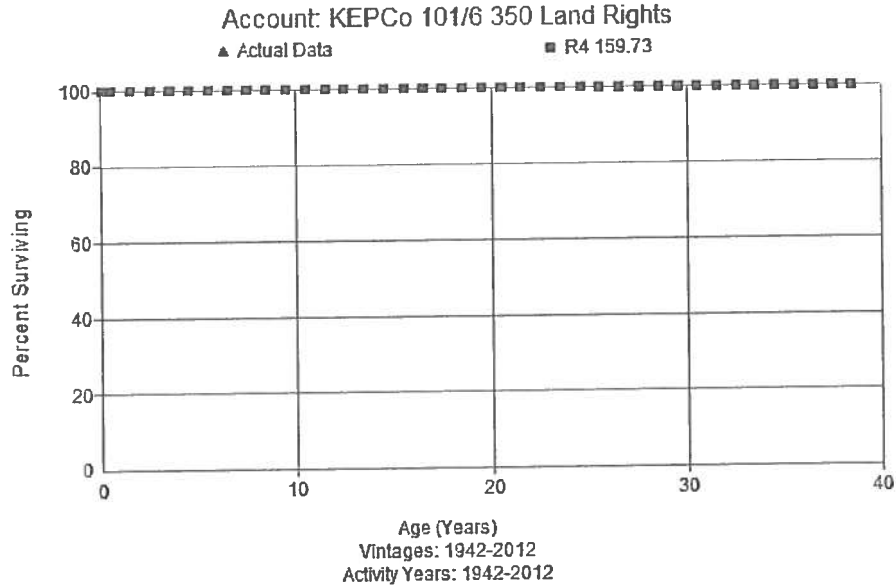
TRANSMISSION PLANT

ACTUARIAL AND SIMULATED PLANT RECORD (SPR)

ANALYSIS GRAPHS

KENTUCKY POWER COMPANY DEPRECIATION STUDY AT DECEMBER 31, 2012 TRANSMISSION GRAPHS

Account 350.1 Land Rights – R4, 75

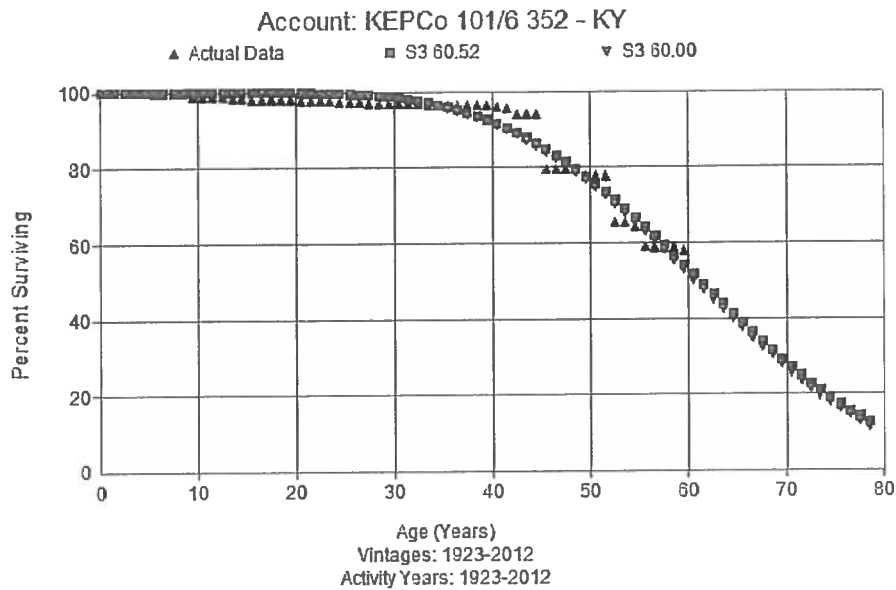


Retirement data is not meaningful for Account 350, Land Rights so no actuarial or SPR analysis could be performed. A review of the surviving property in this account indicates that the average age is 23.89 years.

Recommend that we keep the 75 year life along with the R4.0 dispersion currently approved in rates by the Commission in Case No. 91-066.

KENTUCKY POWER COMPANY DEPRECIATION STUDY AT DECEMBER 31, 2012 TRANSMISSION GRAPHS

Account 352 Structures & Improvements – S3, 60

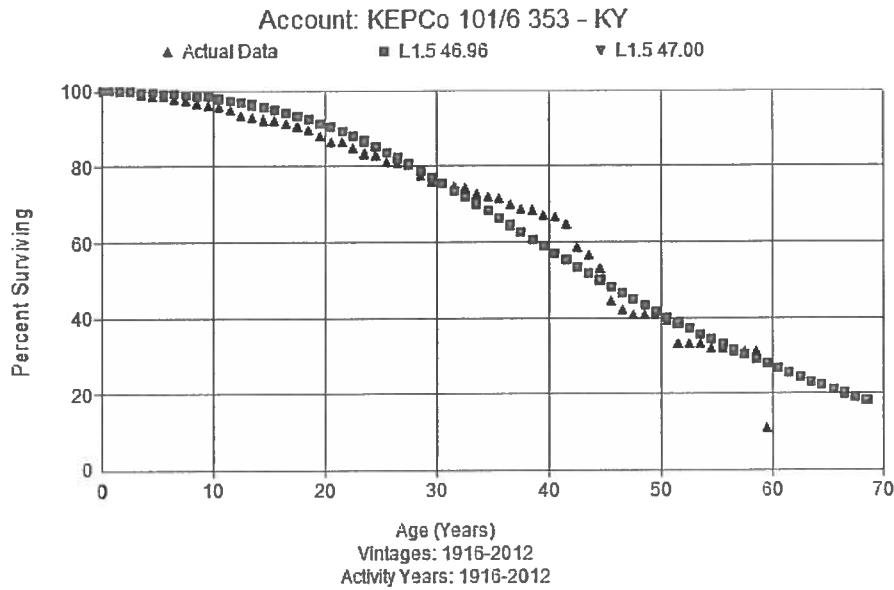


An actuarial analysis was performed for Account 352. The analysis of retirements from 2000 to 2012 indicated that few retirements were booked during this time period. The prior study from Case No. 91-066 recommended a 55 year life for the investment in this account using a S1.5 dispersion.

As shown above, the S3.0 curve with a 60 year life provides a good fit for Account 352 property and I recommend that we change to use this curve and life.

KENTUCKY POWER COMPANY DEPRECIATION STUDY AT DECEMBER 31, 2012 TRANSMISSION GRAPHS

Account 353 Station Equipment – L1.5, 47



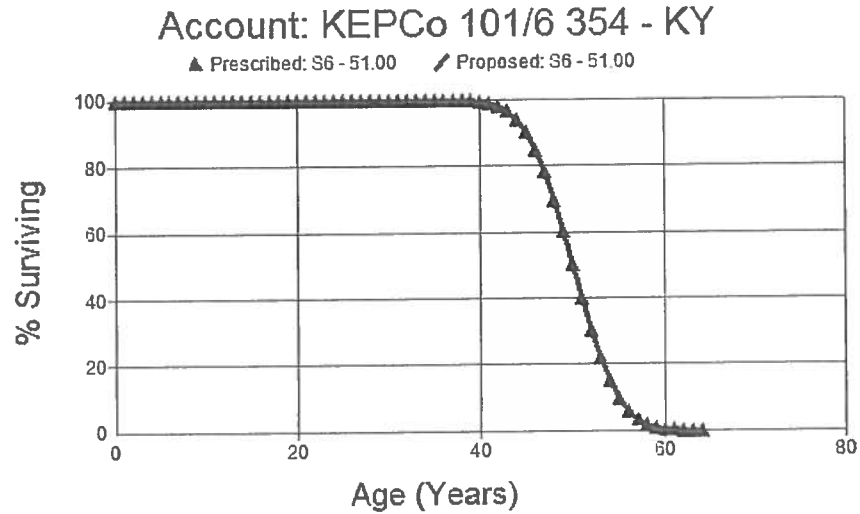
An actuarial analysis was performed for Account 353.

The prior study from Case No. 91-066 recommended a 50 year life for the investment in this account using a R0.5 dispersion.

As shown above, the L1.5 curve with a 47 year life provides a good fit for Account 353 property and I recommend that we change to use this curve and life.

KENTUCKY POWER COMPANY DEPRECIATION STUDY AT DECEMBER 31, 2012 TRANSMISSION GRAPHS

Account 354 Towers & Fixtures – S6, 51



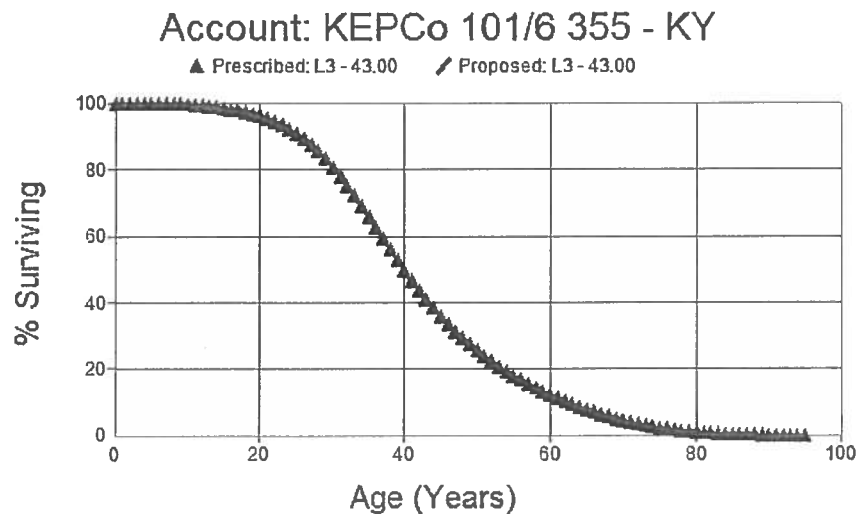
An SPR analysis was performed for Account 354.

The prior study from Case No. 91-066 recommended a 55 year life for the investment in this account using a R4.0 dispersion.

The best fit for this account when considering past history and the SPR Conformance Index along with the Retirement Experience index was the S6.0 curve with a 51 year life and I recommend that we change to use this curve and life.

KENTUCKY POWER COMPANY DEPRECIATION STUDY AT DECEMBER 31, 2012 TRANSMISSION GRAPHS

Account 355 Poles & Fixtures – L3, 43



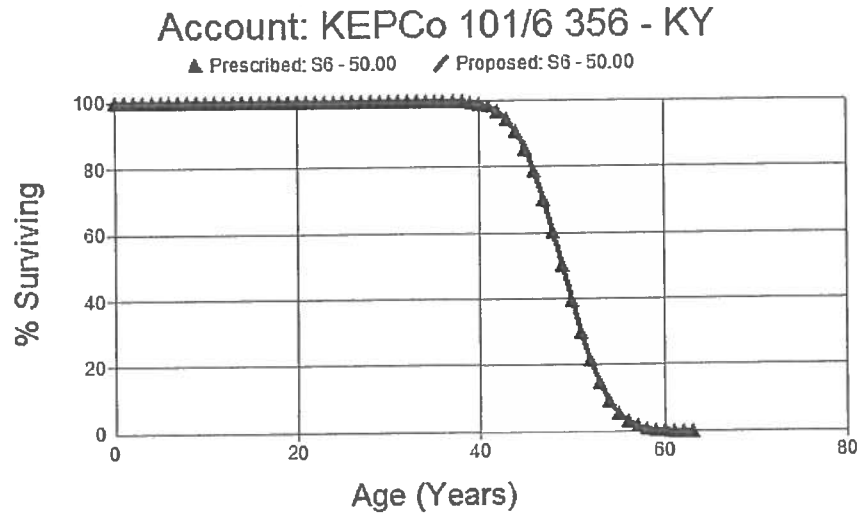
An SPR analysis was performed for Account 355.

The prior study from Case No. 91-066 recommended a 45 year life for the investment in this account using a R3.0 dispersion.

The best fit for this account when considering past history and the SPR Conformance Index along with the Retirement Experience index was the L3.0 curve with a 43 year life and I recommend that we change to use this curve and life.

KENTUCKY POWER COMPANY DEPRECIATION STUDY AT DECEMBER 31, 2012 TRANSMISSION GRAPHS

Account 356 Overhead Conductor & Devices – S6, 50



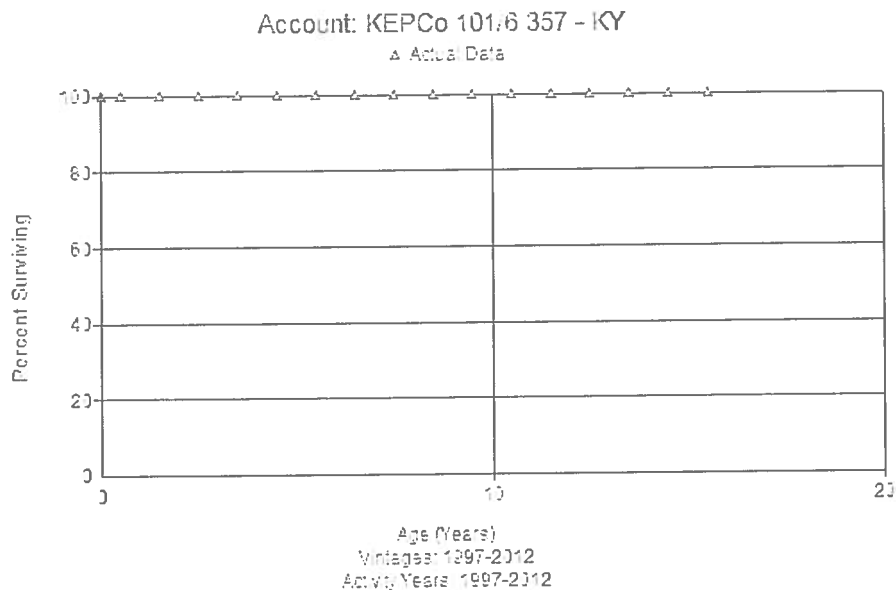
An SPR analysis was performed for Account 356.

The prior study from Case No. 91-066 recommended a 50 year life for the investment in this account using a R3.0 dispersion.

The best fit for this account when considering past history and the SPR Conformance Index along with the Retirement Experience index was the S6.0 curve with a 50 year life and I recommend that we change to use this curve and life.

KENTUCKY POWER COMPANY DEPRECIATION STUDY AT DECEMBER 31, 2012 TRANSMISSION GRAPHS

Account 357 Underground Conduit – R2, 37

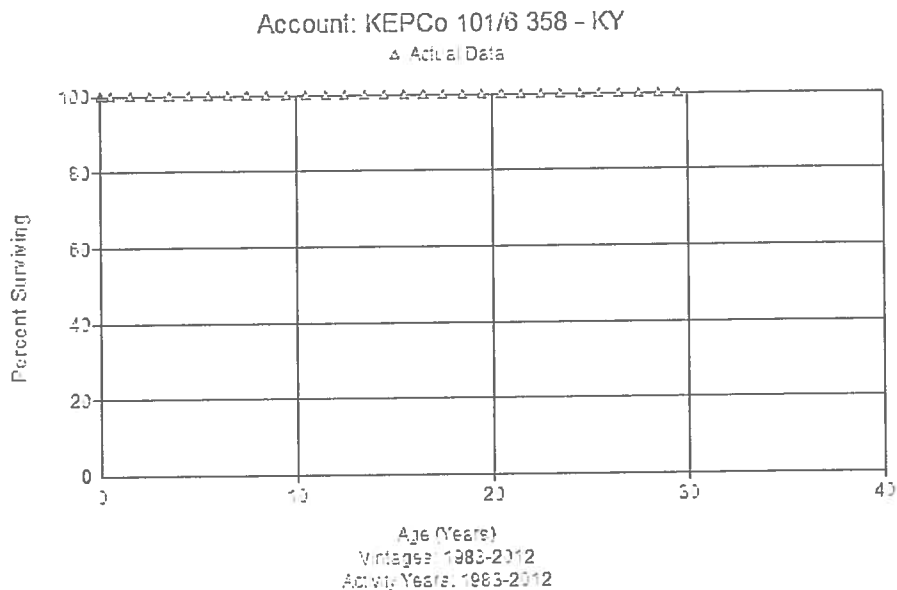


Retirement data is not meaningful for Account 357, Underground Conduit so no actuarial or SPR analysis could be performed. The Company has \$11,590 of investment in Account 357 that was all installed in 1997.

Recommend that we keep the 37 year life along with the R2.0 dispersion currently approved in rates by the Commission in Case No. 91-066.

KENTUCKY POWER COMPANY DEPRECIATION STUDY AT DECEMBER 31, 2012 TRANSMISSION GRAPHS

Account 358 Underground Conductor & Devices – R2, 37



Retirement data is not meaningful for Account 358, Underground Conductor and Devices so no actuarial or SPR analysis could be performed. The Company has \$106,066 of investment in Account 358 that was all installed in 1983.

Recommend that we keep the 41 year life along with the R1.0 dispersion currently approved in rates by the Commission in Case No. 91-066.

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
DEPRECIATION STUDY WORKPAPERS
TRANSMISSION PLANT
OBSERVED LIFE REPORT

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 2012
OBSERVED LIFE TABLE - ACCOUNT 350 LAND RIGHTS**

Placement Band 1942 to 2012
Observation Band 1942 to 2012

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surviving at Beginning of Interval
0	25,922,448	0.00	0.0000	1.0000	100.00
0.5	25,211,118	0.00	0.0000	1.0000	100.00
1.5	25,107,006	0.00	0.0000	1.0000	100.00
2.5	25,080,261	0.00	0.0000	1.0000	100.00
3.5	24,862,110	0.00	0.0000	1.0000	100.00
4.5	23,525,203	0.00	0.0000	1.0000	100.00
5.5	23,522,929	1.00	0.0000	1.0000	100.00
6.5	23,418,930	0.00	0.0000	1.0000	100.00
7.5	23,326,624	0.00	0.0000	1.0000	100.00
8.5	23,292,633	0.00	0.0000	1.0000	100.00
9.5	23,302,367	0.00	0.0000	1.0000	100.00
10.5	23,296,200	0.00	0.0000	1.0000	100.00
11.5	23,021,829	0.00	0.0000	1.0000	100.00
12.5	22,700,260	0.00	0.0000	1.0000	100.00
13.5	21,733,586	0.00	0.0000	1.0000	100.00
14.5	20,453,350	0.00	0.0000	1.0000	100.00
15.5	19,872,897	0.00	0.0000	1.0000	100.00
16.5	19,746,524	28.00	0.0000	1.0000	100.00
17.5	19,406,708	202.00	0.0000	1.0000	100.00
18.5	19,084,678	1,675.00	0.0001	0.9999	100.00
19.5	18,766,227	0.00	0.0000	1.0000	99.99
20.5	18,690,422	5,446.00	0.0003	0.9997	99.99
21.5	18,359,690	0.00	0.0000	1.0000	99.96
22.5	18,255,545	231.00	0.0000	1.0000	99.96
23.5	18,239,440	0.00	0.0000	1.0000	99.96
24.5	18,236,175	32,330.00	0.0018	0.9982	99.96
25.5	18,202,518	120.00	0.0000	1.0000	99.78
26.5	18,119,814	3,328.00	0.0002	0.9998	99.78
27.5	5,642,297	336.00	0.0001	0.9999	99.76
28.5	5,347,699	2,960.00	0.0006	0.9995	99.76
29.5	4,842,708	1,728.00	0.0004	0.9996	99.70
30.5	4,692,124	356.00	0.0001	0.9999	99.67
31.5	4,537,127	1,948.00	0.0004	0.9996	99.66
32.5	4,275,487	0.00	0.0000	1.0000	99.62
33.5	38,736	7.00	0.0002	0.9998	99.62
34.5	38,729	0.00	0.0000	1.0000	99.60
35.5	38,729	0.00	0.0000	1.0000	99.60
36.5	38,729	0.00	0.0000	1.0000	99.60
37.5	0	0.00	0.0000	1.0000	99.60

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 2012
OBSERVED LIFE TABLE - ACCOUNT 352 STRUCTURES AND IMPROVEMENTS**

Placement Band 1923 to 2012
Observation Band 1923 to 2012

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surviving at Beginning of Interval
0	6,848,962	0.00	0.0000	1.0000	100.00
0.5	6,848,962	63.00	0.0000	1.0000	100.00
1.5	6,784,280	1,051.49	0.0002	0.9999	100.00
2.5	6,748,432	1,954.00	0.0003	0.9997	99.98
3.5	6,602,206	2,277.00	0.0003	0.9997	99.96
4.5	6,458,796	3,388.00	0.0005	0.9995	99.92
5.5	6,448,313	2,007.00	0.0003	0.9997	99.87
6.5	6,446,306	2,450.00	0.0004	0.9996	99.84
7.5	6,377,642	2,847.00	0.0005	0.9996	99.80
8.5	6,374,795	61,613.00	0.0097	0.9903	99.76
9.5	6,313,182	6,431.00	0.0010	0.9990	98.79
10.5	5,500,705	885.00	0.0002	0.9998	98.69
11.5	5,499,119	271.00	0.0001	1.0000	98.67
12.5	5,414,567	8,722.00	0.0016	0.9984	98.67
13.5	5,389,664	12,986.21	0.0024	0.9976	98.51
14.5	5,318,018	5,700.33	0.0011	0.9989	98.27
15.5	5,108,726	1,452.00	0.0003	0.9997	98.17
16.5	4,988,772	0.00	0.0000	1.0000	98.14
17.5	4,877,357	5,842.10	0.0012	0.9988	98.14
18.5	4,822,328	8,208.00	0.0017	0.9983	98.02
19.5	4,448,113	9,156.00	0.0021	0.9979	97.86
20.5	4,325,039	880.00	0.0002	0.9998	97.65
21.5	4,279,089	318.00	0.0001	0.9999	97.63
22.5	4,212,976	704.00	0.0002	0.9998	97.63
23.5	4,210,762	11,644.00	0.0028	0.9972	97.61
24.5	4,193,922	7,708.00	0.0018	0.9982	97.34
25.5	4,171,754	2,500.00	0.0006	0.9994	97.16
26.5	4,012,877	5,102.00	0.0013	0.9987	97.10
27.5	3,905,925	432.32	0.0001	0.9999	96.98
28.5	3,789,914	5,101.24	0.0014	0.9987	96.97
29.5	3,732,487	4,232.00	0.0011	0.9989	96.84
30.5	3,533,778	37.00	0.0000	1.0000	96.73
31.5	1,891,626	25.00	0.0000	1.0000	96.73
32.5	1,792,648	5,298.00	0.0030	0.9970	96.73
33.5	1,784,210	852.00	0.0005	0.9995	96.44
34.5	1,783,233	2,213.00	0.0012	0.9988	96.39
35.5	1,622,396	325.00	0.0002	0.9998	96.27
36.5	1,534,532	200.00	0.0001	0.9999	96.26
37.5	1,523,322	0.00	0.0000	1.0000	96.24
38.5	368,977	0.00	0.0000	1.0000	96.24
39.5	322,094	960.00	0.0030	0.9970	96.24
40.5	321,134	1,428.31	0.0045	0.9956	95.96
41.5	308,601	4,980.00	0.0161	0.9839	95.53
42.5	253,001	0.00	0.0000	1.0000	93.99
43.5	251,749	44.00	0.0002	0.9998	93.99

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 2012
OBSERVED LIFE TABLE - ACCOUNT 352 STRUCTURES AND IMPROVEMENTS**

Placement Band 1923 to 2012
Observation Band 1923 to 2012

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surviving at Beginning of Interval
44.5	219,856	33,904.00	0.1542	0.8458	93.97
45.5	164,363	0.00	0.0000	1.0000	79.48
46.5	134,439	0.00	0.0000	1.0000	79.48
47.5	134,142	0.00	0.0000	1.0000	79.48
48.5	125,696	2,428.00	0.0193	0.9807	79.48
49.5	106,679	339.00	0.0032	0.9968	77.94
50.5	99,368	0.00	0.0000	1.0000	77.70
51.5	99,247	15,534.00	0.1565	0.8435	77.70
52.5	80,796	241.00	0.0030	0.9970	65.53
53.5	78,756	1,476.00	0.0187	0.9813	65.34
54.5	72,866	5,704.00	0.0783	0.9217	64.12
55.5	66,583	356.00	0.0054	0.9947	59.10
56.5	65,846	0.00	0.0000	1.0000	58.78
57.5	65,330	0.00	0.0000	1.0000	58.78
58.5	26,536	352.00	0.0133	0.9867	58.78
59.5	25,473	0.00	0.0000	1.0000	58.00
60.5	25,381	0.00	0.0000	1.0000	58.00
61.5	16,980	0.00	0.0000	1.0000	58.00
62.5	16,980	0.00	0.0000	1.0000	58.00
63.5	16,980	0.00	0.0000	1.0000	58.00
64.5	16,980	0.00	0.0000	1.0000	58.00
65.5	16,980	0.00	0.0000	1.0000	58.00
66.5	16,828	0.00	0.0000	1.0000	58.00
67.5	16,828	0.00	0.0000	1.0000	58.00
68.5	14,691	0.00	0.0000	1.0000	58.00
69.5	8,951	0.00	0.0000	1.0000	58.00
70.5	1,616	0.00	0.0000	1.0000	58.00
71.5	1,616	0.00	0.0000	1.0000	58.00
72.5	0	0.00	0.0000	1.0000	58.00

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 2012
OBSERVED LIFE TABLE - ACCOUNT 353 STATION EQUIPMENT**

Placement Band 1916 to 2012
Observation Band 1916 to 2012

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surviving at Beginning of Interval
0	191,723,725	91,516.00	0.0005	0.9995	100.00
0.5	184,320,955	168,850.57	0.0009	0.9991	99.95
1.5	175,314,919	366,454.33	0.0021	0.9979	99.86
2.5	169,079,647	1,108,388.86	0.0066	0.9934	99.65
3.5	163,330,350	669,520.17	0.0041	0.9959	99.00
4.5	148,786,780	545,618.96	0.0037	0.9963	98.59
5.5	146,553,052	786,935.67	0.0054	0.9946	98.23
6.5	135,645,412	591,809.84	0.0044	0.9956	97.70
7.5	132,930,408	1,050,185.99	0.0079	0.9921	97.28
8.5	129,022,803	665,591.02	0.0052	0.9948	96.51
9.5	124,788,340	358,919.60	0.0029	0.9971	96.01
10.5	121,344,323	1,298,659.40	0.0107	0.9893	95.73
11.5	116,491,485	1,933,006.66	0.0166	0.9834	94.71
12.5	112,133,820	374,400.56	0.0033	0.9967	93.14
13.5	110,282,160	734,307.36	0.0067	0.9933	92.83
14.5	100,002,544	248,861.62	0.0025	0.9975	92.21
15.5	63,021,031	440,777.00	0.0070	0.9930	91.98
16.5	60,155,139	564,572.15	0.0094	0.9906	91.34
17.5	58,787,132	546,222.33	0.0093	0.9907	90.48
18.5	56,201,876	1,124,664.07	0.0200	0.9800	89.64
19.5	49,841,728	814,189.17	0.0163	0.9837	87.84
20.5	47,118,758	104,690.85	0.0022	0.9978	86.41
21.5	43,237,647	677,978.48	0.0157	0.9843	86.22
22.5	39,834,681	710,819.47	0.0178	0.9822	84.86
23.5	37,952,959	266,894.90	0.0070	0.9930	83.35
24.5	37,172,484	655,143.78	0.0176	0.9824	82.76
25.5	34,747,990	170,097.66	0.0049	0.9951	81.31
26.5	34,083,028	101,100.16	0.0030	0.9970	80.91
27.5	33,241,284	1,224,918.23	0.0369	0.9632	80.67
28.5	30,800,465	689,093.34	0.0224	0.9776	77.70
29.5	29,275,342	177,318.66	0.0061	0.9939	75.96
30.5	27,662,141	244,947.89	0.0089	0.9912	75.50
31.5	20,240,073	176,222.11	0.0087	0.9913	74.83
32.5	14,849,411	265,974.47	0.0179	0.9821	74.18
33.5	13,763,466	198,793.32	0.0144	0.9856	72.85
34.5	13,518,734	53,910.00	0.0040	0.9960	71.80
35.5	11,572,714	260,506.42	0.0225	0.9775	71.51
36.5	10,221,349	188,634.28	0.0185	0.9816	69.90
37.5	9,268,988	21,504.23	0.0023	0.9977	68.61
38.5	8,220,574	185,843.84	0.0226	0.9774	68.45
39.5	7,895,299	35,863.47	0.0045	0.9955	66.90
40.5	7,644,689	245,119.19	0.0321	0.9679	66.60
41.5	7,211,054	671,747.06	0.0932	0.9068	64.46
42.5	5,852,951	182,553.16	0.0312	0.9688	58.46
43.5	1,784,281	117,048.00	0.0656	0.9344	56.64

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 2012
OBSERVED LIFE TABLE - ACCOUNT 353 STATION EQUIPMENT**

Placement Band 1916 to 2012
Observation Band 1916 to 2012

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surviving at Beginning of Interval
44.5	1,607,902	255,895.82	0.1592	0.8409	52.92
45.5	1,113,083	64,460.02	0.0579	0.9421	44.50
46.5	1,042,780	23,804.00	0.0228	0.9772	41.92
47.5	922,781	6,012.00	0.0065	0.9935	40.97
48.5	916,092	177.00	0.0002	0.9998	40.70
49.5	417,393	16,137.45	0.0387	0.9613	40.69
50.5	395,350	59,298.00	0.1500	0.8500	39.12
51.5	335,705	403.00	0.0012	0.9988	33.25
52.5	309,918	327.00	0.0011	0.9989	33.21
53.5	273,361	8,887.00	0.0325	0.9675	33.18
54.5	263,897	0.00	0.0000	1.0000	32.10
55.5	254,916	6,860.00	0.0269	0.9731	32.10
56.5	248,056	134.00	0.0005	0.9995	31.23
57.5	247,025	0.00	0.0000	1.0000	31.22
58.5	21,128	13,553.00	0.6415	0.3585	31.22
59.5	0	0.00	0.0000	1.0000	11.19

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 2012
OBSERVED LIFE TABLE - ACCOUNT 354 TOWERS AND FIXTURES**

Placement Band 1927 to 2012
Observation Band 1927 to 2012

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surviving at Beginning of Interval
0	95,776,272	0.00	0.0000	1.0000	100.00
0.5	95,743,967	0.00	0.0000	1.0000	100.00
1.5	95,743,967	177,806.00	0.0019	0.9981	100.00
2.5	95,541,048	0.00	0.0000	1.0000	99.81
3.5	95,397,164	764.00	0.0000	1.0000	99.81
4.5	92,661,874	33,710.00	0.0004	0.9996	99.81
5.5	92,628,164	29,167.00	0.0003	0.9997	99.78
6.5	92,598,997	4,733.00	0.0001	1.0000	99.75
7.5	92,578,238	0.00	0.0000	1.0000	99.74
8.5	92,572,801	5,906.00	0.0001	0.9999	99.74
9.5	92,539,432	8,980.00	0.0001	0.9999	99.74
10.5	92,434,310	259.00	0.0000	1.0000	99.73
11.5	91,435,191	62,249.86	0.0007	0.9993	99.73
12.5	90,778,013	15,681.00	0.0002	0.9998	99.66
13.5	85,991,147	924.00	0.0000	1.0000	99.64
14.5	79,230,692	30,533.00	0.0004	0.9996	99.64
15.5	78,339,883	0.00	0.0000	1.0000	99.60
16.5	77,976,308	0.00	0.0000	1.0000	99.60
17.5	77,660,673	9,454.00	0.0001	0.9999	99.60
18.5	77,651,219	33,036.00	0.0004	0.9996	99.59
19.5	77,435,518	70,976.00	0.0009	0.9991	99.55
20.5	77,324,174	14,276.00	0.0002	0.9998	99.45
21.5	77,309,883	426,974.78	0.0055	0.9945	99.44
22.5	76,882,071	0.00	0.0000	1.0000	98.89
23.5	76,882,071	0.00	0.0000	1.0000	98.89
24.5	76,882,071	310.00	0.0000	1.0000	98.89
25.5	76,881,761	136,425.00	0.0018	0.9982	98.89
26.5	76,098,633	352.00	0.0000	1.0000	98.71
27.5	16,208,398	109.00	0.0000	1.0000	98.71
28.5	16,208,289	23.00	0.0000	1.0000	98.71
29.5	16,208,266	5,908.00	0.0004	0.9996	98.71
30.5	15,928,840	0.00	0.0000	1.0000	98.67
31.5	15,928,840	2,557.00	0.0002	0.9998	98.67
32.5	15,926,283	3,317.00	0.0002	0.9998	98.66
33.5	15,922,966	0.00	0.0000	1.0000	98.64
34.5	15,883,115	0.00	0.0000	1.0000	98.64
35.5	15,854,515	13.00	0.0000	1.0000	98.64
36.5	15,700,698	4,472.00	0.0003	0.9997	98.64
37.5	15,623,463	2,123.00	0.0001	0.9999	98.61
38.5	15,600,957	0.00	0.0000	1.0000	98.60
39.5	15,488,114	3,942.79	0.0003	0.9998	98.60
40.5	7,016,818	0.00	0.0000	1.0000	98.57

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 2012
OBSERVED LIFE TABLE - ACCOUNT 354 TOWERS AND FIXTURES**

Placement Band 1927 to 2012
Observation Band 1927 to 2012

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surviving at Beginning of Interval
41.5	7,015,046	0.00	0.0000	1.0000	98.57
42.5	3,051,379	20,749.00	0.0068	0.9932	98.57
43.5	3,030,630	0.00	0.0000	1.0000	97.90
44.5	2,280,911	0.00	0.0000	1.0000	97.90
45.5	1,916,565	14,360.69	0.0075	0.9925	97.90
46.5	1,883,138	0.00	0.0000	1.0000	97.17
47.5	1,470,242	0.00	0.0000	1.0000	97.17
48.5	1,373,048	0.00	0.0000	1.0000	97.17
49.5	737,715	99,956.77	0.1355	0.8645	97.17
50.5	564,581	0.00	0.0000	1.0000	84.00
51.5	564,354	0.00	0.0000	1.0000	84.00
52.5	564,354	0.00	0.0000	1.0000	84.00
53.5	287,974	0.00	0.0000	1.0000	84.00
54.5	287,974	0.00	0.0000	1.0000	84.00
55.5	287,974	0.00	0.0000	1.0000	84.00
56.5	279,227	0.00	0.0000	1.0000	84.00
57.5	279,227	0.00	0.0000	1.0000	84.00
58.5	219,544	0.00	0.0000	1.0000	84.00
59.5	219,544	0.00	0.0000	1.0000	84.00
60.5	219,544	0.00	0.0000	1.0000	84.00
61.5	219,544	0.00	0.0000	1.0000	84.00
62.5	219,544	36,676.00	0.1671	0.8329	84.00
63.5	182,868	613.00	0.0034	0.9967	69.97
64.5	182,255	0.00	0.0000	1.0000	69.73
65.5	182,255	0.00	0.0000	1.0000	69.73
66.5	182,255	0.00	0.0000	1.0000	69.73
67.5	182,255	0.00	0.0000	1.0000	69.73
68.5	181,498	0.00	0.0000	1.0000	69.73
69.5	181,498	49,539.89	0.2730	0.7271	69.73
70.5	39,207	0.00	0.0000	1.0000	50.70
71.5	39,207	0.00	0.0000	1.0000	50.70
72.5	36,571	0.00	0.0000	1.0000	50.70
73.5	35,723	405.00	0.0113	0.9887	50.70
74.5	28,225	1.00	0.0000	1.0000	50.13
75.5	28,224	0.00	0.0000	1.0000	50.12
76.5	27,762	0.00	0.0000	1.0000	50.12
77.5	27,762	0.00	0.0000	1.0000	50.12
78.5	27,762	33.00	0.0012	0.9988	50.12
79.5	27,684	0.00	0.0000	1.0000	50.06
80.5	27,145	0.00	0.0000	1.0000	50.06
81.5	27,145	0.00	0.0000	1.0000	50.06
82.5	24,500	0.00	0.0000	1.0000	50.06

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 2012
OBSERVED LIFE TABLE - ACCOUNT 354 TOWERS AND FIXTURES**

Placement Band 1927 to 2012
Observation Band 1927 to 2012

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surviving at Beginning of Interval
83.5	5,666	0.00	0.0000	1.0000	50.06
84.5	317	0.00	0.0000	1.0000	50.06
85.5	0	0.00	0.0000	0.0000	50.06

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 2012
OBSERVED LIFE TABLE - ACCOUNT 355 POLES AND FIXTURES**

Placement Band 1938 to 2012
Observation Band 1938 to 2012

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surviving at Beginning of Interval
0	74,644,451	25,103.00	0.0003	0.9997	100.00
0.5	63,907,342	33,027.61	0.0005	0.9995	99.97
1.5	55,163,333	203,591.45	0.0037	0.9963	99.91
2.5	53,425,202	54,489.74	0.0010	0.9990	99.55
3.5	51,832,904	22,927.00	0.0004	0.9996	99.44
4.5	43,855,703	106,344.97	0.0024	0.9976	99.40
5.5	43,242,159	211,214.81	0.0049	0.9951	99.16
6.5	41,125,773	58,293.56	0.0014	0.9986	98.67
7.5	39,666,752	38,480.71	0.0010	0.9990	98.53
8.5	38,201,043	29,932.00	0.0008	0.9992	98.44
9.5	37,445,324	25,636.00	0.0007	0.9993	98.36
10.5	35,344,849	142,379.00	0.0040	0.9960	98.29
11.5	32,924,219	43,859.65	0.0013	0.9987	97.90
12.5	30,869,284	68,378.91	0.0022	0.9978	97.77
13.5	23,610,605	23,333.00	0.0010	0.9990	97.55
14.5	23,390,032	43,225.00	0.0019	0.9982	97.45
15.5	21,189,307	396,093.57	0.0187	0.9813	97.27
16.5	19,838,170	130,753.06	0.0066	0.9934	95.46
17.5	19,206,932	189,818.00	0.0099	0.9901	94.83
18.5	16,343,274	30,490.54	0.0019	0.9981	93.89
19.5	14,532,370	23,750.54	0.0016	0.9984	93.71
20.5	12,898,476	43,937.29	0.0034	0.9966	93.56
21.5	11,656,174	34,046.00	0.0029	0.9971	93.24
22.5	11,252,921	81,103.31	0.0072	0.9928	92.97
23.5	10,712,918	169,602.00	0.0158	0.9842	92.30
24.5	10,192,867	61,403.20	0.0060	0.9940	90.84
25.5	9,926,021	94,130.34	0.0095	0.9905	90.29
26.5	9,090,413	51,211.00	0.0056	0.9944	89.44
27.5	8,813,197	52,646.00	0.0060	0.9940	88.93
28.5	8,654,972	188,281.12	0.0218	0.9783	88.40
29.5	8,019,929	44,484.87	0.0056	0.9945	86.48
30.5	6,942,814	232,964.00	0.0336	0.9665	86.00
31.5	5,983,535	64,678.00	0.0108	0.9892	83.11
32.5	5,205,255	41,235.77	0.0079	0.9921	82.22
33.5	5,023,097	102,713.00	0.0205	0.9796	81.56
34.5	4,555,212	124,148.47	0.0273	0.9728	79.90
35.5	4,071,431	29,716.77	0.0073	0.9927	77.72
36.5	3,633,246	20,267.00	0.0056	0.9944	77.15
37.5	3,327,368	22,907.00	0.0069	0.9931	76.72
38.5	2,984,347	81,915.00	0.0275	0.9726	76.19
39.5	2,811,923	54,096.83	0.0192	0.9808	74.10
40.5	2,653,185	69,856.00	0.0263	0.9737	72.68
41.5	2,474,374	28,035.68	0.0113	0.9887	70.76
42.5	2,442,573	118,548.31	0.0485	0.9515	69.96
43.5	2,043,797	18,421.03	0.0090	0.9910	66.57

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 2012
OBSERVED LIFE TABLE - ACCOUNT 355 POLES AND FIXTURES**

Placement Band 1938 to 2012
Observation Band 1938 to 2012

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surviving at Beginning of Interval
44.5	1,811,312	128,431.98	0.0709	0.9291	65.97
45.5	1,336,745	364,834.65	0.2729	0.7271	61.29
46.5	654,847	59,464.22	0.0908	0.9092	44.56
47.5	455,784	61,556.36	0.1351	0.8649	40.51
48.5	389,383	51,185.97	0.1315	0.8686	35.04
49.5	313,830	40,986.58	0.1306	0.8694	30.44
50.5	204,975	48,172.21	0.2350	0.7650	26.46
51.5	125,758	20,590.29	0.1637	0.8363	20.24
52.5	83,368	802.00	0.0096	0.9904	16.93
53.5	80,910	10,284.29	0.1271	0.8729	16.77
54.5	68,049	37,315.98	0.5484	0.4516	14.63
55.5	30,268	32,831.00	1.0847	-0.0847	6.61
56.5	154	0.00	0.0000	1.0000	-0.56
57.5	204	3.00	0.0147	0.9853	-0.56
58.5	355	0.00	0.0000	1.0000	-0.55
59.5	291	0.00	0.0000	1.0000	-0.55
60.5	291	0.00	0.0000	1.0000	-0.55
61.5	291	0.00	0.0000	1.0000	-0.55
62.5	291	0.00	0.0000	1.0000	-0.55
63.5	291	0.00	0.0000	1.0000	-0.55
64.5	291	0.00	0.0000	1.0000	-0.55
65.5	291	0.00	0.0000	1.0000	-0.55
66.5	291	0.00	0.0000	1.0000	-0.55
67.5	291	1.01	0.0035	0.9965	-0.55
68.5	0	0.00	0.0000	1.0000	-0.55

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 2012
OBSERVED LIFE TABLE - ACCOUNT 356 OVERHEAD CONDUCTORS AND DEVICES**

Placement Band 1922 to 2012
Observation Band 1922 to 2012

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surviving at Beginning of Interval
0	122,835,581	8,123.00	0.0001	0.9999	100.00
0.5	117,401,070	13,674.00	0.0001	0.9999	99.99
1.5	113,050,822	102,279.00	0.0009	0.9991	99.98
2.5	111,931,826	35,675.00	0.0003	0.9997	99.89
3.5	111,079,445	4,163.00	0.0000	1.0000	99.86
4.5	103,321,465	18,169.00	0.0002	0.9998	99.86
5.5	102,915,042	42,619.00	0.0004	0.9996	99.84
6.5	102,593,707	123,606.00	0.0012	0.9988	99.80
7.5	101,726,398	12,785.00	0.0001	0.9999	99.68
8.5	101,468,618	6,763.00	0.0001	0.9999	99.66
9.5	100,807,891	9,973.00	0.0001	0.9999	99.66
10.5	100,374,919	29,336.00	0.0003	0.9997	99.65
11.5	99,353,322	31,849.00	0.0003	0.9997	99.62
12.5	97,413,911	52,696.00	0.0005	0.9995	99.59
13.5	85,372,357	18,828.00	0.0002	0.9998	99.53
14.5	80,391,792	86,531.00	0.0011	0.9989	99.51
15.5	79,615,386	158,191.08	0.0020	0.9980	99.40
16.5	78,079,230	55,326.00	0.0007	0.9993	99.20
17.5	77,000,292	8,326.00	0.0001	0.9999	99.13
18.5	73,745,125	15,704.00	0.0002	0.9998	99.12
19.5	72,043,126	24,764.00	0.0003	0.9997	99.10
20.5	69,967,984	29,759.00	0.0004	0.9996	99.07
21.5	69,342,872	10,262.00	0.0002	0.9999	99.03
22.5	68,912,719	107,366.00	0.0016	0.9984	99.01
23.5	68,534,122	13,604.00	0.0002	0.9998	98.86
24.5	68,336,757	15,833.00	0.0002	0.9998	98.84
25.5	68,190,201	22,273.00	0.0003	0.9997	98.81
26.5	67,329,629	60,720.56	0.0009	0.9991	98.78
27.5	21,287,604	19,086.00	0.0009	0.9991	98.69
28.5	21,172,073	180,299.36	0.0085	0.9915	98.60
29.5	20,949,345	12,423.00	0.0006	0.9994	97.76
30.5	19,217,156	194,016.00	0.0101	0.9899	97.70
31.5	18,344,642	11,849.00	0.0007	0.9994	96.72
32.5	18,002,805	10,299.09	0.0006	0.9994	96.65
33.5	17,933,180	2,581.00	0.0001	0.9999	96.60
34.5	16,057,279	3,348.00	0.0002	0.9998	96.59
35.5	15,544,226	107,498.00	0.0069	0.9931	96.57
36.5	15,214,082	2,917.00	0.0002	0.9998	95.90
37.5	15,023,285	3,662.00	0.0002	0.9998	95.88
38.5	14,976,581	505.00	0.0000	1.0000	95.86
39.5	14,904,927	67,153.87	0.0045	0.9955	95.85
40.5	14,689,645	7,033.00	0.0005	0.9995	95.42

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 2012
OBSERVED LIFE TABLE - ACCOUNT 356 OVERHEAD CONDUCTORS AND DEVICES**

Placement Band 1922 to 2012
Observation Band 1922 to 2012

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surviving at Beginning of Interval
41.5	13,650,102	137,178.23	0.0101	0.9900	95.38
42.5	5,396,862	974.00	0.0002	0.9998	94.42
43.5	5,106,228	16,431.01	0.0032	0.9968	94.40
44.5	3,913,165	225,562.11	0.0576	0.9424	94.10
45.5	3,182,105	25.00	0.0000	1.0000	88.67
46.5	3,024,938	87.00	0.0000	1.0000	88.67
47.5	2,311,925	156,178.88	0.0676	0.9325	88.67
48.5	2,116,173	5,929.00	0.0028	0.9972	82.68
49.5	1,594,392	0.00	0.0000	1.0000	82.45
50.5	1,502,531	13,088.52	0.0087	0.9913	82.45
51.5	1,456,929	0.00	0.0000	1.0000	81.73
52.5	1,426,001	0.00	0.0000	1.0000	81.73
53.5	1,231,669	1.00	0.0000	1.0000	81.73
54.5	881,879	0.00	0.0000	1.0000	81.73
55.5	873,232	199.00	0.0002	0.9998	81.73
56.5	841,951	1,359.00	0.0016	0.9984	81.71
57.5	836,758	0.00	0.0000	1.0000	81.58
58.5	744,660	1,729.82	0.0023	0.9977	81.58
59.5	687,900	3,758.77	0.0055	0.9945	81.39
60.5	673,095	0.00	0.0000	1.0000	80.95
61.5	659,675	0.00	0.0000	1.0000	80.95
62.5	656,872	0.00	0.0000	1.0000	80.95
63.5	594,890	0.00	0.0000	1.0000	80.95
64.5	580,067	29,284.00	0.0505	0.9495	80.95
65.5	539,220	0.00	0.0000	1.0000	76.86
66.5	533,292	0.00	0.0000	1.0000	76.86
67.5	505,799	0.00	0.0000	1.0000	76.86
68.5	501,166	0.00	0.0000	1.0000	76.86
69.5	496,164	0.00	0.0000	1.0000	76.86
70.5	149,284	1,055.15	0.0071	0.9929	76.86
71.5	141,652	1,735.95	0.0123	0.9877	76.32
72.5	70,169	14,931.91	0.2128	0.7872	75.38
73.5	54,761	0.00	0.0000	1.0000	59.34
74.5	54,694	7,898.00	0.1444	0.8556	59.34
75.5	37,954	3,365.00	0.0887	0.9113	50.77
76.5	24,616	11,831.00	0.4806	0.5194	46.27
77.5	11,458	1,544.00	0.1348	0.8653	24.03
78.5	7,755	1,846.00	0.2380	0.7620	20.79
79.5	4,267	366.00	0.0858	0.9142	15.84
80.5	1,793	234.00	0.1305	0.8695	14.48
81.5	-553	-4,823.00	8.7237	-7.7237	12.59
82.5	324	0.00	0.0000	1.0000	

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 2012
OBSERVED LIFE TABLE - ACCOUNT 356 OVERHEAD CONDUCTORS AND DEVICES**

Placement Band 1922 to 2012
Observation Band 1922 to 2012

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surviving at Beginning of Interval
83.5	187	0.00	0.0000	1.0000	
84.5	157	0.00	0.0000	1.0000	
85.5	115	0.00	0.0000	1.0000	
86.5	41	0.00	0.0000	1.0000	
87.5	25	0.00	0.0000	1.0000	
88.5	22	0.00	0.0000	1.0000	
89.5	12	0.00	0.0000	1.0000	
90.5	0	0.00	0.0000	0.0000	

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 2012
OBSERVED LIFE TABLE - ACCOUNT 357 UNDERGROUND CONDUIT**

Placement Band 1997 to 2012
Observation Band 1997 to 2012

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surviving at Beginning of Interval
0	11,590	0.00	0.0000	1.0000	100.00
0.5	11,590	0.00	0.0000	1.0000	100.00
1.5	11,590	0.00	0.0000	1.0000	100.00
2.5	11,590	0.00	0.0000	1.0000	100.00
3.5	11,590	0.00	0.0000	1.0000	100.00
4.5	11,590	0.00	0.0000	1.0000	100.00
5.5	11,590	0.00	0.0000	1.0000	100.00
6.5	11,590	0.00	0.0000	1.0000	100.00
7.5	11,590	0.00	0.0000	1.0000	100.00
8.5	11,590	0.00	0.0000	1.0000	100.00
9.5	11,590	0.00	0.0000	1.0000	100.00
10.5	11,590	0.00	0.0000	1.0000	100.00
11.5	11,590	0.00	0.0000	1.0000	100.00
12.5	11,590	0.00	0.0000	1.0000	100.00
13.5	11,590	0.00	0.0000	1.0000	100.00
14.5	11,590	0.00	0.0000	1.0000	100.00
15.5	0	0.00	0.0000	0.0000	100.00

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 2012
OBSERVED LIFE TABLE - ACCOUNT 358 UNDERGROUND CONDUCTOR AND DEVICES**

Placement Band 1983 to 2012
Observation Band 1983 to 2012

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surviving at Beginning of Interval
0	106,066	0.00	0.0000	1.0000	100.00
0.5	106,066	0.00	0.0000	1.0000	100.00
1.5	106,066	0.00	0.0000	1.0000	100.00
2.5	106,066	0.00	0.0000	1.0000	100.00
3.5	106,066	0.00	0.0000	1.0000	100.00
4.5	106,066	0.00	0.0000	1.0000	100.00
5.5	106,066	0.00	0.0000	1.0000	100.00
6.5	106,066	0.00	0.0000	1.0000	100.00
7.5	106,066	0.00	0.0000	1.0000	100.00
8.5	106,066	0.00	0.0000	1.0000	100.00
9.5	106,066	0.00	0.0000	1.0000	100.00
10.5	106,066	0.00	0.0000	1.0000	100.00
11.5	106,066	0.00	0.0000	1.0000	100.00
12.5	106,066	0.00	0.0000	1.0000	100.00
13.5	106,066	0.00	0.0000	1.0000	100.00
14.5	106,066	0.00	0.0000	1.0000	100.00
15.5	106,066	0.00	0.0000	1.0000	100.00
16.5	106,066	0.00	0.0000	1.0000	100.00
17.5	106,066	0.00	0.0000	1.0000	100.00
18.5	106,066	0.00	0.0000	1.0000	100.00
19.5	106,066	0.00	0.0000	1.0000	100.00
20.5	106,066	0.00	0.0000	1.0000	100.00
21.5	106,066	0.00	0.0000	1.0000	100.00
22.5	106,066	0.00	0.0000	1.0000	100.00
23.5	106,066	0.00	0.0000	1.0000	100.00
24.5	106,066	0.00	0.0000	1.0000	100.00
25.5	106,066	0.00	0.0000	1.0000	100.00
26.5	106,066	0.00	0.0000	1.0000	100.00
27.5	106,066	0.00	0.0000	1.0000	100.00
28.5	106,066	0.00	0.0000	1.0000	100.00
29.5	0	0.00	0.0000	0.0000	100.00

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
DEPRECIATION STUDY WORKPAPERS
TRANSMISSION PLANT
GENERATION ARRANGEMENT REPORT

KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2012

Account: KEPCO 101/6 350 Land Rights
Dispersion: 75.00, R4.0
Average Net Salvage Rate: 0.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2012	0.5	\$711,330.14	75.00	74.50	0.9933	1.0000	\$706,592.67	\$9,484.40
2011	1.5	\$104,111.27	75.00	73.50	0.9800	1.0000	\$102,031.11	\$1,388.15
2010	2.5	\$26,745.34	75.00	72.50	0.9667	1.0000	\$25,854.71	\$356.60
2009	3.5	\$218,150.58	75.00	71.50	0.9534	1.0000	\$207,982.26	\$2,908.67
2008	4.5	\$1,336,907.31	75.00	70.51	0.9401	1.0000	\$1,256,783.52	\$17,825.43
2007	5.5	\$2,274.15	75.00	69.51	0.9268	1.0000	\$2,107.60	\$30.32
2006	6.5	\$103,998.38	75.00	68.51	0.9135	1.0000	\$94,998.02	\$1,386.65
2005	7.5	\$92,305.72	75.00	67.51	0.9002	1.0000	\$83,089.89	\$1,230.74
2004	8.5	\$33,991.00	75.00	66.51	0.8869	1.0000	\$30,145.43	\$453.21
2003	9.5	-\$9,734.24	75.00	65.52	0.8736	1.0000	-\$8,503.68	-\$129.79
2002	10.5	\$6,166.71	75.00	64.52	0.8603	1.0000	\$5,305.28	\$82.22
2001	11.5	\$274,371.19	75.00	63.53	0.8470	1.0000	\$232,402.14	\$3,658.28
2000	12.5	\$321,568.93	75.00	62.53	0.8338	1.0000	\$268,115.24	\$4,287.59
1999	13.5	\$966,674.32	75.00	61.54	0.8205	1.0000	\$793,182.55	\$12,888.99
1998	14.5	\$1,280,236.00	75.00	60.55	0.8073	1.0000	\$1,033,527.22	\$17,069.81
1997	15.5	\$580,453.00	75.00	59.56	0.7941	1.0000	\$460,925.24	\$7,739.37
1996	16.5	\$126,373.00	75.00	58.57	0.7809	1.0000	\$98,681.05	\$1,684.97
1995	17.5	\$339,788.00	75.00	57.58	0.7677	1.0000	\$260,851.10	\$4,530.51
1994	18.5	\$321,828.00	75.00	56.59	0.7545	1.0000	\$242,823.90	\$4,291.04
1993	19.5	\$316,776.00	75.00	55.60	0.7414	1.0000	\$234,851.69	\$4,223.68
1992	20.5	\$75,805.00	75.00	54.62	0.7283	1.0000	\$55,205.83	\$1,010.73
1991	21.5	\$325,286.00	75.00	53.64	0.7152	1.0000	\$232,631.28	\$4,337.15
1990	22.5	\$104,145.00	75.00	52.66	0.7021	1.0000	\$73,121.25	\$1,388.60
1989	23.5	\$15,874.00	75.00	51.68	0.6891	1.0000	\$10,938.48	\$211.65
1988	24.5	\$3,265.00	75.00	50.71	0.6761	1.0000	\$2,207.39	\$43.53
1987	25.5	\$1,327.00	75.00	49.73	0.6631	1.0000	\$879.97	\$17.69
1986	26.5	\$82,584.00	75.00	48.77	0.6502	1.0000	\$53,697.76	\$1,101.12
1985	27.5	\$12,474,189.00	75.00	47.80	0.6373	1.0000	\$7,950,294.11	\$166,322.52
1984	28.5	\$294,262.00	75.00	46.84	0.6245	1.0000	\$183,775.72	\$3,923.49
1983	29.5	\$502,031.00	75.00	45.88	0.6118	1.0000	\$307,126.56	\$6,693.75
1982	30.5	\$148,856.00	75.00	44.93	0.5990	1.0000	\$89,171.74	\$1,984.75
1981	31.5	\$154,641.00	75.00	43.98	0.5864	1.0000	\$90,682.62	\$2,061.88
1980	32.5	\$259,692.00	75.00	43.04	0.5738	1.0000	\$149,018.05	\$3,462.56
1979	33.5	\$4,236,751.00	75.00	42.10	0.5613	1.0000	\$2,378,057.49	\$56,490.01
1975	37.5	\$38,729.00	75.00	38.40	0.5120	1.0000	\$19,829.90	\$516.39
		<u>\$25,871,751.80</u>	<u>75.00</u>	<u>51.39</u>	<u>0.6852</u>	<u>1.0000</u>	<u>\$17,728,385.09</u>	<u>\$344,956.66</u>

KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2012

Account: KEPCO 101/6 352 Structures & Improvements
Dispersion: 60.00, S3.0
Average Net Salvage Rate: 0.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2011	1.5	\$64,619.13	60.00	58.50	0.9750	1.0000	\$63,003.65	\$1,076.99
2010	2.5	\$34,796.58	60.00	57.50	0.9583	1.0000	\$33,346.72	\$579.94
2009	3.5	\$144,271.68	60.00	56.50	0.9417	1.0000	\$135,855.83	\$2,404.53
2008	4.5	\$141,133.32	60.00	55.50	0.9250	1.0000	\$130,548.32	\$2,352.22
2007	5.5	\$7,094.25	60.00	54.50	0.9083	1.0000	\$6,443.94	\$118.24
2005	7.5	\$66,214.95	60.00	52.50	0.8750	1.0000	\$57,938.08	\$1,103.58
2002	10.5	\$806,045.35	60.00	49.50	0.8250	1.0000	\$664,997.62	\$13,434.09
2001	11.5	\$701.17	60.00	48.50	0.8084	1.0000	\$566.80	\$11.69
2000	12.5	\$84,281.38	60.00	47.50	0.7917	1.0000	\$66,725.99	\$1,404.69
1999	13.5	\$16,180.15	60.00	46.50	0.7751	1.0000	\$12,540.66	\$269.67
1998	14.5	\$58,660.00	60.00	45.51	0.7584	1.0000	\$44,490.61	\$977.67
1997	15.5	\$203,592.01	60.00	44.51	0.7418	1.0000	\$151,033.15	\$3,393.20
1996	16.5	\$118,501.94	60.00	43.52	0.7253	1.0000	\$85,945.87	\$1,975.03
1995	17.5	\$111,414.67	60.00	42.52	0.7087	1.0000	\$78,963.69	\$1,856.91
1994	18.5	\$49,187.00	60.00	41.53	0.6922	1.0000	\$34,049.31	\$819.78
1993	19.5	\$366,006.90	60.00	40.55	0.6758	1.0000	\$247,346.26	\$6,100.12
1992	20.5	\$113,918.00	60.00	39.57	0.6594	1.0000	\$75,122.95	\$1,898.63
1991	21.5	\$45,070.00	60.00	38.59	0.6432	1.0000	\$28,987.24	\$751.17
1990	22.5	\$65,795.00	60.00	37.62	0.6270	1.0000	\$41,250.67	\$1,096.58
1989	23.5	\$1,510.00	60.00	36.65	0.6109	1.0000	\$922.47	\$25.17
1988	24.5	\$5,196.00	60.00	35.70	0.5950	1.0000	\$3,091.41	\$86.60
1987	25.5	\$14,460.00	60.00	34.75	0.5791	1.0000	\$8,374.37	\$241.00
1986	26.5	\$156,377.00	60.00	33.81	0.5635	1.0000	\$88,124.95	\$2,606.28
1985	27.5	\$101,850.00	60.00	32.88	0.5481	1.0000	\$55,821.51	\$1,697.50
1984	28.5	\$115,579.00	60.00	31.97	0.5328	1.0000	\$61,579.64	\$1,926.32
1983	29.5	\$52,326.00	60.00	31.07	0.5178	1.0000	\$27,094.53	\$872.10
1982	30.5	\$194,476.68	60.00	30.18	0.5030	1.0000	\$97,817.21	\$3,241.28
1981	31.5	\$1,642,115.00	60.00	29.30	0.4884	1.0000	\$801,965.98	\$27,368.58
1980	32.5	\$98,952.76	60.00	28.45	0.4741	1.0000	\$46,915.87	\$1,649.21
1979	33.5	\$3,140.00	60.00	27.60	0.4601	1.0000	\$1,444.61	\$52.33
1978	34.5	\$125.00	60.00	26.78	0.4463	1.0000	\$55.79	\$2.08
1977	35.5	\$158,624.39	60.00	25.97	0.4329	1.0000	\$68,665.99	\$2,643.74
1976	36.5	\$87,539.00	60.00	25.18	0.4197	1.0000	\$36,740.28	\$1,458.98
1975	37.5	\$11,010.17	60.00	24.41	0.4068	1.0000	\$4,479.09	\$183.50
1974	38.5	\$1,154,345.00	60.00	23.66	0.3943	1.0000	\$455,207.74	\$19,239.08
1973	39.5	\$46,882.77	60.00	22.93	0.3821	1.0000	\$17,913.94	\$781.38
1971	41.5	\$11,105.00	60.00	21.52	0.3586	1.0000	\$3,982.80	\$185.08
1970	42.5	\$50,620.00	60.00	20.84	0.3474	1.0000	\$17,583.81	\$843.67
1969	43.5	\$1,252.00	60.00	20.18	0.3364	1.0000	\$421.16	\$20.87
1968	44.5	\$31,848.69	60.00	19.55	0.3258	1.0000	\$10,377.56	\$530.81
1967	45.5	\$21,588.91	60.00	18.93	0.3155	1.0000	\$6,811.62	\$359.82
1966	46.5	\$29,924.00	60.00	18.33	0.3055	1.0000	\$9,141.23	\$498.73
1965	47.5	\$297.00	60.00	17.75	0.2959	1.0000	\$87.87	\$4.95
1964	48.5	\$8,446.00	60.00	17.19	0.2864	1.0000	\$2,419.26	\$140.77
1963	49.5	\$16,589.00	60.00	16.64	0.2773	1.0000	\$4,600.30	\$276.48
1962	50.5	\$6,972.00	60.00	16.11	0.2685	1.0000	\$1,872.30	\$116.20
1961	51.5	\$121.00	60.00	15.60	0.2600	1.0000	\$31.46	\$2.02
1960	52.5	\$2,917.00	60.00	15.10	0.2517	1.0000	\$734.24	\$48.62
1959	53.5	\$1,799.00	60.00	14.62	0.2437	1.0000	\$438.50	\$29.98
1958	54.5	\$4,414.00	60.00	14.16	0.2360	1.0000	\$1,041.67	\$73.57

**KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2012**

Account: KEPCO 101/6 352 Structures & Improvements
Dispersion: 60.00, S3.0
Average Net Salvage Rate: 0.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1957	55.5	\$579.00	60.00	13.71	0.2285	1.0000	\$132.29	\$9.65
1956	56.5	\$381.00	60.00	13.27	0.2212	1.0000	\$84.29	\$6.35
1955	57.5	\$516.00	60.00	12.85	0.2142	1.0000	\$110.53	\$8.60
1954	58.5	\$38,794.00	60.00	12.44	0.2074	1.0000	\$8,045.96	\$646.57
1953	59.5	\$711.00	60.00	12.05	0.2008	1.0000	\$142.78	\$11.85
1952	60.5	\$92.00	60.00	11.67	0.1944	1.0000	\$17.89	\$1.53
1951	61.5	\$8,401.00	60.00	11.29	0.1882	1.0000	\$1,581.39	\$140.02
1946	66.5	\$152.00	60.00	9.60	0.1600	1.0000	\$24.33	\$2.53
1944	68.5	\$2,137.00	60.00	8.99	0.1499	1.0000	\$320.30	\$35.62
1943	69.5	\$5,740.09	60.00	8.70	0.1451	1.0000	\$832.63	\$95.67
1942	70.5	\$7,335.00	60.00	8.42	0.1404	1.0000	\$1,029.76	\$122.25
1940	72.5	\$1,616.00	60.00	7.88	0.1313	1.0000	\$212.18	\$26.93
		<u>\$6,596,339.94</u>	<u>60.00</u>	<u>34.63</u>	<u>0.5772</u>	<u>1.0000</u>	<u>\$3,807,450.85</u>	<u>\$109,939.00</u>

**KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2012**

Account: KEPCO 101/6 353 Station Equipment
Dispersion: 47.00, L1.5
Average Net Salvage Rate: -8.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2012	0.5	\$7,311,253.09	47.00	46.51	1.0688	1.0000	\$7,814,595.64	\$168,003.26
2011	1.5	\$8,837,186.25	47.00	45.55	1.0467	1.0000	\$9,249,617.46	\$203,067.26
2010	2.5	\$5,868,817.53	47.00	44.59	1.0247	1.0000	\$6,013,876.28	\$134,857.93
2009	3.5	\$4,640,907.99	47.00	43.65	1.0030	1.0000	\$4,654,967.38	\$106,642.14
2008	4.5	\$13,874,050.10	47.00	42.72	0.9816	1.0000	\$13,618,826.96	\$318,807.96
2007	5.5	\$1,688,108.49	47.00	41.80	0.9606	1.0000	\$1,621,535.26	\$38,790.58
2006	6.5	\$10,120,704.27	47.00	40.90	0.9399	1.0000	\$9,512,445.08	\$232,560.86
2005	7.5	\$2,123,194.14	47.00	40.02	0.9196	1.0000	\$1,952,521.02	\$48,788.29
2004	8.5	\$2,857,419.78	47.00	39.16	0.8997	1.0000	\$2,570,958.30	\$65,659.86
2003	9.5	\$3,568,871.81	47.00	38.31	0.8803	1.0000	\$3,141,675.07	\$82,008.12
2002	10.5	\$3,085,096.75	47.00	37.48	0.8613	1.0000	\$2,657,164.81	\$70,891.58
2001	11.5	\$3,554,178.61	47.00	36.67	0.8427	1.0000	\$2,995,151.49	\$81,670.49
2000	12.5	\$2,424,659.18	47.00	35.88	0.8245	1.0000	\$1,999,199.78	\$55,715.57
1999	13.5	\$1,477,258.74	47.00	35.11	0.8068	1.0000	\$1,191,917.33	\$33,945.52
1998	14.5	\$9,545,308.88	47.00	34.36	0.7896	1.0000	\$7,536,965.01	\$219,339.01
1997	15.5	\$36,732,651.49	47.00	33.63	0.7728	1.0000	\$28,385,771.62	\$844,069.44
1996	16.5	\$2,425,114.94	47.00	32.92	0.7564	1.0000	\$1,834,300.49	\$55,726.05
1995	17.5	\$803,434.42	47.00	32.22	0.7405	1.0000	\$594,903.68	\$18,461.90
1994	18.5	\$2,039,033.75	47.00	31.55	0.7250	1.0000	\$1,478,350.46	\$46,854.39
1993	19.5	\$5,235,484.53	47.00	30.90	0.7101	1.0000	\$3,717,871.32	\$120,304.75
1992	20.5	\$1,908,780.99	47.00	30.28	0.6957	1.0000	\$1,328,013.06	\$43,861.35
1991	21.5	\$3,776,419.69	47.00	29.68	0.6820	1.0000	\$2,575,432.77	\$86,777.30
1990	22.5	\$2,724,987.39	47.00	29.11	0.6688	1.0000	\$1,822,463.53	\$62,616.73
1989	23.5	\$1,170,902.44	47.00	28.56	0.6562	1.0000	\$768,342.78	\$26,905.84
1988	24.5	\$513,579.86	47.00	28.03	0.6441	1.0000	\$330,821.15	\$11,801.41
1987	25.5	\$1,769,350.16	47.00	27.53	0.6326	1.0000	\$1,119,365.43	\$40,657.41
1986	26.5	\$494,865.00	47.00	27.05	0.6216	1.0000	\$307,632.02	\$11,371.37
1985	27.5	\$740,643.50	47.00	26.59	0.6111	1.0000	\$452,602.19	\$17,019.04
1984	28.5	\$1,215,901.00	47.00	26.16	0.6010	1.0000	\$730,792.09	\$27,939.85
1983	29.5	\$836,029.12	47.00	25.74	0.5914	1.0000	\$494,402.49	\$19,210.88
1982	30.5	\$1,435,882.66	47.00	25.33	0.5821	1.0000	\$835,807.07	\$32,994.75
1981	31.5	\$7,177,120.40	47.00	24.94	0.5732	1.0000	\$4,113,665.15	\$164,921.06
1980	32.5	\$5,214,439.81	47.00	24.57	0.5646	1.0000	\$2,944,004.01	\$119,821.17
1979	33.5	\$819,970.57	47.00	24.21	0.5563	1.0000	\$456,163.78	\$18,841.88
1978	34.5	\$45,938.69	47.00	23.86	0.5483	1.0000	\$25,189.63	\$1,055.61
1977	35.5	\$1,892,109.62	47.00	23.53	0.5406	1.0000	\$1,022,907.44	\$43,478.26
1976	36.5	\$1,090,858.79	47.00	23.20	0.5331	1.0000	\$581,574.41	\$25,066.54
1975	37.5	\$763,727.00	47.00	22.89	0.5259	1.0000	\$401,624.56	\$17,549.47
1974	38.5	\$1,026,909.39	47.00	22.58	0.5188	1.0000	\$532,767.84	\$23,597.07
1973	39.5	\$139,431.81	47.00	22.28	0.5119	1.0000	\$71,375.38	\$3,203.96
1972	40.5	\$214,746.46	47.00	21.98	0.5052	1.0000	\$108,480.56	\$4,934.60
1971	41.5	\$188,515.77	47.00	21.70	0.4985	1.0000	\$93,980.76	\$4,331.85
1970	42.5	\$686,355.27	47.00	21.41	0.4920	1.0000	\$337,703.69	\$15,771.57
1969	43.5	\$3,886,116.64	47.00	21.13	0.4856	1.0000	\$1,887,257.66	\$89,298.00
1968	44.5	\$59,331.25	47.00	20.86	0.4793	1.0000	\$28,437.18	\$1,363.36
1967	45.5	\$238,923.08	47.00	20.59	0.4730	1.0000	\$113,016.76	\$5,490.15
1966	46.5	\$5,843.00	47.00	20.31	0.4668	1.0000	\$2,727.53	\$134.26
1965	47.5	\$96,195.62	47.00	20.05	0.4606	1.0000	\$44,311.28	\$2,210.45
1964	48.5	\$676.51	47.00	19.78	0.4545	1.0000	\$307.47	\$15.55
1963	49.5	\$498,521.98	47.00	19.51	0.4484	1.0000	\$223,533.98	\$11,455.40
1962	50.5	\$5,906.00	47.00	19.25	0.4423	1.0000	\$2,612.32	\$135.71
1961	51.5	\$347.00	47.00	18.99	0.4363	1.0000	\$151.39	\$7.97
1960	52.5	\$25,383.97	47.00	18.72	0.4302	1.0000	\$10,921.37	\$583.29
1959	53.5	\$36,230.10	47.00	18.46	0.4242	1.0000	\$15,368.66	\$832.52

**KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2012**

Account: KEPCO 101/6 353 Station Equipment
Dispersion: 47.00, L1.5
Average Net Salvage Rate: -8.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1958	54.5	\$577.00	47.00	18.20	0.4182	1.0000	\$241.29	\$13.26
1957	55.5	\$8,980.51	47.00	17.94	0.4122	1.0000	\$3,701.46	\$206.36
1955	57.5	\$897.00	47.00	17.42	0.4002	1.0000	\$358.98	\$20.61
1954	58.5	\$225,897.18	47.00	17.16	0.3942	1.0000	\$89,057.69	\$5,190.83
1953	59.5	\$7,575.00	47.00	16.90	0.3884	1.0000	\$2,941.76	\$174.06
		\$169,157,601.97	47.00	35.10	0.8065	1.0000	\$136,422,673.01	\$3,887,025.71

KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2012

Account: KEPCO 101/6 354 Towers and Fixtures
Dispersion: 51.00, S6.0
Average Net Salvage Rate: -10.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2012	0.5	\$32,242.53	51.00	50.50	1.0892	1.0000	\$35,119.07	\$695.43
2010	2.5	\$25,064.32	51.00	48.50	1.0461	1.0000	\$26,219.24	\$540.60
2009	3.5	\$143,608.46	51.00	47.50	1.0245	1.0000	\$147,128.28	\$3,097.44
2008	4.5	\$2,729,280.33	51.00	46.50	1.0029	1.0000	\$2,737,307.63	\$58,866.83
2005	7.5	\$15,994.76	51.00	43.50	0.9382	1.0000	\$15,006.85	\$344.99
2004	8.5	\$5,427.07	51.00	42.50	0.9167	1.0000	\$4,974.81	\$117.05
2003	9.5	\$27,409.81	51.00	41.50	0.8951	1.0000	\$24,534.47	\$591.19
2002	10.5	\$95,958.05	51.00	40.50	0.8735	1.0000	\$83,822.18	\$2,069.68
2001	11.5	\$996,943.17	51.00	39.50	0.8520	1.0000	\$849,356.49	\$21,502.70
2000	12.5	\$655,916.69	51.00	38.50	0.8304	1.0000	\$544,668.08	\$14,147.22
1999	13.5	\$4,762,031.83	51.00	37.50	0.8088	1.0000	\$3,851,643.39	\$102,710.49
1998	14.5	\$6,746,563.09	51.00	36.50	0.7873	1.0000	\$5,311,264.87	\$145,514.11
1997	15.5	\$858,626.02	51.00	35.50	0.7657	1.0000	\$657,438.16	\$18,519.38
1996	16.5	\$362,877.96	51.00	34.50	0.7441	1.0000	\$270,023.89	\$7,826.78
1995	17.5	\$315,029.94	51.00	33.50	0.7225	1.0000	\$227,624.57	\$6,794.76
1993	19.5	\$182,315.05	51.00	31.50	0.6794	1.0000	\$123,866.99	\$3,932.29
1992	20.5	\$41,053.59	51.00	30.50	0.6578	1.0000	\$27,006.82	\$885.47
1991	21.5	\$15.50	51.00	29.50	0.6363	1.0000	\$9.86	\$0.33
1990	22.5	\$426,991.71	51.00	28.50	0.6147	1.0000	\$262,474.32	\$9,209.63
1986	26.5	\$781,626.00	51.00	24.50	0.5284	1.0000	\$413,035.70	\$16,858.60
1985	27.5	\$59,774,979.03	51.00	23.50	0.5069	1.0000	\$30,297,709.97	\$1,289,264.25
1984	28.5	\$177,465.36	51.00	22.50	0.4853	1.0000	\$86,122.90	\$3,827.68
1982	30.5	\$273,198.32	51.00	20.50	0.4422	1.0000	\$120,796.51	\$5,892.51
1978	34.5	\$81,275.26	51.00	16.50	0.3559	1.0000	\$28,924.33	\$1,753.00
1977	35.5	\$28,568.12	51.00	15.50	0.3343	1.0000	\$9,550.87	\$616.18
1976	36.5	\$158,204.90	51.00	14.50	0.3128	1.0000	\$49,479.82	\$3,412.26
1975	37.5	\$72,612.82	51.00	13.50	0.2912	1.0000	\$21,145.84	\$1,566.16
1974	38.5	\$20,335.28	51.00	12.51	0.2697	1.0000	\$5,485.18	\$438.60
1973	39.5	\$112,593.47	51.00	11.51	0.2484	1.0000	\$27,963.59	\$2,428.49
1972	40.5	\$8,426,935.44	51.00	10.53	0.2272	1.0000	\$1,914,531.55	\$181,757.43
1971	41.5	\$25,941.35	51.00	9.57	0.2064	1.0000	\$5,354.06	\$559.52
1970	42.5	\$3,975,437.33	51.00	8.63	0.1862	1.0000	\$740,128.36	\$85,744.73
1968	44.5	\$731,832.77	51.00	6.89	0.1486	1.0000	\$108,716.40	\$15,784.63
1967	45.5	\$341,386.74	51.00	6.10	0.1317	1.0000	\$44,947.94	\$7,363.24
1966	46.5	\$16,704.07	51.00	5.39	0.1163	1.0000	\$1,942.85	\$360.28
1965	47.5	\$367,097.33	51.00	4.76	0.1026	1.0000	\$37,657.20	\$7,917.79
1964	48.5	\$71,921.01	51.00	4.19	0.0905	1.0000	\$6,507.02	\$1,551.24
1963	49.5	\$442,203.36	51.00	3.71	0.0799	1.0000	\$35,339.18	\$9,537.72
1962	50.5	\$63,689.39	51.00	3.28	0.0708	1.0000	\$4,507.78	\$1,373.69
1961	51.5	\$102.16	51.00	2.92	0.0629	1.0000	\$6.43	\$2.20
1959	53.5	\$97,447.49	51.00	2.33	0.0503	1.0000	\$4,903.77	\$2,101.81
1958	54.5	\$1,703.47	51.00	2.10	0.0453	1.0000	\$77.19	\$36.74
1956	56.5	\$674.39	51.00	1.73	0.0372	1.0000	\$25.11	\$14.55
1954	58.5	\$1,671.87	51.00	1.44	0.0311	1.0000	\$52.05	\$36.06
1944	68.5	-\$0.50	51.00	0.00	0.0000	0.0000	\$0.00	\$0.00
		\$94,468,956.11	51.00	24.13	0.5204	1.0000	\$49,164,401.57	\$2,037,565.73

KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2012

Account: KEPCO 101/6 355 Poles and Fixtures
Dispersion: 43.00, L3.0
Average Net Salvage Rate: -59.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2012	0.5	\$10,712,005.50	43.00	42.50	1.5715	1.0000	\$16,834,041.18	\$396,095.09
2011	1.5	\$8,710,981.50	43.00	41.50	1.5345	1.0000	\$13,367,304.97	\$322,103.73
2010	2.5	\$1,601,617.50	43.00	40.50	1.4976	1.0000	\$2,398,515.32	\$59,222.60
2009	3.5	\$1,553,679.50	43.00	39.50	1.4606	1.0000	\$2,269,275.37	\$57,450.01
2008	4.5	\$7,981,858.50	43.00	38.50	1.4236	1.0000	\$11,363,064.40	\$295,143.14
2007	5.5	\$547,335.50	43.00	37.50	1.3867	1.0000	\$758,982.79	\$20,238.68
2006	6.5	\$1,905,171.50	43.00	36.51	1.3499	1.0000	\$2,571,709.40	\$70,447.04
2005	7.5	\$1,400,726.50	43.00	35.51	1.3132	1.0000	\$1,839,393.35	\$51,794.31
2004	8.5	\$1,450,693.50	43.00	34.53	1.2767	1.0000	\$1,852,055.98	\$53,641.92
2003	9.5	\$725,787.50	43.00	33.55	1.2405	1.0000	\$900,307.16	\$26,837.26
2002	10.5	\$2,112,728.50	43.00	32.57	1.2045	1.0000	\$2,544,798.01	\$78,121.82
2001	11.5	\$2,292,356.50	43.00	31.61	1.1689	1.0000	\$2,679,490.68	\$84,763.88
2000	12.5	\$2,016,435.06	43.00	30.66	1.1336	1.0000	\$2,285,902.89	\$74,561.20
1999	13.5	\$7,256,759.93	43.00	29.72	1.0988	1.0000	\$7,973,568.07	\$268,331.36
1998	14.5	\$229,123.57	43.00	28.78	1.0643	1.0000	\$243,852.28	\$8,472.24
1997	15.5	\$2,184,292.02	43.00	27.86	1.0303	1.0000	\$2,250,399.62	\$80,768.01
1996	16.5	\$956,439.64	43.00	26.95	0.9967	1.0000	\$953,253.38	\$35,366.02
1995	17.5	\$494,863.77	43.00	26.06	0.9635	1.0000	\$476,795.82	\$18,298.45
1994	18.5	\$2,799,778.01	43.00	25.17	0.9309	1.0000	\$2,606,241.96	\$103,526.68
1993	19.5	\$1,975,454.89	43.00	24.31	0.8988	1.0000	\$1,775,554.86	\$73,045.89
1992	20.5	\$1,920,508.52	43.00	23.46	0.8673	1.0000	\$1,665,659.66	\$71,014.15
1991	21.5	\$1,180,053.33	43.00	22.63	0.8366	1.0000	\$987,231.40	\$43,634.53
1990	22.5	\$362,353.58	43.00	21.82	0.8067	1.0000	\$292,319.19	\$13,398.66
1989	23.5	\$497,686.65	43.00	21.03	0.7777	1.0000	\$387,050.94	\$18,402.83
1988	24.5	\$468,326.37	43.00	20.28	0.7499	1.0000	\$351,200.11	\$17,317.18
1987	25.5	\$192,187.12	43.00	19.56	0.7233	1.0000	\$139,010.35	\$7,106.45
1986	26.5	\$673,539.74	43.00	18.87	0.6979	1.0000	\$470,052.57	\$24,905.31
1985	27.5	\$254,383.35	43.00	18.23	0.6741	1.0000	\$171,473.06	\$9,406.27
1984	28.5	\$112,120.19	43.00	17.63	0.6517	1.0000	\$73,072.63	\$4,145.84
1983	29.5	\$400,264.68	43.00	17.06	0.6308	1.0000	\$252,480.98	\$14,800.48
1982	30.5	\$980,679.13	43.00	16.54	0.6116	1.0000	\$599,782.44	\$36,262.32
1981	31.5	\$663,400.48	43.00	16.06	0.5939	1.0000	\$394,025.17	\$24,530.39
1980	32.5	\$747,546.21	43.00	15.62	0.5777	1.0000	\$431,865.04	\$27,641.82
1979	33.5	\$121,058.13	43.00	15.23	0.5631	1.0000	\$68,168.08	\$4,476.34
1978	34.5	\$284,443.78	43.00	14.87	0.5499	1.0000	\$156,408.25	\$10,517.80
1977	35.5	\$252,368.68	43.00	14.55	0.5379	1.0000	\$135,750.78	\$9,331.77
1976	36.5	\$299,959.73	43.00	14.26	0.5272	1.0000	\$158,139.31	\$11,091.53
1975	37.5	\$253,295.70	43.00	14.00	0.5176	1.0000	\$131,097.57	\$9,366.05
1974	38.5	\$198,670.99	43.00	13.76	0.5089	1.0000	\$101,104.09	\$7,346.21
1973	39.5	\$68,695.06	43.00	13.55	0.5010	1.0000	\$34,416.70	\$2,540.12
1972	40.5	\$79,460.80	43.00	13.35	0.4937	1.0000	\$39,233.42	\$2,938.20
1971	41.5	\$116,731.80	43.00	13.17	0.4871	1.0000	\$56,860.63	\$4,316.36
1970	42.5	\$2,399.93	43.00	13.00	0.4807	1.0000	\$1,153.58	\$88.74
1969	43.5	\$141,302.25	43.00	12.83	0.4745	1.0000	\$67,041.08	\$5,224.90
1968	44.5	\$97,929.20	43.00	12.66	0.4683	1.0000	\$45,860.98	\$3,621.10
1967	45.5	\$162,336.86	43.00	12.50	0.4622	1.0000	\$75,033.51	\$6,002.69
1966	46.5	\$234,860.57	43.00	12.33	0.4558	1.0000	\$107,051.94	\$8,684.38
1965	47.5	\$191,774.78	43.00	12.15	0.4492	1.0000	\$86,144.63	\$7,091.21
1964	48.5	\$35,640.15	43.00	11.96	0.4424	1.0000	\$15,766.73	\$1,317.86
1963	49.5	\$11,436.67	43.00	11.77	0.4351	1.0000	\$4,975.80	\$422.89
1962	50.5	\$22,326.15	43.00	11.56	0.4274	1.0000	\$9,542.75	\$825.55
1961	51.5	\$13,271.98	43.00	11.35	0.4195	1.0000	\$5,568.05	\$490.75
1960	52.5	\$18,717.50	43.00	11.12	0.4111	1.0000	\$7,695.53	\$692.11
1959	53.5	\$15,731.88	43.00	10.88	0.4025	1.0000	\$6,331.50	\$581.71

**KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2012**

Account: KEPCO 101/6 355 Poles and Fixtures
Dispersion: 43.00, L3.0
Average Net Salvage Rate: -59.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1958	54.5	\$6,362.45	43.00	10.65	0.3936	1.0000	\$2,504.38	\$235.26
1957	55.5	\$2,277.50	43.00	10.40	0.3844	1.0000	\$875.48	\$84.21
1956	56.5	\$9,246.70	43.00	10.14	0.3750	1.0000	\$3,467.84	\$341.91
1955	57.5	\$1,826.02	43.00	9.89	0.3657	1.0000	\$667.69	\$67.52
1954	58.5	\$24,002.92	43.00	9.63	0.3560	1.0000	\$8,545.70	\$887.55
1953	59.5	\$8,287.88	43.00	9.37	0.3464	1.0000	\$2,870.80	\$306.46
1952	60.5	\$1,159.94	43.00	9.11	0.3368	1.0000	\$390.70	\$42.89
1951	61.5	\$510.97	43.00	8.85	0.3272	1.0000	\$167.18	\$18.89
1950	62.5	\$309.93	43.00	8.59	0.3176	1.0000	\$98.43	\$11.46
1949	63.5	\$1,638.37	43.00	8.33	0.3082	1.0000	\$504.90	\$60.58
1948	64.5	\$262.14	43.00	8.08	0.2987	1.0000	\$78.30	\$9.69
1947	65.5	\$66.80	43.00	7.82	0.2893	1.0000	\$19.33	\$2.47
1946	66.5	\$105.33	43.00	7.58	0.2802	1.0000	\$29.52	\$3.89
1945	67.5	\$799.06	43.00	7.33	0.2710	1.0000	\$216.57	\$29.55
1944	68.5	\$4,651.28	43.00	7.08	0.2620	1.0000	\$1,218.49	\$171.99
1942	70.5	\$8,018.40	43.00	6.61	0.2443	1.0000	\$1,959.16	\$296.49
1941	71.5	\$87.55	43.00	6.37	0.2356	1.0000	\$20.63	\$3.24
1938	74.5	\$3,357.70	43.00	5.68	0.2102	1.0000	\$705.76	\$124.16
		<u>\$70,056,521.77</u>	<u>43.00</u>	<u>33.00</u>	<u>1.2204</u>	<u>1.0000</u>	<u>\$85,497,416.80</u>	<u>\$2,590,462.04</u>

KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2012

Account: KEPCO 101/6 356 Overhead Conductor & Devices
Dispersion: 50.00, S6.0
Average Net Salvage Rate: -27.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2012	0.5	\$5,426,387.50	50.00	49.50	1.2573	1.0000	\$6,822,597.00	\$137,830.24
2011	1.5	\$4,336,574.50	50.00	48.50	1.2319	1.0000	\$5,342,226.13	\$110,148.99
2010	2.5	\$1,016,717.50	50.00	47.50	1.2065	1.0000	\$1,226,669.66	\$25,824.62
2009	3.5	\$816,705.50	50.00	46.50	1.1811	1.0000	\$964,610.87	\$20,744.32
2008	4.5	\$7,753,817.50	50.00	45.50	1.1557	1.0000	\$8,961,086.88	\$196,946.96
2007	5.5	\$388,254.50	50.00	44.50	1.1303	1.0000	\$438,844.06	\$9,861.66
2006	6.5	\$278,715.50	50.00	43.50	1.1049	1.0000	\$307,952.76	\$7,079.37
2005	7.5	\$743,702.50	50.00	42.50	1.0795	1.0000	\$802,826.85	\$18,890.04
2004	8.5	\$244,994.50	50.00	41.50	1.0541	1.0000	\$258,248.70	\$6,222.86
2003	9.5	\$653,964.50	50.00	40.50	1.0287	1.0000	\$672,733.28	\$16,610.70
2002	10.5	\$422,998.50	50.00	39.50	1.0033	1.0000	\$424,394.40	\$10,744.16
2001	11.5	\$992,260.50	50.00	38.50	0.9779	1.0000	\$970,331.54	\$25,203.42
2000	12.5	\$1,907,562.50	50.00	37.50	0.9525	1.0000	\$1,816,953.28	\$48,452.09
1999	13.5	\$11,988,857.50	50.00	36.50	0.9271	1.0000	\$11,114,869.79	\$304,516.98
1998	14.5	\$4,961,737.50	50.00	35.50	0.9017	1.0000	\$4,473,998.70	\$126,028.13
1997	15.5	\$712,207.50	50.00	34.50	0.8763	1.0000	\$624,107.43	\$18,090.07
1996	16.5	\$1,377,964.50	50.00	33.50	0.8509	1.0000	\$1,172,509.99	\$35,000.30
1995	17.5	\$1,023,703.50	50.00	32.50	0.8255	1.0000	\$845,067.24	\$26,002.07
1994	18.5	\$3,258,061.50	50.00	31.50	0.8001	1.0000	\$2,606,775.01	\$82,754.76
1993	19.5	\$1,695,512.50	50.00	30.50	0.7747	1.0000	\$1,313,513.53	\$43,066.02
1992	20.5	\$2,234,318.50	50.00	29.50	0.7493	1.0000	\$1,674,174.85	\$56,751.69
1991	21.5	\$697,545.50	50.00	28.50	0.7239	1.0000	\$504,953.19	\$17,717.66
1990	22.5	\$430,845.50	50.00	27.50	0.6985	1.0000	\$300,945.58	\$10,943.48
1989	23.5	\$273,872.50	50.00	26.50	0.6731	1.0000	\$184,343.58	\$6,956.36
1988	24.5	\$187,297.50	50.00	25.50	0.6477	1.0000	\$121,312.59	\$4,757.36
1987	25.5	\$131,020.50	50.00	24.50	0.6223	1.0000	\$81,534.06	\$3,327.92
1986	26.5	\$838,491.50	50.00	23.50	0.5969	1.0000	\$500,495.58	\$21,297.68
1985	27.5	\$46,009,402.50	50.00	22.50	0.5715	1.0000	\$26,294,373.53	\$1,168,638.82
1984	28.5	\$171,899.50	50.00	21.50	0.5461	1.0000	\$93,874.32	\$4,366.25
1983	29.5	\$42,428.50	50.00	20.50	0.5207	1.0000	\$22,092.52	\$1,077.68
1982	30.5	\$1,827,109.50	50.00	19.50	0.4953	1.0000	\$904,967.34	\$46,408.58
1981	31.5	\$694,030.50	50.00	18.50	0.4699	1.0000	\$326,124.93	\$17,628.37
1980	32.5	\$452,257.50	50.00	17.50	0.4445	1.0000	\$201,028.46	\$11,487.34
1979	33.5	\$91,746.50	50.00	16.50	0.4191	1.0000	\$38,450.96	\$2,330.36
1978	34.5	\$2,009,798.50	50.00	15.50	0.3937	1.0000	\$791,265.84	\$51,048.88
1977	35.5	\$512,195.50	50.00	14.50	0.3683	1.0000	\$188,647.59	\$13,009.77
1976	36.5	\$229,904.50	50.00	13.50	0.3429	1.0000	\$78,843.48	\$5,839.57
1975	37.5	\$299,105.50	50.00	12.50	0.3176	1.0000	\$95,000.73	\$7,597.28
1974	38.5	\$44,958.50	50.00	11.51	0.2924	1.0000	\$13,145.69	\$1,141.95
1973	39.5	\$72,762.50	50.00	10.53	0.2674	1.0000	\$19,456.28	\$1,848.17
1972	40.5	\$158,182.50	50.00	9.56	0.2428	1.0000	\$38,404.03	\$4,017.84
1971	41.5	\$1,144,131.50	50.00	8.61	0.2188	1.0000	\$250,358.06	\$29,060.94
1970	42.5	\$8,258,592.50	50.00	7.71	0.1958	1.0000	\$1,617,163.22	\$209,768.25
1969	43.5	\$306,367.50	50.00	6.85	0.1741	1.0000	\$53,340.99	\$7,781.73
1968	44.5	\$1,214,668.50	50.00	6.06	0.1540	1.0000	\$187,066.68	\$30,852.58
1967	45.5	\$596,158.55	50.00	5.34	0.1357	1.0000	\$80,923.25	\$15,142.43
1966	46.5	\$209,541.37	50.00	4.70	0.1194	1.0000	\$25,025.53	\$5,322.35
1965	47.5	\$605,829.77	50.00	4.14	0.1051	1.0000	\$63,659.71	\$15,388.08
1964	48.5	\$235,242.40	50.00	3.65	0.0926	1.0000	\$21,783.21	\$5,975.16
1963	49.5	\$309,173.60	50.00	3.22	0.0818	1.0000	\$25,300.99	\$7,853.01
1962	50.5	\$56,675.70	50.00	2.86	0.0726	1.0000	\$4,114.29	\$1,439.56
1961	51.5	\$13,434.50	50.00	2.55	0.0647	1.0000	\$868.95	\$341.24
1960	52.5	\$9,467.49	50.00	2.28	0.0579	1.0000	\$548.20	\$240.47
1959	53.5	\$39,354.69	50.00	2.05	0.0521	1.0000	\$2,049.83	\$999.61

**KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2012**

Account: KEPCO 101/6 356 Overhead Conductor & Devices
Dispersion: 50.00, S6.0
Average Net Salvage Rate: -27.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1958	54.5	\$46,223.43	50.00	1.85	0.0471	1.0000	\$2,176.09	\$1,174.08
1957	55.5	\$760.05	50.00	1.68	0.0427	1.0000	\$32.49	\$19.31
1956	56.5	\$1,896.33	50.00	1.53	0.0390	1.0000	\$73.93	\$48.17
1955	57.5	\$107.44	50.00	1.41	0.0357	1.0000	\$3.84	\$2.73
1954	58.5	\$4,008.02	50.00	1.29	0.0328	1.0000	\$131.55	\$101.80
1953	59.5	\$375.90	50.00	1.19	0.0303	1.0000	\$11.38	\$9.55
1952	60.5	\$38.28	50.00	1.10	0.0280	1.0000	\$1.07	\$0.97
1951	61.5	\$13.60	50.00	1.02	0.0259	1.0000	\$0.35	\$0.35
1950	62.5	\$2.02	50.00	0.94	0.0239	1.0000	\$0.05	\$0.05
1949	63.5	\$6.97	50.00	0.85	0.0215	1.0000	\$0.15	\$0.18
1948	64.5	\$0.52	50.00	0.69	0.0175	1.0000	\$0.01	\$0.01
1946	66.5	-\$0.50	50.00	0.00	0.0000	0.0000	\$0.00	\$0.00
		<u>\$120,461,943.63</u>	<u>50.00</u>	<u>28.10</u>	<u>0.7137</u>	<u>1.0000</u>	<u>\$85,968,386.05</u>	<u>\$3,059,733.38</u>

**KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2012**

**Account: KEPCO 101/6 357 Underground Conduit
Dispersion: 37.00, R2.0
Average Net Salvage Rate: 0.00%**

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1997	15.5	\$11,590.00	37.00	23.90	0.6459	1.0000	\$7,486.03	\$313.24
		\$11,590.00	37.00	23.90	0.6459	1.0000	\$7,486.03	\$313.24

**KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2012**

Account: KEPCO 101/6 358 Underground Conductor & Devices
Dispersion: 44.00, R1.0
Average Net Salvage Rate: 0.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1983	29.5	\$106,066.00	44.00	24.03	0.5462	1.0000	\$57,932.76	\$2,410.59
		\$106,066.00	44.00	24.03	0.5462	1.0000	\$57,932.76	\$2,410.59

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
DEPRECIATION STUDY WORKPAPERS
TRANSMISSION PLANT
SPR ANALYSIS

**KENTUCKY POWER COMPANY
SIMULATED PLANT RECORD ANALYSIS
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

Account 354, Poles and Fixtures

Simulated Plant Record Analysis
Kentucky Power - Transm

Account: KEPCo 101/6 354 - KY
Version: KEPCo Transmission 2012
Method: Simulated Balances

No. of Test Points: 86 Interval: 0 Observation Band: 1927 - 2012

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
R0.5	1210.1	7.81E+11	3.1017	322.40	2.72
R1	834.4	7.85E+11	3.1103	321.51	2.82
R1.5	581.2	7.92E+11	3.1245	320.05	2.96
S-.5	873.8	7.98E+11	3.1355	318.93	3.01
R2	341.2	8.18E+11	3.1753	314.93	3.59
R2.5	222.5	8.56E+11	3.2479	307.89	4.85
L1	291.0	9.36E+11	3.3964	294.43	6.31
L0.5	481.1	9.39E+11	3.4008	294.05	4.42
L0	644.3	9.47E+11	3.4159	292.75	4.29
L1.5	206.7	1.07E+12	3.6247	275.88	9.11
R3	123.6	1.11E+12	3.6902	270.99	14.01
S0	318.3	1.15E+12	3.7699	265.26	6.27
S0.5	233.0	1.20E+12	3.8494	259.78	7.84
SQ	48.9	1.47E+12	4.2514	235.22	100.00
S1	147.5	1.56E+12	4.3895	227.82	15.76
S6	50.7	1.57E+12	4.3922	227.68	100.00
L2	133.5	1.60E+12	4.4364	225.41	20.78
S1.5	122.4	1.61E+12	4.4567	224.38	20.97
R4	74.0	1.80E+12	4.7106	212.29	76.98
S5	53.6	1.84E+12	4.7654	209.85	100.00
S2	93.2	1.94E+12	4.8886	204.56	40.21
L3	88.0	1.97E+12	4.9291	202.88	52.70
R5	56.4	2.05E+12	5.0203	199.19	100.00
L5	57.0	2.09E+12	5.0690	197.28	99.49
S4	59.3	2.16E+12	5.1597	193.81	99.60
S3	71.4	2.16E+12	5.1612	193.75	78.18
L4	67.0	2.20E+12	5.2091	191.97	87.56

**KENTUCKY POWER COMPANY
SIMULATED PLANT RECORD ANALYSIS
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

Account 355, Towers and Fixtures

Simulated Plant Record Analysis
Kentucky Power - Transm

Account: KEPCo 101/6 355 - KY
Version: KEPCo Transmission 2012
Method: Simulated Balances

No. of Test Points: 75 Interval: 0 Observation Band: 1938 - 2012

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
L3	43.2	1.28E+12	10.4834	95.39	96.90
S3	40.3	1.34E+12	10.7107	93.36	100.00
S2	42.9	1.35E+12	10.7527	93.00	99.60
L4	39.5	1.36E+12	10.7879	92.70	99.98
L2	48.8	1.44E+12	11.0894	90.18	87.18
S1.5	45.6	1.47E+12	11.2009	89.28	96.64
R3	42.3	1.53E+12	11.4403	87.41	100.00
R2.5	45.9	1.53E+12	11.4507	87.33	98.76
S1	49.0	1.59E+12	11.6526	85.82	90.03
L1.5	54.5	1.60E+12	11.6937	85.52	77.99
S4	38.5	1.63E+12	11.8214	84.59	100.00
R2	50.8	1.64E+12	11.8401	84.46	90.78
L5	38.1	1.65E+12	11.8710	84.24	100.00
L1	60.9	1.73E+12	12.1755	82.13	68.15
S0.5	54.7	1.73E+12	12.1822	82.09	77.28
R4	39.4	1.74E+12	12.1870	82.05	100.00
R1.5	58.5	1.84E+12	12.5394	79.75	71.68
S0	61.8	1.88E+12	12.6751	78.89	64.16
L0.5	72.7	1.90E+12	12.7522	78.42	56.25
S5	37.6	1.99E+12	13.0559	76.59	100.00
R1	69.8	2.01E+12	13.1305	76.16	52.18
L0	86.8	2.04E+12	13.2063	75.72	47.14
S-.5	79.8	2.05E+12	13.2575	75.43	46.01
R5	37.7	2.10E+12	13.4168	74.53	100.00
R0.5	87.6	2.14E+12	13.5326	73.90	39.59
S6	37.0	2.36E+12	14.2095	70.38	100.00
SQ	39.1	9.21E+12	28.0792	35.61	100.00

**KENTUCKY POWER COMPANY
SIMULATED PLANT RECORD ANALYSIS
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

Account 356, Overhead Conductor and Devices

Simulated Plant Record Analysis
Kentucky Power - Transm

Account: KEPCo 101/6 356 - KY
Version: KEPCo Transmission 2012
Method: Simulated Balances

No. of Test Points: 91 Interval: 0 Observation Band: 1922 - 2012

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
S-.5	350.7	4.47E+11	2.2693	440.66	9.38
R1	321.5	4.48E+11	2.2720	440.14	8.64
R1.5	233.0	4.49E+11	2.2747	439.62	9.84
R0.5	457.1	4.52E+11	2.2802	438.56	7.84
R2	150.5	5.02E+11	2.4035	416.06	15.42
L0	313.1	5.73E+11	2.5688	389.29	12.42
L0.5	236.1	6.03E+11	2.6354	379.45	14.38
R2.5	111.3	6.68E+11	2.7730	360.62	26.08
L1	158.7	8.73E+11	3.1699	315.47	23.39
S0	178.1	9.46E+11	3.3001	303.02	17.92
S0.5	137.8	1.19E+12	3.7083	269.67	23.93
L1.5	125.3	1.29E+12	3.8470	259.94	31.69
R3	81.4	1.68E+12	4.4038	227.08	62.12
S1	102.9	2.34E+12	5.1954	192.48	39.17
L2	95.4	2.56E+12	5.4270	184.26	51.12
S1.5	88.5	2.71E+12	5.5888	178.93	52.41
SQ	48.2	2.94E+12	5.8139	172.00	100.00
S6	49.5	3.48E+12	6.3283	158.02	100.00
S2	74.9	3.98E+12	6.7708	147.69	73.57
L3	71.3	4.08E+12	6.8562	145.85	80.06
R4	61.4	4.13E+12	6.8946	145.04	99.98
R5	52.8	4.28E+12	7.0218	142.41	100.00
S5	51.7	4.37E+12	7.0973	140.90	100.00
L5	54.0	4.63E+12	7.3040	136.91	99.98
L4	59.7	4.66E+12	7.3249	136.52	97.41
S3	62.1	4.93E+12	7.5369	132.68	97.09
S4	55.0	5.08E+12	7.6504	130.71	100.00

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
DEPRECIATION STUDY WORKPAPERS
TRANSMISSION PLANT
COMPUTED AGE DISTRIBUTION REPORT

KENTUCKY POWER COMPANY DEPRECIATION STUDY AS OF DECEMBER 31, 2012 COMPUTED AGE DISTRIBUTION REPORT

Account 354, Towers and Fixtures

Computed Age Distribution Report

Account: KEPCo 101/6 354 - KY
Version: KEPCo Transmission 2012
Dispersion: 51 - S6

Vintage	Additions	Age 2013	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
2012	32,304	0.5	100.00	32,304	99.81	32,243	0.50
2010	25,112	2.5	100.00	25,112	99.81	25,064	2.50
2009	143,884	3.5	100.00	143,884	99.81	143,608	3.50
2008	2,734,526	4.5	100.00	2,734,526	99.81	2,729,280	4.50
2005	16,025	7.5	100.00	16,025	99.81	15,995	7.49
2004	5,437	8.5	100.00	5,437	99.82	5,427	8.49
2003	27,462	9.5	100.00	27,462	99.81	27,410	9.49
2002	96,142	10.5	100.00	96,142	99.81	95,958	10.49
2001	998,859	11.5	100.00	998,859	99.81	996,943	11.49
2000	657,177	12.5	100.00	657,177	99.81	655,917	12.49
1999	4,771,185	13.5	100.00	4,771,185	99.81	4,762,032	13.49
1998	6,759,531	14.5	100.00	6,759,531	99.81	6,746,563	14.49
1997	860,276	15.5	100.00	860,276	99.81	858,626	15.49
1996	363,575	16.5	100.00	363,575	99.81	362,878	16.48
1995	315,635	17.5	100.00	315,635	99.81	315,030	17.48
1993	182,665	19.5	100.00	182,665	99.81	182,315	19.48
1992	41,132	20.5	100.00	41,132	99.81	41,054	20.48
1991	15	21.5	100.00	15	103.33	16	21.66
1990	427,812	22.5	100.00	427,812	99.81	426,992	22.48
1986	783,128	26.5	100.00	783,128	99.81	781,626	26.47
1985	59,889,883	27.5	100.00	59,889,883	99.81	59,774,979	27.47
1984	177,806	28.5	100.00	177,806	99.81	177,465	28.47
1982	273,723	30.5	100.00	273,723	99.81	273,199	30.47
1978	81,431	34.5	100.00	81,431	99.81	81,275	34.47
1977	28,623	35.5	100.00	28,623	99.81	28,568	35.47
1976	158,516	36.5	100.00	158,509	99.80	158,205	36.46
1975	72,783	37.5	99.98	72,752	99.79	72,613	37.46
1974	20,383	38.5	99.95	20,374	99.77	20,335	38.45
1973	112,943	39.5	99.88	112,809	99.69	112,593	39.44
1972	8,467,428	40.5	99.71	8,443,136	99.52	8,426,935	40.40
1971	26,158	41.5	99.36	25,994	99.17	25,941	41.33
1970	4,036,456	42.5	98.68	3,983,081	98.49	3,975,437	42.18
1968	768,389	44.5	95.43	733,240	95.24	731,833	43.44
1967	370,618	45.5	92.29	342,043	92.11	341,387	43.74
1966	19,067	46.5	87.77	16,736	87.61	16,704	43.62
1965	450,199	47.5	81.70	367,803	81.54	367,097	43.12
1964	97,303	48.5	74.06	72,059	73.91	71,921	42.17
1963	681,030	49.5	65.05	443,054	64.93	442,203	40.82
1962	115,749	50.5	55.13	63,812	55.02	63,689	39.14
1961	227	51.5	44.87	102	45.00	102	37.34
1959	376,337	53.5	25.94	97,636	25.89	97,447	33.68
1958	9,324	54.5	18.30	1,706	18.27	1,703	32.23
1956	8,760	56.5	7.71	675	7.70	674	30.42
1954	65,848	58.5	2.54	1,676	2.54	1,672	29.99
1944	1,370	68.5	0.00		-0.04	(1)	34.24

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
COMPUTED AGE DISTRIBUTION REPORT**

Account 354, Towers and Fixtures

Computed Age Distribution Report

Account: KEPCo 104/6 354 - KY
Version: KEPCo Transmission 2012
Dispersion: 51 - S6

Vintage	Additions	Age 2013	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
1942	184,841	70.5	0.00		0.00		0.00
1940	2,636	72.5	0.00		0.00		0.00
1939	848	73.5	0.00		0.00		0.00
1938	7,093	74.5	0.00		0.00		0.00
1936	462	76.5	0.00		0.00		0.00
1933	45	79.5	0.00		0.00		0.00
1932	539	80.5	0.00		0.00		0.00
1930	2,645	82.5	0.00		0.00		0.00
1929	18,866	83.5	0.00		0.00		0.00
1928	5,349	84.5	0.00		0.00		0.00
1927	722	85.5	0.00		0.00		0.00
95,776,262			94,650,541		94,468,956 *		

* Recorded Balance January 1, 2013:

94,468,956

KENTUCKY POWER COMPANY DEPRECIATION STUDY AS OF DECEMBER 31, 2012 COMPUTED AGE DISTRIBUTION REPORT

Account 355, Poles and Fixtures

Computed Age Distribution Report

Account: KEPCo 101/6 355 - KY
Version: KEPCo Transmission 2012
Dispersion: -

Vintage	Additions	Age 2013	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
2012	10,712,005	0.5	100.00	10,712,005	100.00	10,712,006	0.50
2011	8,710,981	1.5	100.00	8,710,981	100.00	8,710,982	1.50
2010	1,601,617	2.5	100.00	1,601,617	100.00	1,601,618	2.50
2009	1,553,679	3.5	100.00	1,553,679	100.00	1,553,680	3.50
2008	7,981,858	4.5	100.00	7,981,821	100.00	7,981,859	4.50
2007	547,335	5.5	100.00	547,311	100.00	547,336	5.50
2006	1,905,171	6.5	99.99	1,904,887	100.00	1,905,172	6.50
2005	1,400,726	7.5	99.96	1,400,211	100.00	1,400,727	7.50
2004	1,450,693	8.5	99.93	1,449,611	100.00	1,450,694	8.50
2003	725,787	9.5	99.87	724,815	100.00	725,788	9.50
2002	2,112,728	10.5	99.78	2,108,122	100.00	2,112,729	10.50
2001	2,292,356	11.5	99.67	2,284,724	100.00	2,292,357	11.50
2000	2,016,920	12.5	99.52	2,007,214	98.98	2,016,435	12.50
1999	7,272,299	13.5	99.33	7,223,576	99.79	7,256,760	13.49
1998	230,147	14.5	99.10	228,075	98.56	229,124	14.47
1997	2,200,205	15.5	98.82	2,174,303	99.28	2,184,292	15.44
1996	966,626	16.5	98.49	952,066	98.95	956,440	16.41
1995	502,094	17.5	98.11	492,600	98.56	494,864	17.37
1994	2,853,694	18.5	97.66	2,766,975	98.11	2,799,778	18.33
1993	2,024,333	19.5	97.14	1,966,422	97.59	1,975,455	19.26
1992	1,980,376	20.5	96.53	1,911,727	96.98	1,920,509	20.19
1991	1,225,759	21.5	95.83	1,174,657	96.27	1,180,053	21.10
1990	379,655	22.5	95.01	360,696	95.44	362,354	21.99
1989	528,772	23.5	94.05	495,411	94.48	497,687	22.85
1988	501,637	24.5	92.93	466,185	93.36	468,326	23.69
1987	208,776	25.5	91.63	191,308	92.05	192,187	24.49
1986	743,795	26.5	90.14	670,460	90.55	673,540	25.25
1985	286,320	27.5	88.44	253,220	88.85	254,383	25.97
1984	129,011	28.5	86.51	111,607	86.91	112,120	26.63
1983	472,313	29.5	84.36	398,434	84.75	400,265	27.25
1982	1,190,639	30.5	81.89	976,195	82.37	980,679	27.81
1981	831,647	31.5	79.40	660,367	79.77	663,400	28.31
1980	971,066	32.5	76.63	744,128	76.98	747,546	28.76
1979	163,523	33.5	73.69	120,504	74.03	121,058	29.15
1978	400,964	34.5	70.62	283,143	70.94	284,444	29.49
1977	372,547	35.5	67.44	251,215	67.75	252,389	29.78
1976	465,134	36.5	64.19	298,588	64.49	299,960	30.02
1975	413,881	37.5	60.92	252,138	61.20	253,296	30.23
1974	343,048	38.5	57.65	197,763	57.92	198,671	30.40
1973	125,643	39.5	54.42	68,381	54.67	68,695	30.55
1972	154,289	40.5	51.27	79,097	51.50	79,461	30.68
1971	241,075	41.5	48.20	116,198	48.42	116,732	30.80
1970	5,279	42.5	45.24	2,388	45.46	2,400	30.91
1969	331,594	43.5	42.42	140,656	42.61	141,302	31.02
1968	245,350	44.5	39.73	97,481	39.91	97,929	31.13

KENTUCKY POWER COMPANY DEPRECIATION STUDY AS OF DECEMBER 31, 2012 COMPUTED AGE DISTRIBUTION REPORT

Account 355, Poles and Fixtures

Computed Age Distribution Report

Account: KEPCo 101/6 355 - KY
Version: KEPCo Transmission 2012
Dispersion: -

Vintage	Additions	Age 2013	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
1967	434,577	45.5	37.18	161,595	37.36	162,337	31.25
1966	672,143	46.5	31.78	233,788	31.94	234,861	31.37
1965	586,942	47.5	32.52	190,899	32.67	191,775	31.51
1964	116,699	48.5	30.40	35,477	30.54	35,640	31.66
1963	40,074	49.5	28.41	11,381	28.54	11,437	31.81
1962	83,740	50.5	26.54	22,224	26.66	22,326	31.98
1961	53,310	51.5	24.78	13,211	24.90	13,272	32.16
1960	80,558	52.5	23.13	18,632	23.23	18,719	32.35
1959	72,588	53.5	21.57	15,660	21.67	15,732	32.55
1958	31,500	54.5	20.11	6,333	20.20	6,362	32.75
1957	12,111	55.5	18.72	2,267	18.81	2,278	32.97
1956	52,890	56.5	17.40	9,204	17.43	9,247	33.19
1955	11,248	57.5	16.16	1,817	16.23	1,826	33.42
1954	159,581	58.5	14.97	23,894	15.04	24,003	33.65
1953	59,562	59.5	13.85	8,250	13.91	8,288	33.89
1952	9,028	60.5	12.79	1,154	12.85	1,160	34.14
1951	4,317	61.5	11.77	508	11.81	511	34.39
1950	2,849	62.5	10.81	308	10.88	310	34.65
1949	16,466	63.5	9.90	1,631	9.95	1,638	34.91
1948	2,881	64.5	9.04	261	9.10	262	35.18
1947	802	65.5	8.23	66	8.33	67	35.48
1946	1,398	66.5	7.47	104	7.53	105	35.76
1945	11,785	67.5	6.75	795	6.78	799	36.04
1944	76,227	68.5	6.08	4,631	6.10	4,651	36.34
1942	164,194	70.5	4.86	7,984	4.88	8,018	36.97
1941	2,006	71.5	4.32	87	4.36	88	37.31
1938	113,662	74.5	2.94	3,344	2.95	3,358	38.35
				69,908,472		70,056,522 *	

* Recorded Balance January 1, 2013:

70,056,522

KENTUCKY POWER COMPANY DEPRECIATION STUDY AS OF DECEMBER 31, 2012 COMPUTED AGE DISTRIBUTION REPORT

Account 356, Overhead Conductor and Devices

Computed Age Distribution Report

Account: KEPCo 10116 356 - KY
Version: KEPCo Transmission 2012
Dispersion: -

Vintage	Additions	Age 2013	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
2012	5,426,387	0.5	100.00	5,426,387	100.00	5,426,388	0.50
2011	4,336,574	1.5	100.00	4,336,574	100.00	4,336,575	1.50
2010	1,016,717	2.5	100.00	1,016,717	100.00	1,016,718	2.50
2009	816,705	3.5	100.00	816,705	100.00	816,706	3.50
2008	7,753,817	4.5	100.00	7,753,817	100.00	7,753,818	4.50
2007	388,254	5.5	100.00	388,254	100.00	388,255	5.50
2006	278,715	6.5	100.00	278,715	100.00	278,716	6.50
2005	743,702	7.5	100.00	743,702	100.00	743,703	7.50
2004	244,994	8.5	100.00	244,994	100.00	244,995	8.50
2003	653,964	9.5	100.00	653,964	100.00	653,965	9.50
2002	422,998	10.5	100.00	422,998	100.00	422,999	10.50
2001	992,260	11.5	100.00	992,260	100.00	992,261	11.50
2000	1,907,562	12.5	100.00	1,907,562	100.00	1,907,563	12.50
1999	11,988,857	13.5	100.00	11,988,857	100.00	11,988,858	13.50
1998	4,961,737	14.5	100.00	4,961,737	100.00	4,961,738	14.50
1997	712,207	15.5	100.00	712,207	100.00	712,208	15.50
1996	1,377,964	16.5	100.00	1,377,964	100.00	1,377,965	16.50
1995	1,023,703	17.5	100.00	1,023,703	100.00	1,023,704	17.50
1994	3,258,061	18.5	100.00	3,258,061	100.00	3,258,062	18.50
1993	1,695,512	19.5	100.00	1,695,512	100.00	1,695,513	19.50
1992	2,234,318	20.5	100.00	2,234,318	100.00	2,234,319	20.50
1991	697,545	21.5	100.00	697,545	100.00	697,546	21.50
1990	430,845	22.5	100.00	430,845	100.00	430,846	22.50
1989	273,872	23.5	100.00	273,872	100.00	273,873	23.50
1988	187,297	24.5	100.00	187,297	100.00	187,298	24.50
1987	131,020	25.5	100.00	131,020	100.00	131,021	25.50
1986	838,491	26.5	100.00	838,491	100.00	838,492	26.50
1985	46,009,402	27.5	100.00	46,009,402	100.00	46,009,403	27.50
1984	171,899	28.5	100.00	171,899	100.00	171,900	28.50
1983	42,428	29.5	100.00	42,428	100.00	42,429	29.50
1982	1,827,109	30.5	100.00	1,827,109	100.00	1,827,110	30.50
1981	694,030	31.5	100.00	694,030	100.00	694,031	31.50
1980	452,257	32.5	100.00	452,257	100.00	452,258	32.50
1979	91,746	33.5	100.00	91,746	100.00	91,747	33.50
1978	2,009,798	34.5	100.00	2,009,798	100.00	2,009,799	34.50
1977	512,195	35.5	100.00	512,180	100.00	512,196	35.50
1976	229,904	36.5	99.99	229,879	100.00	229,905	36.50
1975	299,105	37.5	99.97	299,003	100.00	299,106	37.50
1974	44,958	38.5	99.91	44,916	100.00	44,959	38.50
1973	72,762	39.5	99.77	72,591	100.00	72,763	39.50
1972	158,182	40.5	99.46	157,323	100.00	158,183	40.50
1971	1,144,131	41.5	98.84	1,130,859	100.00	1,144,132	41.50
1970	8,258,592	42.5	97.70	8,068,975	100.00	8,258,593	42.50
1969	306,367	43.5	95.77	293,417	100.00	306,368	43.50
1968	1,214,668	44.5	92.73	1,126,349	100.00	1,214,669	44.50

KENTUCKY POWER COMPANY DEPRECIATION STUDY AS OF DECEMBER 31, 2012 COMPUTED AGE DISTRIBUTION REPORT

Account 356, Overhead Conductor and Devices

Computed Age Distribution Report

Account: KEPCo 10/16 356 - KY
Version: KEPCo Transmission 2012
Dispersion: -

Vintage	Additions	Age 2013	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
1967	622,934	45.5	88.27	549,876	95.70	598,159	44.52
1966	235,126	46.5	82.20	193,274	89.12	209,541	43.97
1965	750,174	47.5	74.49	558,797	80.76	605,830	42.93
1964	332,032	48.5	65.35	216,980	70.85	235,242	41.43
1963	516,316	49.5	55.23	285,172	59.88	309,174	39.57
1962	116,770	50.5	44.77	52,276	48.51	56,676	37.51
1961	35,760	51.5	34.65	12,391	37.57	13,435	35.42
1960	34,229	52.5	25.51	8,732	27.66	9,467	33.51
1959	203,931	53.5	17.80	36,300	19.30	39,355	31.91
1958	363,538	54.5	11.73	42,636	12.71	46,223	30.71
1957	9,636	55.5	7.27	701	7.89	760	29.94
1956	41,375	56.5	4.23	1,749	4.58	1,896	29.54
1955	4,298	57.5	2.30	99	2.50	107	29.47
1954	318,755	58.5	1.16	3,698	1.26	4,008	29.62
1953	63,843	59.5	0.54	347	0.59	376	29.93
1952	15,004	60.5	0.23	35	0.26	38	30.33
1951	13,420	61.5	0.09	12	0.10	14	30.78
1950	4,533	62.5	0.03	2	0.04	2	31.26
1949	63,340	63.5	0.01	7	0.01	7	31.75
1948	14,823	64.5	0.00		0.00	1	32.25
1947	11,563	65.5	0.00		0.00		32.75
1946	5,928	66.5	0.00		-0.01	(1)	33.25
1945	27,492	67.5	0.00		0.00		0.00
1944	5,349	68.5	0.00		0.00		0.00
1943	5,002	69.5	0.00		0.00		0.00
1942	378,305	70.5	0.00		0.00		0.00
1941	6,577	71.5	0.00		0.00		0.00
1940	101,822	72.5	0.00		0.00		0.00
1939	476	73.5	0.00		0.00		0.00
1938	129,975	74.5	0.00		0.00		0.00
1937	8,842	75.5	0.00		0.00		0.00
1936	9,973	76.5	0.00		0.00		0.00
1935	1,327	77.5	0.00		0.00		0.00
1934	2,159	78.5	0.00		0.00		0.00
1933	1,642	79.5	0.00		0.00		0.00
1932	2,108	80.5	0.00		0.00		0.00
1931	2,112	81.5	0.00		0.00		0.00
1930	4,553	82.5	0.00		0.00		0.00
1929	15,583	83.5	0.00		0.00		0.00
1928	3,395	84.5	0.00		0.00		0.00
1927	4,782	85.5	0.00		0.00		0.00
1926	8,394	86.5	0.00		0.00		0.00
1925	1,662	87.5	0.00		0.00		0.00
1924	369	88.5	0.00		0.00		0.00
1923	1,121	89.5	0.00		0.00		0.00

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
COMPUTED AGE DISTRIBUTION REPORT**

Account 356, Overhead Conductor and Devices

Computed Age Distribution Report

Account: KEPCo 101 6 356 - KY
Version: KEPCo Transmission 2012
Dispersion: -

Vintage	Additions	Age 2013	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
1922	1,393	90.5	0.00		0.00		0.00
				119,991,301		120,461,944 *	
							120,461,944

* Recorded Balance January 1, 2013:

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AT DECEMBER 31, 2012
TRANSMISSION PLANT
SALVAGE AND REMOVAL ANALYSIS

KENTUCKY POWER COMPANY
TRANSMISSION SALVAGE AND REMOVAL ANALYSIS - NARRATIVE DISCUSSION
DEPRECIATION STUDY AT DECEMBER 31, 2012

- Account 350.1** Retirement data is not available for this account, so no analysis was performed. The net salvage rate currently embedded in Account 350.1 Land Rights from Case No. 91-066 is 0%, recommend that we continue to use a **0% net salvage rate**.
- Account 352** For the period reviewed from 2000 to 2012 there were only \$88,100 in Retirements for Account 352 Transmission Structures & Improvements. The limited amount of retirement activity indicates that there is not enough data available to determine that a change is needed in the net salvage rate and for that reason I recommend that we continue to use the **0% net salvage rate** embedded in rates from Case No. 91-066.
- Account 353** Historical salvage, removal and related retirements for Account 353 Transmission Station Equipment for Kentucky from 2000 to 2012 were used to calculate a 7% gross salvage rate and 15% gross removal rate, yielding a **-8% net salvage rate**.
- Account 354** Historical salvage, removal and related retirements for Account 354 Transmission Towers & Fixtures for Kentucky from 2000 to 2012 were used to calculate a 3% gross salvage rate and a 13% gross removal rate, yielding a **-10% net salvage rate**.
- Account 355** Historical salvage, removal and related retirements for Account 355 Transmission Poles & Fixtures for Kentucky from 2000 to 2012 were used to calculate a 1% gross salvage rate and a 61% gross removal rate, yielding a **-60% net salvage rate**.
- Account 356** Historical salvage, removal and related retirements for Account 356 Transmission Overhead Conductor & Devices for Kentucky from 2000 to 2012 were used to calculate a 6% gross salvage rate and a 32% gross removal rate, yielding a **-26% net salvage rate**.
- Account 357** Retirement data is not available for this account, so no analysis was performed. The net salvage rate currently embedded in Account 357 Underground Conduit from Case No. 91-066 is 0%, recommend that we continue to use a **0% net salvage rate**.
- Account 358** Retirement data is not available for this account, so no analysis was performed. The net salvage rate currently embedded in Account 358 Underground Conductor & Devices from Case No. 91-066 is 0%, recommend that we continue to use a **0% net salvage rate**.

**KENTUCKY POWER COMPANY
Transmission Plant Net Salvage Test**

Original Cost Retired by Plant Account

<u>Year</u>	<u>350</u>	<u>352</u>	<u>353</u>	<u>354</u>	<u>355</u>	<u>356</u>	<u>357</u>	<u>358</u>	<u>Total</u>
2000	0	0	286,991	0	307,215	112,148	0	0	706,354
2001	0	852	104,157	405	129,175	8,636	0	0	243,225
2002	0	352	167,185	4,473	169,000	107,845	0	0	448,855
2003	0	0	462,374	2,124	23,422	102,595	0	0	590,516
2004	0	0	699,507		358,451	55,179	0	0	1,113,137
2005	1	57,776	687,089	36,676	45,455	35,212	0	0	862,208
2006	0	0	783,966	20,749	267,008	126,720	0	0	1,198,442
2007	0	2,382	298,345	0	147,839	2,897	0	0	451,462
2008	0	8,548	1,369,350	646	331,275	149,255	0	0	1,859,074
2009	0	4,065	538,747	99,957	192,107	39,790	0	0	874,665
2010	0	8,076	2,154,456	3,943	34,442	0	0	0	2,200,917
2011	0	6,050	1,489,875	14,361	263,023	1,055	0	0	1,774,363
2012	0	0	1,197,113	675,190	553,877	313,102	0	0	2,739,282
TOTAL	1	88,100	10,239,154	858,523	2,822,288	1,054,434	0	0	15,062,500

EVALUATION BASED ON 2000 - 2012 RESERVE ACTIVITY

	<u>350</u>	<u>352</u>	<u>353</u>	<u>354</u>	<u>355</u>	<u>356</u>	<u>357</u>	<u>358</u>	<u>Total</u>
Total Retirements	1	88,100	10,239,154	858,523	2,822,288	1,054,434	0	0	15,062,500
Net Salvage Amount	0	-26,219	-847,442	-82,443	-1,670,769	-279,444	0	0	-2,906,317
Net Salvage %	0%	-30%	-8%	-10%	-59%	-27%	0%	0%	-19%
Use Net Salvage %	0%	0%	-8%	-10%	-60%	-26%	0%	0%	-19%

Note: The amounts for 2000 to 2012 were taken from the PowerPlant software continuing property records and the transaction archive providing a 13 year summary of Retirements, Salvage and Removal by plant account.

**KENTUCKY POWER COMPANY
Transmission Plant Removal Cost**

Original Cost Retired by Plant Account

Year	<u>350</u>	<u>352</u>	<u>353</u>	<u>354</u>	<u>355</u>	<u>356</u>	<u>357</u>	<u>358</u>	<u>Total</u>
2000	0	0	286,991	0	307,215	112,148	0	0	706,354
2001	0	852	104,157	405	129,175	8,636	0	0	243,225
2002	0	352	167,185	4,473	169,000	107,845	0	0	448,855
2003	0	0	462,374	2,124	23,422	102,595	0	0	590,516
2004	0	0	699,507	0	358,451	55,179	0	0	1,113,137
2005	1	57,776	687,089	36,676	45,455	35,212	0	0	862,208
2006	0	0	783,966	20,749	267,008	126,720	0	0	1,198,442
2007	0	2,382	298,345	0	147,839	2,897	0	0	451,462
2008	0	8,548	1,369,350	646	331,275	149,255	0	0	1,859,074
2009	0	4,065	538,747	99,957	192,107	39,790	0	0	874,665
2010	0	8,076	2,154,456	3,943	34,442	0	0	0	2,200,917
2011	0	6,050	1,489,875	14,361	263,023	1,055	0	0	1,774,363
2012	0	0	1,197,113	675,190	553,877	313,102	0	0	2,739,282
TOTAL	<u>1</u>	<u>88,100</u>	<u>10,239,154</u>	<u>858,523</u>	<u>2,822,288</u>	<u>1,054,434</u>	<u>0</u>	<u>0</u>	<u>15,062,500</u>

EVALUATION BASED ON 2000 - 2012 RESERVE ACTIVITY

	<u>350</u>	<u>352</u>	<u>353</u>	<u>354</u>	<u>355</u>	<u>356</u>	<u>357</u>	<u>358</u>	<u>Total</u>
Total Retirements	1	88,100	10,239,154	858,523	2,822,288	1,054,434	0	0	15,062,500
Total Removal	0	26,252	1,533,633	109,202	1,710,454	339,008	0	0	3,718,549
Gross Removal, %	0%	30%	15%	13%	61%	32%	0%	0%	25%
Use Gross Removal %	0%	0%	15%	13%	61%	32%	0%	0%	25%

Note: The amounts for 2000 to 2012 were taken from the PowerPlant software continuing property records and the transaction archive providing a 13 year summary of Retirements, Salvage and Removal by plant account.

KENTUCKY POWER COMPANY
Transmission Plant Gross Salvage

Original Cost Retired by Plant Account

Year	<u>350</u>	<u>352</u>	<u>353</u>	<u>354</u>	<u>355</u>	<u>356</u>	<u>357</u>	<u>358</u>	<u>Total</u>
2000	0	0	286,991	0	307,215	112,148	0	0	706,354
2001	0	852	104,157	405	129,175	8,636	0	0	243,225
2002	0	352	167,185	4,473	169,000	107,845	0	0	448,855
2003	0	0	462,374	2,124	23,422	102,595	0	0	590,516
2004	0	0	699,507	0	358,451	55,179	0	0	1,113,137
2005	1	57,776	687,089	36,676	45,455	35,212	0	0	862,208
2006	0	0	783,966	20,749	267,008	126,720	0	0	1,198,442
2007	0	2,382	298,345	0	147,839	2,897	0	0	451,462
2008	0	8,548	1,369,350	646	331,275	149,255	0	0	1,859,074
2009	0	4,065	538,747	99,957	192,107	39,790	0	0	874,665
2010	0	8,076	2,154,456	3,943	34,442	0	0	0	2,200,917
2011	0	6,050	1,489,875	14,361	263,023	1,055	0	0	1,774,363
2012	0	0	1,197,113	675,190	553,877	313,102	0	0	2,739,282
TOTAL	<u>1</u>	<u>88,100</u>	<u>10,239,154</u>	<u>858,523</u>	<u>2,822,288</u>	<u>1,054,434</u>	<u>0</u>	<u>0</u>	<u>15,062,500</u>

EVALUATION BASED ON 2000 - 2012 RESERVE ACTIVITY

	<u>350</u>	<u>352</u>	<u>353</u>	<u>354</u>	<u>355</u>	<u>356</u>	<u>357</u>	<u>358</u>	<u>Total</u>
Total Retirements	1	88,100	10,239,154	858,523	2,822,288	1,054,434	0	0	15,062,500
Salvage Amount	0	33	686,191	26,759	39,685	59,564	0	0	812,232
Gross Salvage %	0%	0%	7%	3%	1%	6%	0%	0%	5%
Use Gross Salvage %	0%	0%	7%	3%	1%	6%	0%	0%	5%

Note: The amounts for 2000 to 2012 were taken from the PowerPlant software continuing property records and the transaction archive providing a 13 year summary of Retirements, Salvage and Removal by plant account.

**Kentucky Power Company
Transmission Removal and Salvage by
Account
From CPR Transaction Archive
Years 2000 to 2012**

Account	Removal	Salvage
350	\$0	\$0
352	\$26,252	\$33
353	\$1,533,633	\$686,191
354	\$109,202	\$26,759
355	\$1,710,454	\$39,685
356	\$339,008	\$59,564
357	\$0	\$0
358	<u>\$0</u>	<u>\$0</u>
	\$3,718,549	\$812,232

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
DEPRECIATION STUDY WORKPAPERS
TRANSMISSION PLANT
AVERAGE AGE OF SURVIVING PLANT

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

TRANSMISSION PLANT, Account 350 Land Rights

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1975	38,729	37.5	1,452,338	
1979	4,236,751	33.5	141,931,159	
1980	259,692	32.5	8,439,990	
1981	154,641	31.5	4,871,192	
1982	148,856	30.5	4,540,108	
1983	502,031	29.5	14,809,915	
1984	294,262	28.5	8,386,467	
1985	12,474,189	27.5	343,040,198	
1986	82,584	26.5	2,188,476	
1987	1,327	25.5	33,839	
1988	3,265	24.5	79,993	
1989	15,874	23.5	373,039	
1990	104,145	22.5	2,343,263	
1991	325,286	21.5	6,993,649	
1992	75,805	20.5	1,554,003	
1993	316,776	19.5	6,177,132	
1994	321,828	18.5	5,953,818	
1995	339,788	17.5	5,946,290	
1996	126,373	16.5	2,085,155	
1997	580,453	15.5	8,997,022	
1998	1,280,236	14.5	18,563,422	
1999	966,674	13.5	13,050,103	
2000	321,569	12.5	4,019,612	
2001	274,371	11.5	3,155,269	
2002	6,167	10.5	64,750	
2003	-9,734	9.5	-92,475	
2004	33,991	8.5	288,924	
2005	92,306	7.5	692,293	
2006	103,998	6.5	675,989	
2007	2,274	5.5	12,508	
2008	1,336,907	4.5	6,016,083	
2009	218,151	3.5	763,527	
2010	26,745	2.5	66,863	
2011	104,111	1.5	156,167	
2012	<u>711,330</u>	0.5	<u>355,665</u>	
	25,871,752		617,985,746	23.89

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

TRANSMISSION PLANT, Account 352 Structures & Improvements

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1940	1,616	72.5	117,160	
1942	7,335	70.5	517,118	
1943	5,740	69.5	398,936	
1944	2,137	68.5	146,385	
1946	152	66.5	10,108	
1951	8,401	61.5	516,662	
1952	92	60.5	5,566	
1953	711	59.5	42,305	
1954	38,794	58.5	2,269,449	
1955	516	57.5	29,670	
1956	381	56.5	21,527	
1957	579	55.5	32,135	
1958	4,414	54.5	240,563	
1959	1,799	53.5	96,247	
1960	2,917	52.5	153,143	
1961	121	51.5	6,232	
1962	6,972	50.5	352,086	
1963	16,589	49.5	821,156	
1964	8,446	48.5	409,631	
1965	297	47.5	14,108	
1966	29,924	46.5	1,391,466	
1967	21,589	45.5	982,295	
1968	31,849	44.5	1,417,267	
1969	1,252	43.5	54,462	
1970	50,620	42.5	2,151,350	
1971	11,105	41.5	460,858	
1973	46,883	39.5	1,851,869	
1974	1,154,345	38.5	44,442,283	
1975	11,010	37.5	412,881	
1976	87,539	36.5	3,195,174	
1977	158,624	35.5	5,631,166	
1978	125	34.5	4,313	
1979	3,140	33.5	105,190	
1980	98,953	32.5	3,215,965	
1981	1,642,115	31.5	51,726,623	
1982	194,477	30.5	5,931,539	
1983	52,326	29.5	1,543,617	
1984	115,579	28.5	3,294,002	
1985	101,850	27.5	2,800,875	
1986	156,377	26.5	4,143,991	
1987	14,460	25.5	368,730	

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

TRANSMISSION PLANT, Account 352 Structures & Improvements

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1988	5,196	24.5	127,302	
1989	1,510	23.5	35,485	
1990	65,795	22.5	1,480,388	
1991	45,070	21.5	969,005	
1992	113,918	20.5	2,335,319	
1993	366,007	19.5	7,137,135	
1994	49,187	18.5	909,960	
1995	111,415	17.5	1,949,757	
1996	118,502	16.5	1,955,282	
1997	203,592	15.5	3,155,676	
1998	58,660	14.5	850,570	
1999	16,180	13.5	218,432	
2000	84,281	12.5	1,053,517	
2001	701	11.5	8,063	
2002	806,045	10.5	8,463,476	
2005	66,215	7.5	496,612	
2007	7,094	5.5	39,018	
2008	141,133	4.5	635,100	
2009	144,272	3.5	504,951	
2010	34,797	2.5	86,991	
2011	<u>64,619</u>	1.5	<u>96,929</u>	
	6,596,340		173,835,071	26.35

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

TRANSMISSION PLANT, Account 353 Station Equipment

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1953	7,575	59.5	450,713	
1954	225,897	58.5	13,214,985	
1955	897	57.5	51,578	
1957	8,981	55.5	498,418	
1958	577	54.5	31,447	
1959	36,230	53.5	1,938,310	
1960	25,384	52.5	1,332,658	
1961	347	51.5	17,871	
1962	5,906	50.5	298,253	
1963	498,522	49.5	24,676,838	
1964	677	48.5	32,811	
1965	96,196	47.5	4,569,292	
1966	5,843	46.5	271,700	
1967	238,923	45.5	10,871,000	
1968	59,331	44.5	2,640,241	
1969	3,886,117	43.5	169,046,074	
1970	686,355	42.5	29,170,099	
1971	188,516	41.5	7,823,404	
1972	214,746	40.5	8,697,232	
1973	139,432	39.5	5,507,556	
1974	1,026,909	38.5	39,536,012	
1975	763,727	37.5	28,639,763	
1976	1,090,859	36.5	39,816,346	
1977	1,892,110	35.5	67,169,892	
1978	45,939	34.5	1,584,885	
1979	819,971	33.5	27,469,014	
1980	5,214,440	32.5	169,469,294	
1981	7,177,120	31.5	226,079,293	
1982	1,435,883	30.5	43,794,421	
1983	836,029	29.5	24,662,859	
1984	1,215,901	28.5	34,653,179	
1985	740,644	27.5	20,367,696	
1986	494,865	26.5	13,113,923	
1987	1,769,350	25.5	45,118,429	
1988	513,580	24.5	12,582,707	
1989	1,170,902	23.5	27,516,207	
1990	2,724,987	22.5	61,312,216	
1991	3,776,420	21.5	81,193,023	
1992	1,908,781	20.5	39,130,010	
1993	5,235,485	19.5	102,091,948	
1994	2,039,034	18.5	37,722,124	

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

TRANSMISSION PLANT, Account 353 Station Equipment

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1995	803,434	17.5	14,060,102	
1996	2,425,115	16.5	40,014,397	
1997	36,732,651	15.5	569,356,098	
1998	9,545,309	14.5	138,406,979	
1999	1,477,259	13.5	19,942,993	
2000	2,424,659	12.5	30,308,240	
2001	3,554,179	11.5	40,873,054	
2002	3,085,097	10.5	32,393,516	
2003	3,568,872	9.5	33,904,282	
2004	2,857,420	8.5	24,288,068	
2005	2,123,194	7.5	15,923,956	
2006	10,120,704	6.5	65,784,578	
2007	1,688,108	5.5	9,284,597	
2008	13,874,050	4.5	62,433,225	
2009	4,640,908	3.5	16,243,178	
2010	5,868,818	2.5	14,672,044	
2011	8,837,186	1.5	13,255,779	
2012	<u>7,311,253</u>	0.5	<u>3,655,627</u>	
	169,157,602		2,568,964,434	15.19

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

TRANSMISSION PLANT, Account 354 Towers & Fixtures

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1927	317	85.5	27,092	
1928	5,349	84.5	451,991	
1929	18,834	83.5	1,572,631	
1930	2,645	82.5	218,213	
1932	539	80.5	43,390	
1933	45	79.5	3,578	
1936	462	76.5	35,343	
1938	7,093	74.5	528,429	
1939	848	73.5	62,328	
1940	2,636	72.5	191,110	
1942	92,752	70.5	6,538,981	
1944	757	68.5	51,861	
1954	59,683	58.5	3,491,456	
1956	8,747	56.5	494,206	
1959	276,380	53.5	14,786,342	
1961	227	51.5	11,691	
1962	73,177	50.5	3,695,439	
1963	635,332	49.5	31,448,948	
1964	97,194	48.5	4,713,909	
1965	412,896	47.5	19,612,559	
1966	19,067	46.5	886,616	
1967	364,346	45.5	16,577,743	
1968	749,719	44.5	33,362,496	
1970	3,963,667	42.5	168,455,856	
1971	1,772	41.5	73,538	
1972	8,467,353	40.5	342,927,797	
1973	112,843	39.5	4,457,299	
1974	20,383	38.5	784,746	
1975	72,763	37.5	2,728,613	
1976	153,804	36.5	5,613,846	
1977	28,600	35.5	1,015,300	
1978	39,851	34.5	1,374,860	
1982	273,518	30.5	8,342,299	
1985	59,889,883	27.5	1,646,971,783	
1986	646,703	26.5	17,137,630	
1990	837	22.5	18,837	
1991	15	21.5	323	
1992	40,368	20.5	827,544	
1993	182,665	19.5	3,561,968	
1995	315,635	17.5	5,523,613	
1996	363,575	16.5	5,998,988	
1997	860,276	15.5	13,334,278	
1998	6,759,531	14.5	98,013,198	
1999	4,771,185	13.5	64,411,002	
2000	594,927	12.5	7,436,592	
2001	998,860	11.5	11,486,888	
2002	96,142	10.5	1,009,495	
2003	27,463	9.5	260,898	
2004	5,437	8.5	46,218	
2005	16,026	7.5	120,193	

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT

TRANSMISSION PLANT, Account 354 Towers & Fixtures

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
2008	2,734,526	4.5	12,305,367	
2009	143,884	3.5	503,595	
2010	25,113	2.5	62,782	
2012	<u>32,305</u>	0.5	<u>16,152</u>	
	94,468,956		2,563,627,850	27.14

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

TRANSMISSION PLANT, Account 355 Poles & Fixtures

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1944	290	68.5	19,864	
1953	64	59.5	3,786	
1954	-154	58.5	-9,017	
1955	-50	57.5	-2,868	
1956	-2,717	56.5	-153,514	
1957	465	55.5	25,808	
1958	2,577	54.5	140,467	
1959	1,656	53.5	88,581	
1960	21,800	52.5	1,144,496	
1961	31,044	51.5	1,598,781	
1962	67,869	50.5	3,427,385	
1963	24,367	49.5	1,206,167	
1964	4,844	48.5	234,954	
1965	139,599	47.5	6,630,941	
1966	317,063	46.5	14,743,437	
1967	346,135	45.5	15,749,142	
1968	214,064	44.5	9,525,844	
1969	280,229	43.5	12,189,941	
1970	3,765	42.5	160,013	
1971	108,955	41.5	4,521,629	
1972	104,641	40.5	4,237,964	
1973	90,509	39.5	3,575,108	
1974	320,114	38.5	12,324,398	
1975	285,611	37.5	10,710,402	
1976	408,468	36.5	14,909,081	
1977	359,633	35.5	12,766,958	
1978	365,172	34.5	12,598,442	
1979	140,922	33.5	4,720,887	
1980	713,602	32.5	23,192,059	
1981	726,315	31.5	22,878,923	
1982	1,032,631	30.5	31,495,233	
1983	446,762	29.5	13,179,479	
1984	105,578	28.5	3,008,980	
1985	226,005	27.5	6,215,139	
1986	741,478	26.5	19,649,167	
1987	205,443	25.5	5,238,797	
1988	350,449	24.5	8,585,993	
1989	458,900	23.5	10,784,154	
1990	369,207	22.5	8,307,158	
1991	1,198,365	21.5	25,764,841	
1992	1,610,143	20.5	33,007,933	

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

TRANSMISSION PLANT, Account 355 Poles & Fixtures

VINTAGE <u>YEAR</u>	SURVIVING <u>BALANCE</u>	AGE <u>(YEARS)</u>	DOLLAR <u>YEARS</u>	AVERAGE AGE <u>(YEARS)</u>
1993	1,780,413	19.5	34,718,062	
1994	2,673,840	18.5	49,466,037	
1995	500,485	17.5	8,758,488	
1996	955,043	16.5	15,758,216	
1997	2,157,500	15.5	33,441,250	
1998	197,241	14.5	2,859,990	
1999	7,190,299	13.5	97,069,041	
2000	2,011,076	12.5	25,138,448	
2001	2,278,251	11.5	26,199,886	
2002	2,074,838	10.5	21,785,804	
2003	725,788	9.5	6,894,984	
2004	1,427,228	8.5	12,131,439	
2005	1,400,727	7.5	10,505,450	
2006	1,905,172	6.5	12,383,618	
2007	507,198	5.5	2,789,590	
2008	7,954,274	4.5	35,794,235	
2009	1,537,809	3.5	5,382,330	
2010	1,534,539	2.5	3,836,348	
2011	8,710,982	1.5	13,066,472	
2012	<u>10,712,006</u>	0.5	<u>5,356,003</u>	
	70,056,521		781,732,624	11.16

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

TRANSMISSION PLANT, Account 356 OH Conductor & Devices

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1922	12	90.5	1,086	
1923	10	89.5	895	
1924	3	88.5	266	
1925	16	87.5	1,400	
1926	74	86.5	6,401	
1927	42	85.5	3,591	
1928	30	84.5	2,535	
1929	137	83.5	11,440	
1930	3,946	82.5	325,557	
1931	2,112	81.5	172,128	
1932	2,108	80.5	169,694	
1933	1,642	79.5	130,539	
1934	2,159	78.5	169,482	
1935	1,327	77.5	102,843	
1936	9,973	76.5	762,935	
1937	8,842	75.5	667,571	
1938	67	74.5	4,992	
1939	476	73.5	34,986	
1940	69,747	72.5	5,056,663	
1941	6,577	71.5	470,256	
1942	346,880	70.5	24,455,040	
1943	5,002	69.5	347,639	
1944	4,633	68.5	317,361	
1945	27,493	67.5	1,855,771	
1946	5,928	66.5	394,212	
1947	11,563	65.5	757,377	
1948	14,823	64.5	956,084	
1949	61,982	63.5	3,935,854	
1950	2,803	62.5	175,199	
1951	13,420	61.5	825,330	
1952	11,046	60.5	668,255	
1953	55,031	59.5	3,274,345	
1954	92,098	58.5	5,387,733	
1955	3,834	57.5	220,455	
1956	31,081	56.5	1,756,096	
1957	8,647	55.5	479,909	
1958	349,789	54.5	19,063,527	
1959	194,332	53.5	10,396,764	
1960	30,928	52.5	1,623,707	
1961	32,513	51.5	1,674,420	
1962	91,861	50.5	4,638,981	
1963	515,852	49.5	25,534,674	
1964	39,574	48.5	1,919,317	
1965	712,926	47.5	33,863,972	
1966	157,142	46.5	7,307,121	
1967	505,498	45.5	23,000,154	
1968	1,176,632	44.5	52,360,124	
1969	289,660	43.5	12,600,210	
1970	8,116,062	42.5	344,932,619	
1971	1,032,510	41.5	42,849,149	

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

TRANSMISSION PLANT, Account 356 OH Conductor & Devices

VINTAGE YEAR	SURVIVING BALANCE	AGE (YEARS)	DOLLAR YEARS	AVERAGE AGE (YEARS)
1972	148,128	40.5	5,999,189	
1973	71,149	39.5	2,810,386	
1974	43,042	38.5	1,657,117	
1975	187,880	37.5	7,045,500	
1976	222,646	36.5	8,126,579	
1977	509,705	35.5	18,094,528	
1978	1,873,320	34.5	64,629,540	
1979	59,326	33.5	1,987,418	
1980	329,988	32.5	10,724,625	
1981	678,498	31.5	21,372,687	
1982	1,719,766	30.5	52,452,876	
1983	42,428	29.5	1,251,626	
1984	96,445	28.5	2,748,683	
1985	45,981,305	27.5	1,264,485,888	
1986	838,299	26.5	22,214,924	
1987	130,723	25.5	3,333,437	
1988	183,761	24.5	4,502,145	
1989	271,231	23.5	6,373,929	
1990	419,891	22.5	9,447,548	
1991	595,353	21.5	12,800,090	
1992	2,050,378	20.5	42,032,749	
1993	1,686,295	19.5	32,882,747	
1994	3,246,841	18.5	60,066,557	
1995	1,023,612	17.5	17,913,210	
1996	1,377,965	16.5	22,736,414	
1997	689,875	15.5	10,693,063	
1998	4,961,738	14.5	71,945,197	
1999	11,988,858	13.5	161,849,581	
2000	1,907,562	12.5	23,844,525	
2001	992,261	11.5	11,410,998	
2002	422,999	10.5	4,441,487	
2003	653,965	9.5	6,212,664	
2004	244,995	8.5	2,082,457	
2005	743,703	7.5	5,577,771	
2006	278,716	6.5	1,811,651	
2007	388,254	5.5	2,135,398	
2008	7,753,817	4.5	34,892,178	
2009	816,705	3.5	2,858,469	
2010	1,016,717	2.5	2,541,793	
2011	4,336,574	1.5	6,504,862	
2012	<u>5,426,388</u>	0.5	<u>2,713,194</u>	
	120,461,944		2,684,872,339	22.29

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

TRANSMISSION PLANT, Account 357 Underground Conduit

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1997	<u>11,590</u> 11,590	15.5	<u>179,645</u> 179,645	15.50

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT

TRANSMISSION PLANT, Account 358 Underground Conductor & Devices

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1983	<u>106,066</u>	29.5	<u>3,128,947</u>	
	106,066		3,128,947	29.50

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
DEPRECIATION STUDY WORKPAPERS
TRANSMISSION PLANT
ACCRUAL REPORT

**KENTUCKY POWER COMPANY
REMAINING LIFE DEPRECIATION ACCRUAL
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

Account 350.1, Land Rights

**Dispersion: 75.00 - R4
Average Net Salvage Rate: 0%**

Plant Amount	Accum. Depreciation	Theoretical Reserve	Remaining Life	Accrual Rate %
25,871,752	6,281,305	8,143,367	51.39	1.47
<hr/>				
Net Plant		19,590,447		
Calculated Net Plant		17,728,385		

**KENTUCKY POWER COMPANY
REMAINING LIFE DEPRECIATION ACCRUAL
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

Account 352, Structures and Improvements

Dispersion: 60.00 - S3.0

Average Net Salvage Rate: 0%

Plant Amount	Accum. Depreciation	Theoretical Reserve	Remaining Life	Accrual Rate %
6,596,340	2,151,182	2,788,889	34.63	1.95
<hr/>				
Net Plant		4,445,158		
Calculated Net Plant		3,807,451		

**KENTUCKY POWER COMPANY
REMAINING LIFE DEPRECIATION ACCRUAL
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

Account 353, Station Equipment

Dispersion: 47.00 - L1.5

Average Net Salvage Rate: -8%

Plant Amount	Accum. Depreciation	Theoretical Reserve	Remaining Life	Accrual Rate %
169,157,602	35,688,004	46,267,537	35.10	2.48
<hr/>				
Net Plant		133,469,598		
Calculated Net Plant		122,890,065		

**KENTUCKY POWER COMPANY
REMAINING LIFE DEPRECIATION ACCRUAL
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

Account 354, Towers and Fixtures

Dispersion: 51.00 - S6

Average Net Salvage Rate: -10%

Plant Amount	Accum. Depreciation	Theoretical Reserve	Remaining Life	Accrual Rate %
94,468,956	42,231,986	54,751,450	24.13	2.71
Net Plant		52,236,970		
Calculated Net Plant		39,717,506		

**KENTUCKY POWER COMPANY
REMAINING LIFE DEPRECIATION ACCRUAL
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

Account 355, Poles and Fixtures

**Dispersion: 43.00 - L3
Average Net Salvage Rate: -60%**

Plant Amount	Accum. Depreciation	Theoretical Reserve	Remaining Life	Accrual Rate %
70,056,521	20,097,495	26,055,298	33.00	3.98
Net Plant		49,959,026		
Calculated Net Plant		44,001,223		

**KENTUCKY POWER COMPANY
REMAINING LIFE DEPRECIATION ACCRUAL
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

Account 356, Overhead Conductor and Devices

Dispersion: 50.00 - S6

Average Net Salvage Rate: -26%

Plant Amount	Accum. Depreciation	Theoretical Reserve	Remaining Life	Accrual Rate %
120,461,944	51,286,846	66,490,579	28.10	2.97
Net Plant		69,175,098		
Calculated Net Plant		53,971,365		

**KENTUCKY POWER COMPANY
REMAINING LIFE DEPRECIATION ACCRUAL
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

Account 357, Underground Conduit

Dispersion: 37.00 - R2

Average Net Salvage Rate: 0%

Plant Amount	Accum. Depreciation	Theoretical Reserve	Remaining Life	Accrual Rate %
11,590	3,166	4,104	23.90	3.04
Net Plant		8,424		
Calculated Net Plant		7,486		

**KENTUCKY POWER COMPANY
REMAINING LIFE DEPRECIATION ACCRUAL
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

Account 358, Underground Conductor and Devices

Dispersion: 44.00 - R1

Average Net Salvage Rate: 0%

Plant Amount	Accum. Depreciation	Theoretical Reserve	Remaining Life	Accrual Rate %
106,066	37,127	48,133	24.03	2.70
Net Plant		68,939		
Calculated Net Plant		57,933		

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
DISTRIBUTION PLANT WORK PAPERS
SUMMARY ANALYSIS

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2012
Distribution Plant

<i>Account</i>	<i><u>3601 LAND RIGHTS</u></i>	
Depreciable Balance	\$5,178,994	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	75	75
Iowa Curve	R4.0	R4.0
Gross Removal, %	N/A	N/A
Gross Salvage, %	N/A	N/A
Net Salvage %	0	0
N/A = not available		

This account includes land rights and easements associated with distribution property or distribution substations.

Minimal retirement activity in this account provided insufficient data for analysis.

The average age of the property in this account is 19.72 years. Recommend that we continue to use the R4.0 type Iowa curve with an average service life of 75 years.

Since there is little retirement history for this account, the recommendation is to continue the current estimates of 0% gross salvage and 0% gross removal. The result is 0% net salvage.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2012
Distribution Plant

<i>Account</i>	<u>361 STRUCTURES & IMPROVEMENTS</u>	
Depreciable Balance	\$4,381,430	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	65	70
Iowa Curve	L0.5	L2.0
Gross Removal, %	N/A	21
Gross Salvage, %	N/A	10
Net Salvage %	0	-11
N/A = not available		

This account includes structures and improvements related to a substation and contains items like the foundation, fencing and any buildings found in the station.

Property in this account continues to age. The average age of property in this account is 21.92 years. The analysis for property in this account indicates a L2.0 type Iowa curve with an average service life of 70 years should be used.

Historical activity from 2000 through 2012 for this account supports a -11% net salvage with a gross salvage of 10% and a gross removal of 21%.

**KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2012
Distribution Plant**

<i>Account</i>	<u>362 STATION EQUIPMENT</u>	
Depreciable Balance	\$76,399,914	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	25	35
Iowa Curve	L0.0	R1.0
Gross Removal, %	N/A	16
Gross Salvage, %	N/A	10
Net Salvage %	25	-6
N/A = not available		

This account contains a variety of distribution substation equipment such as transformers and switchgear.

The average age of property in this account is 11.88 years.

The results of the life analysis indicate that the average service life for this account should be changed to 35 years following a R1.0 dispersion.

The salvage and removal analysis for 2000 through 2012 calculates an overall historical gross salvage of 10% and a gross removal of -16% resulting in a -6% net salvage.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2012
Distribution Plant

<i>Account</i>	<u>364 POLES, TOWERS & FIXTURES</u>	
Depreciable Balance	\$173,978,663	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	28	28
Iowa Curve	L0.0	R0.5
Gross Removal, %	N/A	51
Gross Salvage, %	N/A	20
Net Salvage %	25	-31
N/A = not available		

This account includes poles and towers of various material types such as wood, concrete and steel.

The average age of property in this account is 15.03 years.

The results of the life analysis indicate that the average service life for this account is estimated at 26 years following a R0.5 dispersion. Since the analysis indicates an average service close to the life currently in rates, this study recommends no change in the 28 year average service life from Case No. 91-066.

The salvage and removal analysis for 2000 through 2012 calculates an overall historical gross salvage of 20% and a gross removal of 51% resulting in a -31% net salvage.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2012
Distribution Plant

<i>Account</i>	<i><u>365 OVERHEAD CONDUCTOR & DEVICES</u></i>	
Depreciable Balance	\$164,605,795	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	26	26
Iowa Curve	R1.5	L0.0
Gross Removal, %	N/A	24
Gross Salvage, %	N/A	30
Net Salvage %	25	6
N/A = not available		

Account 365 consists of overhead conductor and items like switches, reclosers and lightning arresters.

The average age of property in this account is 13.06 years.

The results of the life analysis indicate that the average service life for this account is estimated at to 25 years following a L0.0 dispersion. Since the analysis indicates an average service close to the life currently in rates, this study recommends no change in the 26 year average service life from Case No. 91-066.

The salvage and removal analysis for 2000 through 2012 calculates an overall historical gross salvage of 30% and a gross removal of 24% resulting in a 6% net salvage.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2012
Distribution Plant

<i>Account</i>	<u>366 UNDERGROUND CONDUIT</u>	
Depreciable Balance	\$5,797,157	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	37	44
Iowa Curve	R2.0	R3.0
Gross Removal, %	N/A	0
Gross Salvage, %	N/A	0
Net Salvage %	0	0
N/A = not available		

This account contains distribution underground conduit, duct banks, manholes and ventilating systems.

The results of the life analysis indicate that the average service life for this account should be changed to 44 years following a R3.0 dispersion.

The average age of property in this account is 11.45 years.

Net Salvage factors have historically been negative for account 366. Since underground conduit is retired in place, the removal and salvage components reflected in the analysis are not indicative of actual practice. Interviews with operations personnel confirm this. The net salvage parameters should continue to use a gross salvage factor of 0% and a 0% gross removal yielding an 0% net salvage.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2012
Distribution Plant

<i>Account</i>	<u>367 UNDERGROUND CONDUCTOR & DEVICES</u>	
Depreciable Balance	\$8,915,361	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	44	44
Iowa Curve	R1.0	R0.5
Gross Removal, %	N/A	13
Gross Salvage, %	N/A	1
Net Salvage %	0	-12
N/A = not available		

Account 367 contains underground property such as distribution conductor, switches and switchgear.

The average age of property in this account is 11.45 years.

The results of the life analysis indicate that the average service life for this account is estimated at 40 years following a R0.5 dispersion. Since the analysis indicates an average service close to the life currently in rates, this study recommends no change in the 44 year average service life from Case No. 91-066.

Based on the historical salvage history for the account, the recommended gross salvage is 1% and the gross removal is 13% resulting in a -12% net salvage.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2012
Distribution Plant

<i>Account</i>	<u>368 LINE TRANSFORMERS</u>	
Depreciable Balance	\$113,943,853	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	25	25
Iowa Curve	R1.5	L0.0
Gross Removal, %	N/A	29
Gross Salvage, %	N/A	29
Net Salvage %	15	0
N/A = not available		

This account includes line transformers, regulators and capacitors.

The average age of property in this account is 13.91 years.

The results of the life analysis indicate that the average service life for this account should be changed to 23 years following a L0.0 dispersion. Since the analysis indicates an average service close to the life currently in rates, this study recommends no change in the 25 year average service life from Case No. 91-066.

The salvage analysis for the account history supports a gross salvage of 29% and a gross removal of 29%. The result is a net salvage of 0%.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2012
Distribution Plant

<i>Account</i>	<u>369 SERVICES</u>	
Depreciable Balance	\$49,819,405	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	18	20
Iowa Curve	R2.0	L0.0
Gross Removal, %	N/A	38
Gross Salvage, %	N/A	2
Net Salvage %	0	-36
N/A = not available		

Account 369 consists of underground and overhead distribution services.

The average age of property in this account is 11.02 years.

The results of the life analysis indicate that the average service life for this account should be changed to 20 years following a L0.0 dispersion.

The salvage analysis for the account history supports a gross salvage of 2% and a gross removal of 38%. The result is a net salvage of -36%.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2012
Distribution Plant

<i>Account</i>	<u>370 METERS</u>	
Depreciable Balance	\$24,731,170	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	27	17
Iowa Curve	R0.5	R4.0
Gross Removal, %	N/A	18
Gross Salvage, %	N/A	22
Net Salvage %	0	4
N/A = not available		

Account 370 includes all distribution meters.

The average age of property in this account is 6.01 years.

Since 100% of the Company's electromechanical meters were replaced with AMR meters in the 2005 to 2010 time frame, account history cannot be used to determine a reasonable useful life. General Electric (the manufacturer of the new meters) estimates that the life expectancy of the AMR meters is from 15 years to 20 years. Based on GE's assessment, a life of 17 years is recommended for account 370, Meters, with an R4.0 dispersion.

The salvage and removal analysis for 2000 through 2012 calculates an overall historical gross salvage of 22% and a gross removal of 18% resulting in a 4% net salvage.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2012
Distribution Plant

<i>Account</i>	<u>371 INSTALLATIONS ON CUSTOMERS PREMISES</u>	
Depreciable Balance	\$19,061,691	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	11	11
Iowa Curve	L0.0	L0.0
Gross Removal, %	N/A	34
Gross Salvage, %	N/A	1
Net Salvage %	30	-33
N/A = not available		

Property included in account 371 consists of items such as cable vaults and commercial lighting equipment.

The average age of property in this account is 7.98 years.

The current life analysis supports an average service life for this account of 10 years with an L0.0 dispersion. Since the analysis indicates an average service close to the life currently in rates, this study recommends no change in the 11 year average service life from Case No. 91-066.

The salvage and removal analysis for 2000 through 2012 calculates an overall historical gross salvage of 1% and a gross removal of 34% resulting in a -33% net salvage.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2012
Distribution Plant

<i>Account</i>	<i><u>373 STREET LIGHTING & SIGNAL SYSTEMS</u></i>	
Depreciable Balance	\$3,173,778	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	15	20
Iowa Curve	L0.0	L0.0
Gross Removal, %	N/A	25
Gross Salvage, %	N/A	1
Net Salvage %	15	-24
N/A = not available		

Account 373 consists of distribution street lights, conductor, conduit and standards.

The average age of property in this account is 18.17 years.

The current life analysis supports an average service life for this account of 20 years with an L0.0 dispersion.

Based on the historical salvage history for the account, the recommended gross salvage is 1% and the gross removal is 25% resulting in a -24% net salvage.

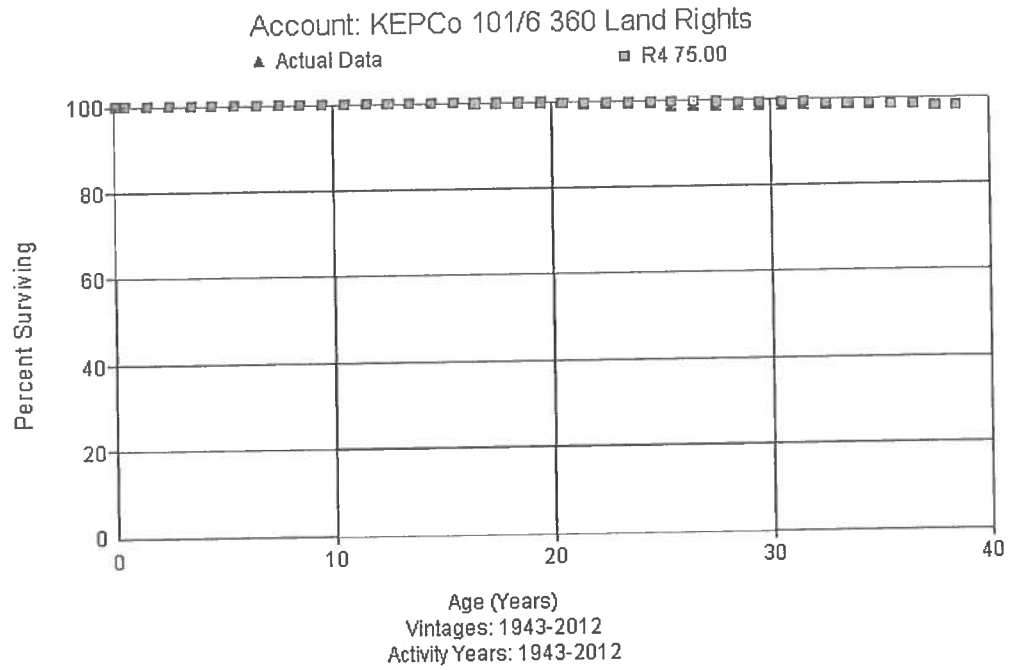
KENTUCKY POWER COMPANY

DEPRECIATION STUDY AS OF DECEMBER 31, 2012

DISTRIBUTION PLANT

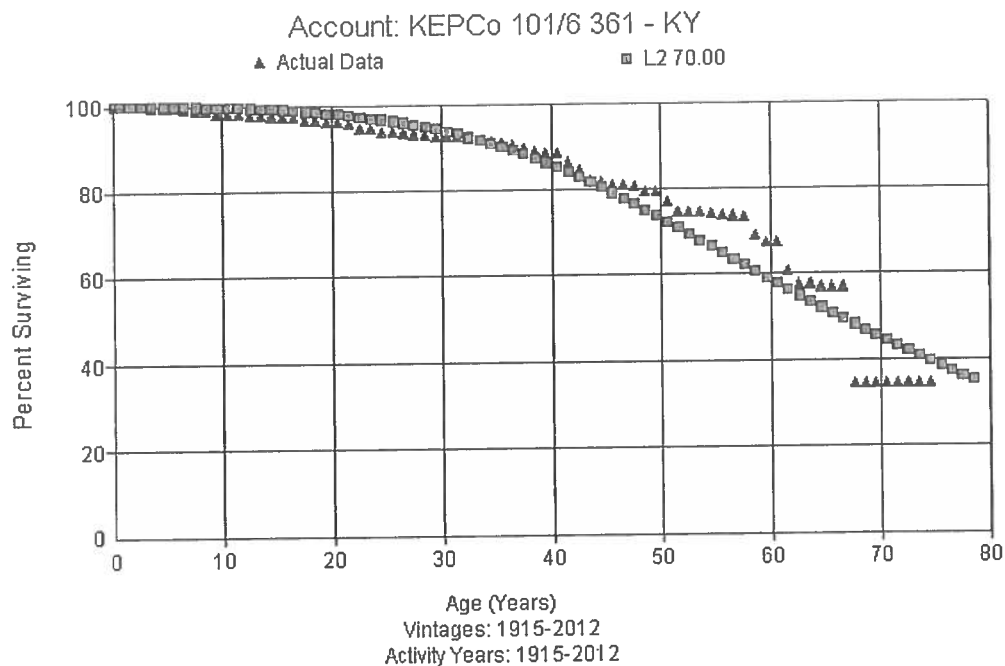
GRAPHS

KENTUCKY POWER COMPANY DISTRIBUTION PLANT GRAPHS DEPRECIATION STUDY AS OF DECEMBER 31, 2012



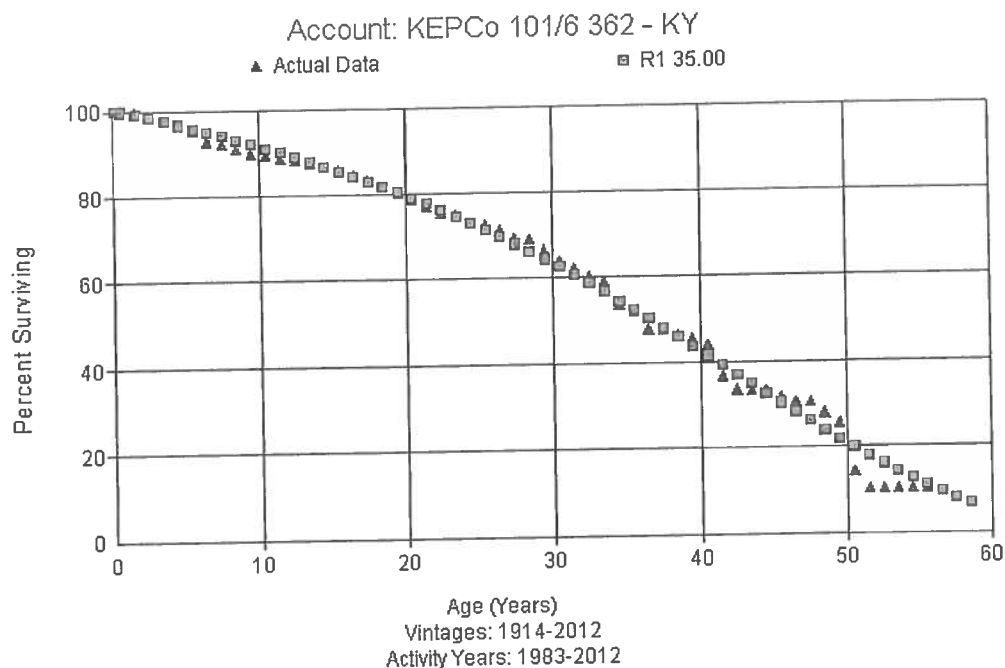
Retirement data is not meaningful for Account 360, Land Rights so no actuarial or SPR analysis could be performed. Recommend that we keep the 75 year life and R4.0 dispersion currently approved in rates by Case No. 91-066.

KENTUCKY POWER COMPANY DISTRIBUTION PLANT GRAPHS DEPRECIATION STUDY AS OF DECEMBER 31, 2012



The above actuarial analysis graph for account 361 includes activity years from 1915 to 2012. The dispersion currently included in rates from Case No. 91-066 uses a L0.5 lowa Curve with a 65 year recommended life. As indicated above the L2.0 dispersion with a 70 year average service life is a better fit and is recommended by the current depreciation study.

KENTUCKY POWER COMPANY DISTRIBUTION PLANT GRAPHS DEPRECIATION STUDY AS OF DECEMBER 31, 2012

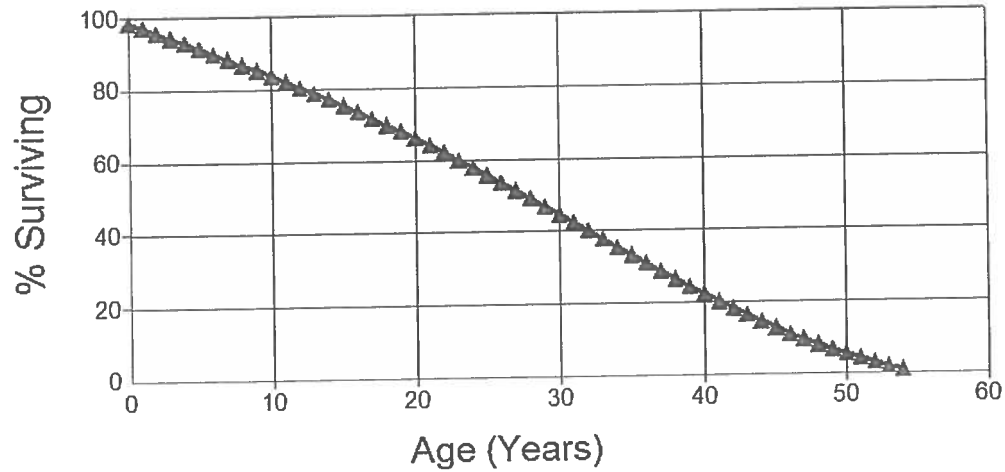


The above actuarial analysis graph for account 362 includes activity years from 1914 to 2012. The dispersion currently included in rates from Case No. 91-066 is a L0.0 lowa Curve with a 25 year recommended life. As indicated above the R1.0 dispersion with a 35 year average service life is a better fit and is recommended by the current depreciation study.

KENTUCKY POWER COMPANY
DISTRIBUTION PLANT GRAPHS
DEPRECIATION STUDY AS OF DECEMBER 31, 2012

Account: KEPCo 101/6 364 - KY

▲ Prescribed: R0.5 - 28.00 / Proposed: R0.5 - 28.00

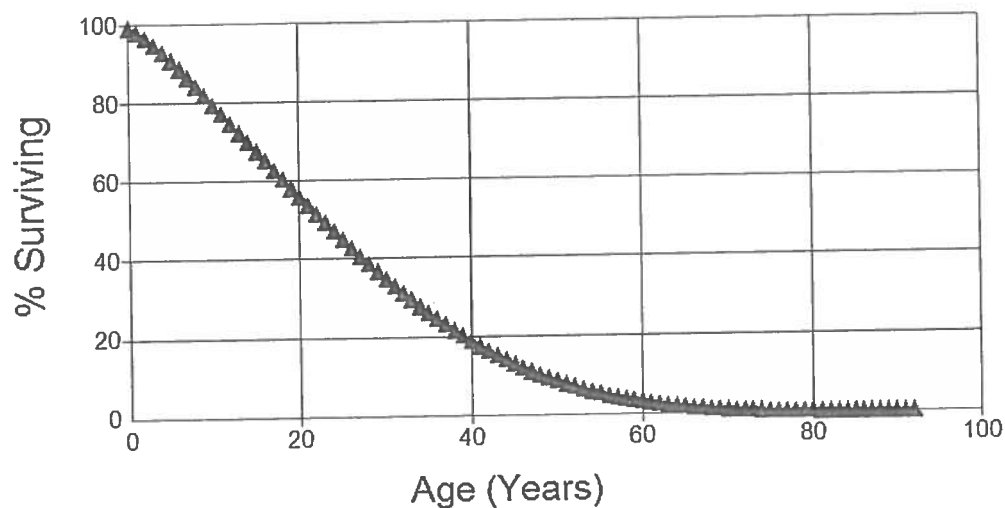


An SPR analysis was performed for Account 364 where the Conformance Index along with the Retirement Experience Index indicated that a R0.5 dispersion with a 26 year life was the best fit for this account. Since the estimated life currently embedded in rates is proximate to the 26 year estimate, this study recommends retention of the 28 year life.

KENTUCKY POWER COMPANY
DISTRIBUTION PLANT GRAPHS
DEPRECIATION STUDY AS OF DECEMBER 31, 2012

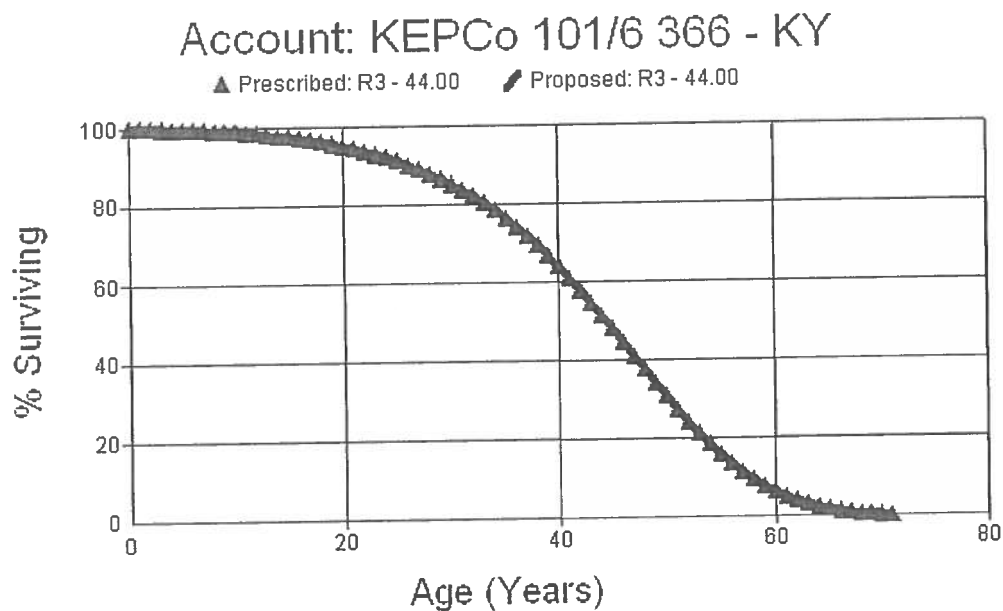
Account: KEPCo 101/6 365 - KY

▲ Prescribed: L0 - 26.00 / Proposed: L0 - 26.00



An SPR analysis was performed for Account 365 where the Conformance Index along with the Retirement Experience Index indicated that a L0.0 dispersion with a 25 year life was the best fit for this account. Since the estimated life currently embedded in rates is proximate to the 25 year estimate, this study recommends retention of the 26 year life.

**KENTUCKY POWER COMPANY
DISTRIBUTION PLANT GRAPHS
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

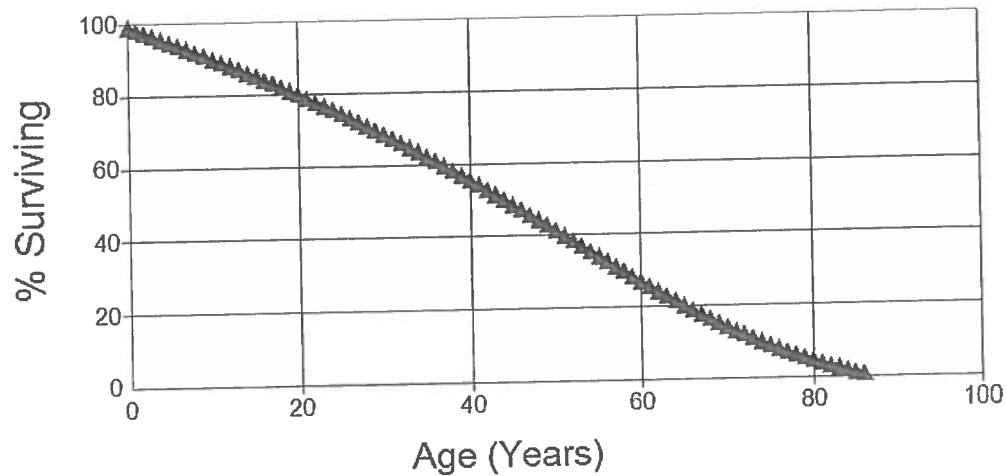


An SPR analysis was performed for Account 366 where the Conformance Index along with the Retirement Experience Index indicated that a R3.0 dispersion with a 44 year life was the best fit for this account.

KENTUCKY POWER COMPANY
DISTRIBUTION PLANT GRAPHS
DEPRECIATION STUDY AS OF DECEMBER 31, 2012

Account: KEPCo 101/6 367 - KY

▲ Prescribed: R0.5 - 44.00 / Proposed: R0.5 - 44.00

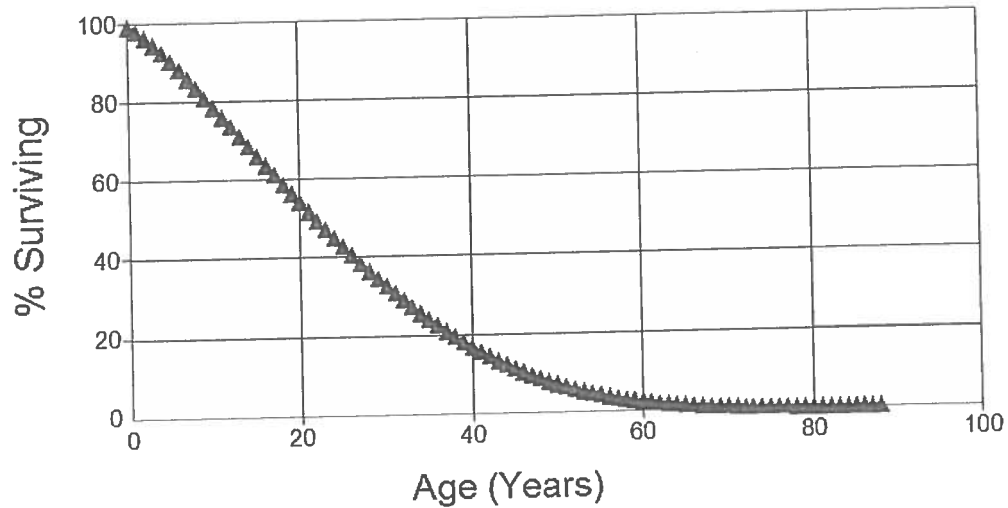


An SPR analysis was performed for Account 367 where the Conformance Index along with the Retirement Experience Index indicated that a R0.5 dispersion with a 40 year life was the best fit for this account. Since the estimated life currently embedded in rates is proximate to the 40 year estimate, this study recommends retention of the 44 year life.

**KENTUCKY POWER COMPANY
DISTRIBUTION PLANT GRAPHS
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

Account: KEPCo 101/6 368 - KY

▲ Prescribed: L0 - 25.00 / Proposed: L0 - 25.00

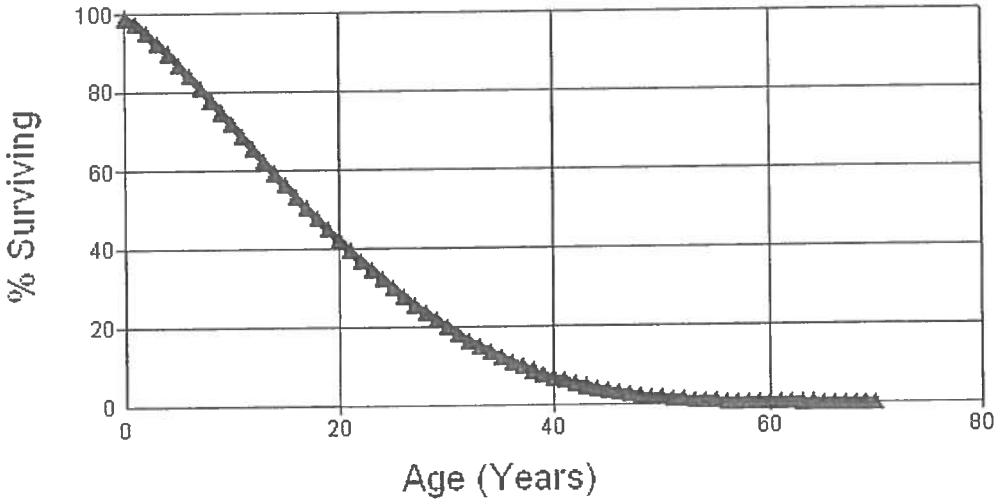


An SPR analysis was performed for Account 368 where the Conformance Index along with the Retirement Experience Index indicated that a L0.0 dispersion with a 23 year life was the best fit for this account. Since the estimated life currently embedded in rates is proximate to the 23 year estimate, this study recommends retention of the 25 year life.

**KENTUCKY POWER COMPANY
DISTRIBUTION PLANT GRAPHS
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

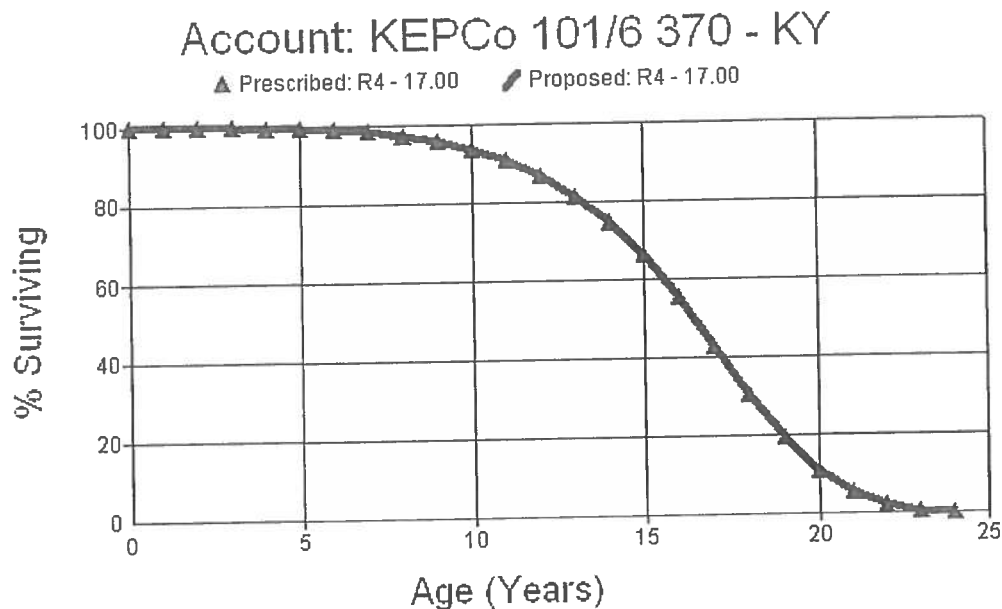
Account: KEPCo 101/6 369 - KY

▲ Prescribed: L0 - 20.00 ▩ Proposed: L0 - 20.00



An SPR analysis was performed for Account 369 where the Conformance Index along with the Retirement Experience Index indicated that a L0.0 dispersion with a 20 year life was the best fit for this account.

**KENTUCKY POWER COMPANY
DISTRIBUTION PLANT GRAPHS
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

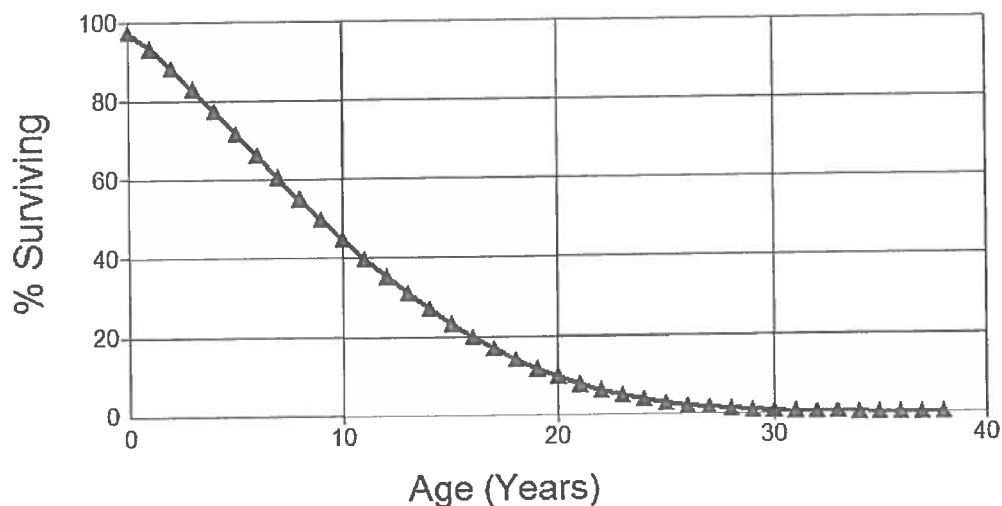


No analysis was performed for this account since Company personnel indicated that all of the electromechanical meters were replaced with AMR meters in the period from 2005 to 2010. General Electric has indicated that the expected life for the new AMR meters is from 15 to 20 years. Therefore, a life of 17 years was selected for account 370 with a R4.0 dispersion.

KENTUCKY POWER COMPANY
DISTRIBUTION PLANT GRAPHS
DEPRECIATION STUDY AS OF DECEMBER 31, 2012

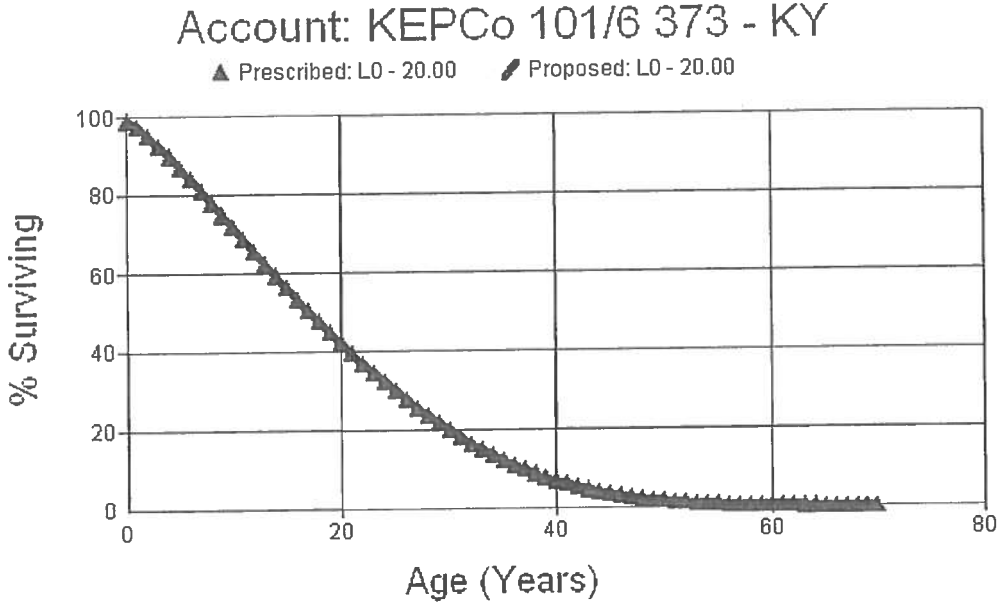
Account: KEPCo 101/6 371 - KY

▲ Prescribed: L0 - 11.00 / Proposed: L0 - 11.00



An SPR analysis was performed for Account 371 where the Conformance Index along with the Retirement Experience Index indicated that a L0.0 dispersion with a 10 year life was the best fit for this account. Since the estimated life currently embedded in rates is proximate to the 10 year estimate, this study recommends retention of the 11 year life.

**KENTUCKY POWER COMPANY
DISTRIBUTION PLANT GRAPHS
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**



An SPR analysis was performed for Account 373 where the Conformance Index along with the Retirement Experience Index indicated that a L0.0 dispersion with a 20 year life was the best fit for this account.

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
DEPRECIATION STUDY WORKPAPERS
DISTRIBUTION PLANT
OBSERVED LIFE TABLE - ACTUARIAL ACCOUNTS

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 2012
OBSERVED LIFE TABLE - ACCOUNT 360 LAND RIGHTS**

Placement Band 1943 to 2012
Observation Band 1943 to 2012

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surviving at Beginning of Interval
0	5,212,287	0	0.00000	1.00000	100.00
0.5	5,071,215	0	0.00000	1.00000	100.00
1.5	4,908,446	0	0.00000	1.00000	100.00
2.5	4,747,467	0	0.00000	1.00000	100.00
3.5	4,544,724	0	0.00000	1.00000	100.00
4.5	4,395,670	0	0.00000	1.00000	100.00
5.5	4,211,928	0	0.00000	1.00000	100.00
6.5	4,037,106	0	0.00000	1.00000	100.00
7.5	3,919,150	0	0.00000	1.00000	100.00
8.5	3,818,375	0	0.00000	1.00000	100.00
9.5	3,629,394	0	0.00000	1.00000	100.00
10.5	3,498,086	0	0.00000	1.00000	100.00
11.5	3,391,555	0	0.00000	1.00000	100.00
12.5	3,076,539	0	0.00000	1.00000	100.00
13.5	3,072,862	0	0.00000	1.00000	100.00
14.5	2,964,219	0	0.00000	1.00000	100.00
15.5	2,744,679	0	0.00000	1.00000	100.00
16.5	2,691,332	301	0.00011	0.99989	100.00
17.5	2,584,630	5,771	0.00223	0.99777	99.99
18.5	2,564,836	2,701	0.00105	0.99895	99.77
19.5	2,513,007	2,326	0.00093	0.99907	99.66
20.5	2,415,917	3,825	0.00158	0.99842	99.57
21.5	2,335,938	943	0.00040	0.99960	99.41
22.5	2,280,157	325	0.00014	0.99986	99.37
23.5	2,248,631	623	0.00028	0.99972	99.36
24.5	2,221,628	13,964	0.00629	0.99371	99.33
25.5	2,188,648	0	0.00000	1.00000	98.70
26.5	2,141,302	1,966	0.00092	0.99908	98.70
27.5	2,118,617	364	0.00017	0.99983	98.61
28.5	2,092,319	0	0.00000	1.00000	98.60
29.5	2,025,458	0	0.00000	1.00000	98.60
30.5	1,976,516	156	0.00008	0.99992	98.60
31.5	1,937,852	0	0.00000	1.00000	98.59
32.5	1,913,262	0	0.00000	1.00000	98.59
33.5	28	0	0.00000	1.00000	98.59
34.5	28	28	1.00000	0.00000	98.59
35.5	0	0	0.00000	1.00000	0.00

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 2012
OBSERVED LIFE TABLE - ACCOUNT 361 STRUCTURES AND IMPROVEMENTS**

Placement Band 1915 to 2012
Observation Band 1915 to 2012

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surviving at Beginning of Interval
0	4,670,700	102	0.00002	0.99998	100.00
0.5	4,670,598	2,131	0.00046	0.99954	100.00
1.5	4,571,409	1,155	0.00025	0.99975	99.95
2.5	4,568,135	3,555	0.00078	0.99922	99.93
3.5	4,538,064	3,444	0.00076	0.99924	99.85
4.5	4,396,264	2,168	0.00049	0.99951	99.77
5.5	4,394,096	9,431	0.00215	0.99785	99.72
6.5	4,384,665	17,684	0.00403	0.99597	99.51
7.5	4,358,346	1,158	0.00027	0.99973	99.11
8.5	4,357,188	40,345	0.00926	0.99074	99.08
9.5	3,921,059	1,714	0.00044	0.99956	98.17
10.5	3,880,831	7,323	0.00189	0.99811	98.12
11.5	3,866,481	1,008	0.00026	0.99974	97.94
12.5	3,764,721	6,047	0.00161	0.99839	97.91
13.5	3,371,411	9,663	0.00287	0.99713	97.75
14.5	3,330,861	1,250	0.00038	0.99962	97.47
15.5	3,265,124	3,615	0.00111	0.99889	97.44
16.5	3,226,055	20,508	0.00636	0.99364	97.33
17.5	2,608,506	377	0.00014	0.99986	96.71
18.5	2,504,068	12,458	0.00498	0.99502	96.70
19.5	2,236,880	2,135	0.00095	0.99905	96.21
20.5	2,122,726	6,776	0.00319	0.99681	96.12
21.5	1,778,771	21,508	0.01209	0.98791	95.82
22.5	1,725,288	362	0.00021	0.99979	94.66
23.5	1,691,552	13,816	0.00817	0.99183	94.64
24.5	1,642,102	4,831	0.00294	0.99706	93.86
25.5	1,509,585	790	0.00052	0.99948	93.59
26.5	1,360,590	5,631	0.00414	0.99586	93.54
27.5	1,235,876	3,532	0.00286	0.99714	93.15
28.5	1,221,841	2,600	0.00213	0.99787	92.89
29.5	1,212,188	726	0.00060	0.99940	92.69
30.5	1,148,997	2,506	0.00218	0.99782	92.63
31.5	1,053,751	2,159	0.00205	0.99795	92.43
32.5	678,115	3,461	0.00510	0.99490	92.24
33.5	668,704	3,214	0.00481	0.99519	91.77
34.5	620,599	2,127	0.00343	0.99657	91.33
35.5	534,807	3,133	0.00586	0.99414	91.02
36.5	507,556	4,615	0.00909	0.99091	90.48
37.5	430,237	3,124	0.00726	0.99274	89.66
38.5	365,475	1,141	0.00312	0.99688	89.01
39.5	319,643	200	0.00063	0.99937	88.73
40.5	269,649	6,881	0.02552	0.97448	88.68
41.5	202,592	3,915	0.01932	0.98068	86.41
42.5	185,420	5,582	0.03010	0.96990	84.74
43.5	172,868	746	0.00432	0.99568	82.19
44.5	151,329	1,679	0.01110	0.98890	81.84
45.5	135,744	0	0.00000	1.00000	80.93

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 2012
OBSERVED LIFE TABLE - ACCOUNT 361 STRUCTURES AND IMPROVEMENTS**

Placement Band 1915 to 2012
Observation Band 1915 to 2012

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surviving at Beginning of Interval
46.5	109,924	449	0.00408	0.99592	80.93
47.5	107,662	1,362	0.01265	0.98735	80.60
48.5	105,805	225	0.00213	0.99787	79.58
49.5	100,378	2,991	0.02980	0.97020	79.41
50.5	97,197	3,077	0.03166	0.96834	77.04
51.5	92,535	0	0.00000	1.00000	74.61
52.5	92,244	0	0.00000	1.00000	74.61
53.5	92,051	370	0.00402	0.99598	74.61
54.5	91,681	483	0.00527	0.99473	74.31
55.5	84,842	261	0.00308	0.99692	73.91
56.5	78,626	111	0.00141	0.99859	73.69
57.5	77,814	4,579	0.05885	0.94115	73.58
58.5	68,329	1,739	0.02545	0.97455	69.25
59.5	57,275	83	0.00145	0.99855	67.49
60.5	57,115	5,484	0.09602	0.90398	67.39
61.5	48,765	2,453	0.05030	0.94970	60.92
62.5	43,191	0	0.00000	1.00000	57.86
63.5	39,329	540	0.01373	0.98627	57.86
64.5	33,615	0	0.00000	1.00000	57.06
65.5	32,708	0	0.00000	1.00000	57.06
66.5	32,666	12,737	0.38992	0.61008	57.06
67.5	18,983	0	0.00000	1.00000	34.81
68.5	18,983	0	0.00000	1.00000	34.81
69.5	17,311	0	0.00000	1.00000	34.81
70.5	16,334	0	0.00000	1.00000	34.81
71.5	16,194	0	0.00000	1.00000	34.81
72.5	12,655	0	0.00000	1.00000	34.81
73.5	12,655	0	0.00000	1.00000	34.81
74.5	0	0	0.00000	1.00000	34.81

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 2012
OBSERVED LIFE TABLE - ACCOUNT 362 STATION EQUIPMENT**

Placement Band 1914 to 2012
Observation Band 1914 to 2012

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surviving at Beginning of Interval
0	76,528,759	43,698	0.00057	0.99943	100.00
0.5	69,277,767	157,617	0.00228	0.99772	99.94
1.5	62,755,349	583,655	0.00930	0.99070	99.72
2.5	63,819,263	627,806	0.00984	0.99016	98.79
3.5	58,263,796	671,549	0.01153	0.98847	97.82
4.5	49,758,133	655,657	0.01318	0.98682	96.69
5.5	47,363,767	1,337,199	0.02823	0.97177	95.41
6.5	43,267,277	259,532	0.00600	0.99400	92.72
7.5	40,866,868	491,481	0.01203	0.98797	92.16
8.5	40,246,183	489,916	0.01217	0.98783	91.06
9.5	39,383,282	196,971	0.00500	0.99500	89.95
10.5	39,415,151	425,436	0.01079	0.98921	89.50
11.5	37,458,965	213,963	0.00571	0.99429	88.53
12.5	35,770,387	269,799	0.00754	0.99246	88.03
13.5	34,578,371	246,141	0.00712	0.99288	87.36
14.5	33,792,737	343,726	0.01017	0.98983	86.74
15.5	32,023,284	430,976	0.01346	0.98654	85.86
16.5	30,175,964	533,832	0.01769	0.98231	84.70
17.5	25,366,230	427,864	0.01687	0.98313	83.20
18.5	23,721,237	414,554	0.01748	0.98252	81.80
19.5	20,339,143	433,752	0.02133	0.97867	80.37
20.5	18,973,595	357,547	0.01884	0.98116	78.66
21.5	17,320,937	360,473	0.02081	0.97919	77.17
22.5	16,584,370	100,250	0.00604	0.99396	75.57
23.5	16,046,622	439,200	0.02737	0.97263	75.11
24.5	15,363,042	104,466	0.00680	0.99320	73.06
25.5	13,601,656	197,189	0.01450	0.98550	72.56
26.5	12,247,027	335,633	0.02741	0.97259	71.51
27.5	11,287,420	68,543	0.00607	0.99393	69.55
28.5	10,586,568	400,636	0.03784	0.96216	69.12
29.5	9,597,910	368,305	0.03837	0.96163	66.51
30.5	8,312,814	205,450	0.02471	0.97529	63.96
31.5	7,559,241	253,287	0.03351	0.96649	62.38
32.5	5,128,130	99,155	0.01934	0.98066	60.29
33.5	4,730,553	423,548	0.08953	0.91047	59.12
34.5	3,406,605	106,437	0.03124	0.96876	53.83
35.5	2,759,783	221,205	0.08015	0.91985	52.15
36.5	2,392,573	16,458	0.00688	0.99312	47.97
37.5	2,173,998	44,459	0.02045	0.97955	47.64
38.5	1,900,348	37,524	0.01975	0.98025	46.66
39.5	1,499,784	54,490	0.03633	0.96367	45.74
40.5	982,503	160,439	0.16330	0.83670	44.08
41.5	697,852	60,610	0.08685	0.91315	36.88
42.5	475,230	1,160	0.00244	0.99756	33.68
43.5	453,796	1,669	0.00368	0.99632	33.60
44.5	375,467	18,877	0.05028	0.94972	33.47
45.5	246,143	8,556	0.03476	0.96524	31.79

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 2012
OBSERVED LIFE TABLE - ACCOUNT 362 STATION EQUIPMENT**

Placement Band 1914 to 2012
Observation Band 1914 to 2012

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surviving at Beginning of Interval
46.5	184,001	0	0.00000	1.00000	30.68
47.5	183,014	15,444	0.08438	0.91562	30.68
48.5	156,838	13,025	0.08305	0.91695	28.09
49.5	83,395	36,688	0.43993	0.56007	25.76
50.5	36,443	10,337	0.28365	0.71635	14.43
51.5	16,037	0	0.00000	1.00000	10.34
52.5	16,037	0	0.00000	1.00000	10.34
53.5	16,037	0	0.00000	1.00000	10.34
54.5	16,037	0	0.00000	1.00000	10.34
55.5	0	0	0.00000	1.00000	10.34
56.5	0	0	0.00000	1.00000	
57.5	0	0	0.00000	1.00000	
58.5	0	0	0.00000	1.00000	
59.5	0	0	0.00000	1.00000	
60.5	9,595	6,087	0.63439	0.36561	
61.5	3,508	3,508	1.00000	0.00000	
62.5	0	0	0.00000	1.00000	

KENTUCKY POWER COMPANY

DEPRECIATION STUDY AS OF DECEMBER 31, 2012

DEPRECIATION STUDY WORKPAPERS

DISTRIBUTION PLANT

GENERATION ARRANGEMENT REPORT

KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2012

Account: KEPCO 101/6 360 Land Rights
Dispersion: 75.00, R4.0
Average Net Salvage Rate: 0.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2012	0.5	\$141,072.28	75.00	74.50	0.9933	1.0000	\$140,132.74	\$1,880.96
2011	1.5	\$162,768.67	75.00	73.50	0.9800	1.0000	\$159,516.52	\$2,170.25
2010	2.5	\$160,979.62	75.00	72.50	0.9667	1.0000	\$155,618.91	\$2,146.39
2009	3.5	\$202,743.04	75.00	71.50	0.9534	1.0000	\$193,292.89	\$2,703.24
2008	4.5	\$149,054.01	75.00	70.51	0.9401	1.0000	\$140,120.88	\$1,987.39
2007	5.5	\$183,741.67	75.00	69.51	0.9268	1.0000	\$170,284.88	\$2,449.89
2006	6.5	\$174,821.73	75.00	68.51	0.9135	1.0000	\$159,692.09	\$2,330.96
2005	7.5	\$117,956.02	75.00	67.51	0.9002	1.0000	\$106,179.25	\$1,572.75
2004	8.5	\$100,775.44	75.00	66.51	0.8869	1.0000	\$89,374.22	\$1,343.67
2003	9.5	\$188,981.14	75.00	65.52	0.8736	1.0000	\$165,091.01	\$2,519.75
2002	10.5	\$131,307.26	75.00	64.52	0.8603	1.0000	\$112,964.83	\$1,750.76
2001	11.5	\$106,531.58	75.00	63.53	0.8470	1.0000	\$90,236.03	\$1,420.42
2000	12.5	\$315,016.21	75.00	62.53	0.8338	1.0000	\$262,651.77	\$4,200.22
1999	13.5	\$3,677.00	75.00	61.54	0.8205	1.0000	\$3,017.08	\$49.03
1998	14.5	\$108,643.00	75.00	60.55	0.8073	1.0000	\$87,706.87	\$1,448.57
1997	15.5	\$219,539.50	75.00	59.56	0.7941	1.0000	\$174,331.59	\$2,927.19
1996	16.5	\$53,347.00	75.00	58.57	0.7809	1.0000	\$41,657.14	\$711.29
1995	17.5	\$106,401.00	75.00	57.58	0.7677	1.0000	\$81,682.75	\$1,418.68
1994	18.5	\$14,023.00	75.00	56.59	0.7545	1.0000	\$10,580.56	\$186.97
1993	19.5	\$49,128.00	75.00	55.60	0.7414	1.0000	\$36,422.56	\$655.04
1992	20.5	\$94,764.00	75.00	54.62	0.7283	1.0000	\$69,012.94	\$1,263.52
1991	21.5	\$76,154.00	75.00	53.64	0.7152	1.0000	\$54,462.23	\$1,015.39
1990	22.5	\$54,838.00	75.00	52.66	0.7021	1.0000	\$38,502.31	\$731.17
1989	23.5	\$31,201.00	75.00	51.68	0.6891	1.0000	\$21,500.03	\$416.01
1988	24.5	\$26,380.00	75.00	50.71	0.6761	1.0000	\$17,834.91	\$351.73
1987	25.5	\$19,016.00	75.00	49.73	0.6631	1.0000	\$12,610.06	\$253.55
1986	26.5	\$47,346.00	75.00	48.77	0.6502	1.0000	\$30,785.31	\$631.28
1985	27.5	\$20,719.00	75.00	47.80	0.6373	1.0000	\$13,205.04	\$276.25
1984	28.5	\$25,934.00	75.00	46.84	0.6245	1.0000	\$16,196.59	\$345.79
1983	29.5	\$66,861.00	75.00	45.88	0.6118	1.0000	\$40,903.43	\$891.48
1982	30.5	\$48,942.00	75.00	44.93	0.5990	1.0000	\$29,318.56	\$652.56
1981	31.5	\$38,508.00	75.00	43.98	0.5864	1.0000	\$22,581.37	\$513.44
1980	32.5	\$24,590.00	75.00	43.04	0.5738	1.0000	\$14,110.38	\$327.87
1979	33.5	\$1,913,234.00	75.00	42.10	0.5613	1.0000	\$1,073,884.32	\$25,509.79
		\$5,178,994.17	75.00	55.54	0.7406	1.0000	\$3,835,462.05	\$69,053.25

KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2012

Account: KEPCO 101/6 361 Structures and Improvements
Dispersion: 70.00, L2.0
Average Net Salvage Rate: -11.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2011	1.5	\$97,058.07	70.00	68.50	1.0862	1.0000	\$105,427.22	\$1,539.06
2010	2.5	\$2,118.53	70.00	67.50	1.0704	1.0000	\$2,267.68	\$33.59
2009	3.5	\$26,516.60	70.00	66.51	1.0546	1.0000	\$27,965.72	\$420.48
2008	4.5	\$138,356.05	70.00	65.52	1.0390	1.0000	\$143,747.84	\$2,193.93
2005	7.5	\$8,634.85	70.00	62.59	0.9924	1.0000	\$8,569.53	\$136.92
2003	9.5	\$395,783.91	70.00	60.67	0.9620	1.0000	\$380,736.45	\$6,276.00
2002	10.5	\$38,513.72	70.00	59.72	0.9470	1.0000	\$36,471.92	\$610.72
2001	11.5	\$7,027.54	70.00	58.78	0.9321	1.0000	\$6,550.42	\$111.44
2000	12.5	\$100,752.20	70.00	57.85	0.9174	1.0000	\$92,425.17	\$1,597.64
1999	13.5	\$387,262.85	70.00	56.93	0.9028	1.0000	\$349,611.85	\$6,140.88
1998	14.5	\$30,887.03	70.00	56.02	0.8883	1.0000	\$27,437.33	\$489.78
1997	15.5	\$64,486.87	70.00	55.12	0.8740	1.0000	\$56,364.35	\$1,022.58
1996	16.5	\$35,454.00	70.00	54.23	0.8599	1.0000	\$30,485.80	\$562.20
1995	17.5	\$597,041.39	70.00	53.35	0.8459	1.0000	\$505,045.73	\$9,467.37
1994	18.5	\$104,061.00	70.00	52.47	0.8321	1.0000	\$86,588.19	\$1,650.11
1993	19.5	\$254,730.00	70.00	51.61	0.8184	1.0000	\$208,468.55	\$4,039.29
1992	20.5	\$112,019.00	70.00	50.76	0.8049	1.0000	\$90,160.56	\$1,776.30
1991	21.5	\$337,179.00	70.00	49.91	0.7915	1.0000	\$266,863.19	\$5,346.70
1990	22.5	\$31,974.83	70.00	49.08	0.7782	1.0000	\$24,883.80	\$507.03
1989	23.5	\$33,374.00	70.00	48.25	0.7651	1.0000	\$25,534.60	\$529.22
1988	24.5	\$35,634.00	70.00	47.44	0.7522	1.0000	\$26,803.82	\$565.05
1987	25.5	\$127,686.00	70.00	46.63	0.7395	1.0000	\$94,420.26	\$2,024.74
1986	26.5	\$148,205.00	70.00	45.84	0.7269	1.0000	\$107,733.39	\$2,350.11
1985	27.5	\$119,083.00	70.00	45.07	0.7147	1.0000	\$85,103.92	\$1,888.32
1984	28.5	\$10,503.00	70.00	44.31	0.7026	1.0000	\$7,379.34	\$166.55
1983	29.5	\$7,053.00	70.00	43.57	0.6909	1.0000	\$4,872.89	\$111.84
1982	30.5	\$62,465.00	70.00	42.84	0.6794	1.0000	\$42,438.15	\$990.52
1981	31.5	\$92,740.00	70.00	42.15	0.6683	1.0000	\$61,980.04	\$1,470.59
1980	32.5	\$373,477.00	70.00	41.47	0.6575	1.0000	\$245,577.38	\$5,922.28
1979	33.5	\$5,950.00	70.00	40.80	0.6470	1.0000	\$3,849.90	\$94.35
1978	34.5	\$44,891.00	70.00	40.17	0.6369	1.0000	\$28,593.29	\$711.84
1977	35.5	\$83,665.00	70.00	39.55	0.6271	1.0000	\$52,466.94	\$1,326.69
1976	36.5	\$24,118.00	70.00	38.95	0.6177	1.0000	\$14,897.83	\$382.44
1975	37.5	\$72,704.00	70.00	38.38	0.6085	1.0000	\$44,241.90	\$1,152.88
1974	38.5	\$61,638.00	70.00	37.82	0.5998	1.0000	\$36,970.24	\$977.40
1973	39.5	\$44,691.00	70.00	37.29	0.5914	1.0000	\$26,428.21	\$708.67
1972	40.5	\$49,794.00	70.00	36.78	0.5832	1.0000	\$29,038.64	\$789.59
1971	41.5	\$60,176.00	70.00	36.28	0.5754	1.0000	\$34,623.51	\$954.22
1970	42.5	\$13,257.00	70.00	35.81	0.5678	1.0000	\$7,527.21	\$210.22
1969	43.5	\$6,970.00	70.00	35.35	0.5606	1.0000	\$3,907.17	\$110.52
1968	44.5	\$20,793.00	70.00	34.91	0.5535	1.0000	\$11,509.95	\$329.72
1967	45.5	\$13,906.00	70.00	34.49	0.5469	1.0000	\$7,604.72	\$220.51
1966	46.5	\$25,820.00	70.00	34.08	0.5404	1.0000	\$13,953.39	\$409.43
1965	47.5	\$1,812.70	70.00	33.69	0.5342	1.0000	\$968.29	\$28.74
1964	48.5	\$495.00	70.00	33.31	0.5282	1.0000	\$261.45	\$7.85
1963	49.5	\$5,202.00	70.00	32.94	0.5224	1.0000	\$2,717.40	\$82.49

KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2012

Account: KEPCO 101/6 361 Structures and Improvements
Dispersion: 70.00, L2.0
Average Net Salvage Rate: -11.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1962	50.5	\$190.00	70.00	32.59	0.5168	1.0000	\$98.19	\$3.01
1961	51.5	\$1,585.00	70.00	32.25	0.5114	1.0000	\$810.57	\$25.13
1960	52.5	\$291.00	70.00	31.92	0.5062	1.0000	\$147.30	\$4.61
1959	53.5	\$193.00	70.00	31.60	0.5011	1.0000	\$96.72	\$3.06
1957	55.5	\$6,356.00	70.00	30.99	0.4915	1.0000	\$3,123.76	\$100.79
1956	56.5	\$5,955.00	70.00	30.70	0.4868	1.0000	\$2,899.15	\$94.43
1955	57.5	\$701.00	70.00	30.42	0.4823	1.0000	\$338.11	\$11.12
1954	58.5	\$4,906.00	70.00	30.14	0.4779	1.0000	\$2,344.76	\$77.80
1953	59.5	\$9,315.00	70.00	29.87	0.4736	1.0000	\$4,411.64	\$147.71
1952	60.5	\$77.03	70.00	29.60	0.4694	1.0000	\$36.16	\$1.22
1951	61.5	\$2,866.00	70.00	29.34	0.4652	1.0000	\$1,333.41	\$45.45
1950	62.5	\$3,120.63	70.00	29.08	0.4612	1.0000	\$1,439.12	\$49.48
1949	63.5	\$3,862.00	70.00	28.83	0.4572	1.0000	\$1,765.59	\$61.24
1948	64.5	\$5,174.00	70.00	28.58	0.4532	1.0000	\$2,344.79	\$82.04
1947	65.5	\$907.00	70.00	28.33	0.4493	1.0000	\$407.51	\$14.38
1946	66.5	\$42.00	70.00	28.09	0.4454	1.0000	\$18.71	\$0.67
1945	67.5	\$946.00	70.00	27.84	0.4415	1.0000	\$417.68	\$15.00
1943	69.5	\$1,672.00	70.00	27.36	0.4339	1.0000	\$725.43	\$26.51
1942	70.5	\$977.00	70.00	27.12	0.4301	1.0000	\$420.21	\$15.49
1941	71.5	\$140.00	70.00	26.88	0.4263	1.0000	\$59.68	\$2.22
1940	72.5	\$3,539.00	70.00	26.65	0.4225	1.0000	\$1,495.30	\$56.12
1938	74.5	\$12,655.04	70.00	26.16	0.4149	1.0000	\$5,250.27	\$200.67
		\$4,381,429.84	70.00	50.40	0.7992	1.0000	\$3,501,459.19	\$69,476.95

KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2012

Account: KEPCO 101/6 362 Station Equipment
Dispersion: 35.00, R1.0
Average Net Salvage Rate: -6.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2012	0.5	\$8,421,340.70	35.00	34.63	1.0488	1.0000	\$8,832,038.02	\$255,046.32
2011	1.5	\$7,756,709.69	35.00	33.89	1.0264	1.0000	\$7,961,846.31	\$234,917.49
2010	2.5	\$1,403,959.81	35.00	33.16	1.0043	1.0000	\$1,410,028.89	\$42,519.93
2009	3.5	\$5,449,876.09	35.00	32.44	0.9824	1.0000	\$5,353,913.97	\$165,053.39
2008	4.5	\$9,428,848.70	35.00	31.72	0.9606	1.0000	\$9,057,717.12	\$285,559.42
2007	5.5	\$2,715,758.26	35.00	31.01	0.9391	1.0000	\$2,550,249.25	\$82,248.68
2006	6.5	\$3,056,743.05	35.00	30.30	0.9177	1.0000	\$2,805,027.13	\$92,575.65
2005	7.5	\$2,628,293.17	35.00	29.60	0.8964	1.0000	\$2,356,032.94	\$79,599.74
2004	8.5	\$691,130.55	35.00	28.90	0.8753	1.0000	\$604,960.01	\$20,931.38
2003	9.5	\$1,038,329.32	35.00	28.21	0.8544	1.0000	\$887,107.32	\$31,446.55
2002	10.5	\$673,873.20	35.00	27.52	0.8335	1.0000	\$561,696.36	\$20,408.73
2001	11.5	\$1,889,051.39	35.00	26.84	0.8128	1.0000	\$1,535,511.00	\$57,211.27
2000	12.5	\$1,725,835.52	35.00	26.16	0.7923	1.0000	\$1,367,350.86	\$52,268.16
1999	13.5	\$1,056,098.88	35.00	25.49	0.7719	1.0000	\$815,150.09	\$31,984.71
1998	14.5	\$791,590.63	35.00	24.82	0.7516	1.0000	\$594,959.08	\$23,973.89
1997	15.5	\$1,576,477.79	35.00	24.15	0.7315	1.0000	\$1,153,186.81	\$47,744.76
1996	16.5	\$1,594,460.39	35.00	23.50	0.7116	1.0000	\$1,134,575.35	\$48,289.37
1995	17.5	\$4,282,962.92	35.00	22.84	0.6918	1.0000	\$2,963,141.38	\$129,712.59
1994	18.5	\$1,289,317.47	35.00	22.20	0.6723	1.0000	\$866,840.94	\$39,047.90
1993	19.5	\$3,080,534.09	35.00	21.56	0.6530	1.0000	\$2,011,667.62	\$93,296.18
1992	20.5	\$1,002,375.70	35.00	20.93	0.6340	1.0000	\$635,471.13	\$30,357.66
1991	21.5	\$1,337,937.55	35.00	20.31	0.6152	1.0000	\$823,072.65	\$40,520.39
1990	22.5	\$393,194.93	35.00	19.70	0.5966	1.0000	\$234,593.22	\$11,908.19
1989	23.5	\$447,628.54	35.00	19.10	0.5784	1.0000	\$258,891.77	\$13,556.75
1988	24.5	\$278,185.67	35.00	18.50	0.5604	1.0000	\$155,886.64	\$8,425.05
1987	25.5	\$1,684,117.29	35.00	17.92	0.5427	1.0000	\$913,889.29	\$51,004.70
1986	26.5	\$1,173,388.61	35.00	17.34	0.5252	1.0000	\$616,308.70	\$35,536.91
1985	27.5	\$629,649.85	35.00	16.78	0.5081	1.0000	\$319,929.64	\$19,069.40
1984	28.5	\$636,599.55	35.00	16.22	0.4913	1.0000	\$312,771.65	\$19,279.87
1983	29.5	\$589,081.87	35.00	15.68	0.4748	1.0000	\$279,694.19	\$17,840.77
1982	30.5	\$918,094.67	35.00	15.14	0.4586	1.0000	\$421,027.35	\$27,805.15
1981	31.5	\$569,851.21	35.00	14.62	0.4427	1.0000	\$252,259.88	\$17,258.35
1980	32.5	\$2,227,985.92	35.00	14.10	0.4271	1.0000	\$951,494.85	\$67,476.15
1979	33.5	\$394,093.40	35.00	13.60	0.4118	1.0000	\$162,269.07	\$11,935.40
1978	34.5	\$903,222.04	35.00	13.10	0.3967	1.0000	\$358,345.90	\$27,354.72
1977	35.5	\$554,840.66	35.00	12.61	0.3820	1.0000	\$211,970.68	\$16,803.75
1976	36.5	\$146,004.67	35.00	12.14	0.3676	1.0000	\$53,673.08	\$4,421.86
1975	37.5	\$202,366.48	35.00	11.67	0.3535	1.0000	\$71,532.37	\$6,128.81
1974	38.5	\$229,190.90	35.00	11.21	0.3396	1.0000	\$77,837.63	\$6,941.21
1973	39.5	\$363,039.92	35.00	10.77	0.3260	1.0000	\$118,366.07	\$10,994.92
1972	40.5	\$465,150.54	35.00	10.33	0.3127	1.0000	\$145,470.79	\$14,087.42
1971	41.5	\$124,211.70	35.00	9.90	0.2997	1.0000	\$37,227.07	\$3,761.84
1970	42.5	\$162,012.25	35.00	9.47	0.2869	1.0000	\$46,486.61	\$4,906.66
1969	43.5	\$20,274.01	35.00	9.06	0.2744	1.0000	\$5,563.47	\$614.01
1968	44.5	\$123,684.65	35.00	8.66	0.2621	1.0000	\$32,423.62	\$3,745.88
1967	45.5	\$110,447.11	35.00	8.26	0.2501	1.0000	\$27,626.12	\$3,344.97

KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2012

Account: KEPCO 101/6 362 Station Equipment

Dispersion: 35.00, R1.0

Average Net Salvage Rate: -6.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1966	46.5	\$53,585.66	35.00	7.87	0.2384	1.0000	\$12,772.41	\$1,622.88
1965	47.5	\$987.00	35.00	7.49	0.2268	1.0000	\$223.88	\$29.89
1964	48.5	\$10,731.96	35.00	7.12	0.2155	1.0000	\$2,313.08	\$325.03
1963	49.5	\$60,418.08	35.00	6.75	0.2044	1.0000	\$12,350.61	\$1,829.80
1962	50.5	\$10,263.94	35.00	6.39	0.1936	1.0000	\$1,986.67	\$310.85
1961	51.5	\$10,069.89	35.00	6.04	0.1829	1.0000	\$1,841.95	\$304.97
1957	55.5	\$16,036.55	35.00	4.71	0.1425	1.0000	\$2,285.57	\$485.68
		\$76,399,914.39	35.00	26.96	0.8165	1.0000	\$62,380,858.06	\$2,313,826.00

KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2012

Account: KEPCO 101/6 364 Poles and Fixtures
Dispersion: 28.00, R0.5
Average Net Salvage Rate: -31.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2012	0.5	\$6,104,687.50	28.00	27.69	1.2955	1.0000	\$7,908,432.22	\$285,612.17
2011	1.5	\$6,543,733.50	28.00	27.07	1.2665	1.0000	\$8,287,819.04	\$306,153.25
2010	2.5	\$6,617,904.50	28.00	26.46	1.2377	1.0000	\$8,191,159.13	\$309,623.39
2009	3.5	\$10,565,669.50	28.00	25.84	1.2091	1.0000	\$12,774,430.83	\$494,322.39
2008	4.5	\$9,453,590.50	28.00	25.23	1.1805	1.0000	\$11,160,414.51	\$442,292.98
2007	5.5	\$9,180,344.50	28.00	24.63	1.1521	1.0000	\$10,577,037.23	\$429,508.97
2006	6.5	\$7,010,130.50	28.00	24.02	1.1239	1.0000	\$7,878,545.41	\$327,973.96
2005	7.5	\$5,902,002.81	28.00	23.42	1.0957	1.0000	\$6,466,898.31	\$276,129.42
2004	8.5	\$7,716,324.73	28.00	22.82	1.0677	1.0000	\$8,238,491.30	\$361,013.76
2003	9.5	\$5,255,460.60	28.00	22.22	1.0397	1.0000	\$5,464,185.32	\$245,880.48
2002	10.5	\$5,448,418.70	28.00	21.63	1.0119	1.0000	\$5,513,162.65	\$254,908.16
2001	11.5	\$5,611,796.00	28.00	21.04	0.9842	1.0000	\$5,523,041.69	\$262,551.88
2000	12.5	\$8,738,641.04	28.00	20.45	0.9566	1.0000	\$8,359,722.49	\$408,843.56
1999	13.5	\$5,455,604.03	28.00	19.86	0.9293	1.0000	\$5,069,785.56	\$255,244.33
1998	14.5	\$3,332,393.48	28.00	19.28	0.9021	1.0000	\$3,006,149.19	\$155,908.41
1997	15.5	\$3,070,455.05	28.00	18.71	0.8752	1.0000	\$2,687,188.56	\$143,653.43
1996	16.5	\$9,400,774.13	28.00	18.14	0.8485	1.0000	\$7,976,398.62	\$439,821.93
1995	17.5	\$5,454,584.87	28.00	17.57	0.8221	1.0000	\$4,484,046.62	\$255,196.65
1994	18.5	\$4,558,539.89	28.00	17.01	0.7960	1.0000	\$3,628,466.74	\$213,274.54
1993	19.5	\$4,533,253.98	28.00	16.46	0.7702	1.0000	\$3,491,377.85	\$212,091.53
1992	20.5	\$5,126,425.67	28.00	15.92	0.7447	1.0000	\$3,817,800.74	\$239,843.49
1991	21.5	\$4,952,861.89	28.00	15.38	0.7196	1.0000	\$3,564,200.36	\$231,723.18
1990	22.5	\$5,144,215.67	28.00	14.85	0.6949	1.0000	\$3,574,705.94	\$240,675.80
1989	23.5	\$3,422,845.11	28.00	14.33	0.6705	1.0000	\$2,295,108.79	\$160,140.25
1988	24.5	\$3,194,009.30	28.00	13.82	0.6465	1.0000	\$2,065,023.11	\$149,434.01
1987	25.5	\$3,132,459.85	28.00	13.31	0.6229	1.0000	\$1,951,361.39	\$146,554.37
1986	26.5	\$3,206,491.50	28.00	12.82	0.5997	1.0000	\$1,923,025.28	\$150,018.00
1985	27.5	\$2,722,591.19	28.00	12.33	0.5769	1.0000	\$1,570,740.56	\$127,378.37
1984	28.5	\$2,178,623.60	28.00	11.85	0.5545	1.0000	\$1,208,029.57	\$101,928.46
1983	29.5	\$1,870,189.91	28.00	11.38	0.5324	1.0000	\$995,768.47	\$87,498.17
1982	30.5	\$1,783,673.97	28.00	10.92	0.5108	1.0000	\$911,037.40	\$83,450.46
1981	31.5	\$2,137,370.70	28.00	10.46	0.4895	1.0000	\$1,046,138.87	\$99,998.41
1980	32.5	\$1,460,905.67	28.00	10.01	0.4685	1.0000	\$684,439.68	\$68,349.52
1979	33.5	\$1,060,059.65	28.00	9.57	0.4479	1.0000	\$474,791.73	\$49,595.65
1978	34.5	\$756,551.24	28.00	9.14	0.4276	1.0000	\$323,510.35	\$35,395.79
1977	35.5	\$559,447.54	28.00	8.71	0.4076	1.0000	\$228,053.53	\$26,174.15
1976	36.5	\$357,198.20	28.00	8.29	0.3880	1.0000	\$138,580.15	\$16,711.77
1975	37.5	\$213,248.30	28.00	7.88	0.3686	1.0000	\$78,594.35	\$9,976.97
1974	38.5	\$173,324.83	28.00	7.47	0.3494	1.0000	\$60,558.06	\$8,109.13
1973	39.5	\$156,169.26	28.00	7.06	0.3304	1.0000	\$51,601.96	\$7,306.49
1972	40.5	\$106,371.85	28.00	6.66	0.3117	1.0000	\$33,151.84	\$4,976.68
1971	41.5	\$76,928.12	28.00	6.26	0.2930	1.0000	\$22,539.49	\$3,599.14
1970	42.5	\$55,736.39	28.00	5.87	0.2745	1.0000	\$15,298.03	\$2,607.67
1969	43.5	\$50,712.50	28.00	5.47	0.2559	1.0000	\$12,979.77	\$2,372.62
1968	44.5	\$45,648.94	28.00	5.08	0.2374	1.0000	\$10,839.09	\$2,135.72
1967	45.5	\$29,646.74	28.00	4.68	0.2189	1.0000	\$6,489.68	\$1,387.04
1966	46.5	\$19,437.00	28.00	4.28	0.2001	1.0000	\$3,889.81	\$909.37
1965	47.5	\$14,364.11	28.00	3.87	0.1812	1.0000	\$2,602.54	\$672.04
1964	48.5	\$8,870.98	28.00	3.46	0.1619	1.0000	\$1,435.85	\$415.04
1963	49.5	\$5,316.83	28.00	3.04	0.1422	1.0000	\$755.96	\$248.75

KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2012

Account: KEPCO 101/6 364 Poles and Fixtures

Dispersion: 28.00, R0.5

Average Net Salvage Rate: -31.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1962	50.5	\$2,656.76	28.00	2.61	0.1219	1.0000	\$323.96	\$124.30
1961	51.5	-\$0.50	28.00	2.16	0.1012	1.0000	-\$0.05	-\$0.02
		\$173,978,662.58	28.00	20.12	0.9413	1.0000	\$163,760,129.53	\$8,139,715.98

KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2012

Account: KEPCO 101/6 365 Overhead Conductor and Devices
Dispersion: 26.00, L.O.O
Average Net Salvage Rate: 6.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2012	0.5	\$14,202,839.50	26.00	25.58	0.9247	1.0000	\$13,133,466.25	\$513,487.27
2011	1.5	\$8,098,369.50	26.00	24.84	0.8982	1.0000	\$7,273,782.63	\$292,787.21
2010	2.5	\$7,883,763.50	26.00	24.19	0.8746	1.0000	\$6,895,285.82	\$285,028.37
2009	3.5	\$13,439,606.50	26.00	23.60	0.8531	1.0000	\$11,465,691.66	\$485,893.47
2008	4.5	\$14,602,449.45	26.00	23.04	0.8331	1.0000	\$12,165,392.79	\$527,934.71
2007	5.5	\$14,624,834.33	26.00	22.52	0.8143	1.0000	\$11,909,186.63	\$528,744.01
2006	6.5	\$9,007,877.17	26.00	22.03	0.7965	1.0000	\$7,175,224.15	\$325,669.41
2005	7.5	\$8,542,048.66	26.00	21.57	0.7797	1.0000	\$6,659,893.36	\$308,827.91
2004	8.5	\$4,222,416.01	26.00	21.12	0.7635	1.0000	\$3,223,913.05	\$152,656.58
2003	9.5	\$3,604,914.76	26.00	20.69	0.7481	1.0000	\$2,696,656.79	\$130,331.53
2002	10.5	\$4,460,395.60	26.00	20.28	0.7331	1.0000	\$3,270,099.65	\$161,260.46
2001	11.5	\$3,985,667.80	26.00	19.88	0.7187	1.0000	\$2,864,473.19	\$144,097.22
2000	12.5	\$6,946,965.46	26.00	19.49	0.7046	1.0000	\$4,895,169.21	\$251,159.52
1999	13.5	\$4,104,196.06	26.00	19.11	0.6909	1.0000	\$2,835,591.54	\$148,382.47
1998	14.5	\$2,617,894.21	26.00	18.74	0.6774	1.0000	\$1,773,459.01	\$94,646.94
1997	15.5	\$6,579,697.47	26.00	18.37	0.6642	1.0000	\$4,370,479.29	\$237,881.37
1996	16.5	\$3,273,689.94	26.00	18.01	0.6513	1.0000	\$2,132,094.52	\$118,356.48
1995	17.5	\$5,222,355.44	26.00	17.66	0.6386	1.0000	\$3,334,916.19	\$188,808.24
1994	18.5	\$3,319,479.11	26.00	17.32	0.6261	1.0000	\$2,078,442.39	\$120,011.94
1993	19.5	\$2,038,585.99	26.00	16.98	0.6139	1.0000	\$1,251,539.12	\$73,702.72
1992	20.5	\$2,236,147.39	26.00	16.65	0.6019	1.0000	\$1,346,035.80	\$80,845.33
1991	21.5	\$2,448,246.28	26.00	16.32	0.5902	1.0000	\$1,444,933.39	\$88,513.52
1990	22.5	\$2,387,006.46	26.00	16.01	0.5787	1.0000	\$1,381,293.85	\$86,299.46
1989	23.5	\$2,057,168.09	26.00	15.69	0.5674	1.0000	\$1,167,139.92	\$74,374.54
1988	24.5	\$1,900,585.13	26.00	15.39	0.5562	1.0000	\$1,057,194.15	\$68,713.46
1987	25.5	\$1,909,726.38	26.00	15.08	0.5454	1.0000	\$1,041,474.92	\$69,043.95
1986	26.5	\$1,599,044.92	26.00	14.79	0.5347	1.0000	\$854,950.31	\$57,811.62
1985	27.5	\$1,053,263.70	26.00	14.50	0.5242	1.0000	\$552,093.62	\$38,079.53
1984	28.5	\$905,256.41	26.00	14.21	0.5139	1.0000	\$465,183.51	\$32,728.50
1983	29.5	\$895,452.16	26.00	13.93	0.5037	1.0000	\$451,066.52	\$32,374.04
1982	30.5	\$855,610.21	26.00	13.66	0.4938	1.0000	\$422,487.47	\$30,933.60
1981	31.5	\$1,325,815.48	26.00	13.39	0.4840	1.0000	\$641,724.98	\$47,933.33
1980	32.5	\$910,531.31	26.00	13.12	0.4744	1.0000	\$431,980.23	\$32,919.21
1979	33.5	\$745,422.37	26.00	12.86	0.4650	1.0000	\$346,634.97	\$26,949.89
1978	34.5	\$570,643.92	26.00	12.61	0.4557	1.0000	\$260,069.16	\$20,630.97
1977	35.5	\$622,213.46	26.00	12.35	0.4466	1.0000	\$277,909.37	\$22,495.41
1976	36.5	\$215,663.60	26.00	12.11	0.4377	1.0000	\$94,391.00	\$7,797.07
1975	37.5	\$170,604.77	26.00	11.86	0.4289	1.0000	\$73,169.05	\$6,168.02
1974	38.5	\$174,591.26	26.00	11.62	0.4202	1.0000	\$73,368.77	\$6,312.15
1973	39.5	\$178,022.29	26.00	11.39	0.4117	1.0000	\$73,297.80	\$6,436.19
1972	40.5	\$173,874.75	26.00	11.16	0.4034	1.0000	\$70,135.32	\$6,286.24
1971	41.5	\$128,753.24	26.00	10.93	0.3951	1.0000	\$50,876.49	\$4,654.92
1970	42.5	\$94,830.29	26.00	10.70	0.3870	1.0000	\$36,699.82	\$3,428.48
1969	43.5	\$85,284.11	26.00	10.48	0.3790	1.0000	\$32,325.31	\$3,083.35
1968	44.5	\$66,433.95	26.00	10.27	0.3712	1.0000	\$24,658.35	\$2,401.84
1967	45.5	\$44,773.37	26.00	10.05	0.3634	1.0000	\$16,272.61	\$1,618.73
1966	46.5	\$35,460.27	26.00	9.84	0.3559	1.0000	\$12,618.92	\$1,282.03
1965	47.5	\$24,153.02	26.00	9.64	0.3484	1.0000	\$8,414.44	\$873.22
1964	48.5	\$13,170.55	26.00	9.43	0.3410	1.0000	\$4,491.07	\$476.17
1963	49.5	-\$0.50	26.00	9.23	0.3337	1.0000	-\$0.17	-\$0.02

KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2012

Account: KEPCO 101/6 365 Overhead Conductor and Devices
Dispersion: 26.00, L0.0
Average Net Salvage Rate: 6.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
		\$164,605,795.10	26.00	20.86	0.7540	1.0000	\$124,117,648.19	\$5,951,132.58

KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2012

Account: KEPCO 101/6 366 Underground Conduit
Dispersion: 44.00, R3.0
Average Net Salvage Rate: 0.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2012	0.5	\$306,026.50	44.00	43.51	0.9888	1.0000	\$302,601.63	\$6,955.15
2011	1.5	\$267,790.50	44.00	42.53	0.9665	1.0000	\$258,815.97	\$6,086.15
2010	2.5	\$229,273.50	44.00	41.55	0.9442	1.0000	\$216,484.86	\$5,210.76
2009	3.5	\$607,754.50	44.00	40.57	0.9221	1.0000	\$560,380.66	\$13,812.60
2008	4.5	\$372,994.50	44.00	39.60	0.9000	1.0000	\$335,680.53	\$8,477.15
2007	5.5	\$356,644.50	44.00	38.63	0.8780	1.0000	\$313,116.54	\$8,105.56
2006	6.5	\$418,687.50	44.00	37.67	0.8561	1.0000	\$358,425.39	\$9,515.63
2005	7.5	\$298,155.50	44.00	36.71	0.8343	1.0000	\$248,752.56	\$6,776.26
2004	8.5	\$147,088.50	44.00	35.76	0.8127	1.0000	\$119,533.62	\$3,342.92
2003	9.5	\$177,610.50	44.00	34.81	0.7911	1.0000	\$140,515.79	\$4,036.60
2002	10.5	\$128,026.50	44.00	33.87	0.7698	1.0000	\$98,553.45	\$2,909.69
2001	11.5	\$101,646.50	44.00	32.94	0.7486	1.0000	\$76,092.04	\$2,310.15
2000	12.5	\$268,983.50	44.00	32.01	0.7276	1.0000	\$195,704.34	\$6,113.26
1999	13.5	\$84,566.50	44.00	31.09	0.7067	1.0000	\$59,763.43	\$1,921.97
1998	14.5	\$338,907.30	44.00	30.19	0.6860	1.0000	\$232,504.91	\$7,702.44
1997	15.5	\$233,589.46	44.00	29.29	0.6656	1.0000	\$155,473.11	\$5,308.85
1996	16.5	\$168,016.24	44.00	28.39	0.6453	1.0000	\$108,420.58	\$3,818.55
1995	17.5	\$162,766.70	44.00	27.51	0.6253	1.0000	\$101,772.06	\$3,699.24
1994	18.5	\$146,739.58	44.00	26.64	0.6054	1.0000	\$88,843.14	\$3,334.99
1993	19.5	\$159,993.33	44.00	25.78	0.5859	1.0000	\$93,734.08	\$3,636.21
1992	20.5	\$118,088.21	44.00	24.93	0.5665	1.0000	\$66,895.32	\$2,683.82
1991	21.5	\$96,042.39	44.00	24.09	0.5474	1.0000	\$52,572.72	\$2,182.78
1990	22.5	\$71,110.15	44.00	23.26	0.5285	1.0000	\$37,584.72	\$1,616.14
1989	23.5	\$73,314.29	44.00	22.44	0.5099	1.0000	\$37,386.20	\$1,666.23
1988	24.5	\$39,060.96	44.00	21.63	0.4916	1.0000	\$19,201.62	\$887.75
1987	25.5	\$43,165.74	44.00	20.84	0.4735	1.0000	\$20,440.38	\$981.04
1986	26.5	\$24,661.49	44.00	20.05	0.4558	1.0000	\$11,239.58	\$560.49
1985	27.5	\$40,436.48	44.00	19.28	0.4382	1.0000	\$17,719.80	\$919.01
1984	28.5	\$19,116.69	44.00	18.53	0.4210	1.0000	\$8,048.58	\$434.47
1983	29.5	\$22,337.04	44.00	17.78	0.4041	1.0000	\$9,027.17	\$507.66
1982	30.5	\$19,045.57	44.00	17.05	0.3876	1.0000	\$7,381.27	\$432.85
1981	31.5	\$20,098.61	44.00	16.34	0.3713	1.0000	\$7,461.81	\$456.79
1980	32.5	\$34,701.14	44.00	15.64	0.3554	1.0000	\$12,331.30	\$788.66
1979	33.5	\$30,491.65	44.00	14.95	0.3398	1.0000	\$10,361.31	\$692.99
1978	34.5	\$23,544.75	44.00	14.28	0.3246	1.0000	\$7,643.24	\$535.11
1977	35.5	\$14,839.85	44.00	13.63	0.3098	1.0000	\$4,597.17	\$337.27
1976	36.5	\$1,129.37	44.00	13.00	0.2954	1.0000	\$333.62	\$25.67
1975	37.5	\$23,825.54	44.00	12.38	0.2814	1.0000	\$6,705.56	\$541.49
1974	38.5	\$31,677.46	44.00	11.79	0.2679	1.0000	\$8,484.86	\$719.94
1973	39.5	\$20,627.01	44.00	11.21	0.2548	1.0000	\$5,255.61	\$468.80
1972	40.5	\$28,586.43	44.00	10.66	0.2422	1.0000	\$6,923.38	\$649.69
1971	41.5	\$13,761.71	44.00	10.12	0.2301	1.0000	\$3,166.01	\$312.77
1970	42.5	\$11,222.19	44.00	9.61	0.2184	1.0000	\$2,450.56	\$255.05
1969	43.5	\$886.57	44.00	9.12	0.2072	1.0000	\$183.72	\$20.15
1966	46.5	\$111.65	44.00	7.77	0.1767	1.0000	\$19.73	\$2.54
1951	61.5	\$1.46	44.00	3.19	0.0725	1.0000	\$0.11	\$0.03
1948	64.5	\$2.27	44.00	2.43	0.0552	1.0000	\$0.13	\$0.05
1947	65.5	\$4.50	44.00	2.17	0.0494	1.0000	\$0.22	\$0.10
1946	66.5	\$1.51	44.00	1.92	0.0436	1.0000	\$0.07	\$0.03
1945	67.5	\$2.49	44.00	1.67	0.0379	1.0000	\$0.09	\$0.06

KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2012

Account: KEPCO 101/6 366 Underground Conduit
Dispersion: 44.00, R3.0
Average Net Salvage Rate: 0.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1944	68.5	\$0.42	44.00	1.44	0.0327	1.0000	\$0.01	\$0.01
1943	69.5	\$0.14	44.00	1.20	0.0273	1.0000	\$0.00	\$0.00
1940	72.5	-\$0.14	44.00	0.58	0.0132	1.0000	\$0.00	\$0.00
		\$5,797,157.20	44.00	33.61	0.7639	1.0000	\$4,428,584.56	\$131,753.57

KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2012

Account: KEPCO 101/6 367 Underground Conductor and Devices
Dispersion: 44.00, R0.5
Average Net Salvage Rate: -12.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2012	0.5	\$361,446.50	44.00	43.69	1.1121	1.0000	\$401,962.04	\$9,200.46
2011	1.5	\$475,883.64	44.00	43.07	1.0963	1.0000	\$521,720.31	\$12,113.40
2010	2.5	\$325,429.43	44.00	42.45	1.0806	1.0000	\$351,655.22	\$8,283.66
2009	3.5	\$382,423.03	44.00	41.84	1.0649	1.0000	\$407,245.03	\$9,734.40
2008	4.5	\$570,401.53	44.00	41.22	1.0493	1.0000	\$598,511.81	\$14,519.31
2007	5.5	\$760,632.54	44.00	40.61	1.0337	1.0000	\$786,258.87	\$19,361.56
2006	6.5	\$849,202.82	44.00	40.00	1.0182	1.0000	\$864,626.37	\$21,616.07
2005	7.5	\$499,875.94	44.00	39.39	1.0027	1.0000	\$501,220.01	\$12,724.11
2004	8.5	\$644,676.08	44.00	38.78	0.9872	1.0000	\$636,452.46	\$16,409.94
2003	9.5	\$248,930.73	44.00	38.18	0.9718	1.0000	\$241,919.19	\$6,336.42
2002	10.5	\$233,707.37	44.00	37.58	0.9565	1.0000	\$223,536.77	\$5,948.91
2001	11.5	\$191,366.25	44.00	36.97	0.9412	1.0000	\$180,107.36	\$4,871.14
2000	12.5	\$397,375.61	44.00	36.37	0.9259	1.0000	\$367,921.76	\$10,115.02
1999	13.5	\$155,180.06	44.00	35.77	0.9106	1.0000	\$141,311.50	\$3,950.04
1998	14.5	\$549,294.48	44.00	35.18	0.8954	1.0000	\$491,852.20	\$13,982.04
1997	15.5	\$278,183.59	44.00	34.58	0.8803	1.0000	\$244,872.99	\$7,081.04
1996	16.5	\$219,311.19	44.00	33.99	0.8651	1.0000	\$189,729.52	\$5,582.47
1995	17.5	\$190,337.46	44.00	33.39	0.8500	1.0000	\$161,791.98	\$4,844.95
1994	18.5	\$172,555.11	44.00	32.80	0.8350	1.0000	\$144,082.77	\$4,392.31
1993	19.5	\$179,589.32	44.00	32.22	0.8200	1.0000	\$147,267.35	\$4,571.36
1992	20.5	\$198,575.98	44.00	31.63	0.8051	1.0000	\$159,872.19	\$5,054.66
1991	21.5	\$137,897.59	44.00	31.05	0.7902	1.0000	\$108,973.49	\$3,510.12
1990	22.5	\$85,640.62	44.00	30.46	0.7755	1.0000	\$66,411.16	\$2,179.94
1989	23.5	\$115,294.01	44.00	29.89	0.7608	1.0000	\$87,712.11	\$2,934.76
1988	24.5	\$88,779.14	44.00	29.31	0.7461	1.0000	\$66,241.00	\$2,259.83
1987	25.5	\$75,597.61	44.00	28.74	0.7316	1.0000	\$55,307.94	\$1,924.30
1986	26.5	\$45,510.09	44.00	28.17	0.7172	1.0000	\$32,638.48	\$1,158.44
1985	27.5	\$63,137.36	44.00	27.61	0.7028	1.0000	\$44,374.39	\$1,607.13
1984	28.5	\$41,693.39	44.00	27.05	0.6886	1.0000	\$28,709.91	\$1,061.29
1983	29.5	\$47,116.14	44.00	26.50	0.6745	1.0000	\$31,778.40	\$1,199.32
1982	30.5	\$41,001.23	44.00	25.95	0.6605	1.0000	\$27,079.49	\$1,043.67
1981	31.5	\$47,423.07	44.00	25.40	0.6465	1.0000	\$30,660.83	\$1,207.13
1980	32.5	\$65,348.05	44.00	24.86	0.6328	1.0000	\$41,350.37	\$1,663.40
1979	33.5	\$66,879.13	44.00	24.32	0.6191	1.0000	\$41,405.80	\$1,702.38
1978	34.5	\$33,405.69	44.00	23.79	0.6056	1.0000	\$20,229.90	\$850.33
1977	35.5	\$33,788.06	44.00	23.26	0.5922	1.0000	\$20,008.09	\$860.06
1976	36.5	\$20,512.06	44.00	22.74	0.5789	1.0000	\$11,874.44	\$522.13
1975	37.5	\$15,563.60	44.00	22.23	0.5658	1.0000	\$8,805.26	\$396.16
1974	38.5	\$1,209.50	44.00	21.71	0.5527	1.0000	\$668.52	\$30.79
1973	39.5	\$4,424.07	44.00	21.21	0.5399	1.0000	\$2,388.38	\$112.61
1972	40.5	\$31.19	44.00	20.71	0.5271	1.0000	\$16.44	\$0.79
1970	42.5	\$445.05	44.00	19.72	0.5020	1.0000	\$223.43	\$11.33
1966	46.5	\$25.37	44.00	17.81	0.4535	1.0000	\$11.50	\$0.65
1957	55.5	\$16.19	44.00	13.81	0.3515	1.0000	\$5.69	\$0.41
1951	61.5	\$94.13	44.00	11.33	0.2883	1.0000	\$27.14	\$2.40
1948	64.5	\$4.21	44.00	10.12	0.2576	1.0000	\$1.08	\$0.11
1947	65.5	\$6.74	44.00	9.72	0.2475	1.0000	\$1.67	\$0.17
1946	66.5	\$5.09	44.00	9.33	0.2374	1.0000	\$1.21	\$0.13
1945	67.5	\$90.67	44.00	8.93	0.2273	1.0000	\$20.61	\$2.31
1944	68.5	\$11.41	44.00	8.54	0.2173	1.0000	\$2.48	\$0.29

KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2012

Account: KEPCO 101/6 367 Underground Conductor and Devices

Dispersion: 44.00, R0.5

Average Net Salvage Rate: -12.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1943	69.5	\$1.41	44.00	8.14	0.2072	1.0000	\$0.29	\$0.04
1940	72.5	\$30.81	44.00	6.95	0.1768	1.0000	\$5.45	\$0.78
		\$8,915,361.34	44.00	37.42	0.9524	1.0000	\$8,490,852.65	\$226,936.47

KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2012

Account: KEPCO 101/6 368 Line Transformers
Dispersion: 25.00, L0.0
Average Net Salvage Rate: 0.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2012	0.5	\$7,060,195.50	25.00	24.58	0.9831	1.0000	\$6,941,148.73	\$282,407.82
2011	1.5	\$5,259,595.50	25.00	23.85	0.9540	1.0000	\$5,017,465.07	\$210,383.82
2010	2.5	\$4,285,182.50	25.00	23.20	0.9281	1.0000	\$3,977,130.54	\$171,407.30
2009	3.5	\$5,022,504.50	25.00	22.61	0.9045	1.0000	\$4,542,841.66	\$200,900.18
2008	4.5	\$9,265,330.50	25.00	22.06	0.8826	1.0000	\$8,177,488.36	\$370,613.22
2007	5.5	\$9,991,242.50	25.00	21.55	0.8620	1.0000	\$8,612,932.53	\$399,649.70
2006	6.5	\$6,359,150.10	25.00	21.07	0.8426	1.0000	\$5,358,473.91	\$254,366.00
2005	7.5	\$3,734,824.44	25.00	20.61	0.8242	1.0000	\$3,078,286.56	\$149,392.98
2004	8.5	\$3,404,493.47	25.00	20.17	0.8066	1.0000	\$2,746,066.67	\$136,179.74
2003	9.5	\$3,051,737.46	25.00	19.74	0.7897	1.0000	\$2,410,009.17	\$122,069.50
2002	10.5	\$2,802,728.91	25.00	19.34	0.7734	1.0000	\$2,167,714.82	\$112,109.16
2001	11.5	\$2,923,278.58	25.00	18.94	0.7577	1.0000	\$2,214,854.06	\$116,931.14
2000	12.5	\$4,363,204.91	25.00	18.56	0.7423	1.0000	\$3,238,742.57	\$174,528.20
1999	13.5	\$3,608,710.95	25.00	18.18	0.7272	1.0000	\$2,624,396.29	\$144,348.44
1998	14.5	\$9,004,782.03	25.00	17.81	0.7125	1.0000	\$6,415,960.10	\$360,191.28
1997	15.5	\$3,719,589.12	25.00	17.45	0.6981	1.0000	\$2,596,521.23	\$148,783.56
1996	16.5	\$3,178,433.07	25.00	17.10	0.6839	1.0000	\$2,173,804.66	\$127,137.32
1995	17.5	\$2,951,351.74	25.00	16.75	0.6701	1.0000	\$1,977,571.67	\$118,054.07
1994	18.5	\$2,412,296.21	25.00	16.41	0.6565	1.0000	\$1,583,617.27	\$96,491.85
1993	19.5	\$2,160,130.99	25.00	16.08	0.6432	1.0000	\$1,389,320.99	\$86,405.24
1992	20.5	\$2,556,439.55	25.00	15.75	0.6301	1.0000	\$1,610,833.52	\$102,257.58
1991	21.5	\$1,990,851.39	25.00	15.43	0.6173	1.0000	\$1,228,984.82	\$79,634.06
1990	22.5	\$1,705,718.96	25.00	15.12	0.6048	1.0000	\$1,031,577.43	\$68,228.76
1989	23.5	\$2,071,315.34	25.00	14.81	0.5925	1.0000	\$1,227,193.38	\$82,852.61
1988	24.5	\$1,336,437.96	25.00	14.51	0.5804	1.0000	\$775,678.05	\$53,457.52
1987	25.5	\$1,370,845.55	25.00	14.21	0.5686	1.0000	\$779,433.37	\$54,833.82
1986	26.5	\$1,376,367.82	25.00	13.92	0.5570	1.0000	\$766,603.74	\$55,054.71
1985	27.5	\$1,107,696.05	25.00	13.64	0.5456	1.0000	\$604,344.71	\$44,307.84
1984	28.5	\$800,833.87	25.00	13.36	0.5344	1.0000	\$427,974.38	\$32,033.35
1983	29.5	\$686,043.57	25.00	13.09	0.5234	1.0000	\$359,105.58	\$27,441.74
1982	30.5	\$575,887.67	25.00	12.82	0.5127	1.0000	\$295,247.03	\$23,035.51
1981	31.5	\$913,541.59	25.00	12.55	0.5021	1.0000	\$458,702.17	\$36,541.66
1980	32.5	\$651,770.05	25.00	12.29	0.4917	1.0000	\$320,494.05	\$26,070.80
1979	33.5	\$544,888.80	25.00	12.04	0.4815	1.0000	\$262,387.01	\$21,795.55
1978	34.5	\$488,571.34	25.00	11.79	0.4715	1.0000	\$230,379.23	\$19,542.85
1977	35.5	\$298,693.52	25.00	11.54	0.4617	1.0000	\$137,902.35	\$11,947.74
1976	36.5	\$198,972.10	25.00	11.30	0.4520	1.0000	\$89,942.05	\$7,958.88
1975	37.5	\$108,527.09	25.00	11.06	0.4425	1.0000	\$48,026.49	\$4,341.08
1974	38.5	\$268,074.23	25.00	10.83	0.4332	1.0000	\$116,128.22	\$10,722.97
1973	39.5	\$165,317.32	25.00	10.60	0.4240	1.0000	\$70,098.69	\$6,612.69
1972	40.5	\$58,524.45	25.00	10.37	0.4150	1.0000	\$24,287.19	\$2,340.98
1971	41.5	\$27,680.53	25.00	10.15	0.4061	1.0000	\$11,241.92	\$1,107.22
1970	42.5	\$23,751.75	25.00	9.94	0.3974	1.0000	\$9,438.98	\$950.07
1969	43.5	\$39,024.18	25.00	9.72	0.3888	1.0000	\$15,172.77	\$1,560.97
1968	44.5	\$19,316.23	25.00	9.51	0.3804	1.0000	\$7,347.31	\$772.65
1967	45.5	-\$0.50	25.00	9.30	0.3720	1.0000	-\$0.19	-\$0.02
		\$113,943,853.39	25.00	19.34	0.7737	1.0000	\$88,152,871.11	\$4,557,754.11

KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2012

Account: KEPCO 101/6 369 Services
Dispersion: 20.00, L0.0
Average Net Salvage Rate: -36.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2012	0.5	\$3,574,514.50	20.00	19.58	1.3316	1.0000	\$4,759,835.82	\$243,066.99
2011	1.5	\$2,800,153.50	20.00	18.88	1.2837	1.0000	\$3,594,546.36	\$190,410.44
2010	2.5	\$2,894,736.50	20.00	18.26	1.2418	1.0000	\$3,594,760.83	\$196,842.08
2009	3.5	\$3,908,839.50	20.00	17.70	1.2039	1.0000	\$4,705,872.77	\$265,801.09
2008	4.5	\$3,479,348.50	20.00	17.19	1.1690	1.0000	\$4,067,297.64	\$236,595.70
2007	5.5	\$3,387,206.50	20.00	16.71	1.1364	1.0000	\$3,849,349.05	\$230,330.04
2006	6.5	\$3,701,945.39	20.00	16.26	1.1058	1.0000	\$4,093,748.59	\$251,732.29
2005	7.5	\$2,854,721.12	20.00	15.84	1.0769	1.0000	\$3,074,118.20	\$194,121.04
2004	8.5	\$2,303,205.18	20.00	15.43	1.0492	1.0000	\$2,416,454.21	\$156,617.95
2003	9.5	\$2,375,225.13	20.00	15.04	1.0225	1.0000	\$2,428,781.52	\$161,515.31
2002	10.5	\$1,505,019.91	20.00	14.66	0.9967	1.0000	\$1,500,043.62	\$102,341.35
2001	11.5	\$1,528,343.82	20.00	14.29	0.9715	1.0000	\$1,484,819.15	\$103,927.38
2000	12.5	\$3,026,347.78	20.00	13.93	0.9470	1.0000	\$2,865,895.27	\$205,791.65
1999	13.5	\$1,419,960.72	20.00	13.57	0.9231	1.0000	\$1,310,700.10	\$96,557.33
1998	14.5	\$799,624.75	20.00	13.23	0.8997	1.0000	\$719,442.81	\$54,374.48
1997	15.5	\$1,827,667.24	20.00	12.90	0.8770	1.0000	\$1,602,860.95	\$124,281.37
1996	16.5	\$734,960.88	20.00	12.57	0.8548	1.0000	\$628,239.42	\$49,977.34
1995	17.5	\$855,008.57	20.00	12.25	0.8332	1.0000	\$712,363.31	\$58,140.58
1994	18.5	\$880,310.02	20.00	11.94	0.8121	1.0000	\$714,871.99	\$59,861.08
1993	19.5	\$1,080,887.50	20.00	11.64	0.7914	1.0000	\$855,462.72	\$73,500.35
1992	20.5	\$678,983.93	20.00	11.34	0.7713	1.0000	\$523,714.75	\$46,170.91
1991	21.5	\$668,695.74	20.00	11.05	0.7517	1.0000	\$502,671.45	\$45,471.31
1990	22.5	\$492,929.82	20.00	10.77	0.7325	1.0000	\$361,091.14	\$33,519.23
1989	23.5	\$517,137.17	20.00	10.50	0.7138	1.0000	\$369,139.13	\$35,165.33
1988	24.5	\$394,946.58	20.00	10.23	0.6955	1.0000	\$274,689.37	\$26,856.37
1987	25.5	\$390,539.50	20.00	9.96	0.6776	1.0000	\$264,622.34	\$26,556.69
1986	26.5	\$267,803.98	20.00	9.71	0.6601	1.0000	\$176,786.45	\$18,210.67
1985	27.5	\$229,847.32	20.00	9.46	0.6431	1.0000	\$147,808.15	\$15,629.62
1984	28.5	\$229,898.18	20.00	9.21	0.6263	1.0000	\$143,993.30	\$15,633.08
1983	29.5	\$232,825.29	20.00	8.97	0.6100	1.0000	\$142,022.29	\$15,832.12
1982	30.5	\$135,239.32	20.00	8.74	0.5940	1.0000	\$80,332.01	\$9,196.27
1981	31.5	\$145,354.91	20.00	8.51	0.5783	1.0000	\$84,065.02	\$9,884.13
1980	32.5	\$126,315.21	20.00	8.28	0.5630	1.0000	\$71,114.71	\$8,589.43
1979	33.5	\$114,884.65	20.00	8.06	0.5480	1.0000	\$62,954.97	\$7,812.16
1978	34.5	\$86,927.83	20.00	7.84	0.5333	1.0000	\$46,355.81	\$5,911.09
1977	35.5	\$61,359.41	20.00	7.63	0.5189	1.0000	\$31,837.68	\$4,172.44
1976	36.5	\$45,880.02	20.00	7.42	0.5047	1.0000	\$23,157.04	\$3,119.84
1975	37.5	\$35,745.91	20.00	7.22	0.4909	1.0000	\$17,547.35	\$2,430.72
1974	38.5	\$26,064.14	20.00	7.02	0.4773	1.0000	\$12,439.95	\$1,772.36
1973	39.5	-\$0.50	20.00	6.82	0.4640	1.0000	-\$0.23	-\$0.03
		\$49,819,405.42	20.00	15.44	1.0501	1.0000	\$52,315,807.01	\$3,387,719.58

KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2012

Account: KEPCO 101/6 370 Meters
Dispersion: 17.00, R4.0
Average Net Salvage Rate: 4.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2012	0.5	\$987,010.96	17.00	16.50	0.9318	1.0000	\$919,689.44	\$55,737.09
2011	1.5	\$378,896.26	17.00	15.50	0.8754	1.0000	\$331,692.26	\$21,396.49
2010	2.5	\$419,125.68	17.00	14.51	0.8191	1.0000	\$343,325.92	\$23,668.27
2009	3.5	\$498,057.82	17.00	13.51	0.7631	1.0000	\$380,049.90	\$28,125.62
2008	4.5	\$1,699,226.85	17.00	12.52	0.7073	1.0000	\$1,201,835.79	\$95,956.34
2007	5.5	\$5,210,197.07	17.00	11.55	0.6520	1.0000	\$3,396,968.23	\$294,222.89
2006	6.5	\$9,879,362.23	17.00	10.58	0.5974	1.0000	\$5,901,968.75	\$557,893.40
2005	7.5	\$1,110,781.73	17.00	9.63	0.5438	1.0000	\$604,071.46	\$62,726.50
2004	8.5	\$652,628.41	17.00	8.71	0.4916	1.0000	\$320,820.89	\$36,854.31
2003	9.5	\$315,327.22	17.00	7.81	0.4410	1.0000	\$139,069.07	\$17,806.71
2002	10.5	\$695,346.85	17.00	6.95	0.3925	1.0000	\$272,924.64	\$39,266.65
2001	11.5	\$408,282.36	17.00	6.13	0.3463	1.0000	\$141,378.00	\$23,055.95
2000	12.5	\$748,723.41	17.00	5.36	0.3025	1.0000	\$226,507.25	\$42,280.85
1999	13.5	\$481,337.17	17.00	4.63	0.2614	1.0000	\$125,800.21	\$27,181.39
1998	14.5	\$463,024.59	17.00	3.94	0.2225	1.0000	\$103,025.57	\$26,147.27
1997	15.5	\$453,300.21	17.00	3.30	0.1865	1.0000	\$84,547.14	\$25,598.13
1996	16.5	\$179,673.90	17.00	2.75	0.1551	1.0000	\$27,871.89	\$10,146.29
1995	17.5	\$109,449.35	17.00	2.29	0.1292	1.0000	\$14,137.09	\$6,180.67
1994	18.5	\$34,448.13	17.00	1.91	0.1080	1.0000	\$3,720.67	\$1,945.31
1993	19.5	\$6,430.46	17.00	1.60	0.0903	1.0000	\$580.88	\$363.13
1992	20.5	\$518.52	17.00	1.33	0.0749	1.0000	\$38.81	\$29.28
1991	21.5	\$20.85	17.00	1.07	0.0604	1.0000	\$1.26	\$1.18
1990	22.5	-\$0.50	17.00	0.84	0.0472	1.0000	-\$0.02	-\$0.03
		\$24,731,169.53	17.00	10.41	0.5879	1.0000	\$14,540,025.10	\$1,396,583.69

KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2012

Account: KEPCO 101/6 371 Installation on Customer Premises
Dispersion: 11.00, L0.0
Average Net Salvage Rate: -33.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2012	0.5	\$1,571,469.50	11.00	10.60	1.2822	1.0000	\$2,014,880.89	\$190,004.95
2011	1.5	\$1,406,337.50	11.00	9.97	1.2058	1.0000	\$1,695,808.89	\$170,038.99
2010	2.5	\$1,315,616.50	11.00	9.44	1.1419	1.0000	\$1,502,323.03	\$159,070.00
2009	3.5	\$1,487,510.79	11.00	8.98	1.0857	1.0000	\$1,614,975.14	\$179,853.58
2008	4.5	\$2,254,833.26	11.00	8.56	1.0348	1.0000	\$2,333,335.20	\$272,629.84
2007	5.5	\$1,936,628.36	11.00	8.17	0.9876	1.0000	\$1,912,605.63	\$234,155.97
2006	6.5	\$1,953,490.86	11.00	7.80	0.9427	1.0000	\$1,841,631.68	\$236,194.80
2005	7.5	\$1,699,874.49	11.00	7.44	0.8999	1.0000	\$1,529,775.66	\$205,530.28
2004	8.5	\$978,344.68	11.00	7.10	0.8591	1.0000	\$840,455.10	\$118,290.77
2003	9.5	\$840,364.71	11.00	6.78	0.8200	1.0000	\$689,100.76	\$101,607.73
2002	10.5	\$931,473.40	11.00	6.47	0.7827	1.0000	\$729,025.34	\$112,623.60
2001	11.5	\$644,644.18	11.00	6.18	0.7470	1.0000	\$481,519.37	\$77,943.34
2000	12.5	\$712,618.01	11.00	5.90	0.7128	1.0000	\$507,927.08	\$86,162.00
1999	13.5	\$416,002.58	11.00	5.62	0.6800	1.0000	\$282,878.88	\$50,298.49
1998	14.5	\$258,311.75	11.00	5.36	0.6486	1.0000	\$167,532.96	\$31,232.24
1997	15.5	\$348,046.20	11.00	5.11	0.6184	1.0000	\$215,236.77	\$42,081.95
1996	16.5	\$96,900.43	11.00	4.88	0.5894	1.0000	\$57,116.30	\$11,716.14
1995	17.5	\$96,944.13	11.00	4.64	0.5616	1.0000	\$54,441.05	\$11,721.43
1994	18.5	\$1,122,279.79	11.00	4.42	0.5348	1.0000	\$60,044.07	\$13,575.65
1993	19.5	-\$0.50	11.00	4.21	0.5090	1.0000	-\$0.25	-\$0.06
		\$19,061,690.62	11.00	8.04	0.9721	1.0000	\$18,530,613.55	\$2,304,731.69

KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2012

Account: KEPCO 101/6 373 Street Lighting and Signal Systems
Dispersion: 20.00, L0.0
Average Net Salvage Rate: -24.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2012	0.5	\$198,743.50	20.00	19.58	1.2141	1.0000	\$241,296.28	\$12,322.10
2011	1.5	\$91,376.50	20.00	18.88	1.1704	1.0000	\$106,949.69	\$5,665.34
2010	2.5	\$81,354.50	20.00	18.26	1.1323	1.0000	\$92,113.93	\$5,043.98
2009	3.5	\$80,329.50	20.00	17.70	1.0977	1.0000	\$88,175.96	\$4,980.43
2008	4.5	\$227,858.50	20.00	17.19	1.0658	1.0000	\$242,860.02	\$14,127.23
2007	5.5	\$213,009.50	20.00	16.71	1.0362	1.0000	\$220,712.72	\$13,206.59
2006	6.5	\$197,946.50	20.00	16.26	1.0083	1.0000	\$199,582.18	\$12,272.68
2005	7.5	\$122,590.50	20.00	15.84	0.9818	1.0000	\$120,363.96	\$7,600.61
2004	8.5	\$97,053.50	20.00	15.43	0.9566	1.0000	\$92,841.02	\$6,017.32
2003	9.5	\$123,973.50	20.00	15.04	0.9323	1.0000	\$115,583.36	\$7,686.36
2002	10.5	\$33,974.50	20.00	14.66	0.9087	1.0000	\$30,874.33	\$2,106.42
2001	11.5	\$78,070.70	20.00	14.29	0.8858	1.0000	\$69,154.96	\$4,840.38
2000	12.5	\$147,305.36	20.00	13.93	0.8634	1.0000	\$127,187.02	\$9,132.93
1999	13.5	\$68,037.44	20.00	13.57	0.8416	1.0000	\$57,260.84	\$4,218.32
1998	14.5	\$54,489.43	20.00	13.23	0.8203	1.0000	\$44,699.75	\$3,378.34
1997	15.5	\$52,517.44	20.00	12.90	0.7996	1.0000	\$41,993.79	\$3,256.08
1996	16.5	\$50,643.69	20.00	12.57	0.7794	1.0000	\$39,470.18	\$3,139.91
1995	17.5	\$66,504.24	20.00	12.25	0.7597	1.0000	\$50,519.98	\$4,123.26
1994	18.5	\$89,235.12	20.00	11.94	0.7404	1.0000	\$66,071.05	\$5,532.58
1993	19.5	\$129,700.27	20.00	11.64	0.7216	1.0000	\$93,593.19	\$8,041.42
1992	20.5	\$20,309.89	20.00	11.34	0.7033	1.0000	\$14,283.20	\$1,259.21
1991	21.5	\$60,819.14	20.00	11.05	0.6854	1.0000	\$41,684.90	\$3,770.79
1990	22.5	\$150,032.52	20.00	10.77	0.6679	1.0000	\$100,207.43	\$9,302.02
1989	23.5	\$206,386.27	20.00	10.50	0.6508	1.0000	\$134,322.23	\$12,795.95
1988	24.5	\$132,621.16	20.00	10.23	0.6341	1.0000	\$84,100.60	\$8,222.51
1987	25.5	\$99,735.25	20.00	9.96	0.6178	1.0000	\$61,615.93	\$6,183.59
1986	26.5	\$77,346.03	20.00	9.71	0.6019	1.0000	\$46,553.54	\$4,795.45
1985	27.5	\$46,696.16	20.00	9.46	0.5863	1.0000	\$27,379.33	\$2,895.16
1984	28.5	\$16,426.71	20.00	9.21	0.5711	1.0000	\$9,380.81	\$1,018.46
1983	29.5	\$27,002.65	20.00	8.97	0.5562	1.0000	\$15,018.12	\$1,674.16
1982	30.5	\$44,866.61	20.00	8.74	0.5416	1.0000	\$24,299.18	\$2,781.73
1981	31.5	\$35,830.74	20.00	8.51	0.5273	1.0000	\$18,894.01	\$2,221.51
1980	32.5	\$19,411.61	20.00	8.28	0.5133	1.0000	\$9,964.33	\$1,203.52
1979	33.5	\$6,254.02	20.00	8.06	0.4996	1.0000	\$3,124.71	\$387.75
1978	34.5	\$10,717.73	20.00	7.84	0.4862	1.0000	\$5,211.12	\$664.50
1977	35.5	\$4,039.79	20.00	7.63	0.4731	1.0000	\$1,911.18	\$250.47
1976	36.5	\$1,731.75	20.00	7.42	0.4602	1.0000	\$796.94	\$107.37
1975	37.5	\$4,632.32	20.00	7.22	0.4476	1.0000	\$2,073.32	\$287.20
1974	38.5	\$4,204.32	20.00	7.02	0.4352	1.0000	\$1,829.59	\$260.67
1973	39.5	-\$0.50	20.00	6.82	0.4230	1.0000	-\$0.21	-\$0.03
		\$3,173,778.36	20.00	13.94	0.8646	1.0000	\$2,743,954.47	\$196,774.27

KENTUCKY POWER COMPANY

DEPRECIATION STUDY AS OF DECEMBER 31, 2012

DISTRIBUTION PLANT

SPR ANALYSIS

**KENTUCKY POWER COMPANY
SIMULATED PLANT RECORD ANALYSIS
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

Account 364, Poles, Towers and Fixtures

Simulated Plant Record Analysis
Kentucky Power - Distr

Account: KEPCo 101/6 364 - KY
Version: KEPCo Distribution 2012
Method: Simulated Balances

No. of Test Points: 59 Interval: 0 Observation Band: 1954 - 2012

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
R0.5	25.6	3.67E+15	167.0223	5.99	100.00
L0	28.2	3.80E+15	170.0283	5.88	99.16
S-.5	25.7	3.84E+15	171.0207	5.85	100.00
R1	24.1	4.24E+15	179.6431	5.57	100.00
L0.5	26.5	4.25E+15	179.7891	5.56	99.79
S0	24.2	4.58E+15	186.6016	5.36	100.00
L1	25.2	4.78E+15	190.6374	5.25	100.00
R1.5	23.3	4.86E+15	192.3480	5.20	100.00
S0.5	23.3	5.12E+15	197.3073	5.07	100.00
L1.5	24.0	5.32E+15	201.1688	4.97	100.00
R2	22.5	5.58E+15	206.1274	4.85	100.00
S1	22.7	5.73E+15	208.7447	4.79	100.00
L2	23.2	5.94E+15	212.6616	4.70	100.00
R2.5	22.1	6.24E+15	217.8280	4.59	100.00
S1.5	22.2	6.24E+15	217.8995	4.59	100.00
S2	21.8	6.80E+15	227.4071	4.40	100.00
R3	21.6	6.94E+15	229.8377	4.35	100.00
L3	22.0	6.97E+15	230.3527	4.34	100.00
S3	21.3	7.65E+15	241.2101	4.15	100.00
L4	21.2	7.90E+15	245.1767	4.08	100.00
R4	21.0	7.93E+15	245.6132	4.07	100.00
S4	21.0	8.40E+15	252.8546	3.95	100.00
L5	20.9	8.55E+15	254.9879	3.92	100.00
R5	20.7	8.69E+15	257.1934	3.89	100.00
S5	20.7	8.85E+15	259.4095	3.85	100.00
S6	20.5	9.08E+15	262.8400	3.80	100.00
SQ	22.2	9.83E+15	273.4602	3.66	100.00

The R0.5 dispersion with a 25.6 year life (round to 26) is the best fit according to the Conformance Index. The Retirement Experience Index for this selection is at 100 which indicates that 100 percent of the installations from the oldest vintage would have retired by the end of the most recent year in the chosen band of years if the installations retired according to the specified survivor curve.

**KENTUCKY POWER COMPANY
SIMULATED PLANT RECORD ANALYSIS
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

Account 365, Overhead Conductor and Devices

Simulated Plant Record Analysis

Kentucky Power - Distr

Account: KEPCo 101/6 365 - KY
Version: KEPCo Distribution 2012
Method: Simulated Balances

No. of Test Points: 59 Interval: 0 Observation Band: 1954 - 2012

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
L0	25.4	8.73E+14	97.8301	10.22	99.78
R0.5	23.3	9.02E+14	99.3984	10.06	100.00
S-.5	23.1	9.28E+14	100.8225	9.92	100.00
L0.5	23.9	9.93E+14	104.3098	9.59	99.96
R1	21.9	1.08E+15	108.8100	9.19	100.00
S0	21.9	1.12E+15	110.9610	9.01	100.00
L1	22.7	1.13E+15	111.2026	8.99	100.00
R1.5	21.2	1.25E+15	117.0463	8.54	100.00
L1.5	21.7	1.27E+15	117.8785	8.48	100.00
S0.5	21.3	1.27E+15	117.8788	8.48	100.00
L2	20.9	1.42E+15	124.7293	8.02	100.00
S1	20.6	1.42E+15	124.8278	8.01	100.00
R2	20.4	1.43E+15	125.2850	7.98	100.00
S1.5	20.3	1.55E+15	130.1773	7.68	100.00
R2.5	20.1	1.58E+15	131.6252	7.60	100.00
L3	20.0	1.67E+15	135.3107	7.39	100.00
S2	19.8	1.68E+15	135.5386	7.38	100.00
R3	19.6	1.73E+15	137.7541	7.26	100.00
S3	19.5	1.86E+15	142.6522	7.01	100.00
L4	19.3	1.89E+15	143.8875	6.95	100.00
R4	19.1	1.92E+15	145.1698	6.89	100.00
S4	19.0	2.00E+15	147.9188	6.76	100.00
L5	19.0	2.01E+15	148.5109	6.73	100.00
R5	18.9	2.05E+15	149.9296	6.67	100.00
S5	18.7	2.07E+15	150.5925	6.64	100.00
S6	18.6	2.10E+15	151.6759	6.59	100.00
SQ	20.3	2.52E+15	166.1639	6.02	100.00

The L0.0 dispersion with a 25.4 year life (round to 25) is the best fit according to the Conformance Index. The Retirement Experience Index for this selection is at 99.78 which indicates that 99.78 percent of the installations from the oldest vintage would have retired by the end of the most recent year in the chosen band of years if the installations retired according to the specified survivor curve.

**KENTUCKY POWER COMPANY
SIMULATED PLANT RECORD ANALYSIS
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

Account 366, Underground Conduit

Simulated Plant Record Analysis
Kentucky Power - Distr

Account: KEPCo 101/6 366 - KY
Version: KEPCo Distribution 2012
Method: Simulated Balances

No. of Test Points: 44 Interval: 0 Observation Band: 1969 - 2012

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
R0.5	154.2	1.51E+10	11.7112	85.39	20.98
R1	112.9	1.56E+10	11.9025	84.02	26.15
S-.5	127.3	1.60E+10	12.0580	82.93	26.71
R1.5	86.0	1.64E+10	12.1929	82.01	37.31
L0	126.4	1.76E+10	12.6429	79.10	31.82
L0.5	98.8	1.85E+10	12.9411	77.27	40.37
R2	63.6	1.88E+10	13.0404	76.68	67.86
S0	79.8	1.99E+10	13.4387	74.41	47.13
L1	75.2	2.13E+10	13.9028	71.93	55.47
R2.5	52.2	2.17E+10	14.0243	71.30	94.10
S0.5	65.5	2.17E+10	14.0339	71.26	63.23
L1.5	62.4	2.36E+10	14.6327	68.34	70.37
S1	53.8	2.58E+10	15.2944	65.38	84.27
R3	44.2	2.83E+10	16.0066	62.47	100.00
S1.5	48.7	2.84E+10	16.0466	62.32	94.73
L2	52.3	2.89E+10	16.1724	61.83	84.62
S2	43.5	3.31E+10	17.3117	57.76	99.71
L3	43.0	3.77E+10	18.4807	54.11	97.81
S3	39.0	4.16E+10	19.4275	51.47	100.00
R4	38.0	4.24E+10	19.6010	51.02	100.00
L4	38.4	4.82E+10	20.9097	47.82	100.00
S4	36.6	5.55E+10	22.4367	44.57	100.00
L5	36.4	6.24E+10	23.7757	42.06	100.00
R5	36.0	6.39E+10	24.0735	41.54	100.00
S5	35.7	7.14E+10	25.4453	39.30	100.00
S6	35.5	8.59E+10	27.9052	35.84	100.00
SQ	37.9	1.25E+11	33.6430	29.72	100.00

The R3.0 dispersion with a 44.2 year life (round to 44) is the best fit when considering the Conformance Index along with the Retirement Experience Index. The Retirement Experience Index for this selection is at 100 which indicates that 100 percent of the installations from the oldest vintage would have retired by the end of the most recent year in the chosen band of years if the installations retired according to the specified survivor curve.

**KENTUCKY POWER COMPANY
SIMULATED PLANT RECORD ANALYSIS
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

Account 367, Underground Conductor and Devices

Simulated Plant Record Analysis
Kentucky Power - Distr

Account: KEPCo 101/6 367 - KY
Version: KEPCo Distribution 2012
Method: Simulated Balances

No. of Test Points: 38 Interval: 0 Observation Band: 1975 - 2012

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
R0.5	40.1	1.38E+11	20.5658	48.62	97.39
S-.5	38.8	1.62E+11	22.3135	44.82	99.27
R1	34.0	1.74E+11	23.1539	43.19	100.00
L0	42.9	1.75E+11	23.2014	43.10	87.46
L0.5	37.2	2.12E+11	25.5415	39.15	94.90
R1.5	30.1	2.32E+11	26.7167	37.43	100.00
S0	32.2	2.38E+11	27.0355	36.99	100.00
L1	33.0	2.69E+11	28.7681	34.76	98.98
S0.5	29.4	2.94E+11	30.0592	33.27	100.00
R2	27.5	3.24E+11	31.5590	31.69	100.00
L1.5	30.1	3.26E+11	31.6815	31.56	99.86
S1	27.3	3.71E+11	33.7702	29.61	100.00
L2	27.8	4.03E+11	35.2186	28.39	100.00
R2.5	25.8	4.19E+11	35.9128	27.85	100.00
S1.5	25.9	4.36E+11	36.6268	27.30	100.00
S2	24.7	5.13E+11	39.7229	25.17	100.00
L3	24.8	5.26E+11	40.2225	24.86	100.00
R3	24.4	5.31E+11	40.4045	24.75	100.00
S3	23.4	6.25E+11	43.8307	22.82	100.00
L4	23.1	6.45E+11	44.5562	22.44	100.00
R4	23.0	6.68E+11	45.3404	22.06	100.00
S4	22.6	7.08E+11	46.6493	21.44	100.00
L5	22.3	7.18E+11	46.9905	21.28	100.00
R5	22.2	7.41E+11	47.7473	20.94	100.00
S5	22.0	7.53E+11	48.1161	20.78	100.00
S6	21.9	7.79E+11	48.9600	20.42	100.00
SQ	23.8	1.39E+12	65.4782	15.27	100.00

The R0.5 dispersion with a 40.1 year life (round to 40) is the best fit according to the Conformance Index. The Retirement Experience Index for this selection is at 97.39 which indicates that 97.39 percent of the installations from the oldest vintage would have retired by the end of the most recent year in the chosen band of years if the installations retired according to the specified survivor curve.

**KENTUCKY POWER COMPANY
SIMULATED PLANT RECORD ANALYSIS
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

Account 368, Line Transformers

Simulated Plant Record Analysis
Kentucky Power - Distr

Account: KEPCo 101/6 368 - KY
Version: KEPCo Distribution 2012
Method: Simulated Balances

No. of Test Points: 40 Interval: 0 Observation Band: 1973 - 2012

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
L0	23.1	1.15E+15	121.2350	8.25	99.96
R0.5	21.3	1.20E+15	123.7579	8.08	100.00
S-.5	21.2	1.23E+15	125.3246	7.98	100.00
L0.5	21.8	1.31E+15	129.2177	7.74	100.00
R1	20.3	1.43E+15	135.0751	7.40	100.00
L1	20.9	1.49E+15	137.5548	7.27	100.00
S0	20.3	1.49E+15	137.6841	7.26	100.00
R1.5	19.6	1.64E+15	144.3686	6.93	100.00
L1.5	20.1	1.66E+15	145.1739	6.89	100.00
S0.5	19.8	1.67E+15	145.6194	6.87	100.00
L2	19.6	1.84E+15	152.8926	6.54	100.00
R2	19.1	1.85E+15	153.3804	6.52	100.00
S1	19.3	1.85E+15	153.4758	6.52	100.00
S1.5	19.0	1.99E+15	159.1400	6.28	100.00
R2.5	18.6	2.01E+15	160.0381	6.25	100.00
L3	18.8	2.12E+15	164.1181	6.09	100.00
S2	18.5	2.13E+15	164.6957	6.07	100.00
R3	18.4	2.17E+15	166.3982	6.01	100.00
S3	18.2	2.31E+15	171.5497	5.83	100.00
L4	18.1	2.33E+15	172.4152	5.80	100.00
R4	17.9	2.37E+15	173.6884	5.76	100.00
S4	17.8	2.43E+15	176.0758	5.68	100.00
L5	17.8	2.44E+15	176.4297	5.67	100.00
R5	17.6	2.48E+15	177.6648	5.63	100.00
S5	17.5	2.49E+15	177.9417	5.62	100.00
S6	17.4	2.51E+15	178.7558	5.59	100.00
SQ	19.0	2.96E+15	194.0295	5.15	100.00

The L0.0 dispersion with a 23.1 year life (round to 23) is the best fit according to the Conformance Index. The Retirement Experience Index for this selection is at 99.96 which indicates that 99.96 percent of the installations from the oldest vintage would have retired by the end of the most recent year in the chosen band of years if the installations retired according to the specified survivor curve.

**KENTUCKY POWER COMPANY
SIMULATED PLANT RECORD ANALYSIS
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

Account 369, Services

Simulated Plant Record Analysis
Kentucky Power - Distr

Account: KEPCo 101/6 369 - KY
Version: KEPCo Distribution 2012
Method: Simulated Balances

No. of Test Points: 46 Interval: 0 Observation Band: 1967 - 2012

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
L0	19.4	2.87E+14	186.9533	5.35	100.00
R0.5	18.3	2.95E+14	189.6093	5.27	100.00
S-.5	18.3	2.97E+14	190.2026	5.26	100.00
L0.5	18.6	3.00E+14	191.1809	5.23	100.00
R1	17.5	3.14E+14	195.4264	5.12	100.00
L1	17.8	3.14E+14	195.4303	5.12	100.00
S0	17.3	3.17E+14	196.4357	5.09	100.00
L1.5	17.1	3.26E+14	199.2800	5.02	100.00
R1.5	16.9	3.28E+14	199.8550	5.00	100.00
S0.5	16.8	3.29E+14	200.2098	4.99	100.00
L2	16.7	3.39E+14	203.0392	4.93	100.00
S1	16.4	3.42E+14	203.8705	4.91	100.00
R2	16.4	3.43E+14	204.1432	4.90	100.00
S1.5	16.2	3.51E+14	206.5224	4.84	100.00
R2.5	16.0	3.53E+14	207.3305	4.82	100.00
L3	16.0	3.58E+14	208.7555	4.79	100.00
S2	15.9	3.59E+14	209.1241	4.78	100.00
R3	15.8	3.64E+14	210.4016	4.75	100.00
S3	15.5	3.72E+14	212.6107	4.70	100.00
L4	15.6	3.73E+14	213.1671	4.69	100.00
R4	15.4	3.77E+14	214.1069	4.67	100.00
S4	15.3	3.81E+14	215.2593	4.65	100.00
L5	15.2	3.82E+14	215.5157	4.64	100.00
R5	15.2	3.85E+14	216.3540	4.62	100.00
S5	15.2	3.85E+14	216.5579	4.62	100.00
S6	15.0	3.88E+14	217.1814	4.60	100.00
SQ	16.3	4.14E+14	224.3050	4.46	100.00

The L0.0 dispersion with a 19.4 year life (round to 20) is the best fit according to the Conformance Index. The Retirement Experience Index for this selection is at 100 which indicates that 100 percent of the installations from the oldest vintage would have retired by the end of the most recent year in the chosen band of years if the installations retired according to the specified survivor curve.

**KENTUCKY POWER COMPANY
SIMULATED PLANT RECORD ANALYSIS
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

Account 370, Meters

Simulated Plant Record Analysis
Kentucky Power - Distr

Account: KEPCo 101/6 370 - KY
Version: KEPCo Distribution 2012
Method: Simulated Balances

No. of Test Points: 33 Interval: 0 Observation Band: 1980 - 2012

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
L0	4.1	6.50E+14	816.2273	1.23	100.00
R0.5	4.1	7.00E+14	846.9945	1.18	100.00
S-.5	4.1	7.01E+14	847.4373	1.18	100.00
L0.5	4.1	7.30E+14	864.6174	1.16	100.00
L1	4.1	8.16E+14	913.9529	1.09	100.00
R1	4.2	8.23E+14	918.2392	1.09	100.00
S0	4.1	8.25E+14	918.9629	1.09	100.00
L1.5	4.1	9.13E+14	967.1824	1.03	100.00
S0.5	4.2	9.24E+14	972.5716	1.03	100.00
R1.5	4.3	9.40E+14	981.2160	1.02	100.00
L2	4.1	1.02E+15	1021.2556	0.98	100.00
S1	4.2	1.03E+15	1026.8307	0.97	100.00
R2	4.3	1.07E+15	1044.9572	0.96	100.00
S1.5	4.2	1.13E+15	1074.3870	0.93	100.00
R2.5	4.3	1.18E+15	1101.6623	0.91	100.00
L3	4.1	1.23E+15	1120.5893	0.89	100.00
S2	4.2	1.23E+15	1122.8063	0.89	100.00
R3	4.3	1.31E+15	1159.5711	0.86	100.00
S3	4.2	1.41E+15	1200.4357	0.83	100.00
L4	4.1	1.45E+15	1220.2944	0.82	100.00
R4	4.3	1.50E+15	1241.0809	0.81	100.00
S4	4.1	1.59E+15	1274.1662	0.78	100.00
L5	3.7	1.62E+15	1287.7734	0.78	100.00
R5	4.2	1.67E+15	1307.9297	0.76	100.00
S5	3.6	1.70E+15	1319.6798	0.76	100.00
S6	3.5	1.71E+15	1325.2396	0.75	100.00
SQ	3.8	1.88E+15	1389.2184	0.72	100.00

Kentucky replaced all of its electromechanical meters with AMR meters in the period from 2005 to 2010. As a result, insufficient history is available to evaluate the average service life for the new meters. General Electric estimates that the AMR meters will last between 15 and 20 years so for this study a life of 17 years is recommended with a R4.0 dispersion.

**KENTUCKY POWER COMPANY
SIMULATED PLANT RECORD ANALYSIS
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

Account 371, Installations on Customers' Premises

Simulated Plant Record Analysis
Kentucky Power - Distr

Account: KEPCo 101/6 371 - KY
Version: KEPCo Distribution 2012
Method: Simulated Balances

No. of Test Points: 30 Interval: 0 Observation Band: 1983 - 2012

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
L0	9.9	7.94E+13	231.9067	4.31	100.00
R0.5	9.4	8.13E+13	234.6775	4.26	100.00
S-.5	9.4	8.20E+13	235.7039	4.24	100.00
L0.5	9.6	8.27E+13	236.7533	4.22	100.00
R1	9.2	8.53E+13	240.4307	4.16	100.00
L1	9.4	8.63E+13	241.7593	4.14	100.00
S0	9.2	8.68E+13	242.4357	4.12	100.00
R1.5	9.0	8.86E+13	245.0386	4.08	100.00
L1.5	9.2	8.91E+13	245.7436	4.07	100.00
S0.5	9.0	8.96E+13	246.3595	4.06	100.00
R2	8.8	9.20E+13	249.6501	4.01	100.00
L2	9.0	9.21E+13	249.7610	4.00	100.00
S1	8.9	9.25E+13	250.3152	3.99	100.00
S1.5	8.8	9.45E+13	253.0176	3.95	100.00
R2.5	8.8	9.46E+13	253.1220	3.95	100.00
L3	8.7	9.62E+13	255.2381	3.92	100.00
S2	8.7	9.65E+13	255.6756	3.91	100.00
R3	8.7	9.71E+13	256.5165	3.90	100.00
S3	8.6	9.90E+13	258.9179	3.86	100.00
L4	8.6	9.92E+13	259.2423	3.86	100.00
R4	8.5	1.00E+14	260.3005	3.84	100.00
S4	8.5	1.01E+14	261.2015	3.83	100.00
L5	8.4	1.01E+14	261.2523	3.83	100.00
R5	8.4	1.01E+14	262.2124	3.81	100.00
S5	8.4	1.02E+14	262.2830	3.81	100.00
S6	8.4	1.02E+14	262.7129	3.81	100.00
SQ	8.3	1.05E+14	266.1581	3.76	100.00

The L0.0 dispersion with a 9.9 year life (round to 10) is the best fit according to the Conformance Index. The Retirement Experience Index for this selection is at 100 which indicates that 100 percent of the installations from the oldest vintage would have retired by the end of the most recent year in the chosen band of years if the installations retired according to the specified survivor curve.

**KENTUCKY POWER COMPANY
SIMULATED PLANT RECORD ANALYSIS
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

Account 373, Street Lighting & Signal Systems

Simulated Plant Record Analysis
Kentucky Power - Distr

Account: KEPCo 101/6 373 - KY
Version: KEPCo Distribution 2012
Method: Simulated Balances

No. of Test Points: 51 Interval: 0 Observation Band: 1962 - 2012

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
L0	20.0	1.02E+13	355.0879	2.82	100.00
R0.5	19.0	1.05E+13	359.4107	2.78	100.00
S-.5	18.9	1.07E+13	362.1515	2.76	100.00
L0.5	19.7	1.09E+13	366.1537	2.73	100.00
R1	18.7	1.12E+13	370.8564	2.70	100.00
S0	18.6	1.15E+13	375.8980	2.66	100.00
L1	19.2	1.16E+13	377.4547	2.65	100.00
R1.5	18.6	1.18E+13	381.8576	2.62	100.00
S0.5	18.5	1.21E+13	385.4647	2.59	100.00
L1.5	18.9	1.23E+13	388.3098	2.58	100.00
R2	18.5	1.26E+13	393.5759	2.54	100.00
S1	18.4	1.27E+13	395.5313	2.53	100.00
L2	18.8	1.30E+13	399.7290	2.50	100.00
S1.5	18.3	1.33E+13	404.0838	2.47	100.00
R2.5	18.4	1.33E+13	404.4681	2.47	100.00
S2	18.4	1.39E+13	413.0764	2.42	100.00
R3	18.5	1.41E+13	415.8686	2.40	100.00
L3	18.5	1.42E+13	417.9162	2.39	100.00
S3	18.5	1.49E+13	427.8729	2.34	100.00
R4	18.6	1.53E+13	433.7861	2.31	100.00
L4	18.4	1.53E+13	433.9054	2.30	100.00
S4	18.4	1.60E+13	443.1479	2.26	100.00
L5	18.5	1.62E+13	446.9566	2.24	100.00
R5	18.5	1.65E+13	450.6925	2.22	100.00
S5	18.5	1.68E+13	454.2218	2.20	100.00
S6	18.6	1.73E+13	461.0973	2.17	100.00
SQ	20.3	1.85E+13	476.7191	2.10	100.00

The L0.0 dispersion with a 20.0 year life is the best fit according to the Conformance Index. The Retirement Experience Index for this selection is at 100 which indicates that 100 percent of the installations from the oldest vintage would have retired by the end of the most recent year in the chosen band of years if the installations retired according to the specified survivor curve.

KENTUCKY POWER COMPANY

DEPRECIATION STUDY AS OF DECEMBER 31, 2012

DISTRIBUTION PLANT

COMPUTED AGE DISTRIBUTION REPORT

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
COMPUTED AGE DISTRIBUTION REPORT**

Account 364, Poles, Towers and Fixtures

Computed Age Distribution Report

Account: KEPCo 101/6 364 - KY

Version: KEPCo Distribution 2012

Dispersion: 26 - R0.5

Vintage	Additions	Age 2013	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
2012	6,104,687	0.5	99.27	6,060,081	100.00	6,104,688	0.50
2011	6,543,733	1.5	97.79	6,398,971	100.00	6,543,734	1.50
2010	6,617,904	2.5	96.28	6,371,713	100.00	6,617,905	2.50
2009	10,565,669	3.5	94.75	10,010,443	100.00	10,565,670	3.50
2008	9,453,590	4.5	93.18	8,809,153	100.00	9,453,591	4.50
2007	9,180,344	5.5	91.60	8,408,814	100.00	9,180,345	5.50
2006	7,010,130	6.5	89.98	6,307,855	100.00	7,010,131	6.50
2005	5,940,057	7.5	88.34	5,247,625	99.36	5,902,003	7.48
2004	7,915,242	8.5	86.68	6,860,786	97.49	7,716,325	8.39
2003	5,498,184	9.5	84.99	4,672,767	95.59	5,255,461	9.29
2002	5,817,651	10.5	83.27	4,844,331	93.65	5,448,419	10.17
2001	6,120,711	11.5	81.52	4,989,594	91.69	5,611,796	11.02
2000	9,744,236	12.5	79.74	7,769,754	89.68	8,738,641	11.86
1999	6,225,361	13.5	77.92	4,850,720	87.64	5,455,604	12.67
1998	3,895,481	14.5	76.06	2,962,918	85.55	3,332,393	13.45
1997	3,681,213	15.5	74.16	2,730,022	83.41	3,070,455	14.21
1996	11,574,084	16.5	72.22	8,358,474	81.22	9,400,774	14.95
1995	6,905,835	17.5	70.23	4,849,814	78.99	5,454,585	15.66
1994	5,943,724	18.5	68.19	4,053,117	76.70	4,558,540	16.34
1993	6,097,045	19.5	66.11	4,030,635	74.35	4,533,254	17.00
1992	7,124,702	20.5	63.98	4,558,039	71.95	5,126,426	17.63
1991	7,126,300	21.5	61.80	4,403,719	69.50	4,952,862	18.22
1990	7,678,250	22.5	59.57	4,573,857	67.00	5,144,216	18.79
1989	5,311,355	23.5	57.30	3,043,341	64.44	3,422,845	19.32
1988	5,164,641	24.5	54.99	2,839,877	61.84	3,194,009	19.83
1987	5,291,383	25.5	52.64	2,785,152	59.20	3,132,460	20.30
1986	5,673,479	26.5	50.25	2,850,976	56.52	3,206,492	20.74
1985	5,060,325	27.5	47.84	2,420,727	53.80	2,722,591	21.15
1984	4,266,713	28.5	45.40	1,937,071	51.06	2,178,624	21.53
1983	3,872,045	29.5	42.94	1,662,835	48.30	1,870,190	21.87
1982	3,917,914	30.5	40.48	1,585,911	45.53	1,783,674	22.19
1981	4,999,687	31.5	38.01	1,900,393	42.75	2,137,371	22.48
1980	3,654,119	32.5	35.55	1,298,930	39.98	1,460,906	22.75
1979	2,847,798	33.5	33.10	942,527	37.22	1,060,060	22.99
1978	2,193,233	34.5	30.67	672,670	34.49	756,551	23.20
1977	1,759,206	35.5	28.28	497,420	31.80	559,448	23.39
1976	1,225,243	36.5	25.92	317,594	29.15	357,198	23.57
1975	802,810	37.5	23.62	189,605	26.56	213,248	23.73
1974	721,005	38.5	21.37	154,108	24.04	173,325	23.88
1973	723,202	39.5	19.20	138,854	21.59	156,169	24.01
1972	552,936	40.5	17.10	94,578	19.24	106,372	24.15
1971	453,076	41.5	15.10	68,399	16.98	76,928	24.27
1970	375,966	42.5	13.18	49,557	14.82	55,736	24.40
1969	396,695	43.5	11.37	45,090	12.78	50,713	24.53
1968	420,314	44.5	9.66	40,588	10.86	45,649	24.67

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
COMPUTED AGE DISTRIBUTION REPORT**

Account 364, Poles, Towers and Fixtures

Computed Age Distribution Report

Account: KEPCo 101/6 364 - KY
Version: KEPCo Distribution 2012
Dispersion: 26 - R0.5

Vintage	Additions	Age 2013	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
1967	327,256	45.5	8.05	26,360	9.06	29,647	24.81
1966	263,321	46.5	6.56	17,282	7.38	19,437	24.97
1965	246,673	47.5	5.18	12,772	5.82	14,364	25.13
1964	202,720	48.5	3.89	7,888	4.38	8,871	25.31
1963	175,931	49.5	2.69	4,728	3.02	5,317	25.50
1962	151,846	50.5	1.56	2,363	1.75	2,657	25.69
1961	198,316	51.5	0.00		-0.00	(1)	25.75
1960	152,841	52.5	0.00		0.00		0.00
1959	179,999	53.5	0.00		0.00		0.00
1958	145,963	54.5	0.00		0.00		0.00
1957	101,977	55.5	0.00		0.00		0.00
1956	98,076	56.5	0.00		0.00		0.00
1955	83,548	57.5	0.00		0.00		0.00
1954	73,657	58.5	0.00		0.00		0.00
1953	80,158	59.5	0.00		0.00		0.00
1952	62,890	60.5	0.00		0.00		0.00
1951	86,968	61.5	0.00		0.00		0.00
1950	74,781	62.5	0.00		0.00		0.00
1949	84,381	63.5	0.00		0.00		0.00
1948	64,525	64.5	0.00		0.00		0.00
1947	52,850	65.5	0.00		0.00		0.00
1946	19,182	66.5	0.00		0.00		0.00
1945	14,956	67.5	0.00		0.00		0.00
1944	15,239	68.5	0.00		0.00		0.00
1943	42,381	69.5	0.00		0.00		0.00
1942	4,914	70.5	0.00		0.00		0.00
1941	48,820	71.5	0.00		0.00		0.00
1940	83,909	72.5	0.00		0.00		0.00
1939	88,380	73.5	0.00		0.00		0.00
1938	160,633	74.5	0.00		0.00		0.00
1937	139,472	75.5	0.00		0.00		0.00
	225,973,841			157,730,791		173,978,663 *	

* Recorded Balance January 1, 2013: 173,978,663

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
COMPUTED AGE DISTRIBUTION REPORT**

Account 365, Overhead Conductor & Devices

Computed Age Distribution Report

Account: KEPCo 101/6 365 - KY

Version: KEPCo Distribution 2012

Dispersion: -

Vintage	Additions	Age 2013	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
2012	14,202,839	0.5	99.68	14,157,958	100.00	14,202,840	0.50
2011	8,098,369	1.5	98.58	7,983,048	100.00	8,098,370	1.50
2010	7,883,763	2.5	97.11	7,655,528	100.00	7,883,764	2.50
2009	13,439,606	3.5	95.38	12,819,234	100.00	13,439,607	3.50
2008	14,707,788	4.5	93.47	13,747,664	99.28	14,602,449	4.48
2007	15,062,617	5.5	91.41	13,768,738	97.09	14,624,834	5.42
2006	9,504,395	6.5	89.23	8,480,582	94.78	9,007,877	6.33
2005	9,249,231	7.5	86.95	8,042,021	92.35	8,542,049	7.21
2004	4,699,263	8.5	84.59	3,975,248	89.85	4,222,416	8.07
2003	4,129,929	9.5	82.18	3,393,893	87.29	3,604,915	8.90
2002	5,267,425	10.5	79.72	4,199,297	84.68	4,460,396	9.70
2001	4,858,176	11.5	77.24	3,752,358	82.04	3,985,668	10.47
2000	8,750,398	12.5	74.74	6,540,310	79.39	6,946,965	11.21
1999	5,348,247	13.5	72.25	3,863,948	76.74	4,104,196	11.93
1998	3,533,295	14.5	69.76	2,464,650	74.09	2,617,894	12.62
1997	9,208,201	15.5	67.27	6,194,541	71.45	6,579,697	13.29
1996	4,756,188	16.5	64.80	3,082,057	68.83	3,273,690	13.93
1995	7,885,951	17.5	62.35	4,916,654	66.22	5,222,355	14.54
1994	5,216,261	18.5	59.91	3,125,166	63.64	3,319,479	15.14
1993	3,337,773	19.5	57.50	1,919,253	61.08	2,038,586	15.70
1992	3,819,532	20.5	55.12	2,105,250	58.55	2,236,147	16.25
1991	4,368,299	21.5	52.77	2,304,933	56.05	2,448,246	16.77
1990	4,454,819	22.5	50.45	2,247,278	53.58	2,387,006	17.28
1989	4,021,068	23.5	48.17	1,936,747	51.16	2,057,168	17.76
1988	3,896,286	24.5	45.92	1,789,330	48.78	1,900,585	18.23
1987	4,111,825	25.5	43.73	1,797,937	46.44	1,909,726	18.67
1986	3,621,113	26.5	41.57	1,505,442	44.16	1,599,045	19.10
1985	2,512,246	27.5	39.47	991,609	41.93	1,053,264	19.51
1984	2,277,627	28.5	37.42	852,265	39.75	905,256	19.91
1983	2,380,110	29.5	35.42	843,035	37.62	895,452	20.30
1982	2,406,277	30.5	33.48	805,525	35.56	855,610	20.67
1981	3,951,396	31.5	31.59	1,248,206	33.55	1,325,815	21.03
1980	2,880,386	32.5	29.76	857,232	31.61	910,531	21.39
1979	2,507,101	33.5	27.99	701,788	29.73	745,422	21.73
1978	2,043,982	34.5	26.28	537,240	27.92	570,644	22.07
1977	2,377,496	35.5	24.64	585,791	26.17	622,213	22.40
1976	880,673	36.5	23.06	203,039	24.49	215,664	22.72
1975	745,846	37.5	21.54	160,618	22.87	170,605	23.04
1974	818,663	38.5	20.08	164,371	21.33	174,591	23.36
1973	897,032	39.5	18.68	167,601	19.85	178,022	23.67
1972	943,280	40.5	17.35	163,697	18.43	173,875	23.98
1971	753,553	41.5	16.09	121,217	17.09	128,753	24.30
1970	599,955	42.5	14.88	83,279	15.81	94,830	24.61
1969	584,452	43.5	13.74	80,292	14.59	85,284	24.92
1968	494,234	44.5	12.66	62,545	13.44	66,434	25.24

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
COMPUTED AGE DISTRIBUTION REPORT**

Account 365, Overhead Conductor & Devices

Computed Age Distribution Report

Account: KEPCo 101/6 365 - KY
Version: KEPCo Distribution 2012
Dispersion: -

Vintage	Additions	Age 2013	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
1967	362,354	45.5	11.63	42,153	12.36	44,773	25.56
1966	312,914	46.5	10.67	33,385	11.33	35,460	25.88
1965	232,939	47.5	9.76	22,740	10.37	24,153	26.21
1964	139,151	48.5	8.91	12,400	9.46	13,171	26.55
1963	129,161	49.5	0.00		-0.00	(1)	24.75
1962	120,422	50.5	0.00		0.00		0.00
1961	86,705	51.5	0.00		0.00		0.00
1960	121,675	52.5	0.00		0.00		0.00
1959	87,437	53.5	0.00		0.00		0.00
1958	101,280	54.5	0.00		0.00		0.00
1957	75,583	55.5	0.00		0.00		0.00
1956	67,436	56.5	0.00		0.00		0.00
1955	54,245	57.5	0.00		0.00		0.00
1954	60,584	58.5	0.00		0.00		0.00
1953	55,985	59.5	0.00		0.00		0.00
1952	43,132	60.5	0.00		0.00		0.00
1951	52,380	61.5	0.00		0.00		0.00
1950	43,539	62.5	0.00		0.00		0.00
1949	38,785	63.5	0.00		0.00		0.00
1948	33,031	64.5	0.00		0.00		0.00
1947	23,250	65.5	0.00		0.00		0.00
1946	8,911	66.5	0.00		0.00		0.00
1945	7,008	67.5	0.00		0.00		0.00
1944	8,392	68.5	0.00		0.00		0.00
1943	15,652	69.5	0.00		0.00		0.00
1942	1,863	70.5	0.00		0.00		0.00
1941	26,224	71.5	0.00		0.00		0.00
1940	56,768	72.5	0.00		0.00		0.00
1939	43,031	73.5	0.00		0.00		0.00
1938	56,193	74.5	0.00		0.00		0.00
1937	109,143	75.5	0.00		0.00		0.00
	220,062,139			156,515,092		164,605,795 *	

* Recorded Balance January 1, 2013: 164,605,795

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
COMPUTED AGE DISTRIBUTION REPORT**

Account 366, Underground Conduit

Computed Age Distribution Report

Account: KEPCo 101/6 366 - KY

Version: KEPCo Distribution 2012

Dispersion: -

Vintage	Additions	Age 2013	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
2012	306,026	0.5	99.98	305,973	100.00	306,027	0.50
2011	267,790	1.5	99.94	267,633	100.00	267,791	1.50
2010	229,273	2.5	99.89	229,026	100.00	229,274	2.50
2009	607,754	3.5	99.83	606,741	100.00	607,755	3.50
2008	372,994	4.5	99.76	372,112	100.00	372,995	4.50
2007	356,644	5.5	99.68	355,508	100.00	356,645	5.50
2006	418,687	6.5	99.59	416,950	100.00	418,688	6.50
2005	298,155	7.5	99.47	296,582	100.00	298,156	7.50
2004	147,088	8.5	99.34	146,119	100.00	147,089	8.50
2003	177,610	9.5	99.19	176,171	100.00	177,611	9.50
2002	128,026	10.5	99.02	126,767	100.00	128,027	10.50
2001	101,646	11.5	98.82	100,444	100.00	101,647	11.50
2000	268,983	12.5	98.59	265,191	100.00	268,984	12.50
1999	84,566	13.5	98.33	83,156	100.00	84,567	13.50
1998	339,495	14.5	98.04	332,851	99.83	338,907	14.49
1997	234,780	15.5	97.72	229,415	99.49	233,589	15.46
1996	169,510	16.5	97.35	165,014	99.12	168,016	16.43
1995	164,908	17.5	96.94	159,858	98.70	162,767	17.39
1994	149,372	18.5	96.48	144,117	98.24	146,740	18.34
1993	163,725	19.5	95.97	157,134	97.72	159,993	19.28
1992	121,553	20.5	95.41	115,978	97.15	118,088	20.21
1991	99,504	21.5	94.80	94,326	96.52	96,042	21.13
1990	74,205	22.5	94.12	69,839	95.83	71,110	22.03
1989	77,116	23.5	93.37	72,004	95.07	73,314	22.92
1988	41,448	24.5	92.56	38,363	94.24	39,061	23.79
1987	46,248	25.5	91.67	42,394	93.34	43,166	24.65
1986	26,705	26.5	90.70	24,221	92.35	24,661	25.49
1985	44,303	27.5	89.64	39,714	91.27	40,436	26.30
1984	21,215	28.5	88.50	18,775	90.11	19,117	27.09
1983	25,141	29.5	87.26	21,938	88.85	22,337	27.85
1982	21,772	30.5	85.91	18,705	87.48	19,046	28.59
1981	23,371	31.5	84.46	19,739	86.00	20,099	29.29
1980	41,114	32.5	82.89	34,081	84.40	34,701	29.97
1979	36,879	33.5	81.20	29,947	82.68	30,492	30.60
1978	29,131	34.5	79.38	23,124	80.82	23,545	31.19
1977	18,825	35.5	77.42	14,575	78.83	14,840	31.74
1976	1,472	36.5	75.32	1,109	76.72	1,129	32.25
1975	32,025	37.5	73.07	23,400	74.40	23,826	32.70
1974	44,029	38.5	70.66	31,112	71.95	31,677	33.10
1973	29,747	39.5	68.10	20,259	69.34	20,627	33.44
1972	42,937	40.5	65.39	28,077	66.58	28,586	33.73
1971	21,619	41.5	62.52	13,516	63.66	13,762	33.96
1970	18,523	42.5	59.51	11,022	60.59	11,222	34.12
1969	1,545	43.5	56.36	871	57.38	887	34.23
1968	237	46.5	46.28	110	47.11	112	34.20

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
COMPUTED AGE DISTRIBUTION REPORT**

Account 366, Underground Conduit

Computed Age Distribution Report

Account: KEPCo 101/6 366 - KY
Version: KEPCo Distribution 2012
Dispersion: -

Vintage	Additions	Age 2013	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
1951	18	61.5	5.46	1	8.10	1	33.24
1948	78	64.5	2.44	2	2.91	2	33.19
1947	259	65.5	1.76	5	1.74	5	33.32
1946	107	66.5	1.21	1	1.41	2	33.72
1945	389	67.5	0.80	3	0.64	2	33.97
1944	122	68.5	0.48	1	0.34		34.37
1943	14	69.5	0.27		0.97		35.09
1940	115	72.5	0.01		-0.12	(1)	36.20
5,928,798				5,743,977		5,797,157 *	

* Recorded Balance January 1, 2013: 5,797,157

KENTUCKY POWER COMPANY DEPRECIATION STUDY AS OF DECEMBER 31, 2012 COMPUTED AGE DISTRIBUTION REPORT

Account 367, Underground Conductor

Computed Age Distribution Report

Account: KEPCo 101/6 367 - KY
Version: KEPCo Distribution 2012
Dispersion: -

Vintage	Additions	Age 2013	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
2012	361,446	0.5	99.53	359,732	100.00	361,447	0.50
2011	477,784	1.5	98.57	470,947	99.60	475,884	1.50
2010	329,971	2.5	97.60	322,053	98.62	325,429	2.48
2009	391,689	3.5	96.62	378,456	97.63	382,423	3.46
2008	590,272	4.5	95.63	564,484	96.63	570,402	4.42
2007	795,469	5.5	94.63	752,742	95.62	760,633	5.38
2006	897,713	6.5	93.62	840,394	94.60	849,203	6.32
2005	534,275	7.5	92.59	494,691	93.56	499,876	7.26
2004	696,831	8.5	91.56	637,989	92.52	644,676	8.18
2003	272,181	9.5	90.51	246,348	91.46	248,931	9.09
2002	258,556	10.5	89.45	231,283	90.39	233,707	10.00
2001	214,270	11.5	88.38	189,381	89.31	191,366	10.89
2000	450,434	12.5	87.31	393,254	88.22	397,376	11.76
1999	178,122	13.5	86.22	153,570	87.12	155,180	12.63
1998	638,660	14.5	85.12	543,597	86.01	549,294	13.49
1997	327,725	15.5	84.00	275,298	84.88	278,184	14.33
1996	261,872	16.5	82.88	217,036	83.75	219,311	15.16
1995	230,441	17.5	81.74	188,363	82.60	190,337	15.98
1994	211,899	18.5	80.59	170,765	81.43	172,555	16.78
1993	223,777	19.5	79.42	177,726	80.25	179,589	17.57
1992	251,172	20.5	78.24	196,516	79.06	198,576	18.35
1991	177,137	21.5	77.04	136,467	77.85	137,898	19.12
1990	111,773	22.5	75.83	84,752	76.62	85,641	19.87
1989	152,963	23.5	74.59	114,098	75.37	115,294	20.61
1988	119,795	24.5	73.34	87,858	74.11	88,779	21.33
1987	103,807	25.5	72.07	74,813	72.83	75,598	22.04
1986	63,631	26.5	70.78	45,038	71.52	45,510	22.73
1985	89,942	27.5	69.47	62,482	70.20	63,137	23.40
1984	60,553	28.5	68.14	41,261	68.85	41,693	24.06
1983	69,812	29.5	66.79	46,627	67.49	47,116	24.70
1982	62,024	30.5	65.42	40,576	66.11	41,001	25.33
1981	73,297	31.5	64.03	46,931	64.70	47,423	25.94
1980	103,277	32.5	62.62	64,671	63.27	65,348	26.53
1979	108,169	33.5	61.19	66,186	61.83	66,879	27.11
1978	55,341	34.5	59.74	33,059	60.36	33,406	27.66
1977	57,386	35.5	58.27	33,438	58.88	33,788	28.20
1976	35,750	36.5	56.78	20,300	57.38	20,512	28.72
1975	27,864	37.5	55.28	15,403	55.86	15,564	29.22
1974	2,226	38.5	53.76	1,197	54.34	1,210	29.71
1973	8,385	39.5	52.22	4,379	52.76	4,424	30.17
1972	60	40.5	50.67	30	51.99	31	30.78
1970	927	42.5	47.53	441	48.01	445	31.45
1966	60	46.5	41.16	25	42.28	25	33.08
1957	58	55.5	26.92	16	27.92	16	35.50
1951	513	61.5	18.19	93	18.35	94	36.39

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
COMPUTED AGE DISTRIBUTION REPORT**

Account 367, Underground Conductor

Computed Age Distribution Report

Account: KEPCo 101/6 367 - KY
Version: KEPCo Distribution 2012
Dispersion: -

Vintage	Additions	Age 2013	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
1948	26	64.5	14.27	4	16.19	4	37.47
1947	48	65.5	13.04	6	14.04	7	37.35
1946	39	66.5	11.86	5	13.05	5	37.59
1945	851	67.5	10.71	91	10.65	91	37.35
1944	116	68.5	9.62	11	9.83	11	37.62
1943	11	69.5	8.56	1	12.79	1	39.19
1940	563	72.5	5.69	32	5.47	31	38.23
10,080,963				8,824,918		8,915,361 *	

* Recorded Balance January 1, 2013: 8,915,361

KENTUCKY POWER COMPANY DEPRECIATION STUDY AS OF DECEMBER 31, 2012 COMPUTED AGE DISTRIBUTION REPORT

Account 368, Line Transformers

Computed Age Distribution Report

Account: KEPCo 101/6 368 - KY
Version: KEPCo Distribution 2012
Dispersion: -

Vintage	Additions	Age 2013	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
2012	7,060,195	0.5	99.64	7,035,036	100.00	7,060,196	0.50
2011	5,259,595	1.5	98.40	5,175,368	100.00	5,259,596	1.50
2010	4,285,182	2.5	96.75	4,145,848	100.00	4,285,183	2.50
2009	5,022,504	3.5	94.82	4,762,297	100.00	5,022,505	3.50
2008	9,265,330	4.5	92.68	8,587,124	100.00	9,265,331	4.50
2007	9,991,242	5.5	90.38	9,030,006	100.00	9,991,243	5.50
2006	6,450,630	6.5	87.95	5,673,298	98.58	6,359,150	6.45
2005	3,900,775	7.5	85.42	3,332,013	95.75	3,734,824	7.34
2004	3,667,701	8.5	82.81	3,037,309	92.82	3,404,493	8.20
2003	3,396,828	9.5	80.15	2,722,599	89.84	3,051,737	9.02
2002	3,228,270	10.5	77.45	2,500,447	86.82	2,802,729	9.81
2001	3,489,283	11.5	74.74	2,607,995	83.78	2,923,279	10.57
2000	5,404,170	12.5	72.03	3,892,621	80.74	4,363,205	11.30
1999	4,644,204	13.5	69.32	3,219,502	77.70	3,608,711	12.00
1998	12,057,720	14.5	66.63	8,033,592	74.68	9,004,782	12.66
1997	5,189,433	15.5	63.95	3,318,421	71.68	3,719,589	13.30
1996	4,626,891	16.5	61.29	2,835,630	68.69	3,178,433	13.92
1995	4,489,286	17.5	58.65	2,633,040	65.74	2,951,352	14.50
1994	3,839,834	18.5	56.05	2,152,123	62.82	2,412,296	15.06
1993	3,603,667	19.5	53.48	1,927,155	59.94	2,160,131	15.59
1992	4,476,665	20.5	50.95	2,280,721	57.11	2,556,440	16.10
1991	3,665,129	21.5	48.46	1,776,133	54.32	1,990,851	16.59
1990	3,306,670	22.5	46.02	1,521,753	51.58	1,705,719	17.05
1989	4,235,279	23.5	43.63	1,847,919	48.91	2,071,315	17.50
1988	2,887,100	24.5	41.30	1,192,299	46.29	1,336,438	17.92
1987	3,134,235	25.5	39.02	1,222,996	43.74	1,370,846	18.33
1986	3,336,286	26.5	36.81	1,227,923	41.25	1,376,368	18.72
1985	2,851,768	27.5	34.65	988,228	38.84	1,107,696	19.09
1984	2,193,874	28.5	32.57	714,462	36.50	800,834	19.45
1983	2,003,506	29.5	30.55	612,052	34.24	686,044	19.80
1982	1,796,348	30.5	28.60	513,777	32.06	575,888	20.14
1981	3,049,691	31.5	26.72	815,014	29.96	913,542	20.47
1980	2,333,298	32.5	24.92	581,475	27.93	651,770	20.79
1979	2,096,195	33.5	23.19	486,121	25.99	544,889	21.10
1978	2,024,044	34.5	21.54	435,878	24.14	488,571	21.41
1977	1,335,407	35.5	19.95	266,479	22.37	298,694	21.72
1976	962,186	36.5	18.45	177,512	20.68	198,972	22.02
1975	568,968	37.5	17.02	96,822	19.07	108,527	22.33
1974	1,527,175	38.5	15.66	239,162	17.55	268,074	22.63
1973	1,025,850	39.5	14.38	147,488	16.12	165,317	22.93
1972	396,582	40.5	13.17	52,212	14.76	58,524	23.24
1971	205,337	41.5	12.03	24,695	13.48	27,681	23.55
1970	193,411	42.5	10.96	21,190	12.28	23,752	23.86
1969	349,749	43.5	9.95	34,816	11.16	39,024	24.18
1968	191,068	44.5	9.02	17,233	10.11	19,316	24.50

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
COMPUTED AGE DISTRIBUTION REPORT**

Account 368, Line Transformers

Computed Age Distribution Report

Account: KEPCo 101/6 368 - KY
Version: KEPCo Distribution 2012
Dispersion: -

Vintage	Additions	Age 2013	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
1967	131,999	45.5	0.00		-0.00	(1)	22.75
1966	131,560	46.5	0.00		0.00		0.00
1965	144,033	47.5	0.00		0.00		0.00
1964	57,553	48.5	0.00		0.00		0.00
1963	67,861	49.5	0.00		0.00		0.00
1962	71,202	50.5	0.00		0.00		0.00
1961	64,955	51.5	0.00		0.00		0.00
1960	69,198	52.5	0.00		0.00		0.00
1959	81,628	53.5	0.00		0.00		0.00
1958	64,683	54.5	0.00		0.00		0.00
1957	51,169	55.5	0.00		0.00		0.00
1956	48,821	56.5	0.00		0.00		0.00
1955	52,899	57.5	0.00		0.00		0.00
1954	32,894	58.5	0.00		0.00		0.00
1953	43,675	59.5	0.00		0.00		0.00
1952	24,126	60.5	0.00		0.00		0.00
1951	34,643	61.5	0.00		0.00		0.00
1950	55,812	62.5	0.00		0.00		0.00
1949	39,333	63.5	0.00		0.00		0.00
1948	27,858	64.5	0.00		0.00		0.00
1947	12,232	65.5	0.00		0.00		0.00
1946	10,975	66.5	0.00		0.00		0.00
1945	5,865	67.5	0.00		0.00		0.00
1944	7,340	68.5	0.00		0.00		0.00
1943	9,985	69.5	0.00		0.00		0.00
1942	505	70.5	0.00		0.00		0.00
1941	23,827	71.5	0.00		0.00		0.00
1940	28,729	72.5	0.00		0.00		0.00
1939	36,711	73.5	0.00		0.00		0.00
1938	37,399	74.5	0.00		0.00		0.00
1937	84,031	75.5	0.00		0.00		0.00
160,572,062				103,915,786		113,943,853 *	

* Recorded Balance January 1, 2013: 113,943,853

KENTUCKY POWER COMPANY DEPRECIATION STUDY AS OF DECEMBER 31, 2012 COMPUTED AGE DISTRIBUTION REPORT

Account 369, Services

Computed Age Distribution Report

Account: KEPCo 101/6 369 - KY
Version: KEPCo Distribution 2012
Dispersion: -

Vintage	Additions	Age 2013	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
2012	3,574,514	0.5	99.57	3,559,072	100.00	3,574,515	0.50
2011	2,800,153	1.5	98.06	2,745,732	100.00	2,800,154	1.50
2010	2,894,736	2.5	96.05	2,780,452	100.00	2,894,737	2.50
2009	3,908,839	3.5	93.72	3,663,305	100.00	3,908,840	3.50
2008	3,479,348	4.5	91.14	3,171,165	100.00	3,479,349	4.50
2007	3,387,206	5.5	88.38	2,993,697	100.00	3,387,207	5.50
2006	3,744,014	6.5	85.48	3,200,514	98.88	3,701,945	6.46
2005	2,992,225	7.5	82.48	2,468,047	95.40	2,854,721	7.33
2004	2,507,457	8.5	79.41	1,991,234	91.85	2,303,205	8.15
2003	2,691,243	9.5	76.30	2,053,499	88.26	2,375,225	8.94
2002	1,777,959	10.5	73.18	1,301,164	84.65	1,505,020	9.69
2001	1,885,834	11.5	70.07	1,321,328	81.04	1,528,344	10.41
2000	3,907,302	12.5	66.96	2,616,427	77.45	3,026,348	11.09
1999	1,921,799	13.5	63.88	1,227,626	73.89	1,419,961	11.74
1998	1,136,601	14.5	60.82	691,315	70.35	799,625	12.35
1997	2,733,681	15.5	57.80	1,580,109	66.86	1,827,667	12.93
1996	1,159,031	16.5	54.82	635,410	63.41	734,961	13.48
1995	1,424,505	17.5	51.89	739,197	60.02	855,009	14.00
1994	1,552,700	18.5	49.02	761,071	56.70	880,310	14.49
1993	2,022,598	19.5	46.20	934,481	53.44	1,080,888	14.96
1992	1,350,873	20.5	43.45	587,015	50.26	678,984	15.40
1991	1,417,657	21.5	40.78	578,121	47.17	668,696	15.82
1990	1,116,119	22.5	38.18	426,162	44.16	492,930	16.22
1989	1,253,496	23.5	35.67	447,091	41.26	517,137	16.60
1988	1,027,306	24.5	33.24	341,451	38.44	394,947	16.96
1987	1,092,777	25.5	30.90	337,641	35.74	390,540	17.31
1986	808,160	26.5	28.65	231,530	33.14	267,804	17.64
1985	750,007	27.5	26.50	198,714	30.65	229,847	17.96
1984	813,317	28.5	24.44	198,758	28.27	229,898	18.28
1983	895,494	29.5	22.48	201,289	26.00	232,825	18.58
1982	567,110	30.5	20.62	116,921	23.85	135,239	18.89
1981	666,472	31.5	18.86	125,667	21.81	145,355	19.19
1980	635,195	32.5	17.19	109,206	19.89	126,315	19.48
1979	635,570	33.5	15.63	99,324	18.08	114,885	19.78
1978	530,746	34.5	14.16	75,154	16.38	86,928	20.08
1977	414,846	35.5	12.79	53,048	14.79	61,359	20.38
1976	344,635	36.5	11.51	39,666	13.31	45,880	20.68
1975	299,389	37.5	10.32	30,904	11.94	35,746	20.99
1974	244,294	38.5	9.22	22,534	10.67	26,064	21.30
1973	266,443	39.5	0.00		-0.00	(1)	19.75
1972	237,550	40.5	0.00		0.00		0.00
1971	160,508	41.5	0.00		0.00		0.00
1970	132,407	42.5	0.00		0.00		0.00
1969	139,276	43.5	0.00		0.00		0.00
1968	135,216	44.5	0.00		0.00		0.00

KENTUCKY POWER COMPANY DEPRECIATION STUDY AS OF DECEMBER 31, 2012 COMPUTED AGE DISTRIBUTION REPORT

Account 369, Services

Computed Age Distribution Report

Account: KEPCo 101/6 369 - KY
Version: KEPCo Distribution 2012
Dispersion: -

Vintage	Additions	Age 2013	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
1967	101,360	45.5	0.00		0.00		0.00
1966	101,048	46.5	0.00		0.00		0.00
1965	91,455	47.5	0.00		0.00		0.00
1964	84,465	48.5	0.00		0.00		0.00
1963	81,492	49.5	0.00		0.00		0.00
1962	70,456	50.5	0.00		0.00		0.00
1961	71,168	51.5	0.00		0.00		0.00
1960	71,016	52.5	0.00		0.00		0.00
1959	65,607	53.5	0.00		0.00		0.00
1958	72,705	54.5	0.00		0.00		0.00
1957	61,021	55.5	0.00		0.00		0.00
1956	54,615	56.5	0.00		0.00		0.00
1955	50,921	57.5	0.00		0.00		0.00
1954	47,791	58.5	0.00		0.00		0.00
1953	43,728	59.5	0.00		0.00		0.00
1952	36,275	60.5	0.00		0.00		0.00
1951	35,506	61.5	0.00		0.00		0.00
1950	24,246	62.5	0.00		0.00		0.00
1949	29,813	63.5	0.00		0.00		0.00
1948	16,194	64.5	0.00		0.00		0.00
1947	11,858	65.5	0.00		0.00		0.00
1946	6,923	66.5	0.00		0.00		0.00
1945	4,137	67.5	0.00		0.00		0.00
1944	3,671	68.5	0.00		0.00		0.00
1943	8,861	69.5	0.00		0.00		0.00
1942	971	70.5	0.00		0.00		0.00
1941	10,956	71.5	0.00		0.00		0.00
1940	15,722	72.5	0.00		0.00		0.00
1939	12,835	73.5	0.00		0.00		0.00
1938	14,239	74.5	0.00		0.00		0.00
1937	11,112	75.5	0.00		0.00		0.00
	68,748,775			44,655,041		49,819,405 *	

* Recorded Balance January 1, 2013: 49,819,405

KENTUCKY POWER COMPANY DEPRECIATION STUDY AS OF DECEMBER 31, 2012 COMPUTED AGE DISTRIBUTION REPORT

Account 370, Meters

Computed Age Distribution Report

Account: KEPCo 101/6370 - KY

Version: KEPCo Distribution 2012

Dispersion: -

Vintage	Additions	Age 2013	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
2012	2,289,882	0.5	100.00	2,289,882	43.10	987,011	0.36
2011	879,045	1.5	100.00	879,045	43.10	378,896	1.07
2010	972,378	2.5	100.00	972,378	43.10	419,126	1.79
2009	1,155,502	3.5	100.00	1,155,502	43.10	498,058	2.50
2008	3,942,236	4.5	100.00	3,942,236	43.10	1,699,227	3.22
2007	12,087,751	5.5	100.00	12,087,751	43.10	5,210,197	3.94
2006	22,920,300	6.5	100.00	22,920,300	43.10	9,879,362	4.65
2005	2,577,033	7.5	100.00	2,577,033	43.10	1,110,782	5.37
2004	1,514,109	8.5	100.00	1,514,109	43.10	652,628	6.08
2003	731,564	9.5	100.00	731,564	43.10	315,327	6.80
2002	1,613,217	10.5	100.00	1,613,217	43.10	695,347	7.51
2001	947,222	11.5	100.00	947,222	43.10	408,282	8.23
2000	1,737,317	12.5	99.98	1,737,052	43.10	748,723	8.94
1999	1,119,924	13.5	99.71	1,116,711	42.98	481,337	9.65
1998	1,102,277	14.5	97.46	1,074,226	42.01	463,025	10.30
1997	1,198,164	15.5	87.77	1,051,666	37.83	453,300	10.68
1996	640,746	16.5	65.06	416,847	28.04	179,674	10.56
1995	726,674	17.5	34.94	253,925	15.06	109,449	10.07
1994	653,647	18.5	12.23	79,921	5.27	34,448	9.74
1993	586,263	19.5	2.54	14,919	1.10	6,430	9.86
1992	419,959	20.5	0.29	1,203	0.12	519	10.26
1991	313,422	21.5	0.02	48	0.01	21	10.75
1990	421,246	22.5	0.00		-0.00	(1)	11.25
1989	360,004	23.5	0.00		0.00		0.00
1988	434,134	24.5	0.00		0.00		0.00
1987	388,612	25.5	0.00		0.00		0.00
1986	361,159	26.5	0.00		0.00		0.00
1985	409,173	27.5	0.00		0.00		0.00
1984	389,118	28.5	0.00		0.00		0.00
1983	282,782	29.5	0.00		0.00		0.00
1982	250,853	30.5	0.00		0.00		0.00
1981	262,506	31.5	0.00		0.00		0.00
1980	226,210	32.5	0.00		0.00		0.00
1979	196,583	33.5	0.00		0.00		0.00
1978	174,912	34.5	0.00		0.00		0.00
1977	249,384	35.5	0.00		0.00		0.00
1976	144,244	36.5	0.00		0.00		0.00
1975	105,836	37.5	0.00		0.00		0.00
1974	105,229	38.5	0.00		0.00		0.00
1973	70,531	39.5	0.00		0.00		0.00
1972	61,436	40.5	0.00		0.00		0.00
1971	60,702	41.5	0.00		0.00		0.00
1970	51,994	42.5	0.00		0.00		0.00
1969	114,258	43.5	0.00		0.00		0.00
1968	84,855	44.5	0.00		0.00		0.00

KENTUCKY POWER COMPANY DEPRECIATION STUDY AS OF DECEMBER 31, 2012 COMPUTED AGE DISTRIBUTION REPORT

Account 370, Meters

Computed Age Distribution Report

Account: KEPCo 101/6 370 - KY
Version: KEPCo Distribution 2012
Dispersion: -

Vintage	Additions	Age 2013	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
1967	37,032	45.5	0.00		0.00		0.00
1966	55,662	46.5	0.00		0.00		0.00
1965	56,012	47.5	0.00		0.00		0.00
1964	72,715	48.5	0.00		0.00		0.00
1963	68,235	49.5	0.00		0.00		0.00
1962	47,026	50.5	0.00		0.00		0.00
1961	44,649	51.5	0.00		0.00		0.00
1960	41,245	52.5	0.00		0.00		0.00
1959	47,096	53.5	0.00		0.00		0.00
1958	40,319	54.5	0.00		0.00		0.00
1957	46,355	55.5	0.00		0.00		0.00
1956	31,269	56.5	0.00		0.00		0.00
1955	31,785	57.5	0.00		0.00		0.00
1954	31,742	58.5	0.00		0.00		0.00
1953	34,715	59.5	0.00		0.00		0.00
1952	32,524	60.5	0.00		0.00		0.00
1951	36,312	61.5	0.00		0.00		0.00
1950	31,485	62.5	0.00		0.00		0.00
1949	35,189	63.5	0.00		0.00		0.00
1948	12,529	64.5	0.00		0.00		0.00
1947	12,466	65.5	0.00		0.00		0.00
1946	8,366	66.5	0.00		0.00		0.00
1945	9,191	67.5	0.00		0.00		0.00
1944	4,542	68.5	0.00		0.00		0.00
1943	9,581	69.5	0.00		0.00		0.00
1942	460	70.5	0.00		0.00		0.00
1941	19,344	71.5	0.00		0.00		0.00
1940	13,467	72.5	0.00		0.00		0.00
1939	15,560	73.5	0.00		0.00		0.00
1938	14,262	74.5	0.00		0.00		0.00
1937	20,604	75.5	0.00		0.00		0.00
66,296,132				57,376,758		24,731,170 *	

* Recorded Balance January 1, 2013:

24,731,170

KENTUCKY POWER COMPANY DEPRECIATION STUDY AS OF DECEMBER 31, 2012 COMPUTED AGE DISTRIBUTION REPORT

Account 371, Installations on Customers' Premises

Computed Age Distribution Report

Account: KEPCo 101/6 371 - KY

Version: KEPCo Distribution 2012

Dispersion: -

Vintage	Additions	Age 2013	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
2012	1,571,469	0.5	98.89	1,554,089	100.00	1,571,470	0.50
2011	1,406,337	1.5	94.92	1,334,923	100.00	1,406,338	1.50
2010	1,315,616	2.5	89.78	1,181,200	100.00	1,315,617	2.50
2009	1,543,447	3.5	83.99	1,296,403	96.38	1,487,511	3.44
2008	2,523,913	4.5	77.86	1,965,144	89.34	2,254,833	4.26
2007	2,356,534	5.5	71.62	1,687,820	82.18	1,936,628	5.01
2006	2,602,520	6.5	65.42	1,702,517	75.06	1,953,491	5.69
2005	2,497,991	7.5	59.31	1,481,484	68.05	1,699,874	6.30
2004	1,598,223	8.5	53.35	852,652	61.21	978,345	6.85
2003	1,538,621	9.5	47.60	732,399	54.62	840,365	7.34
2002	1,927,906	10.5	42.11	811,803	48.32	931,473	7.79
2001	1,521,980	11.5	36.91	561,824	42.36	644,644	8.19
2000	1,937,437	12.5	32.06	621,065	36.78	712,618	8.55
1999	1,315,566	13.5	27.56	362,557	31.62	416,003	8.88
1998	960,227	14.5	23.45	225,125	26.90	258,312	9.20
1997	1,537,880	15.5	19.72	303,331	22.63	348,046	9.50
1996	515,040	16.5	16.40	84,451	18.81	96,900	9.80
1995	627,614	17.5	13.46	84,489	15.45	96,944	10.10
1994	897,426	18.5	10.90	97,855	12.51	112,280	10.41
1993	1,030,226	19.5	0.00		-0.00	(1)	9.75
1992	623,991	20.5	0.00		0.00		0.00
1991	615,856	21.5	0.00		0.00		0.00
1990	448,849	22.5	0.00		0.00		0.00
1989	475,541	23.5	0.00		0.00		0.00
1988	356,708	24.5	0.00		0.00		0.00
1987	487,208	25.5	0.00		0.00		0.00
1986	225,228	26.5	0.00		0.00		0.00
1985	191,392	27.5	0.00		0.00		0.00
1984	157,353	28.5	0.00		0.00		0.00
1983	156,851	29.5	0.00		0.00		0.00
1982	102,664	30.5	0.00		0.00		0.00
1981	124,056	31.5	0.00		0.00		0.00
1980	114,552	32.5	0.00		0.00		0.00
1979	87,903	33.5	0.00		0.00		0.00
1978	67,643	34.5	0.00		0.00		0.00
1977	58,498	35.5	0.00		0.00		0.00
1976	66,077	36.5	0.00		0.00		0.00
1975	64,832	37.5	0.00		0.00		0.00
1974	65,653	38.5	0.00		0.00		0.00
1973	64,412	39.5	0.00		0.00		0.00
1972	65,976	40.5	0.00		0.00		0.00
1971	55,327	41.5	0.00		0.00		0.00
1970	59,938	42.5	0.00		0.00		0.00
1969	67,189	43.5	0.00		0.00		0.00
1968	73,277	44.5	0.00		0.00		0.00

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
COMPUTED AGE DISTRIBUTION REPORT**

Account 371, Installations on Customers' Premises

Computed Age Distribution Report

Account: KEPCo 101/6 371 - KY
Version: KEPCo Distribution 2012
Dispersion: -

Vintage	Additions	Age 2013	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
1967	61,218	45.5	0.00		0.00		0.00
1966	59,600	46.5	0.00		0.00		0.00
1965	57,173	47.5	0.00		0.00		0.00
1964	49,581	48.5	0.00		0.00		0.00
1963	40,351	49.5	0.00		0.00		0.00
1962	36,416	50.5	0.00		0.00		0.00
1961	7,257	51.5	0.00		0.00		0.00
1960	513	52.5	0.00		0.00		0.00
36,415,056			16,941,130		19,061,691 *		

* Recorded Balance January 1, 2013: 19,061,691

KENTUCKY POWER COMPANY DEPRECIATION STUDY AS OF DECEMBER 31, 2012 COMPUTED AGE DISTRIBUTION REPORT

Account 373, Street Lighting & Signal Systems

Computed Age Distribution Report

Account: KEPCo 101/6 373 - KY
Version: KEPCo Distribution 2012
Dispersion: -

Vintage	Additions	Age 2013	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
2012	198,743	0.5	99.57	197,884	100.00	198,744	0.50
2011	91,376	1.5	98.06	89,600	100.00	91,377	1.50
2010	81,354	2.5	96.05	78,142	100.00	81,355	2.50
2009	80,329	3.5	93.72	75,283	100.00	80,330	3.50
2008	227,858	4.5	91.14	207,675	100.00	227,859	4.50
2007	213,009	5.5	88.38	188,263	100.00	213,010	5.50
2006	197,946	6.5	85.48	169,211	100.00	197,947	6.50
2005	122,590	7.5	82.48	101,115	100.00	122,591	7.50
2004	97,053	8.5	79.41	77,072	100.00	97,054	8.50
2003	123,973	9.5	76.30	94,595	100.00	123,974	9.50
2002	33,974	10.5	73.18	24,863	100.00	33,975	10.50
2001	80,893	11.5	70.07	56,678	96.51	78,071	11.30
2000	159,705	12.5	66.96	106,942	92.24	147,305	12.01
1999	77,325	13.5	63.88	49,394	87.99	68,037	12.69
1998	65,039	14.5	60.82	39,559	83.78	54,489	13.32
1997	65,962	15.5	57.80	38,127	79.62	52,517	13.92
1996	67,065	16.5	54.82	36,767	75.51	50,644	14.48
1995	93,043	17.5	51.89	48,281	71.48	66,504	15.00
1994	132,169	18.5	49.02	64,784	67.52	89,235	15.50
1993	203,804	19.5	46.20	94,162	63.64	129,700	15.95
1992	33,931	20.5	43.45	14,745	59.86	20,310	16.39
1991	108,274	21.5	40.78	44,154	56.17	60,819	16.79
1990	285,269	22.5	38.18	108,923	52.59	150,033	17.17
1989	420,090	23.5	35.67	149,836	49.13	206,386	17.52
1988	289,680	24.5	33.24	96,282	45.78	132,621	17.86
1987	234,347	25.5	30.90	72,407	42.56	99,735	18.18
1986	196,003	26.5	28.65	56,153	39.46	77,346	18.48
1985	127,953	27.5	26.50	33,901	36.49	46,696	18.77
1984	48,799	28.5	24.44	11,926	33.66	16,427	19.05
1983	87,213	29.5	22.48	19,604	30.96	27,003	19.32
1982	157,992	30.5	20.62	32,573	28.40	44,867	19.58
1981	137,961	31.5	18.86	26,013	25.97	35,831	19.84
1980	81,971	32.5	17.19	14,093	23.68	19,412	20.10
1979	29,053	33.5	15.63	4,540	21.53	6,254	20.36
1978	54,952	34.5	14.16	7,781	19.50	10,718	20.61
1977	22,935	35.5	12.79	2,933	17.61	4,040	20.88
1976	10,922	36.5	11.51	1,257	15.86	1,732	21.14
1975	32,583	37.5	10.32	3,363	14.22	4,632	21.42
1974	33,097	38.5	9.22	3,053	12.70	4,204	21.70
1973	47,265	39.5	0.00		-0.00	(1)	19.75
1972	14,948	40.5	0.00		0.00		0.00
1971	14,738	41.5	0.00		0.00		0.00
1970	47,507	42.5	0.00		0.00		0.00
1969	101,291	43.5	0.00		0.00		0.00
1968	90,411	44.5	0.00		0.00		0.00

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
COMPUTED AGE DISTRIBUTION REPORT**

Account 373, Street Lighting & Signal Systems

Computed Age Distribution Report

Account: KEPCo 101/6 373 - KY
Version: KEPCo Distribution 2012
Dispersion: -

Vintage	Additions	Age 2013	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
1967	139,545	45.5	0.00		0.00		0.00
1966	75,138	46.5	0.00		0.00		0.00
1965	53,561	47.5	0.00		0.00		0.00
1964	26,121	48.5	0.00		0.00		0.00
1963	33,866	49.5	0.00		0.00		0.00
1962	20,295	50.5	0.00		0.00		0.00
1961	20,623	51.5	0.00		0.00		0.00
1960	16,536	52.5	0.00		0.00		0.00
1959	20,071	53.5	0.00		0.00		0.00
1958	33,373	54.5	0.00		0.00		0.00
1957	9,172	55.5	0.00		0.00		0.00
1956	6,068	56.5	0.00		0.00		0.00
1955	8,335	57.5	0.00		0.00		0.00
1954	6,972	58.5	0.00		0.00		0.00
1953	20,003	59.5	0.00		0.00		0.00
1952	10,628	60.5	0.00		0.00		0.00
1951	20,307	61.5	0.00		0.00		0.00
1950	7,081	62.5	0.00		0.00		0.00
1949	11,552	63.5	0.00		0.00		0.00
1948	5,209	64.5	0.00		0.00		0.00
1947	4,660	65.5	0.00		0.00		0.00
1946	663	66.5	0.00		0.00		0.00
1945	568	67.5	0.00		0.00		0.00
1944	2,723	68.5	0.00		0.00		0.00
1943	4,124	69.5	0.00		0.00		0.00
1942	182	70.5	0.00		0.00		0.00
1941	9,319	71.5	0.00		0.00		0.00
1940	8,981	72.5	0.00		0.00		0.00
1939	4,357	73.5	0.00		0.00		0.00
1938	5,960	74.5	0.00		0.00		0.00
1937	3,042	75.5	0.00		0.00		0.00
	5,711,430			2,541,936		3,173,778 *	

* Recorded Balance January 1, 2013: 3,173,778

KENTUCKY POWER COMPANY
DEPRECIATION STUDY
DECEMBER 31, 2012
DISTRIBUTION PLANT SALVAGE ANALYSIS

**KENTUCKY POWER COMPANY
DISTRIBUTION SALVAGE AND REMOVAL ANALYSIS - NARRATIVE DISCUSSION
DEPRECIATION STUDY AT DECEMBER 31, 2012**

- Account 360.1** Retirement data is not available for this account, so no analysis was performed. The net salvage rate currently embedded in Account 360.1 Land Rights from Case No. 91-066 is 0%, recommend that we continue to use a **0% net salvage rate**.
- Account 361** Historical removal and salvage for Account 361 for Kentucky from 2000 to 2012 includes only 6 of the 13 years with retirement activity which indicates that not enough data is available to utilize the -55% calculation for this time period. A review of the most recent depreciation parameters for AEP affiliates in Indiana, Ohio and Virginia indicates that an average **removal rate for this account is -21%** with a **gross salvage rate of 10%**, yielding a negative net salvage rate of -11%. Recommend that we use a **-11% net salvage rate** for this account.
- Account 362** Historical salvage, removal and related retirements for Account 362 for Kentucky from 2000 to 2012 were used to calculate a **10% gross salvage rate** and a **16% gross removal rate**, yielding a **-6% net salvage rate**.
- Account 364** Historical salvage, removal and related retirements for Account 364 for Kentucky from 2000 to 2012 were used to calculate a **20% gross salvage rate** and a **51% gross removal rate**, yielding a **-31% net salvage rate**.
- Account 365** Historical salvage, removal and related retirements for Account 365 for Kentucky from 2000 to 2012 were used to calculate a **30% gross salvage rate** and a **24% gross removal rate**, yielding a **6% net salvage rate**.
- Account 366** Discussions with distribution personnel indicate that most underground conduit is abandoned in place yielding a **0% gross salvage**, a **0% gross removal rate** and a **0% net salvage**.
- Account 367** Historical salvage, removal and related retirements for Account 367 for Kentucky from 2000 to 2012 were used to calculate a **1% gross salvage rate** and a **13% gross removal rate**, yielding a **-12% net salvage rate**.
- Account 368** Historical salvage, removal and related retirements for Account 368 for Kentucky from 2000 to 2012 were used to calculate a **29% gross salvage rate** and a **29% gross removal rate**, yielding a **0% net salvage rate**.
- Account 369** Historical salvage, removal and related retirements for Account 369 for Kentucky from 2000 to 2012 were used to calculate a **2% gross salvage rate** and a **38% gross removal rate**, yielding a **-36% net salvage rate**.
- Account 370** Historical salvage, removal and related retirements for Account 370 for Kentucky from 2000 to 2012 were used to calculate a **22% gross salvage rate** and a **18% gross removal rate**, yielding a **4% net salvage rate**.
- Account 371** Historical salvage, removal and related retirements for Account 371 for Kentucky from 2000 to 2012 were used to calculate a **1% gross salvage rate** and a **34% gross removal rate**, yielding a **-33% net salvage rate**.
- Account 373** Historical salvage, removal and related retirements for Account 373 for Kentucky from 2000 to 2012 were used to calculate a **1% gross salvage rate** and a **25% gross removal rate**, yielding a **-24% net salvage rate**.

KENTUCKY POWER COMPANY
Distribution Plant Net Salvage Test

Original Cost Retired by Plant Account

<u>Year</u>	<u>361</u>	<u>362</u>	<u>364</u>	<u>365</u>	<u>366</u>	<u>367</u>	<u>368</u>	<u>369</u>	<u>370</u>	<u>371</u>	<u>373</u>	<u>Total</u>
2000	0	430,936	1,459,576	1,553,565	6,479	36,661	1,443,110	569,287	1,709,961	637,697	26,217	7,873,489
2001	0	543,501	1,402,184	1,323,285	9,421	11,194	1,029,459	390,080	639,511	563,686	22,268	5,934,589
2002	0	163,287	1,100,199	2,020,300	16,953	71,261	1,055,795	508,684	970,185	370,170	27,698	6,304,532
2003	0	448,926	770,546	1,665,159	2,929	23,089	1,073,924	630,850	624,632	155,458	39,163	5,434,676
2004	370	325,880	3,264,700	1,048,651	2,052	37,052	1,076,234	511,999	832,607	115,921	33,892	7,249,358
2005	25,016	1,290,672	728,627	1,665,652	143	36,728	1,190,630	760,371	1,515,899	818,523	78,077	8,110,338
2006	0	854,863	839,957	2,373,219	7,368	144,643	1,756,227	1,144,609	9,319,669	1,063,929	145,114	17,649,598
2007	0	811,720	1,283,667	2,993,281	3,259	36,512	2,367,716	887,176	9,974,912	930,355	102,177	19,390,775
2008	206	197,774	1,315,032	3,155,687	694	53,234	2,310,335	720,680	1,023,534	1,060,049	97,394	9,934,619
2009	17,511	895,212	1,458,857	4,155,157	3,342	77,397	1,737,905	467,957	915,027	1,237,093	46,439	11,011,897
2010	15,897	268,629	1,379,987	2,211,003	2,392	47,808	1,455,999	420,358	496,628	1,185,896	57,336	7,541,933
2011	1,088	1,480,852	918,788	1,916,866	10,826	110,598	1,307,947	370,511	465,676	1,195,824	57,472	7,836,448
2012	0	1,141,864	946,893	2,784,176	1,132	94,614	1,841,401	357,594	1,653,695	1,189,432	62,663	10,073,464
TOTAL	60,088	8,854,116	16,869,013	28,866,001	66,990	780,791	19,646,682	7,740,156	30,141,936	10,524,033	795,910	124,345,716

EVALUATION BASED ON 2000 - 2012 RESERVE ACTIVITY

	<u>361</u>	<u>362</u>	<u>364</u>	<u>365</u>	<u>366</u>	<u>367</u>	<u>368</u>	<u>369</u>	<u>370</u>	<u>371</u>	<u>373</u>	<u>Total</u>
Total Retirements	60,088	8,854,116	16,869,013	28,866,001	66,990	780,791	19,646,682	5,336,534	30,141,936	7,050,796	795,910	118,468,857
Net Salvage Amount	-33,145	-494,447	-5,303,692	1,618,587	-156,163	-87,225	-23,910	-1,929,065	1,340,787	-2,314,728	-188,867	-7,571,867
Net Salvage %	-55%	-6%	-31%	6%	-233%	-11%	0%	-36%	4%	-33%	-24%	-6%
Use Net Salvage %	-11%	-6%	-31%	6%	0%	-12%	0%	-36%	4%	-33%	-24%	

Note: The amounts for 2000 to 2012 were taken from the PowerPlant software continuing property records and the transaction archive providing a 13 year summary of Retirements, Salvage and Removal by plant account.

KENTUCKY POWER COMPANY
Distribution Plant Removal Cost

Original Cost Retired by Plant Account

Year	<u>361</u>	<u>362</u>	<u>364</u>	<u>365</u>	<u>366</u>	<u>367</u>	<u>368</u>	<u>369</u>	<u>370</u>	<u>371</u>	<u>373</u>	<u>Total</u>
2000	0	430,936	1,459,576	1,553,565	6,479	36,661	1,443,110	569,287	1,709,961	637,697	26,217	7,873,489
2001	0	543,501	1,402,184	1,323,285	9,421	11,194	1,029,459	390,080	639,511	563,686	22,268	5,934,589
2002	0	163,287	1,100,199	2,020,300	16,953	71,261	1,055,795	508,684	970,185	370,170	27,698	6,304,532
2003	0	448,926	770,546	1,665,159	2,929	23,089	1,073,924	630,850	624,632	155,458	39,163	5,434,676
2004	370	325,880	3,264,700	1,048,651	2,052	37,052	1,076,234	511,999	832,607	115,921	33,892	7,249,358
2005	25,016	1,290,672	728,627	1,665,652	143	36,728	1,190,630	760,371	1,515,899	818,523	78,077	8,110,338
2006	0	854,863	839,957	2,373,219	7,368	144,643	1,756,227	1,144,609	9,319,669	1,063,929	145,114	17,649,598
2007	0	811,720	1,283,667	2,993,281	3,259	36,512	2,367,716	887,176	9,974,912	930,355	102,177	19,390,775
2008	206	197,774	1,315,032	3,155,687	694	53,234	2,310,335	720,680	1,023,534	1,060,049	97,394	9,934,619
2009	17,511	895,212	1,458,857	4,155,157	3,342	77,397	1,737,905	467,957	915,027	1,237,093	46,439	11,011,897
2010	15,897	268,629	1,379,987	2,211,003	2,392	47,808	1,455,999	420,358	496,628	1,185,896	57,336	7,541,933
2011	1,088	1,480,852	918,788	1,916,866	10,826	110,598	1,307,947	370,511	465,676	1,195,824	57,472	7,836,448
2012	0	1,141,864	946,893	2,784,176	1,132	94,614	1,841,401	357,594	1,653,695	1,189,432	62,663	10,073,464
TOTAL	60,088	8,854,116	16,869,013	28,866,001	66,990	780,791	19,646,682	7,740,156	30,141,936	10,524,033	795,910	124,345,716

EVALUATION BASED ON 2000 - 2012 RESERVE ACTIVITY

	<u>361</u>	<u>362</u>	<u>364</u>	<u>365</u>	<u>366</u>	<u>367</u>	<u>368</u>	<u>369</u>	<u>370</u>	<u>371</u>	<u>373</u>	<u>Total</u>
Total Retirements	60,088	8,854,116	16,869,013	28,866,001	66,990	780,791	19,646,682	5,336,534	30,141,936	7,050,796	795,910	118,468,857
Total Removal	37,524	1,412,262	8,599,327	7,005,303	167,041	98,265	5,698,181	2,009,665	5,440,772	2,390,713	195,924	33,054,975
Gross Removal, %	62%	16%	51%	24%	249%	13%	29%	38%	18%	34%	25%	28%
Use Gross Removal %	21%	16%	51%	24%	0%	13%	29%	38%	18%	34%	25%	

Note: The amounts for 2000 to 2012 were taken from the PowerPlant software continuing property records and the transaction archive providing a 13 year summary of Retirements, Salvage and Removal by plant account.

**KENTUCKY POWER COMPANY
Distribution Plant Gross Salvage**

Original Cost Retired by Plant Account

Year	<u>361</u>	<u>362</u>	<u>364</u>	<u>365</u>	<u>366</u>	<u>367</u>	<u>368</u>	<u>369</u>	<u>370</u>	<u>371</u>	<u>373</u>	<u>Total</u>
2000	0	430,936	1,459,576	1,553,565	6,479	36,661	1,443,110	569,287	1,709,961	637,697	26,217	7,873,489
2001	0	543,501	1,402,184	1,323,285	9,421	11,194	1,029,459	390,080	639,511	563,686	22,268	5,934,589
2002	0	163,287	1,100,199	2,020,300	16,953	71,261	1,055,795	508,684	970,185	370,170	27,698	6,304,532
2003	0	448,926	770,546	1,665,159	2,929	23,089	1,073,924	630,850	624,632	155,458	39,163	5,434,676
2004	370	325,880	3,264,700	1,048,651	2,052	37,052	1,076,234	511,999	832,607	115,921	33,892	7,249,358
2005	25,016	1,290,672	728,627	1,665,652	143	36,728	1,190,630	760,371	1,515,899	818,523	78,077	8,110,338
2006	0	854,863	839,957	2,373,219	7,368	144,643	1,756,227	1,144,609	9,319,669	1,063,929	145,114	17,649,598
2007	0	811,720	1,283,667	2,993,281	3,259	36,512	2,367,716	887,176	9,974,912	930,355	102,177	19,390,775
2008	206	197,774	1,315,032	3,155,687	694	53,234	2,310,335	720,680	1,023,534	1,060,049	97,394	9,934,619
2009	17,511	895,212	1,458,857	4,155,157	3,342	77,397	1,737,905	467,957	915,027	1,237,093	46,439	11,011,897
2010	15,897	268,629	1,379,987	2,211,003	2,392	47,808	1,455,999	420,358	496,628	1,185,896	57,336	7,541,933
2011	1,088	1,480,852	918,788	1,916,866	10,826	110,598	1,307,947	370,511	465,676	1,195,824	57,472	7,836,448
2012	0	1,141,864	946,893	2,784,176	1,132	94,614	1,841,401	357,594	1,653,695	1,189,432	62,663	10,073,464
TOTAL	<u>60,088</u>	<u>8,854,116</u>	<u>16,869,013</u>	<u>28,866,001</u>	<u>66,990</u>	<u>780,791</u>	<u>19,646,682</u>	<u>7,740,156</u>	<u>30,141,936</u>	<u>10,524,033</u>	<u>795,910</u>	<u>124,345,716</u>

EVALUATION BASED ON 2000 - 2012 RESERVE ACTIVITY

	<u>361</u>	<u>362</u>	<u>364</u>	<u>365</u>	<u>366</u>	<u>367</u>	<u>368</u>	<u>369</u>	<u>370</u>	<u>371</u>	<u>373</u>	<u>Total</u>
Total Retirements	60,088	8,854,116	16,869,013	28,866,001	66,990	780,791	19,646,682	5,336,534	30,141,936	7,050,796	795,910	118,468,857
Salvage Amount	4,379	917,815	3,295,635	8,623,890	10,878	11,040	5,674,271	80,600	6,781,559	75,985	7,057	25,483,108
Gross Salvage %	7%	10%	20%	30%	16%	1%	29%	2%	22%	1%	1%	22%
Use Gross Salvage %	10%	10%	20%	30%	0%	1%	29%	2%	22%	1%	1%	

Note: The amounts for 2000 to 2012 were taken from the PowerPlant software continuing property records and the transaction archive providing a 13 year summary of Retirements, Salvage and Removal by plant account.

Kentucky Power Company
Distribution Removal and Salvage by Account
From CPR Transaction Archive
Years 2000 to 2012

Account	Removal	Salvage
361	\$37,524	\$4,379
362	\$1,412,262	\$917,815
364	\$8,599,327	\$3,295,635
365	\$7,005,303	\$8,623,890
366	\$167,041	\$10,878
367	\$98,265	\$11,040
368	\$5,698,181	\$5,674,271
369	\$4,416,953	\$73,589
370	\$5,440,772	\$6,781,559
371	\$4,304,202	\$71,583
373	<u>\$195,924</u>	<u>\$7,057</u>
	\$37,375,752	\$25,471,695

**Kentucky Power Company
Depreciation Study at December 31, 2012
Adjustments to Distribution Retirements, Removal and Salvage by Account
Years 2000 to 2012**

Account	Retirements	Removal	Salvage	Comments
369	\$2,403,622	\$2,407,288	-\$7,011	Eliminate unusual amount of removal cost on blanket work order BKY0000001
371	\$3,473,237	\$1,913,489	-\$4,402	Eliminate unusual amount of removal cost on blanket work order BKY0000001

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
DEPRECIATION STUDY WORKPAPERS
DISTRIBUTION PLANT
AVERAGE AGE OF SURVIVING PLANT

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

DISTRIBUTION PLANT, Account 360 Land Rights

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1979	1,913,234	33.5	64,093,339	
1980	24,590	32.5	799,175	
1981	38,508	31.5	1,213,002	
1982	48,942	30.5	1,492,731	
1983	66,861	29.5	1,972,400	
1984	25,934	28.5	739,119	
1985	20,719	27.5	569,773	
1986	47,346	26.5	1,254,669	
1987	19,016	25.5	484,908	
1988	26,380	24.5	646,310	
1989	31,201	23.5	733,224	
1990	54,838	22.5	1,233,855	
1991	76,154	21.5	1,637,311	
1992	94,764	20.5	1,942,662	
1993	49,128	19.5	957,996	
1994	14,023	18.5	259,426	
1995	106,401	17.5	1,862,018	
1996	53,347	16.5	880,226	
1997	219,540	15.5	3,402,862	
1998	108,643	14.5	1,575,324	
1999	3,677	13.5	49,640	
2000	315,016	12.5	3,937,703	
2001	106,532	11.5	1,225,113	
2002	131,307	10.5	1,378,726	
2003	188,981	9.5	1,795,321	
2004	100,775	8.5	856,591	
2005	117,956	7.5	884,670	
2006	174,822	6.5	1,136,341	
2007	183,742	5.5	1,010,579	
2008	149,054	4.5	670,743	
2009	202,743	3.5	709,601	
2010	160,980	2.5	402,449	
2011	162,769	1.5	244,153	
2012	<u>141,072</u>	0.5	<u>70,536</u>	
	5,178,994		102,122,496	19.72

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

DISTRIBUTION PLANT, Account 361 Structures & Improvements

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1938	12,655	74.5	942,800	
1940	3,539	72.5	256,578	
1941	140	71.5	10,010	
1942	977	70.5	68,879	
1943	1,672	69.5	116,204	
1945	946	67.5	63,855	
1946	42	66.5	2,793	
1947	907	65.5	59,409	
1948	5,174	64.5	333,723	
1949	3,862	63.5	245,237	
1950	3,121	62.5	195,039	
1951	2,866	61.5	176,259	
1952	77	60.5	4,660	
1953	9,315	59.5	554,243	
1954	4,906	58.5	287,001	
1955	701	57.5	40,308	
1956	5,955	56.5	336,458	
1957	6,356	55.5	352,758	
1959	193	53.5	10,326	
1960	291	52.5	15,278	
1961	1,585	51.5	81,628	
1962	190	50.5	9,595	
1963	5,202	49.5	257,499	
1964	495	48.5	24,008	
1965	1,813	47.5	86,103	
1966	25,820	46.5	1,200,630	
1967	13,906	45.5	632,723	
1968	20,793	44.5	925,289	
1969	6,970	43.5	303,195	
1970	13,257	42.5	563,423	
1971	60,176	41.5	2,497,304	
1972	49,794	40.5	2,016,657	
1973	44,691	39.5	1,765,295	
1974	61,638	38.5	2,373,063	
1975	72,704	37.5	2,726,400	
1976	24,118	36.5	880,307	
1977	83,665	35.5	2,970,108	
1978	44,891	34.5	1,548,740	
1979	5,950	33.5	199,325	
1980	373,477	32.5	12,138,003	
1981	92,740	31.5	2,921,310	

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

DISTRIBUTION PLANT, Account 361 Structures & Improvements

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1982	62,465	30.5	1,905,183	
1983	7,053	29.5	208,064	
1984	10,503	28.5	299,336	
1985	119,083	27.5	3,274,783	
1986	148,205	26.5	3,927,433	
1987	127,686	25.5	3,255,993	
1988	35,634	24.5	873,033	
1989	33,374	23.5	784,289	
1990	31,975	22.5	719,434	
1991	337,179	21.5	7,249,349	
1992	112,019	20.5	2,296,390	
1993	254,730	19.5	4,967,235	
1994	104,061	18.5	1,925,129	
1995	597,041	17.5	10,448,224	
1996	35,454	16.5	584,991	
1997	64,487	15.5	999,546	
1998	30,887	14.5	447,862	
1999	387,263	13.5	5,228,048	
2000	100,752	12.5	1,259,403	
2001	7,028	11.5	80,817	
2002	38,514	10.5	404,394	
2003	395,784	9.5	3,759,947	
2005	8,635	7.5	64,761	
2008	138,356	4.5	622,602	
2009	26,517	3.5	92,808	
2010	2,119	2.5	5,296	
2011	<u>97,058</u>	1.5	<u>145,587</u>	
	4,381,430		96,022,360	21.92

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

DISTRIBUTION PLANT, Account 362 Station Equipment

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1957	16,037	55.5	890,029	
1961	10,070	51.5	518,599	
1962	10,264	50.5	518,329	
1963	60,418	49.5	2,990,695	
1964	10,732	48.5	520,500	
1965	987	47.5	46,883	
1966	53,586	46.5	2,491,733	
1967	110,447	45.5	5,025,344	
1968	123,685	44.5	5,503,967	
1969	20,274	43.5	881,919	
1970	162,012	42.5	6,885,521	
1971	124,212	41.5	5,154,786	
1972	465,151	40.5	18,838,597	
1973	363,040	39.5	14,340,077	
1974	229,191	38.5	8,823,850	
1975	202,366	37.5	7,588,743	
1976	146,005	36.5	5,329,170	
1977	554,841	35.5	19,696,843	
1978	903,222	34.5	31,161,160	
1979	394,093	33.5	13,202,129	
1980	2,227,986	32.5	72,409,542	
1981	569,851	31.5	17,950,313	
1982	918,095	30.5	28,001,887	
1983	589,082	29.5	17,377,915	
1984	636,600	28.5	18,143,087	
1985	629,650	27.5	17,315,371	
1986	1,173,389	26.5	31,094,798	
1987	1,684,117	25.5	42,944,991	
1988	278,186	24.5	6,815,549	
1989	447,629	23.5	10,519,271	
1990	393,195	22.5	8,846,886	
1991	1,337,938	21.5	28,765,657	
1992	1,002,376	20.5	20,548,702	
1993	3,080,534	19.5	60,070,415	
1994	1,289,317	18.5	23,852,373	
1995	4,282,963	17.5	74,951,851	
1996	1,594,460	16.5	26,308,596	
1997	1,576,478	15.5	24,435,406	
1998	791,591	14.5	11,478,064	
1999	1,056,099	13.5	14,257,335	
2000	1,725,836	12.5	21,572,944	
2001	1,889,051	11.5	21,724,091	
2002	673,873	10.5	7,075,669	

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

DISTRIBUTION PLANT, Account 362 Station Equipment

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
2003	1,038,329	9.5	9,864,129	
2004	691,131	8.5	5,874,610	
2005	2,628,293	7.5	19,712,199	
2006	3,056,743	6.5	19,868,830	
2007	2,715,758	5.5	14,936,670	
2008	9,428,849	4.5	42,429,819	
2009	5,449,876	3.5	19,074,566	
2010	1,403,960	2.5	3,509,900	
2011	7,756,710	1.5	11,635,065	
2012	<u>8,421,341</u>	0.5	<u>4,210,670</u>	
	76,399,914		907,986,045	11.88

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

DISTRIBUTION PLANT, Account 364 Poles, Towers & Fixtures

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1954	3,740	58.5	218,790	
1963	2,416	49.5	119,592	
1964	4,755	48.5	230,618	
1965	11,700	47.5	555,726	
1966	19,464	46.5	905,071	
1967	34,478	45.5	1,568,729	
1968	53,446	44.5	2,378,329	
1969	75,603	43.5	3,288,719	
1970	106,607	42.5	4,530,813	
1971	138,319	41.5	5,740,233	
1972	258,093	40.5	10,452,779	
1973	362,057	39.5	14,301,253	
1974	421,140	38.5	16,213,902	
1975	543,614	37.5	20,385,535	
1976	889,255	36.5	32,457,803	
1977	1,373,194	35.5	48,748,376	
1978	1,638,939	34.5	56,543,391	
1979	2,175,793	33.5	72,889,057	
1980	2,910,216	32.5	94,582,032	
1981	3,677,677	31.5	115,846,836	
1982	3,266,539	30.5	99,629,448	
1983	2,884,898	29.5	85,104,488	
1984	3,425,876	28.5	97,637,475	
1985	4,098,287	27.5	112,702,884	
1986	4,181,915	26.5	110,820,749	
1987	3,660,141	25.5	93,333,587	
1988	3,176,015	24.5	77,812,357	
1989	1,476,402	23.5	34,695,450	
1990	3,822,546	22.5	86,007,295	
1991	5,076,728	21.5	109,149,647	
1992	5,545,368	20.5	113,680,047	
1993	4,736,344	19.5	92,358,703	
1994	5,742,146	18.5	106,229,692	
1995	5,018,492	17.5	87,823,606	
1996	8,848,897	16.5	146,006,805	
1997	2,129,100	15.5	33,001,058	
1998	2,778,080	14.5	40,282,162	
1999	5,381,013	13.5	72,643,673	
2000	8,217,685	12.5	102,721,059	
2001	4,685,521	11.5	53,883,489	
2002	4,680,688	10.5	49,147,221	
2003	4,702,717	9.5	44,675,813	
2004	4,631,198	8.5	39,365,184	
2005	5,198,785	7.5	38,990,885	
2006	6,135,751	6.5	39,882,383	
2007	7,830,554	5.5	43,068,047	
2008	8,127,486	4.5	36,573,687	

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT

DISTRIBUTION PLANT, Account 364 Poles, Towers & Fixtures

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
2009	10,554,722	3.5	36,941,526	
2010	6,616,729	2.5	16,541,823	
2011	6,542,847	1.5	9,814,271	
2012	<u>6,104,688</u>	0.5	<u>3,052,344</u>	
	173,978,663		2,615,534,442	15.03

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

DISTRIBUTION PLANT, Account 365 Overhead Conductor

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1954	1,019	58.5	59,625	
1955	1	57.5	58	
1956	10	56.5	560	
1957	45	55.5	2,504	
1958	213	54.5	11,599	
1959	721	53.5	38,569	
1960	1,462	52.5	76,737	
1961	2,764	51.5	142,342	
1962	7,974	50.5	402,669	
1963	11,267	49.5	557,717	
1964	17,312	48.5	839,653	
1965	43,528	47.5	2,067,566	
1966	80,192	46.5	3,728,913	
1967	110,327	45.5	5,019,877	
1968	176,833	44.5	7,869,082	
1969	248,122	43.5	10,793,288	
1970	285,100	42.5	12,116,738	
1971	379,067	41.5	15,731,271	
1972	577,414	40.5	23,385,266	
1973	473,637	39.5	18,708,646	
1974	475,502	38.5	18,306,846	
1975	477,789	37.5	17,917,089	
1976	537,907	36.5	19,633,599	
1977	1,866,401	35.5	66,257,222	
1978	1,472,693	34.5	50,807,912	
1979	1,879,180	33.5	62,952,528	
1980	2,209,380	32.5	71,804,859	
1981	2,881,120	31.5	90,755,288	
1982	1,790,422	30.5	54,607,884	
1983	1,705,435	29.5	50,310,324	
1984	1,689,490	28.5	48,150,452	
1985	1,919,837	27.5	52,795,514	
1986	2,613,507	26.5	69,257,942	
1987	3,015,361	25.5	76,891,697	
1988	2,637,251	24.5	64,612,648	
1989	3,050,977	23.5	71,697,956	
1990	3,256,295	22.5	73,266,635	
1991	3,238,833	21.5	69,634,901	
1992	2,855,204	20.5	58,531,687	
1993	2,532,042	19.5	49,374,827	
1994	3,767,684	18.5	69,702,150	
1995	5,248,290	17.5	91,845,077	
1996	3,050,444	16.5	50,332,319	
1997	7,427,512	15.5	115,126,441	
1998	2,639,197	14.5	38,268,349	
1999	4,491,542	13.5	60,635,818	
2000	7,032,190	12.5	87,902,378	

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

DISTRIBUTION PLANT, Account 365 Overhead Conductor

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
2001	3,492,199	11.5	40,160,284	
2002	3,187,486	10.5	33,468,606	
2003	2,420,045	9.5	22,990,432	
2004	3,477,549	8.5	29,559,169	
2005	6,944,368	7.5	52,082,757	
2006	6,657,968	6.5	43,276,793	
2007	10,359,913	5.5	56,979,522	
2008	9,560,055	4.5	43,020,248	
2009	11,036,767	3.5	38,628,684	
2010	7,446,508	2.5	18,616,270	
2011	7,674,727	1.5	11,512,090	
2012	<u>14,169,719</u>	0.5	<u>7,084,860</u>	
	164,605,795		2,150,312,737	13.06

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

DISTRIBUTION PLANT, Account 366 Underground Conduit

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1969	1,485	43.5	64,613	
1970	18,037	42.5	766,573	
1971	21,024	41.5	872,513	
1972	41,697	40.5	1,688,722	
1973	28,455	39.5	1,123,959	
1974	42,845	38.5	1,649,531	
1975	31,359	37.5	1,175,980	
1976	1,314	36.5	47,970	
1977	18,562	35.5	658,966	
1978	28,527	34.5	984,177	
1979	36,407	33.5	1,219,630	
1980	27,392	32.5	890,249	
1981	23,014	31.5	724,937	
1982	21,537	30.5	656,891	
1983	24,879	29.5	733,929	
1984	17,064	28.5	486,326	
1985	38,147	27.5	1,049,038	
1986	25,647	26.5	679,655	
1987	38,707	25.5	987,039	
1988	40,857	24.5	1,000,985	
1989	72,905	23.5	1,713,262	
1990	66,670	22.5	1,500,070	
1991	97,395	21.5	2,093,984	
1992	120,991	20.5	2,480,310	
1993	162,980	19.5	3,178,102	
1994	148,580	18.5	2,748,731	
1995	158,366	17.5	2,771,399	
1996	165,694	16.5	2,733,950	
1997	229,998	15.5	3,564,962	
1998	336,470	14.5	4,878,813	
1999	81,751	13.5	1,103,637	
2000	261,554	12.5	3,269,427	
2001	92,225	11.5	1,060,593	
2002	111,049	10.5	1,166,017	
2003	174,342	9.5	1,656,247	
2004	144,941	8.5	1,231,998	
2005	297,775	7.5	2,233,310	
2006	410,933	6.5	2,671,066	
2007	353,078	5.5	1,941,930	
2008	372,133	4.5	1,674,598	
2009	607,705	3.5	2,126,968	
2010	228,849	2.5	572,122	
2011	267,791	1.5	401,686	
2012	<u>306,027</u>	0.5	<u>153,013</u>	
	5,797,157		66,387,878	11.45

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

DISTRIBUTION PLANT, Account 367 Underground Conductor

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1975	24,369	37.5	913,842	
1976	31,178	36.5	1,137,997	
1977	50,779	35.5	1,802,655	
1978	51,789	34.5	1,786,713	
1979	91,447	33.5	3,063,481	
1980	77,499	32.5	2,518,706	
1981	62,980	31.5	1,983,868	
1982	52,705	30.5	1,607,503	
1983	57,526	29.5	1,697,007	
1984	55,013	28.5	1,567,859	
1985	78,244	27.5	2,151,706	
1986	52,951	26.5	1,403,198	
1987	79,658	25.5	2,031,267	
1988	100,118	24.5	2,452,879	
1989	135,586	23.5	3,186,281	
1990	96,086	22.5	2,161,942	
1991	150,473	21.5	3,235,176	
1992	171,951	20.5	3,524,998	
1993	202,183	19.5	3,942,563	
1994	182,564	18.5	3,377,436	
1995	201,897	17.5	3,533,195	
1996	210,431	16.5	3,472,105	
1997	266,442	15.5	4,129,844	
1998	592,269	14.5	8,587,900	
1999	161,516	13.5	2,180,468	
2000	396,504	12.5	4,956,298	
2001	195,025	11.5	2,242,782	
2002	181,917	10.5	1,910,133	
2003	241,630	9.5	2,295,482	
2004	641,423	8.5	5,452,099	
2005	482,188	7.5	3,616,409	
2006	722,685	6.5	4,697,454	
2007	734,253	5.5	4,038,394	
2008	523,822	4.5	2,357,199	
2009	389,121	3.5	1,361,924	
2010	329,972	2.5	824,929	
2011	477,723	1.5	716,584	
2012	<u>361,446</u>	0.5	<u>180,723</u>	
	8,915,361		102,100,999	11.45

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

DISTRIBUTION PLANT, Account 368 Line Transformers

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1973	529,730	39.5	20,924,344	
1974	976,359	38.5	37,589,822	
1975	266,379	37.5	9,989,195	
1976	567,282	36.5	20,705,776	
1977	869,097	35.5	30,852,934	
1978	1,157,949	34.5	39,949,256	
1979	1,425,488	33.5	47,753,860	
1980	1,385,943	32.5	45,043,141	
1981	1,582,892	31.5	49,861,085	
1982	1,026,011	30.5	31,293,338	
1983	1,073,329	29.5	31,663,214	
1984	1,549,045	28.5	44,147,779	
1985	1,913,932	27.5	52,633,132	
1986	2,315,226	26.5	61,353,483	
1987	2,185,587	25.5	55,732,466	
1988	2,165,267	24.5	53,049,036	
1989	2,906,842	23.5	68,310,795	
1990	2,253,644	22.5	50,706,994	
1991	2,349,722	21.5	50,519,033	
1992	2,734,292	20.5	56,052,995	
1993	2,413,948	19.5	47,071,981	
1994	2,592,750	18.5	47,965,866	
1995	3,087,828	17.5	54,036,991	
1996	2,980,903	16.5	49,184,903	
1997	2,893,223	15.5	44,844,958	
1998	9,630,191	14.5	139,637,772	
1999	3,269,484	13.5	44,138,038	
2000	3,836,664	12.5	47,958,302	
2001	2,406,496	11.5	27,674,704	
2002	2,127,343	10.5	22,337,101	
2003	2,276,777	9.5	21,629,379	
2004	2,560,471	8.5	21,764,007	
2005	2,641,829	7.5	19,813,716	
2006	4,596,320	6.5	29,876,081	
2007	7,321,095	5.5	40,266,021	
2008	6,839,419	4.5	30,777,384	
2009	4,647,809	3.5	16,267,332	
2010	4,279,137	2.5	10,697,843	
2011	5,250,407	1.5	7,875,611	
2012	<u>7,057,743</u>	0.5	<u>3,528,871</u>	
	113,943,853		1,585,478,539	13.91

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

DISTRIBUTION PLANT, Account 369 Services

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1967	3,119	45.5	141,892	
1968	4,113	44.5	183,026	
1969	9,640	43.5	419,333	
1970	15,740	42.5	668,943	
1971	29,528	41.5	1,225,409	
1972	53,647	40.5	2,172,712	
1973	69,491	39.5	2,744,902	
1974	57,544	38.5	2,215,452	
1975	89,173	37.5	3,344,001	
1976	112,964	36.5	4,123,197	
1977	161,433	35.5	5,730,881	
1978	220,678	34.5	7,613,383	
1979	231,500	33.5	7,755,240	
1980	293,549	32.5	9,540,332	
1981	316,356	31.5	9,965,210	
1982	301,641	30.5	9,200,061	
1983	483,474	29.5	14,262,477	
1984	452,883	28.5	12,907,161	
1985	422,980	27.5	11,631,944	
1986	459,532	26.5	12,177,585	
1987	613,643	25.5	15,647,903	
1988	593,101	24.5	14,530,980	
1989	818,377	23.5	19,231,862	
1990	680,658	22.5	15,314,804	
1991	917,210	21.5	19,720,008	
1992	895,911	20.5	18,366,184	
1993	1,278,471	19.5	24,930,192	
1994	961,247	18.5	17,783,068	
1995	902,304	17.5	15,790,312	
1996	668,886	16.5	11,036,611	
1997	2,168,462	15.5	33,611,164	
1998	692,557	14.5	10,042,071	
1999	1,558,556	13.5	21,040,500	
2000	3,301,025	12.5	41,262,818	
2001	1,478,848	11.5	17,006,755	
2002	1,258,553	10.5	13,214,808	
2003	2,045,338	9.5	19,430,710	
2004	1,985,059	8.5	16,873,002	
2005	2,216,859	7.5	16,626,439	
2006	2,580,929	6.5	16,776,039	
2007	2,486,338	5.5	13,674,860	
2008	2,754,384	4.5	12,394,729	
2009	3,907,119	3.5	13,674,915	
2010	2,893,192	2.5	7,232,980	
2011	2,798,880	1.5	4,198,320	
2012	<u>3,574,515</u>	0.5	<u>1,787,257</u>	
	49,819,405		549,222,432	11.02

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

DISTRIBUTION PLANT, Account 370 Meters

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1980	8,122	32.5	263,968	
1981	715	31.5	22,521	
1982	1,223	30.5	37,289	
1983	2,250	29.5	66,368	
1984	2,543	28.5	72,481	
1985	17,169	27.5	472,151	
1986	6,469	26.5	171,435	
1987	10,495	25.5	267,617	
1988	17,201	24.5	421,415	
1989	27,880	23.5	655,186	
1990	45,759	22.5	1,029,582	
1991	14,701	21.5	316,069	
1992	25,848	20.5	529,883	
1993	71,127	19.5	1,386,975	
1994	66,100	18.5	1,222,843	
1995	81,506	17.5	1,426,352	
1996	108,299	16.5	1,786,926	
1997	301,062	15.5	4,666,465	
1998	332,289	14.5	4,818,196	
1999	135,484	13.5	1,829,033	
2000	22,752	12.5	284,406	
2001	283,679	11.5	3,262,311	
2002	638,745	10.5	6,706,821	
2003	94,356	9.5	896,386	
2004	582,203	8.5	4,948,726	
2005	879,543	7.5	6,596,574	
2006	11,357,804	6.5	73,825,724	
2007	1,791,585	5.5	9,853,717	
2008	2,798,598	4.5	12,593,689	
2009	1,044,677	3.5	3,656,371	
2010	876,610	2.5	2,191,525	
2011	817,510	1.5	1,226,266	
2012	<u>2,266,865</u>	0.5	<u>1,133,433</u>	
	24,731,170		148,638,704	6.01

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

DISTRIBUTION PLANT, Account 371 Installations on Customers Premises

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1983	297	29.5	8,767	
1984	3,373	28.5	96,134	
1985	2,705	27.5	74,397	
1986	14,974	26.5	396,822	
1987	34,893	25.5	889,773	
1988	54,639	24.5	1,338,657	
1989	103,605	23.5	2,434,720	
1990	107,004	22.5	2,407,596	
1991	175,766	21.5	3,778,971	
1992	199,960	20.5	4,099,180	
1993	411,864	19.5	8,031,353	
1994	341,905	18.5	6,325,245	
1995	180,327	17.5	3,155,731	
1996	178,852	16.5	2,951,057	
1997	633,968	15.5	9,826,501	
1998	283,948	14.5	4,117,253	
1999	583,940	13.5	7,883,188	
2000	935,584	12.5	11,694,798	
2001	794,818	11.5	9,140,408	
2002	1,169,877	10.5	12,283,707	
2003	1,046,614	9.5	9,942,830	
2004	1,153,279	8.5	9,802,868	
2005	1,317,788	7.5	9,883,407	
2006	1,259,271	6.5	8,185,261	
2007	1,199,665	5.5	6,598,157	
2008	1,299,858	4.5	5,849,363	
2009	1,399,049	3.5	4,896,673	
2010	1,236,847	2.5	3,092,117	
2011	1,368,663	1.5	2,052,995	
2012	<u>1,568,356</u>	0.5	<u>784,178</u>	
	19,061,691		152,022,107	7.98

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

DISTRIBUTION PLANT, Account 373 Street Lighting

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1962	280	50.5	14,140	
1963	2,308	49.5	114,260	
1964	235	48.5	11,398	
1965	6,606	47.5	313,779	
1966	7,443	46.5	346,081	
1967	15,938	45.5	725,178	
1968	11,007	44.5	489,819	
1969	10,161	43.5	442,005	
1970	18,751	42.5	796,915	
1971	6,977	41.5	289,555	
1972	4,544	40.5	184,040	
1973	23,425	39.5	925,272	
1974	19,000	38.5	731,494	
1975	13,952	37.5	523,183	
1976	6,444	36.5	235,205	
1977	6,769	35.5	240,287	
1978	23,233	34.5	801,523	
1979	10,924	33.5	365,970	
1980	40,134	32.5	1,304,342	
1981	76,621	31.5	2,413,576	
1982	100,373	30.5	3,061,386	
1983	52,633	29.5	1,552,682	
1984	32,122	28.5	915,472	
1985	81,403	27.5	2,238,569	
1986	141,631	26.5	3,753,213	
1987	144,156	25.5	3,675,966	
1988	164,206	24.5	4,023,047	
1989	280,565	23.5	6,593,268	
1990	191,951	22.5	4,318,888	
1991	55,060	21.5	1,183,784	
1992	12,357	20.5	253,314	
1993	164,951	19.5	3,216,545	
1994	89,075	18.5	1,647,881	
1995	59,464	17.5	1,040,619	
1996	45,132	16.5	744,670	
1997	36,800	15.5	570,406	
1998	42,685	14.5	618,930	
1999	59,306	13.5	800,634	
2000	129,034	12.5	1,612,927	
2001	58,199	11.5	669,284	
2002	6,073	10.5	63,766	

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

DISTRIBUTION PLANT, Account 373 Street Lighting

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
2003	84,639	9.5	804,074	
2004	61,817	8.5	525,443	
2005	42,938	7.5	322,032	
2006	50,789	6.5	330,130	
2007	105,477	5.5	580,121	
2008	125,472	4.5	564,623	
2009	79,792	3.5	279,271	
2010	80,981	2.5	202,452	
2011	91,243	1.5	136,864	
2012	<u>198,708</u>	0.5	<u>99,354</u>	
	3,173,778		57,667,637	18.17

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
DEPRECIATION STUDY WORKPAPERS
DISTRIBUTION PLANT
ACCRUAL REPORT

**KENTUCKY POWER COMPANY
REMAINING LIFE DEPRECIATION ACCRUAL
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

Account 360.1, Land Rights

**Dispersion: 75.00 - R4.0
Average Net Salvage Rate: 0%**

Plant Amount	Accum. Depreciation	Theoretical Reserve	Remaining Life	Accrual Rate %
5,178,994	1,303,343	1,343,532	55.54	1.35
<hr/>				
Net Plant		3,875,651		
Calculated Net Plant		3,835,462		

**KENTUCKY POWER COMPANY
REMAINING LIFE DEPRECIATION ACCRUAL
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

Account 361, Structures and Improvements

**Dispersion: 70.00 - L2.0
Average Net Salvage Rate: -11%**

Plant Amount	Accum. Depreciation	Theoretical Reserve	Remaining Life	Accrual Rate %
4,381,430	1,321,189	1,361,928	50.40	1.60
<hr/>				
Net Plant		3,060,241		
Calculated Net Plant		3,019,502		

**KENTUCKY POWER COMPANY
REMAINING LIFE DEPRECIATION ACCRUAL
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

Account 362, Station Equipment

Dispersion: 35.00 - R1.0

Average Net Salvage Rate: -6%

Plant Amount	Accum. Depreciation	Theoretical Reserve	Remaining Life	Accrual Rate %
76,399,914	18,046,581	18,603,051	26.96	3.06
<hr/>				
Net Plant		58,353,333		
Calculated Net Plant		57,796,863		

**KENTUCKY POWER COMPANY
REMAINING LIFE DEPRECIATION ACCRUAL
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

Account 364, Poles, Towers and Fixtures

Dispersion: 28.00 - R0.5

Average Net Salvage Rate: -31%

Plant Amount	Accum. Depreciation	Theoretical Reserve	Remaining Life	Accrual Rate %
173,978,663	62,232,952	64,151,918	20.12	4.73
<hr/>				
Net Plant		111,745,711		
Calculated Net Plant		109,826,745		

**KENTUCKY POWER COMPANY
REMAINING LIFE DEPRECIATION ACCRUAL
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

Account 365, Overhead Conductor and Devices

**Dispersion: 26.00 - L0.0
Average Net Salvage Rate: 6%**

Plant Amount	Accum. Depreciation	Theoretical Reserve	Remaining Life	Accrual Rate %
164,605,795	29,696,113	30,611,799	20.86	3.64
<hr/>				
Net Plant		134,909,682		
Calculated Net Plant		133,993,996		

**KENTUCKY POWER COMPANY
REMAINING LIFE DEPRECIATION ACCRUAL
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

Account 366, Underground Conduit

**Dispersion: 44.00 - R3.0
Average Net Salvage Rate: 0%**

Plant Amount	Accum. Depreciation	Theoretical Reserve	Remaining Life	Accrual Rate %
5,797,157	1,327,635	1,368,573	33.61	2.29
<hr/>				
Net Plant		4,469,522		
Calculated Net Plant		4,428,584		

**KENTUCKY POWER COMPANY
REMAINING LIFE DEPRECIATION ACCRUAL
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

Account 367, Underground Conductor and Devices

**Dispersion: 44.00 - R0.5
Average Net Salvage Rate: -12%**

Plant Amount	Accum. Depreciation	Theoretical Reserve	Remaining Life	Accrual Rate %
8,915,361	1,449,652	1,494,352	37.42	2.56
<hr/>				
Net Plant		7,465,709		
Calculated Net Plant		7,421,009		

**KENTUCKY POWER COMPANY
REMAINING LIFE DEPRECIATION ACCRUAL
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

Account 368, Line Transformers

Dispersion: 25.00 - L0.0

Average Net Salvage Rate: 0%

Plant Amount	Accum. Depreciation	Theoretical Reserve	Remaining Life	Accrual Rate %
113,943,853	25,019,501	25,790,982	19.34	4.04

Net Plant 88,924,352

Calculated Net Plant 88,152,871

**KENTUCKY POWER COMPANY
REMAINING LIFE DEPRECIATION ACCRUAL
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

Account 369, Services

Dispersion: 20.00 - L0.0

Average Net Salvage Rate: -36%

Plant Amount	Accum. Depreciation	Theoretical Reserve	Remaining Life	Accrual Rate %
49,819,405	14,976,772	15,438,584	15.44	6.86
<hr/>				
Net Plant		34,842,633		
Calculated Net Plant		34,380,821		

**KENTUCKY POWER COMPANY
REMAINING LIFE DEPRECIATION ACCRUAL
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

Account 370, Meters

Dispersion: 17.00 - R4.0

Average Net Salvage Rate: 4%

Plant Amount	Accum. Depreciation	Theoretical Reserve	Remaining Life	Accrual Rate %
24,731,170	8,926,643	9,201,898	10.41	5.75
<hr/>				
Net Plant		15,804,527		
Calculated Net Plant		15,529,272		

**KENTUCKY POWER COMPANY
REMAINING LIFE DEPRECIATION ACCRUAL
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

Account 371, Installations on Customer's Premises

Dispersion: 11.00 - L0.0

Average Net Salvage Rate: -33%

Plant Amount	Accum. Depreciation	Theoretical Reserve	Remaining Life	Accrual Rate %
19,061,691	6,617,386	6,821,435	8.04	12.22
<hr/>				
Net Plant		12,444,305		
Calculated Net Plant		12,240,256		

**KENTUCKY POWER COMPANY
REMAINING LIFE DEPRECIATION ACCRUAL
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

Account 373, Street Lighting and Signal Systems

**Dispersion: 20.00 - L0.0
Average Net Salvage Rate: -24%**

Plant Amount	Accum. Depreciation	Theoretical Reserve	Remaining Life	Accrual Rate %
3,173,778	1,155,889	1,191,531	13.94	6.28
<hr/>				
Net Plant		2,017,889		
Calculated Net Plant		1,982,247		

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
GENERAL PLANT - ANALYSIS

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2012
General Plant

<i>Account</i>	<u>389 LAND RIGHTS</u>	
Depreciable Balance	\$37,384	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	75	75
Iowa Curve	R4.0	R4.0
Gross Removal, %	N/A	0
Gross Salvage, %	N/A	0
Net Salvage %	0	0

Account 389 includes the cost of land rights used for utility purposes, the cost of which is not properly includible in other land rights accounts. There have been too few retirements from this account to support an actuarial or SPR analysis. As a result, the current depreciation study recommends that the life and dispersion (75, R4.0) currently approved in rates from Case No. 91-066 be retained.

The salvage analysis indicates a gross salvage rate of 0% with an estimate of 0% gross removal resulting in a 0% net salvage.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2012
General Plant

<i>Account</i>	<u>390 STRUCTURES & IMPROVEMENTS</u>	
Depreciable Balance	\$19,586,360	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	45	40
Iowa Curve	L3.0	R2.0
Gross Removal, %	N/A	16
Gross Salvage, %	N/A	18
Net Salvage %	0	2

Account 390 includes general structures and structure improvements consisting of items like roofing, plumbing and heating systems. The results of the account's life analysis support a R2.0 dispersion with a decrease in average service life from 45 years to 40 years.

The salvage analysis indicates a gross salvage rate of 18% with an estimate of 16% gross removal resulting in a 2% net salvage.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2012
General Plant

<i>Account</i>	<u>391 OFFICE FURNITURE AND EQUIPMENT</u>	
Depreciable Balance	\$1,279,644	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	35	35
Iowa Curve	R0.5	SQ
Gross Removal, %	N/A	0
Gross Salvage, %	N/A	0
Net Salvage %	10	0

Account 391 consists of office furniture and equipment. In 1998, the company began recording retirements when vintages reach their average service life in accordance with FERC Accounting Release 15. The average service life for the account was set in the prior depreciation study and there is no compelling reason to change the life in the current study. Use of a square curve "SQ" is appropriate when performing vintage retirements.

A review of salvage and removal costs for this account indicates a gross salvage rate of 0% and a gross removal rate of 0%. This combination yields a net salvage rate of 0%.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2012
General Plant

<i>Account</i>	<u>392 TRANSPORTATION EQUIPMENT</u>	
Depreciable Balance	\$14,768	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	30	30
lowa Curve	R3.0	SQ
Gross Removal, %	N/A	0
Gross Salvage, %	N/A	0
Net Salvage %	0	0

Account 392 includes owned automobiles, trucks, trailers and other transportation equipment. In 1998, the company began recording retirements when vintages reach their average service life in accordance with FERC Accounting Release 15. The average service life for the account was set in the prior depreciation study and there is no compelling reason to change the life in the current study. Use of a square curve "SQ" is appropriate when performing vintage retirements.

A review of salvage and removal costs for this account indicates a gross salvage rate of 0% and a gross removal rate of 0% yielding a net salvage rate of 0%.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2012
General Plant

<i>Account</i>	<u>393 STORES EQUIPMENT</u>	
Depreciable Balance	\$159,895	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	30	30
Iowa Curve	R1.0	SQ
Gross Removal, %	N/A	0
Gross Salvage, %	N/A	0
Net Salvage %	0	0

Account 393 contains property related to stores such as cabinets, shelving materials, ramps and material storage units. In 1998, the company began recording retirements when vintages reach their average service life in accordance with FERC Accounting Release 15. The average service life for the account was set in the prior depreciation study and there is no compelling reason to change the life in the current study. Use of a square curve "SQ" is appropriate when performing vintage retirements.

A review of salvage and removal costs for this account indicates a gross salvage rate of 0% and a gross removal rate of 0% yielding a net salvage percentage of 0%.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2012
General Plant

<i>Account</i>	<u>394 TOOLS, SHOP AND GARAGE EQUIPMENT</u>	
Depreciable Balance	\$3,395,436	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	30	30
Iowa Curve	R0.5	SQ
Gross Removal, %	N/A	9
Gross Salvage, %	N/A	0
Net Salvage %	0	-9

Account 394 includes tools used in shops and garages like drills, grinders, mixers, hoists and cranes. In 1998, the company began recording retirements when vintages reach their average service life in accordance with FERC Accounting Release 15. The average service life for the account was set in the prior depreciation study and there is no compelling reason to change the life in the current study. Use of a square curve "SQ" is appropriate when performing vintage retirements.

A review of salvage and removal costs for this account indicates a gross salvage rate of 0% and a gross removal rate of 9% yielding a negative net salvage percentage of -9%.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2012
General Plant

<i>Account</i>	<u>395 LABORATORY EQUIPMENT</u>	
Depreciable Balance	\$141,765	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	30	30
lowa Curve	L5.0	SQ
Gross Removal, %	N/A	0
Gross Salvage, %	N/A	0
Net Salvage %	0	0

Account 395 consists of laboratory equipment such as testing equipment, centrifuges, and other laboratory devices. In 1998, the company began recording retirements when vintages reach their average service life in accordance with FERC Accounting Release 15. The average service life for the account was set in the prior depreciation study and there is no compelling reason to change the life in the current study. Use of a square curve "SQ" is appropriate when performing vintage retirements.

A review of salvage and removal costs for this account indicates a gross salvage rate of 0% and a gross removal rate of 0% yielding a negative net salvage percentage of 0%.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2012
General Plant

<i>Account</i>	<i><u>396 POWER OPERATED EQUIPMENT</u></i>	
Depreciable Balance	\$5,931	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	N/A	25
lowa Curve	N/A	SQ
Gross Removal, %	N/A	0
Gross Salvage, %	N/A	0
Net Salvage %	N/A	0

Account 396 is used to capitalize equipment such as bulldozers, forklifts, and tractors. In 1998, the company began recording retirements when vintages reach their average service life in accordance with FERC Accounting Release 15. There was no balance in this account in Case No. 91-066 so there was no depreciation rate approved at that point in time. The minor investment of \$5,931 was capitalized in 2002 and is approximately 10.5 years old at the time of the depreciation study. AEP affiliated companies Indiana Michigan Power Company and Ohio Power Company are using a 25 and 26 year, respectively for this account. Using these affiliated companies as a guide, the current study recommends a 25 year service life for this account using a square curve "SQ".

A review of salvage and removal costs for account 396 indicates a gross salvage rate of 0% and a gross removal rate of 0% yielding a positive net salvage rate of 0%.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2012
General Plant

<i>Account</i>	<u>397 COMMUNICATION EQUIPMENT</u>	
Depreciable Balance	\$6,855,599	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	22	22
Iowa Curve	L3.0	SQ
Gross Removal, %	N/A	7
Gross Salvage, %	N/A	13
Net Salvage %	0	6

Account 397 contains communication equipment such as towers, antennae, and mobile radio equipment. In 1998, the company began recording retirements when vintages reach their average service life in accordance with FERC Accounting Release 15. The average service life for the account was set in the prior depreciation study and there is no compelling reason to change the life in the current study. Use of a square curve "SQ" is appropriate when performing vintage retirements.

A review of salvage and removal costs for this account indicates a gross salvage rate of 13% and a gross removal rate of 7% yielding a positive net salvage percentage of 6%.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2012
General Plant

<i>Account</i>	<u>398 MISCELLANEOUS EQUIPMENT</u>	
Depreciable Balance	\$1,035,594	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	20	20
Iowa Curve	S5.0	SQ
Gross Removal, %	N/A	3
Gross Salvage, %	N/A	0
Net Salvage %	0	-3

Account 398 contains equipment such as fire extinguishers and kitchen equipment. In 1998, the company began recording retirements when vintages reach their average service life in accordance with FERC Accounting Release 15. The average service life for the account was set in the prior depreciation study and there is no compelling reason to change the life in the current study. Use of a square curve "SQ" is appropriate when performing vintage retirements.

A review of salvage and removal costs for this account indicates a gross salvage rate of 0% and a gross removal rate of 3% yielding a positive net salvage percentage of -3%.

KENTUCKY POWER COMPANY

DEPRECIATION STUDY AS OF DECEMBER 31, 2012

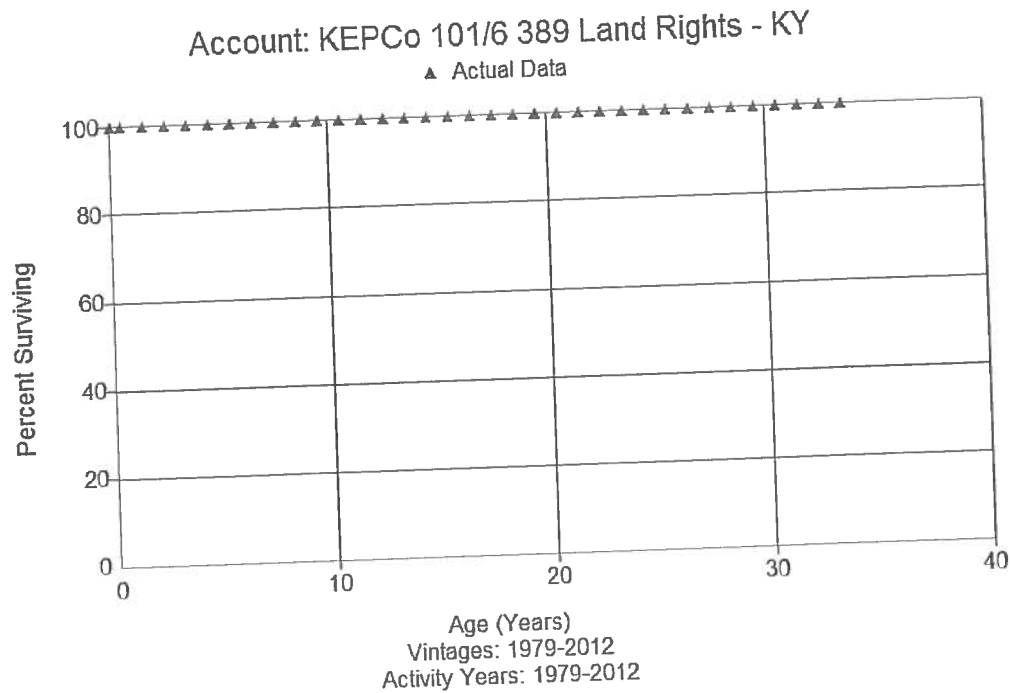
GENERAL PLANT

ACTUARIAL AND SIMULATED PLANT RECORD (SPR)

ANALYSIS – GRAPHS

KENTUCKY POWER COMPANY DEPRECIATION STUDY AT DECEMBER 31, 2012 GENERAL PLANT - GRAPHS

Account 389.1, Land Rights – R4, 75

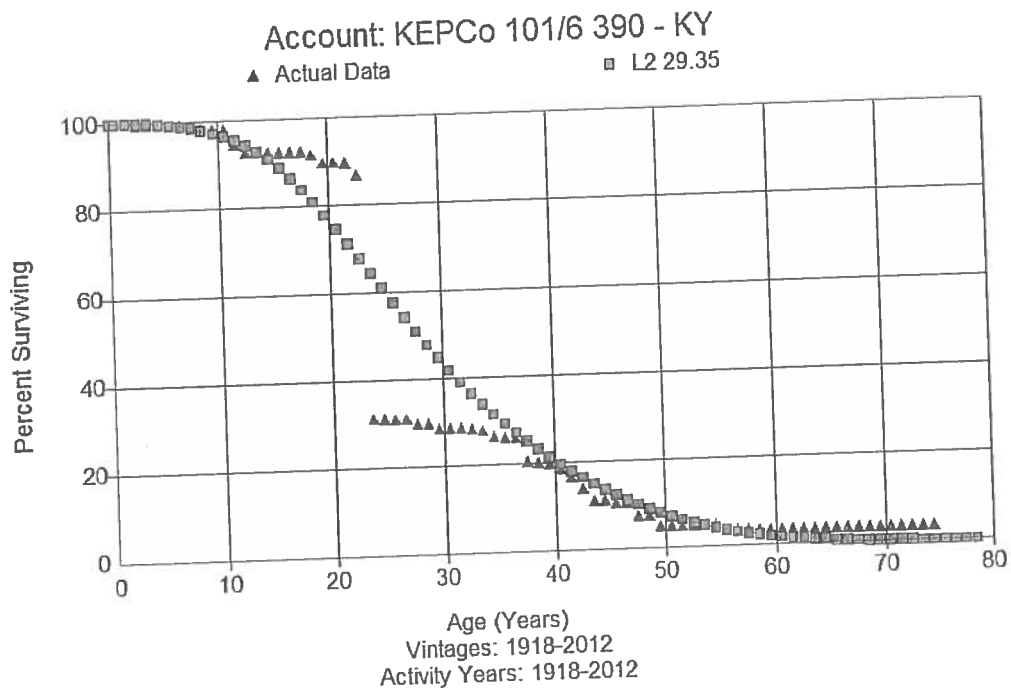


Retirement data is not meaningful for Account 389, Land Rights so no actuarial or SPR analysis could be performed. A review of the surviving property in this account indicates that the average age is 23.14 years.

Recommend that we keep the 75 year life along with the R4.0 dispersion currently approved in rates by the Commission in Case No. 91-066.

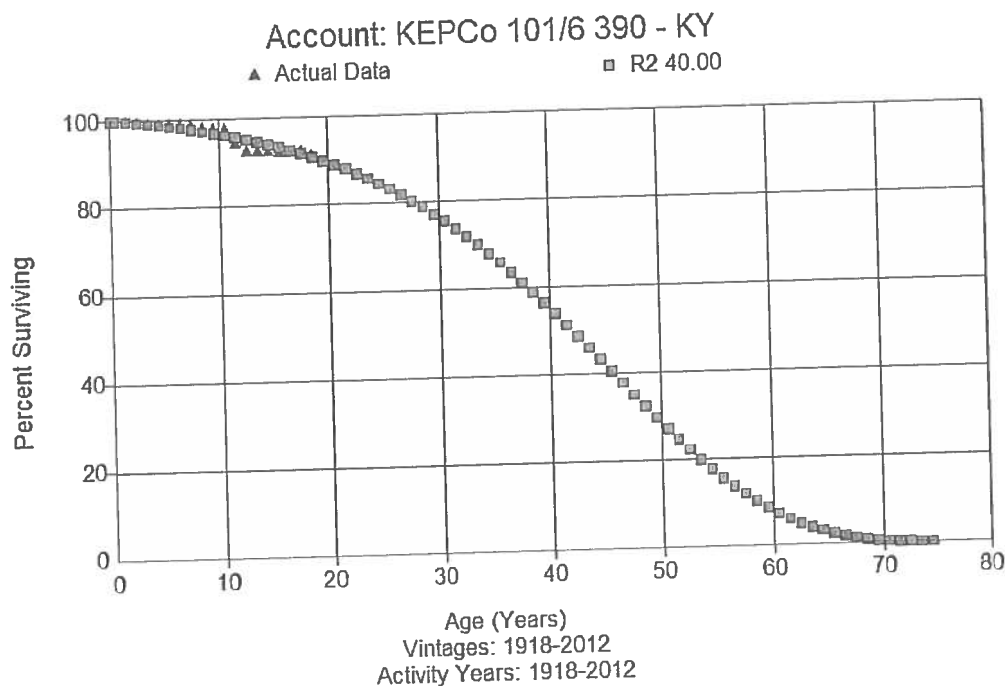
KENTUCKY POWER COMPANY DEPRECIATION STUDY AT DECEMBER 31, 2012 GENERAL PLANT - GRAPHS

Account 390, Structures & Improvements – R2.0, 40



KENTUCKY POWER COMPANY DEPRECIATION STUDY AT DECEMBER 31, 2012 GENERAL PLANT - GRAPHS

Account 390, Structures & Improvements – R2.0, 40 (Continued)

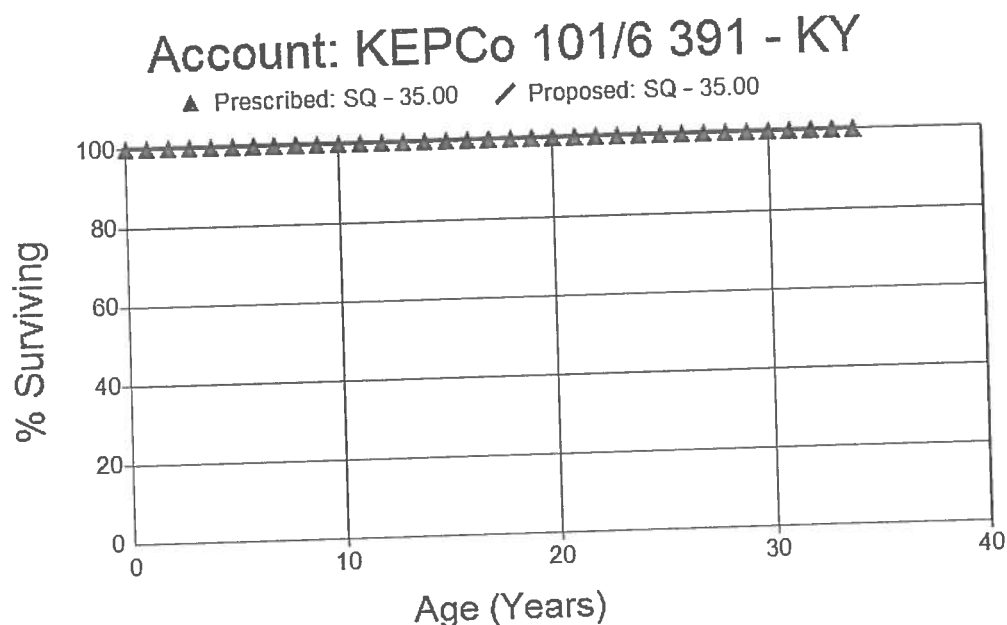


An actuarial analysis was performed for Account 390. The analysis for the entire time period from 1918 to 2012 shows a large decline in percent surviving between 20 and 30 years. The decline is due to retirements of several costly buildings such as the Ashland Office Building. These retirements have a significant effect on an estimation of the average service life for the account (see the first graph for Account 390, above). Since a few retirements have a significant effect on the dispersion, a second graph is provided which includes a T – cut at 20 years. The graph for the entire time period calculates an average service life of 29.35 years whereas the graph with the T cut indicates that a 40 year life is more appropriate. The prior study from Case No. 91-066 recommended a 45 year life for the investment in this account using a L3.0 dispersion.

As shown above on the second graph with the T cut at 20 years, the R2.0 curve with a 40 year life provides a good fit for Account 390 property and I recommend that we change to use this curve and life.

KENTUCKY POWER COMPANY DEPRECIATION STUDY AT DECEMBER 31, 2012 GENERAL PLANT - GRAPHS

Account 391, Office Furniture & Equipment – SQ, 35

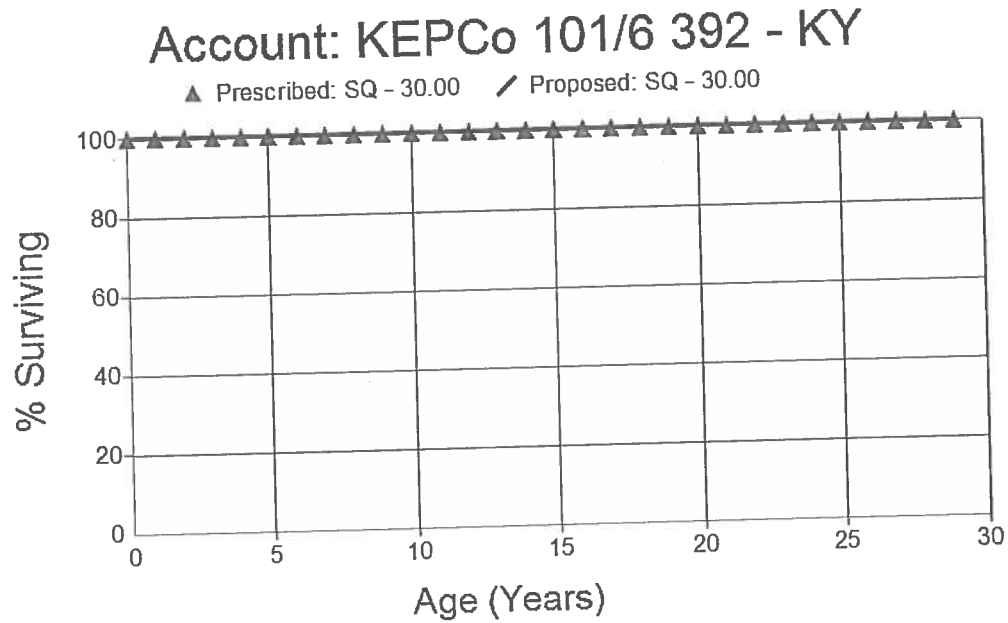


In 1998, the FERC issued Accounting Release No. 15 (AR – 15) which allowed utilities to use vintage retirements on property in accounts 391 to 398. AR – 15 uses vintage retirements where property in each plant account is retired when it reaches the end of its estimated life and is fully depreciated.

The prior study from Case No. 91-066 recommended a 35 year life for the investment in this account using a R0.5 dispersion. The current depreciation study recommends that we retain the 35 year life but change to use an SQ type curve which is more appropriate when performing vintage retirements.

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AT DECEMBER 31, 2012
GENERAL PLANT - GRAPHS**

Account 392, Transportation Equipment – SQ, 30

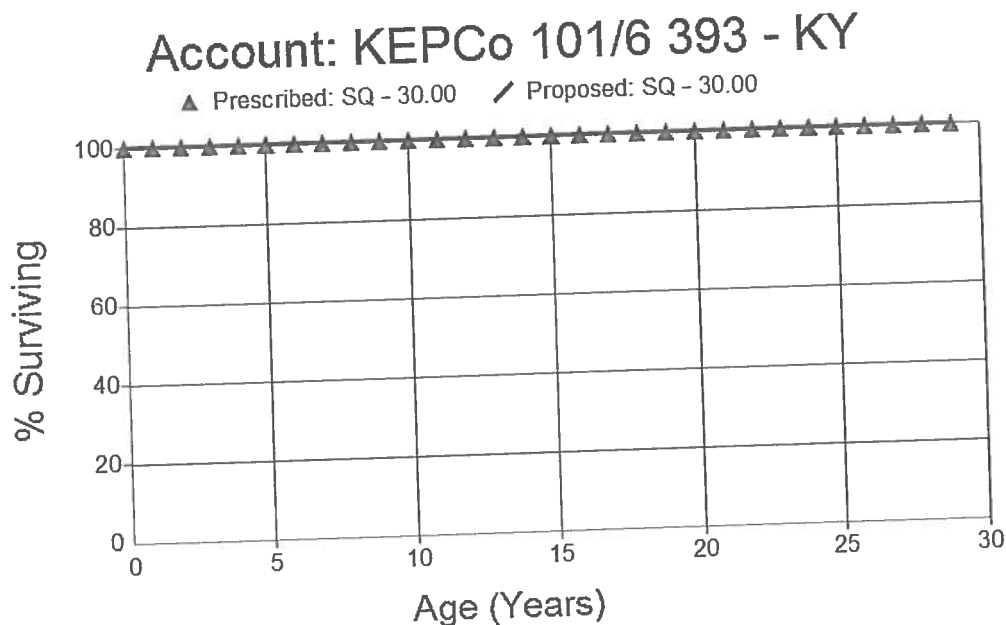


In 1998, the FERC issued Accounting Release No. 15 (AR – 15) which allowed utilities to use vintage retirements on property in accounts 391 to 398. AR – 15 uses vintage retirements where property in each plant account is retired when it reaches the end of its estimated life and is fully depreciated.

The prior study from Case No. 91-066 recommended a 30 year life for the investment in this account using a R3.0 dispersion. The current depreciation study recommends that we retain the 30 year life but change to use an SQ type curve which is more appropriate when performing vintage retirements.

KENTUCKY POWER COMPANY DEPRECIATION STUDY AT DECEMBER 31, 2012 GENERAL PLANT - GRAPHS

Account 393, Stores Equipment – SQ, 30



In 1998, the FERC issued Accounting Release No. 15 (AR – 15) which allowed utilities to use vintage retirements on property in accounts 391 to 398. AR – 15 uses vintage retirements where property in each plant account is retired when it reaches the end of its estimated life and is fully depreciated.

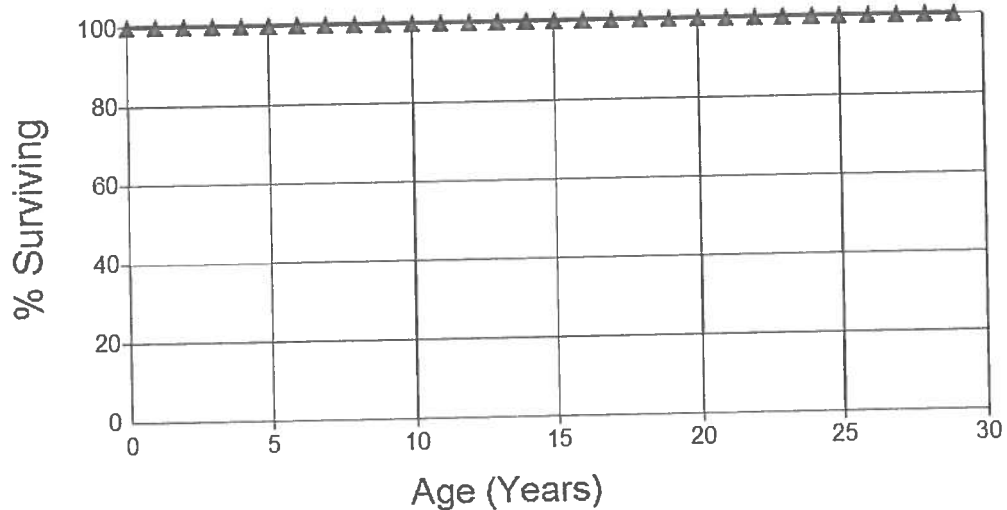
The prior study from Case No. 91-066 recommended a 30 year life for the investment in this account using a R1.0 dispersion. The current depreciation study recommends that we retain the 30 year life but change to use an SQ type curve which is more appropriate when performing vintage retirements.

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AT DECEMBER 31, 2012
GENERAL PLANT - GRAPHS**

Account 394 Tools, Shop & Garage Equipment – SQ, 30

Account: KEPCo 101/6 394 - KY

▲ Prescribed: SQ - 30.00 / Proposed: SQ - 30.00



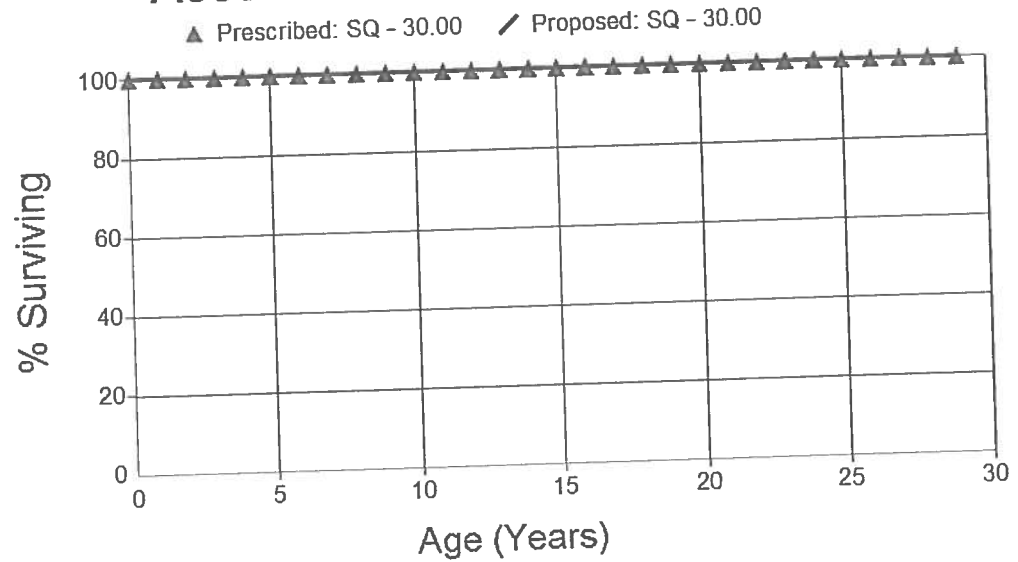
In 1998, the FERC issued Accounting Release No. 15 (AR – 15) which allowed utilities to use vintage retirements on property in accounts 391 to 398. AR – 15 uses vintage retirements where property in each plant account is retired when it reaches the end of its estimated life and is fully depreciated.

The prior study from Case No. 91-066 recommended a 30 year life for the investment in this account using a R0.5 dispersion. The current depreciation study recommends that we retain the 30 year life but change to use an SQ type curve which is more appropriate when performing vintage retirements.

KENTUCKY POWER COMPANY DEPRECIATION STUDY AT DECEMBER 31, 2012 GENERAL PLANT - GRAPHS

Account 395 Laboratory Equipment – SQ, 30

Account: KEPCo 101/6 395 - KY

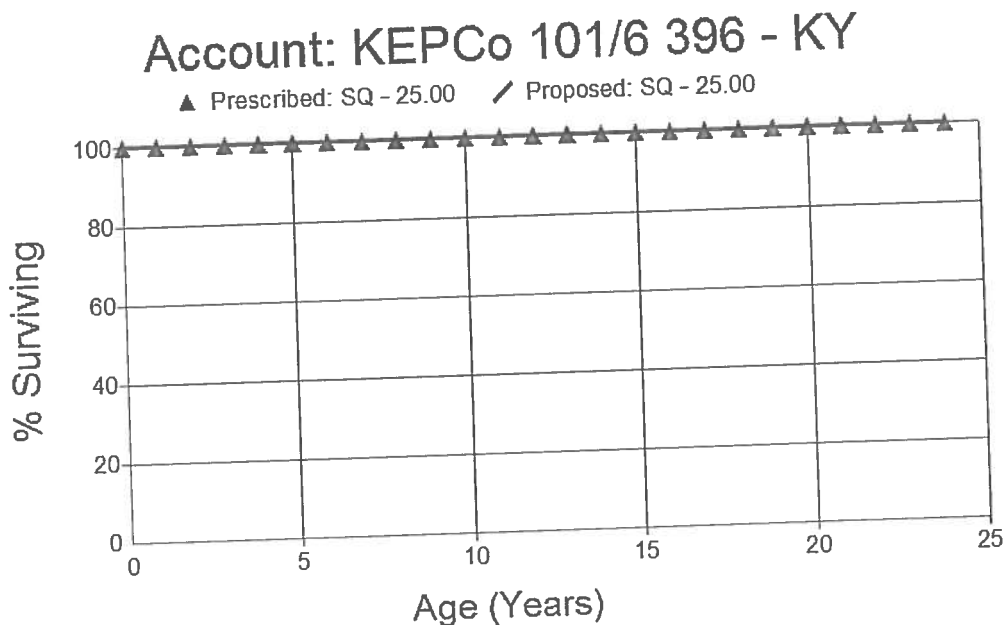


In 1998, the FERC issued Accounting Release No. 15 (AR – 15) which allowed utilities to use vintage retirements on property in accounts 391 to 398. AR – 15 uses vintage retirements where property in each plant account is retired when it reaches the end of its estimated life and is fully depreciated.

The prior study from Case No. 91-066 recommended a 30 year life for the investment in this account using a L5.0 dispersion. The current depreciation study recommends that we retain the 30 year life but change to use an SQ type curve which is more appropriate when performing vintage retirements.

KENTUCKY POWER COMPANY DEPRECIATION STUDY AT DECEMBER 31, 2012 GENERAL PLANT - GRAPHS

Account 396, Power Operated Equipment – SQ, 25

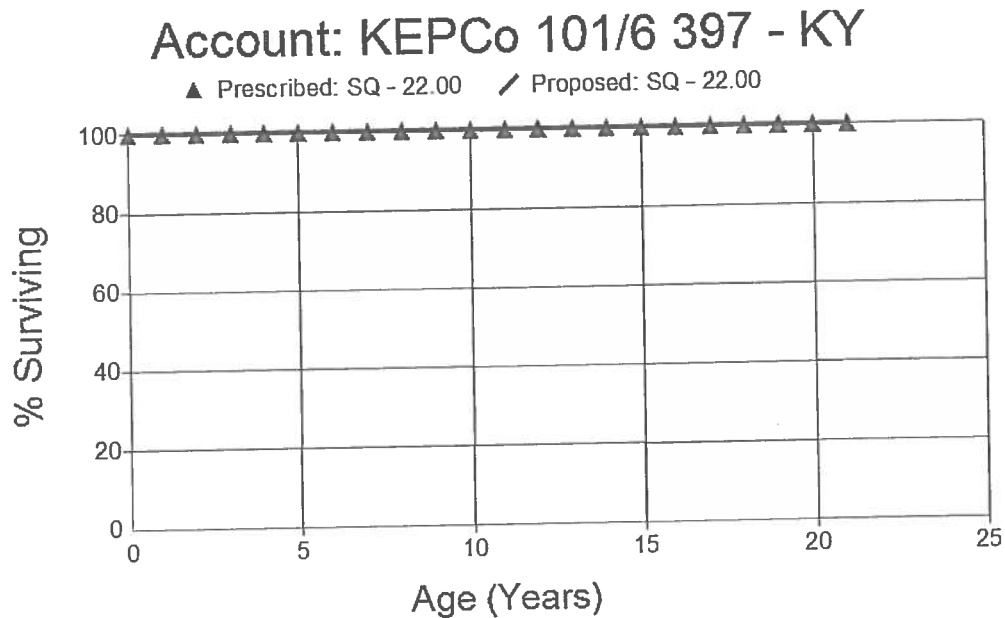


In 1998, the FERC issued Accounting Release No. 15 (AR – 15) which allowed utilities to use vintage retirements on property in accounts 391 to 398. AR – 15 uses vintage retirements where property in each plant account is retired when it reaches the end of its estimated life and is fully depreciated.

There was no balance in this account in the prior study from Case No. 91-066 so no average life or dispersion was recommended in that case. The current depreciation study recommends that we use a 25 year life following a SQ type curve for this account which is more appropriate when performing vintage retirements. The 25 year life is based on the life approved in Indiana and Ohio (25 years and 26 years, respectively) for AEP affiliated companies Indiana Michigan Power Company and Ohio Power Company for this account.

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AT DECEMBER 31, 2012
GENERAL PLANT - GRAPHS**

Account 397, Communications Equipment – SQ, 20

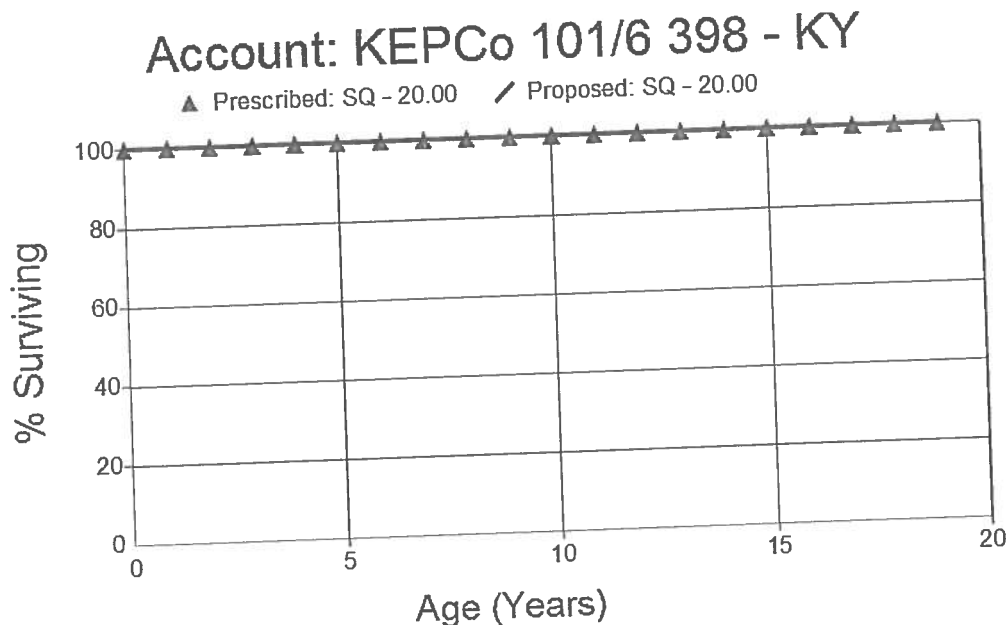


In 1998, the FERC issued Accounting Release No. 15 (AR – 15) which allowed utilities to use vintage retirements on property in accounts 391 to 398. AR – 15 uses vintage retirements where property in each plant account is retired when it reaches the end of its estimated life and is fully depreciated.

The prior study from Case No. 91-066 recommended a 22 year life for the investment in this account using a L3.0 dispersion. The current depreciation study recommends that we retain the 22 year life but change to use an SQ type curve which is more appropriate when performing vintage retirements.

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AT DECEMBER 31, 2012
GENERAL PLANT - GRAPHS**

Account 396, Miscellaneous Equipment – SQ, 20



In 1998, the FERC issued Accounting Release No. 15 (AR – 15) which allowed utilities to use vintage retirements on property in accounts 391 to 398. AR – 15 uses vintage retirements where property in each plant account is retired when it reaches the end of its estimated life and is fully depreciated.

The prior study from Case No. 91-066 recommended a 20 year life for the investment in this account using a S5.0 dispersion. The current depreciation study recommends that we retain the 20 year life but change to use an SQ type curve which is more appropriate when performing vintage retirements.

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
DEPRECIATION STUDY WORKPAPERS
GENERAL PLANT - ACCOUNT 390
OBSERVED LIFE REPORT

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 2012
OBSERVED LIFE TABLE - ACCOUNT 390, STRUCTURES & IMPROVEMENTS**

Placement Band 1918 to 2012
Observation Band 1918 to 2012

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surviving at Beginning of Interval
0	33,558,743	603.00	0.0000	1.0000	100.00
0.5	33,498,646	1,197.00	0.0000	1.0000	100.00
1.5	32,367,923	104,117.00	0.0032	0.9968	99.99
2.5	32,263,806	49,962.86	0.0016	0.9985	99.67
3.5	32,163,231	12,996.00	0.0004	0.9996	99.52
4.5	32,019,861	20,953.00	0.0007	0.9994	99.48
5.5	31,964,665	56,557.00	0.0018	0.9982	99.41
6.5	31,841,244	4,562.00	0.0001	0.9999	99.24
7.5	31,827,627	254,755.00	0.0080	0.9920	99.22
8.5	31,567,165	80,126.00	0.0025	0.9975	98.43
9.5	31,487,039	40,626.00	0.0013	0.9987	98.18
10.5	31,441,956	1,106,266.00	0.0352	0.9648	98.05
11.5	30,324,215	574,350.05	0.0189	0.9811	94.60
12.5	29,357,725	32,066.00	0.0011	0.9989	92.81
13.5	29,325,659	45,865.57	0.0016	0.9984	92.71
14.5	29,215,188	10,595.00	0.0004	0.9996	92.57
15.5	28,890,069	10,519.87	0.0004	0.9996	92.53
16.5	27,789,534	14,573.00	0.0005	0.9995	92.50
17.5	27,295,816	232,384.00	0.0085	0.9915	92.45
18.5	27,033,971	543,669.00	0.0201	0.9799	91.66
19.5	26,478,957	3,648.00	0.0001	0.9999	89.82
20.5	26,339,486	26,412.23	0.0010	0.9990	89.81
21.5	25,948,324	809,566.55	0.0312	0.9688	89.72
22.5	13,876,551	8,908,070.00	0.6420	0.3581	86.92
23.5	4,967,345	16,561.00	0.0033	0.9967	31.12
24.5	4,950,784	18,866.00	0.0038	0.9962	31.02
25.5	4,926,590	13,862.00	0.0028	0.9972	30.90
26.5	4,900,157	178,572.00	0.0364	0.9636	30.81
27.5	4,719,081	4,129.00	0.0009	0.9991	29.69
28.5	4,714,952	175,410.68	0.0372	0.9628	29.66
29.5	4,527,478	972.00	0.0002	0.9998	28.56
30.5	4,519,449	17,512.00	0.0039	0.9961	28.55
31.5	800,625	5,646.00	0.0071	0.9930	28.44
32.5	791,892	13,368.00	0.0169	0.9831	28.24
33.5	763,898	37,541.00	0.0491	0.9509	27.77
34.5	709,536	9,576.00	0.0135	0.9865	26.40
35.5	698,546	6,392.00	0.0092	0.9909	26.05
36.5	692,154	143,799.00	0.2078	0.7922	25.81
37.5	535,380	6,902.00	0.0129	0.9871	20.45
38.5	514,325	9,675.00	0.0188	0.9812	20.18
39.5	500,554	32,565.00	0.0651	0.9349	19.80
40.5	467,989	49,972.00	0.1068	0.8932	18.51
41.5	418,017	67,898.00	0.1624	0.8376	16.54
42.5	347,913	71,514.00	0.2056	0.7945	13.85
43.5	263,529	12.00	0.0001	1.0000	11.00

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 2012
OBSERVED LIFE TABLE - ACCOUNT 390, STRUCTURES & IMPROVEMENTS**

Placement Band 1918 to 2012
Observation Band 1918 to 2012

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surviving at Beginning of Interval
44.5	229,461	12,999.00	0.0567	0.9434	11.00
45.5	210,231	100.00	0.0005	0.9995	10.38
46.5	208,467	60,001.00	0.2878	0.7122	10.37
47.5	148,466	2,370.00	0.0160	0.9840	7.39
48.5	146,096	48,292.00	0.3306	0.6695	7.27
49.5	97,323	0.00	0.0000	1.0000	4.87
50.5	96,530	0.00	0.0000	1.0000	4.87
51.5	96,082	0.00	0.0000	1.0000	4.87
52.5	80,837	344.00	0.0043	0.9957	4.87
53.5	73,589	0.00	0.0000	1.0000	4.85
54.5	73,064	18,000.00	0.2464	0.7536	4.85
55.5	54,917	784.00	0.0143	0.9857	3.65
56.5	54,133	0.00	0.0000	1.0000	3.60
57.5	54,133	3,940.00	0.0728	0.9272	3.60
58.5	50,193	0.00	0.0000	1.0000	3.34
59.5	49,688	0.00	0.0000	1.0000	3.34
60.5	49,591	0.00	0.0000	1.0000	3.34
61.5	49,591	0.00	0.0000	1.0000	3.34
62.5	49,287	368.00	0.0075	0.9925	3.34
63.5	47,803	0.00	0.0000	1.0000	3.31
64.5	47,267	0.00	0.0000	1.0000	3.31
65.5	47,267	0.00	0.0000	1.0000	3.31
66.5	47,267	0.00	0.0000	1.0000	3.31
67.5	46,833	0.00	0.0000	1.0000	3.31
68.5	46,511	0.00	0.0000	1.0000	3.31
69.5	46,511	0.00	0.0000	1.0000	3.31
70.5	44,627	0.00	0.0000	1.0000	3.31
71.5	44,510	0.00	0.0000	1.0000	3.31
72.5	44,080	0.00	0.0000	1.0000	3.31
73.5	43,738	0.00	0.0000	1.0000	3.31
74.5	0	0.00	0.0000	1.0000	3.31

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
DEPRECIATION STUDY WORKPAPERS
GENERAL PLANT
GENERATION ARRANGEMENT REPORT

**KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2012**

Account: KEPCo 101/6 389 Land Rights
Dispersion: 75.00, R4.0
Average Net Salvage Rate: 0%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
				65.52	0.8736	1.0000	\$7,982.70	\$121.84
2003	9.5	\$9,137.87	75.00	48.77	0.6502	1.0000	\$14,592.23	\$299.23
1986	26.5	\$22,442.00	75.00	47.80	0.6373	1.0000	\$782.02	\$16.36
1985	27.5	\$1,227.00	75.00	46.84	0.6245	1.0000	\$423.43	\$9.04
1984	28.5	\$678.00	75.00	42.10	0.5613	1.0000	\$2,188.48	\$51.99
1979	33.5	\$3,899.00	75.00					
		<u>\$37,383.87</u>	<u>75.00</u>	<u>52.10</u>	<u>0.6947</u>	<u>1.0000</u>	<u>\$25,968.86</u>	<u>\$498.46</u>

KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2012

Account: KEPCo 101/6 390 Structures & Improvements
Dispersion: 40.00, R2.0
Average Net Salvage Rate: 2%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2012	0.5	\$59,493.50	40.00	39.55	0.9689	1.0000	\$57,644.15	\$1,457.59
2011	1.5	\$1,129,525.73	40.00	38.65	0.9468	1.0000	\$1,069,477.16	\$27,673.38
2009	3.5	\$50,612.46	40.00	36.87	0.9032	1.0000	\$45,712.85	\$1,240.01
2008	4.5	\$130,374.52	40.00	35.98	0.8816	1.0000	\$114,941.33	\$3,194.18
2007	5.5	\$34,243.02	40.00	35.11	0.8602	1.0000	\$29,456.36	\$838.95
2006	6.5	\$66,863.86	40.00	34.25	0.8390	1.0000	\$56,098.98	\$1,638.16
2005	7.5	\$9,054.82	40.00	33.39	0.8180	1.0000	\$7,406.48	\$221.84
2004	8.5	\$5,707.20	40.00	32.54	0.7971	1.0000	\$4,549.32	\$139.83
2002	10.5	\$4,456.24	40.00	30.86	0.7560	1.0000	\$3,369.01	\$109.18
2001	11.5	\$11,474.97	40.00	30.03	0.7358	1.0000	\$8,442.90	\$281.14
2000	12.5	\$392,140.38	40.00	29.21	0.7158	1.0000	\$280,675.78	\$9,607.44
1998	14.5	\$64,605.43	40.00	27.61	0.6763	1.0000	\$43,695.86	\$1,582.83
1997	15.5	\$314,524.00	40.00	26.82	0.6570	1.0000	\$206,634.22	\$7,705.84
1996	16.5	\$1,090,015.65	40.00	26.04	0.6379	1.0000	\$695,281.19	\$26,705.38
1995	17.5	\$479,144.92	40.00	25.26	0.6190	1.0000	\$296,570.49	\$11,739.05
1994	18.5	\$29,461.00	40.00	24.50	0.6003	1.0000	\$17,686.50	\$721.79
1993	19.5	\$11,345.00	40.00	23.75	0.5819	1.0000	\$6,601.97	\$277.95
1992	20.5	\$135,823.00	40.00	23.01	0.5638	1.0000	\$76,579.11	\$3,327.66
1991	21.5	\$364,749.77	40.00	22.28	0.5459	1.0000	\$199,126.82	\$8,936.37
1990	22.5	\$11,262,206.28	40.00	21.57	0.5283	1.0000	\$5,950,374.12	\$275,924.05
1989	23.5	\$1,136.00	40.00	20.86	0.5110	1.0000	\$580.51	\$27.83
1987	25.5	\$5,328.00	40.00	19.48	0.4772	1.0000	\$2,542.67	\$130.54
1986	26.5	\$12,571.00	40.00	18.81	0.4608	1.0000	\$5,792.71	\$307.99
1985	27.5	\$2,504.00	40.00	18.15	0.4446	1.0000	\$1,113.38	\$61.35
1983	29.5	\$12,063.00	40.00	16.87	0.4133	1.0000	\$4,985.59	\$295.54
1982	30.5	\$7,057.00	40.00	16.25	0.3981	1.0000	\$2,809.59	\$172.90
1981	31.5	\$3,701,312.09	40.00	15.64	0.3832	1.0000	\$1,418,522.94	\$90,682.15
1980	32.5	\$3,087.00	40.00	15.05	0.3688	1.0000	\$1,138.35	\$75.63
1979	33.5	\$14,626.00	40.00	14.47	0.3546	1.0000	\$5,185.88	\$358.34
1978	34.5	\$16,821.00	40.00	13.91	0.3408	1.0000	\$5,731.97	\$412.11
1977	35.5	\$1,414.00	40.00	13.36	0.3273	1.0000	\$462.78	\$34.64
1975	37.5	\$12,975.00	40.00	12.30	0.3014	1.0000	\$3,911.07	\$317.89
1974	38.5	\$14,153.00	40.00	11.80	0.2891	1.0000	\$4,091.17	\$346.75
1973	39.5	\$4,096.00	40.00	11.31	0.2770	1.0000	\$1,134.76	\$100.35
1970	42.5	\$2,206.00	40.00	9.93	0.2432	1.0000	\$536.50	\$54.05
1969	43.5	\$12,870.00	40.00	9.49	0.2326	1.0000	\$2,993.91	\$315.32
1968	44.5	\$34,056.00	40.00	9.08	0.2224	1.0000	\$7,574.66	\$834.37
1967	45.5	\$6,231.00	40.00	8.68	0.2125	1.0000	\$1,324.39	\$152.66
1966	46.5	\$1,664.00	40.00	8.29	0.2030	1.0000	\$337.79	\$40.77
1963	49.5	\$481.00	40.00	7.19	0.1762	1.0000	\$84.77	\$11.78
1962	50.5	\$793.00	40.00	6.85	0.1678	1.0000	\$133.10	\$19.43
1961	51.5	\$448.00	40.00	6.52	0.1597	1.0000	\$71.57	\$10.98
1960	52.5	\$15,245.00	40.00	6.20	0.1518	1.0000	\$2,314.37	\$373.50
1959	53.5	\$6,904.00	40.00	5.88	0.1441	1.0000	\$995.08	\$169.15
1958	54.5	\$525.00	40.00	5.57	0.1365	1.0000	\$71.68	\$12.86
1957	55.5	\$147.00	40.00	5.27	0.1292	1.0000	\$18.99	\$3.60
1953	59.5	\$505.00	40.00	4.10	0.1004	1.0000	\$50.69	\$12.37
1952	60.5	\$97.00	40.00	3.80	0.0932	1.0000	\$9.04	\$2.38
1950	62.5	\$304.00	40.00	3.23	0.0791	1.0000	\$24.03	\$7.45
1949	63.5	\$1,116.00	40.00	2.94	0.0721	1.0000	\$80.49	\$27.34

**KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2012**

Account: KEPCo 101/6 390 Structures & Improvements
Dispersion: 40.00, R2.0
Average Net Salvage Rate: 2%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
				2.65	0.0650	1.0000	\$34.86	\$13.13
1948	64.5	\$536.00	40.00	1.83	0.0447	1.0000	\$19.42	\$10.63
1945	67.5	\$434.00	40.00	1.55	0.0380	1.0000	\$12.24	\$7.89
1944	68.5	\$322.00	40.00	1.04	0.0255	1.0000	\$48.03	\$46.16
1942	70.5	\$1,884.00	40.00	0.83	0.0203	1.0000	\$2.37	\$2.87
1941	71.5	\$117.00	40.00	0.61	0.0149	1.0000	\$6.39	\$10.54
1940	72.5	\$430.00	40.00	0.45	0.0110	1.0000	\$3.77	\$8.38
1939	73.5	\$342.00	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1938	74.5	\$43,738.00	40.00					
		<u>\$19,586,359.84</u>	<u>40.00</u>	<u>22.18</u>	<u>0.5435</u>	<u>1.0000</u>	<u>\$10,645,076.11</u>	<u>\$478,794.24</u>

**KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2012**

Account: KEPCo 101/6 391 Office Furniture & Equipment
Dispersion: 35.00, SQ
Average Net Salvage Rate: 0%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
		\$126,219.47	35.00	32.50	0.9286	1.0000	\$117,203.79	\$3,606.27
2010	2.5							\$104.31
2008	4.5	\$3,650.88	35.00	30.50	0.8714	1.0000	\$3,181.48	\$4,664.86
2007	5.5	\$163,270.19	35.00	29.50	0.8429	1.0000	\$137,613.45	\$753.38
2005	7.5	\$26,368.25	35.00	27.50	0.7857	1.0000	\$20,717.91	\$7,969.49
2004	8.5	\$278,932.15	35.00	26.50	0.7571	1.0000	\$211,191.49	\$10,830.96
2002	10.5	\$379,083.62	35.00	24.50	0.7000	1.0000	\$265,358.53	\$3,100.91
2001	11.5	\$108,531.78	35.00	23.50	0.6714	1.0000	\$72,871.34	\$127.66
2000	12.5	\$4,468.27	35.00	22.50	0.6429	1.0000	\$2,872.46	\$3,641.94
1999	13.5	\$127,468.00	35.00	21.50	0.6143	1.0000	\$78,301.77	\$1,571.29
1998	14.5	\$54,995.00	35.00	20.50	0.5857	1.0000	\$32,211.36	\$190.17
1994	18.5	\$6,656.00	35.00	16.50	0.4714	1.0000	\$3,137.83	
		<u>\$1,279,643.61</u>	<u>35.00</u>	<u>25.84</u>	<u>0.7385</u>	<u>1.0000</u>	<u>\$944,661.41</u>	<u>\$36,561.24</u>

**KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2012**

Account: KEPCo 101/6 392 Transportation Equipment
Dispersion: 30.00, SQ
Average Net Salvage Rate: 0%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2011	1.5	\$10,931.90	30.00	28.50	0.9500	1.0000	\$10,385.30	\$364.40
2007	5.5	\$3,835.70	30.00	24.50	0.8167	1.0000	\$3,132.49	\$127.86
		\$14,767.60	30.00	27.46	0.9154	1.0000	\$13,517.79	\$492.26

**KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2012**

Account: KEPCo 101/6 393 Stores Equipment
Dispersion: 30.00, SQ
Average Net Salvage Rate: 0%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2011	1.5	\$5,854.57	30.00	28.50	0.9500	1.0000	\$5,561.84	\$195.15
2010	2.5	\$4,830.93	30.00	27.50	0.9167	1.0000	\$4,428.35	\$161.03
2008	4.5	\$43,145.39	30.00	25.50	0.8500	1.0000	\$36,673.58	\$1,438.18
2006	6.5	\$9,819.85	30.00	23.50	0.7833	1.0000	\$7,692.22	\$327.33
2004	8.5	\$39,480.64	30.00	21.50	0.7167	1.0000	\$28,294.46	\$1,316.02
1995	17.5	\$25,233.00	30.00	12.50	0.4167	1.0000	\$10,513.75	\$841.10
1994	18.5	\$27,200.00	30.00	11.50	0.3833	1.0000	\$10,426.67	\$906.67
1992	20.5	\$4,331.00	30.00	9.50	0.3167	1.0000	\$1,371.48	\$144.37
		<u>\$159,895.38</u>	<u>30.00</u>	<u>19.69</u>	<u>0.6564</u>	<u>1.0000</u>	<u>\$104,962.35</u>	<u>\$5,329.85</u>

**KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2012**

Account: KEPCo 101/6 394 Tools, Shop & Garage Equipment
Dispersion: 30.00, SQ
Average Net Salvage Rate: -9%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
				29.50	1.0718	1.0000	\$410,475.45	\$13,914.42
2012	0.5	\$382,965.74	30.00	28.50	1.0355	1.0000	\$344,366.49	\$12,083.03
2011	1.5	\$332,560.59	30.00	27.50	0.9992	1.0000	\$42,107.33	\$1,531.18
2010	2.5	\$42,142.45	30.00	26.50	0.9628	1.0000	\$41,969.32	\$1,583.75
2009	3.5	\$43,589.39	30.00	25.50	0.9265	1.0000	\$710,435.30	\$27,860.21
2008	4.5	\$766,794.71	30.00	24.50	0.8902	1.0000	\$127,134.51	\$5,189.16
2007	5.5	\$142,821.02	30.00	23.50	0.8538	1.0000	\$25,892.28	\$1,101.80
2006	6.5	\$30,324.75	30.00	22.50	0.8175	1.0000	\$114,097.37	\$5,070.99
2005	7.5	\$139,568.65	30.00	21.50	0.7812	1.0000	\$313,519.38	\$14,582.30
2004	8.5	\$401,347.62	30.00	20.50	0.7448	1.0000	\$81,102.53	\$3,956.22
2003	9.5	\$108,886.81	30.00	19.50	0.7085	1.0000	\$6,306.02	\$323.39
2002	10.5	\$8,900.52	30.00	18.50	0.6722	1.0000	\$104,054.92	\$5,624.59
2001	11.5	\$154,805.23	30.00	17.50	0.6358	1.0000	\$133,469.59	\$7,626.83
2000	12.5	\$209,912.86	30.00	16.50	0.5995	1.0000	\$145,344.85	\$8,808.78
1999	13.5	\$242,443.45	30.00	15.50	0.5632	1.0000	\$76,263.47	\$4,920.22
1998	14.5	\$135,419.00	30.00	14.50	0.5268	1.0000	\$60,011.59	\$4,138.73
1997	15.5	\$113,910.00	30.00	13.50	0.4905	1.0000	\$13,037.00	\$965.70
1996	16.5	\$26,579.00	30.00	11.50	0.4178	1.0000	\$1,146.53	\$99.70
1994	18.5	\$2,744.00	30.00	9.50	0.3452	1.0000	\$7,394.16	\$778.33
1992	20.5	\$21,422.00	30.00	8.50	0.3088	1.0000	\$20,131.61	\$2,368.42
1991	21.5	\$65,186.00	30.00	7.50	0.2725	1.0000	\$6,298.02	\$839.74
1990	22.5	\$23,112.00	30.00					
		<u>\$3,395,435.79</u>	<u>30.00</u>	<u>22.57</u>	<u>0.8201</u>	<u>1.0000</u>	<u>\$2,784,557.72</u>	<u>\$123,367.49</u>

**KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2012**

Account: KEPCo 101/6 395 Laboratory Equipment
Dispersion: 30.00, SQ
Average Net Salvage Rate: 0%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2005	7.5	\$1,833.80	30.00	22.50	0.7500	1.0000	\$1,375.35	\$61.13
2004	8.5	\$11,433.43	30.00	21.50	0.7167	1.0000	\$8,193.96	\$381.11
2002	10.5	\$7,357.47	30.00	19.50	0.6500	1.0000	\$4,782.36	\$245.25
1999	13.5	\$3,800.00	30.00	16.50	0.5500	1.0000	\$2,090.00	\$126.67
1998	14.5	\$9,244.00	30.00	15.50	0.5167	1.0000	\$4,776.07	\$308.13
1996	16.5	\$28,363.00	30.00	13.50	0.4500	1.0000	\$12,763.35	\$945.43
1992	20.5	\$23,978.00	30.00	9.50	0.3167	1.0000	\$7,593.03	\$799.27
1991	21.5	\$31,455.00	30.00	8.50	0.2833	1.0000	\$8,912.25	\$1,048.50
1990	22.5	\$24,300.00	30.00	7.50	0.2500	1.0000	\$6,075.00	\$810.00
		<u>\$141,764.70</u>	<u>30.00</u>	<u>11.97</u>	<u>0.3990</u>	<u>1.0000</u>	<u>\$56,561.37</u>	<u>\$4,725.49</u>

**KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2012**

Account: KEPCo 101/6 396 Power Operated Equipment
Dispersion: 25.00, SQ
Average Net Salvage Rate: 0%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2002	10.5	\$5,931.29	25.00	14.50	0.5800	1.0000	\$3,440.15	\$237.25
		\$5,931.29	20.00	14.50	0.5800	1.0000	\$3,440.15	\$237.25

**KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2012**

Account: KEPCo 101/6 397 Communication Equipment
Dispersion: 22.00, SQ
Average Net Salvage Rate: 6%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
						1.0000	\$94,040.37	\$4,822.58
2012	0.5	\$102,608.15	20.00	19.50	0.9165	1.0000	\$154,565.62	\$8,354.90
2011	1.5	\$177,763.80	20.00	18.50	0.8695	1.0000	\$166,164.86	\$9,495.13
2010	2.5	\$202,024.14	20.00	17.50	0.8225	1.0000	\$79,009.71	\$4,788.47
2009	3.5	\$101,882.28	20.00	16.50	0.7755	1.0000	\$972,110.91	\$62,716.83
2008	4.5	\$1,334,400.70	20.00	15.50	0.7285	1.0000	\$127,792.77	\$8,813.29
2007	5.5	\$187,516.91	20.00	14.50	0.6815	1.0000	\$519,347.78	\$38,470.21
2006	6.5	\$818,515.02	20.00	13.50	0.6345	1.0000	\$219,615.60	\$17,569.25
2005	7.5	\$373,813.79	20.00	12.50	0.5875	1.0000	\$273,375.00	\$23,771.74
2004	8.5	\$505,781.69	20.00	11.50	0.5405	1.0000	\$182,692.90	\$17,399.32
2003	9.5	\$370,198.37	20.00	10.50	0.4935	1.0000	\$24,128.67	\$2,539.86
2002	10.5	\$54,039.58	20.00	9.50	0.4465	1.0000	\$22,206.64	\$2,612.55
2001	11.5	\$55,586.09	20.00	8.50	0.3995	1.0000	\$53,791.73	\$7,172.23
2000	12.5	\$152,600.66	20.00	7.50	0.3525	1.0000	\$6,945.78	\$1,068.58
1999	13.5	\$22,735.79	20.00	6.50	0.3055	1.0000	\$414,697.33	\$75,399.52
1998	14.5	\$1,604,245.00	20.00	5.50	0.2585	1.0000	\$13,930.24	\$3,095.61
1997	15.5	\$65,864.00	20.00	4.50	0.2115	1.0000	\$13,557.60	\$3,873.60
1996	16.5	\$82,417.00	20.00	3.50	0.1645	1.0000	\$4,744.18	\$1,897.67
1995	17.5	\$40,376.00	20.00	2.50	0.1175	1.0000	\$4,914.20	\$3,276.14
1994	18.5	\$69,705.00	20.00	1.50	0.0705	1.0000	\$1,476.43	\$2,952.87
1993	19.5	\$62,827.00	20.00	0.50	0.0235	1.0000	\$0.00	\$0.00
1992	20.5	\$89,029.00	20.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1991	21.5	\$381,669.00	20.00	0.00	0.0000	0.0000	\$0.00	\$0.00
		<u>\$6,855,598.97</u>	<u>20.00</u>	<u>10.39</u>	<u>0.4885</u>	<u>1.0000</u>	<u>\$3,349,108.32</u>	<u>\$300,090.35</u>

**KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2012**

Account: KEPCo 101/6 398 Miscellaneous Equipment
Dispersion: 20.00, SQ
Average Net Salvage Rate: -3%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2012	0.5	\$8,941.26	20.00	19.50	1.0043	1.0000	\$8,979.26	\$460.47
2011	1.5	\$31,637.78	20.00	18.50	0.9528	1.0000	\$30,142.89	\$1,629.35
2009	3.5	\$84,035.71	20.00	16.50	0.8498	1.0000	\$71,409.34	\$4,327.84
2008	4.5	\$41,951.41	20.00	15.50	0.7983	1.0000	\$33,487.71	\$2,160.50
2007	5.5	\$169,092.56	20.00	14.50	0.7468	1.0000	\$126,269.87	\$8,708.27
2006	6.5	\$59,954.48	20.00	13.50	0.6953	1.0000	\$41,683.35	\$3,087.66
2005	7.5	\$30,390.25	20.00	12.50	0.6438	1.0000	\$19,563.72	\$1,565.10
2004	8.5	\$272,496.51	20.00	11.50	0.5923	1.0000	\$161,386.06	\$14,033.57
2002	10.5	\$305,030.32	20.00	9.50	0.4893	1.0000	\$149,236.08	\$15,709.06
2001	11.5	\$15,126.03	20.00	8.50	0.4378	1.0000	\$6,621.42	\$778.99
2000	12.5	\$13,950.17	20.00	7.50	0.3863	1.0000	\$5,388.25	\$718.43
1997	15.5	\$1,166.00	20.00	4.50	0.2318	1.0000	\$270.22	\$60.05
1993	19.5	\$1,822.00	20.00	0.50	0.0258	1.0000	\$46.92	\$93.83
		<u>\$1,035,594.48</u>	<u>20.00</u>	<u>12.27</u>	<u>0.6320</u>	<u>1.0000</u>	<u>\$654,485.09</u>	<u>\$53,333.12</u>

KENTUCKY POWER COMPANY
DEPRECIATION STUDY
DECEMBER 31, 2012
GENERAL PLANT SALVAGE ANALYSIS

KENTUCKY POWER COMPANY
General Plant Net Salvage Test
December 31, 2012 Depreciation Study

Original Cost Retired by Plant Account

Year	<u>390</u>	<u>391</u>	<u>392</u>	<u>393</u>	<u>394</u>	<u>395</u>	<u>396</u>	<u>397</u>	<u>398</u>	<u>Total</u>
2000	0	15,335	0	0	2,272	5,215	0	0	0	22,822
2001	182,029	0	0	0	0	0	0	47,157	0	229,186
2002	160,071	0	0	0	0	0	0	51,409	0	211,480
2003	1,426,227	5,790	38,129	7,347	5,105	2,558	0	244,213	0	1,729,369
2004	10,330,436	3,747	0	779	3,477	3,405	0	874,410	0	11,216,254
2005	149,701	561,105	0	76,004	243,042	103,242	0	496,756	77,967	1,707,817
2006	4,747	36,455	0	2,061	81,850	19,296	0	87,741	16,572	248,722
2007	7,133	4,666	0	0	7,054	3,352	0	13,974	8,732	44,911
2008	19,618	15,821	0	14,160	75,087	19,393	0	16,506	2,038	162,623
2009	0	17,754	0	0	48,429	13,489	0	75,853	4,371	159,896
2010	25,349	141,643	5,819	792	69,679	51,612	0	73,742	49,620	418,256
2011	1,916	0	0	0	8,923	55,513	0	149,769	2,110	218,231
2012	675,528	0	0	0	0	0	0	213,323	7,239	896,090
TOTAL	12,982,755	802,316	43,948	101,143	544,918	277,075	0	2,344,853	168,649	17,265,657
Total 2000 to 2012 After Adjustments	<u>915,104</u>	<u>802,316</u>	<u>43,948</u>	<u>101,143</u>	<u>544,918</u>	<u>277,075</u>	<u>0</u>	<u>1,236,433</u>	<u>168,649</u>	<u>4,089,586</u>

EVALUATION BASED ON 2000-2011 ACTUAL

	<u>390</u>	<u>391</u>	<u>392</u>	<u>393</u>	<u>394</u>	<u>395</u>	<u>396</u>	<u>397</u>	<u>398</u>	<u>Total</u>
Total Retmnts	915,104	802,316	43,948	101,143	544,918	277,075	0	1,236,433	168,649	3,920,937
Net Salvage, %	2%	0%	0%	0%	-9%	0%	0%	6%	-3%	

KENTUCKY POWER COMPANY
General Plant Gross Removal Test
December 31, 2012 Depreciation Study

Original Cost Retired by Plant Account

Year	<u>390</u>	<u>391</u>	<u>392</u>	<u>393</u>	<u>394</u>	<u>395</u>	<u>396</u>	<u>397</u>	<u>398</u>	<u>Total</u>
2000	0	15,335	0	0	2,272	5,215	0	0	0	22,822
2001	182,029	0	0	0	0	0	0	47,157	0	229,186
2002	160,071	0	0	0	0	0	0	51,409	0	211,480
2003	1,426,227	5,790	38,129	7,347	5,105	2,558	0	244,213	0	1,729,369
2004	10,330,436	3,747	0	779	3,477	3,405	0	874,410	0	11,216,254
2005	149,701	561,105	0	76,004	243,042	103,242	0	496,756	77,967	1,707,817
2006	4,747	36,455	0	2,061	81,850	19,296	0	87,741	16,572	248,722
2007	7,133	4,666	0	0	7,054	3,352	0	13,974	8,732	44,911
2008	19,618	15,821	0	14,160	75,087	19,393	0	16,506	2,038	162,623
2009	0	17,754	0	0	48,429	13,489	0	75,853	4,371	159,896
2010	25,349	141,643	5,819	792	69,679	51,612	0	73,742	49,620	418,256
2011	1,916	0	0	0	8,923	55,513	0	149,769	2,110	218,231
2012	<u>675,528</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>213,323</u>	<u>7,239</u>	<u>896,090</u>
TOTAL	<u>12,982,755</u>	<u>802,316</u>	<u>43,948</u>	<u>101,143</u>	<u>544,918</u>	<u>277,075</u>	<u>0</u>	<u>2,344,853</u>	<u>168,649</u>	<u>17,265,657</u>
Total 2000 to 2012 After Adjustments	<u>915,104</u>	<u>802,316</u>	<u>43,948</u>	<u>101,143</u>	<u>544,918</u>	<u>277,075</u>	<u>0</u>	<u>1,236,433</u>	<u>168,649</u>	<u>4,089,586</u>

EVALUATION BASED ON 2000-2011 ACTUAL

	<u>390</u>	<u>391</u>	<u>392</u>	<u>393</u>	<u>394</u>	<u>395</u>	<u>396</u>	<u>397</u>	<u>398</u>	<u>Total</u>
Total Retmnts	915,104	802,316	43,948	101,143	544,918	277,075	0	1,236,433	168,649	3,920,937
Gross Removal, %	16%	0%	0%	0%	9%	0%	0%	7%	3%	

KENTUCKY POWER COMPANY
General Plant Gross Salvage Test
December 31, 2012 Depreciation Study

Original Cost Retired by Plant Account

Year	<u>390</u>	<u>391</u>	<u>392</u>	<u>393</u>	<u>394</u>	<u>395</u>	<u>396</u>	<u>397</u>	<u>398</u>	<u>Total</u>
2000	0	15,335	0	0	2,272	5,215	0	0	0	22,822
2001	182,029	0	0	0	0	0	0	47,157	0	229,186
2002	160,071	0	0	0	0	0	0	51,409	0	211,480
2003	1,426,227	5,790	38,129	7,347	5,105	2,558	0	244,213	0	1,729,369
2004	10,330,436	3,747	0	779	3,477	3,405	0	874,410	0	11,216,254
2005	149,701	561,105	0	76,004	243,042	103,242	0	496,756	77,967	1,707,817
2006	4,747	36,455	0	2,061	81,850	19,296	0	87,741	16,572	248,722
2007	7,133	4,666	0	0	7,054	3,352	0	13,974	8,732	44,911
2008	19,618	15,821	0	14,160	75,087	19,393	0	16,506	2,038	162,623
2009	0	17,754	0	0	48,429	13,489	0	75,853	4,371	159,896
2010	25,349	141,643	5,819	792	69,679	51,612	0	73,742	49,620	418,256
2011	1,916	0	0	0	8,923	55,513	0	149,769	2,110	218,231
2012	<u>675,528</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>213,323</u>	<u>7,239</u>	<u>896,090</u>
TOTAL	<u>12,982,755</u>	<u>802,316</u>	<u>43,948</u>	<u>101,143</u>	<u>544,918</u>	<u>277,075</u>	<u>0</u>	<u>2,344,853</u>	<u>168,649</u>	<u>17,265,657</u>
Total 2000 to 2012 After Adjustments	<u>915,104</u>	<u>802,316</u>	<u>43,948</u>	<u>101,143</u>	<u>544,918</u>	<u>277,075</u>	<u>0</u>	<u>1,236,433</u>	<u>168,649</u>	<u>4,089,586</u>

EVALUATION BASED ON 2000-2011 ACTUAL

	<u>390</u>	<u>391</u>	<u>392</u>	<u>393</u>	<u>394</u>	<u>395</u>	<u>396</u>	<u>397</u>	<u>398</u>	<u>Total</u>
Total Retmts	915,104	802,316	43,948	101,143	544,918	277,075	0	1,236,433	168,649	3,920,937
Gross Salvage, %	18%	0%	0%	0%	0%	0%	0%	13%	0%	

Kentucky Power Company
Depreciation Study at December 31, 2012
General Plant Removal and Salvage by Account
From CPR Transaction Archive
Years 2000 to 2012

<u>Account</u>	<u>Removal</u>	<u>Salvage</u>
390	\$149,396	\$164,702
391	\$0	\$0
392	\$0	\$0
393	\$0	\$0
394	\$47,312	\$0
395	\$0	\$0
396	\$0	\$0
397	\$81,526	\$158,233
398	<u>\$5,477</u>	<u>\$0</u>
	\$283,711	\$322,935

Taken from PowerPlant's CPR Transaction Archive
after adjustments.

Kentucky Power Company
Adjustments to General Plant Salvage and Removal
December 31, 2011 Depreciation Study

Account	Work Order #	WO Description	Original Cost Amount	Removal Amount	Salvage Amount	Comments
390	W0009397	Sale of Ashland Office Building	\$10,328,436	-\$1,212,060	\$0	Sale of Building - unusual transaction, exclude
390	03500337	Sale of Pikeville Office Building	\$1,258,275	-\$548,391	\$0	Sale of Building - unusual transaction, exclude
390	03345521	Sale of West Liberty Office Building	\$158,502	-\$221,216	-\$113,932	Sale of Building - unusual transaction, exclude
390	030500041	Sale of Prestonsburg Office Building	\$176,506	-\$202,115	-\$51,510	Sale of Building - unusual transaction, exclude
390	W0013254	Sale of Hazard Office Building	<u>\$145,932</u>	<u>-\$180,660</u>	<u>\$0</u>	Sale of Building - unusual transaction, exclude
		Total Account 390 Adjustments	\$12,067,651	-\$2,364,442	-\$165,442	
397	W0009397	Sale of Ashland Office Building	\$230,291	-\$100,367	\$0	Sale of Building - unusual transaction, exclude
397	03500337	Sale of Pikeville Office Building	<u>\$878,129</u>	<u>-\$102,613</u>	<u>\$0</u>	Sale of Building - unusual transaction, exclude
		Total Account 397 Adjustments	\$1,108,420	-\$202,980	\$0	

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
DEPRECIATION STUDY WORKPAPERS
GENERAL PLANT
AVERAGE AGE OF SURVIVING PLANT

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

GENERAL PLANT, Account 389, Land Rights

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1979	3,899	33.5	130,617	
1984	678	28.5	19,323	
1985	1,227	27.5	33,743	
1986	22,442	26.5	594,713	
2003	<u>9,138</u>	9.5	<u>86,810</u>	
	37,384		865,206	23.14

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

GENERAL PLANT, Account 390 Structures & Improvements

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1938	43,738	74.5	3,258,481	
1939	342	73.5	25,137	
1940	430	72.5	31,175	
1941	117	71.5	8,366	
1942	82	70.5	5,781	
1942	1,802	70.5	127,041	
1944	322	68.5	22,057	
1944	434	67.5	29,295	
1945	536	64.5	34,572	
1948	1,116	63.5	70,866	
1949	304	62.5	19,000	
1950	97	60.5	5,869	
1952	505	59.5	30,048	
1953	147	55.5	8,159	
1957	525	54.5	28,613	
1958	6,904	53.5	369,364	
1959	5,880	52.5	308,700	
1960	9,365	52.5	491,663	
1960	448	51.5	23,072	
1961	291	50.5	14,696	
1962	502	50.5	25,351	
1962	481	49.5	23,810	
1963	424	46.5	19,716	
1966	1,240	46.5	57,660	
1966	6,231	45.5	283,511	
1967	34,056	44.5	1,515,492	
1968	12,870	43.5	559,845	
1969	949	42.5	40,333	
1970	1,257	42.5	53,423	
1970	4,096	39.5	161,792	
1973	14,153	38.5	544,891	
1974	12,975	37.5	486,563	
1975	1,414	35.5	50,197	
1977	16,821	34.5	580,325	
1978	14,626	33.5	489,971	
1979	3,087	32.5	100,328	
1980	3,701,312	31.5	116,591,331	
1981	1,892	30.5	57,706	
1982	5,165	30.5	157,533	
1982	12,063	29.5	355,859	
1983	2,504	27.5	68,860	
1985				

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

GENERAL PLANT, Account 390 Structures & Improvements

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1986	12,571	26.5	333,132	
1987	5,328	25.5	135,864	
1989	1,136	23.5	26,696	
1990	11,262,206	22.5	253,399,641	
1991	364,750	21.5	7,842,120	
1992	135,823	20.5	2,784,372	
1993	11,345	19.5	221,228	
1994	29,461	18.5	545,029	
1995	479,145	17.5	8,385,036	
1996	1,090,016	16.5	17,985,258	
1997	314,524	15.5	4,875,122	
1998	64,605	14.5	936,779	
2000	392,140	12.5	4,901,755	
2001	11,475	11.5	131,962	
2002	4,456	10.5	46,791	
2004	5,707	8.5	48,511	
2005	9,055	7.5	67,911	
2006	66,864	6.5	434,615	
2007	34,243	5.5	188,337	
2008	130,375	4.5	586,685	
2009	50,612	3.5	177,144	
2011	1,129,526	1.5	1,694,289	
2012	<u>59,494</u>	0.5	<u>29,747</u>	
	19,586,360		432,914,476	22.10

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

GENERAL PLANT, Account 391 Office Furniture & Equipment

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1994	6,656	18.5	123,136	
1998	54,995	14.5	797,428	
1999	127,468	13.5	1,720,818	
2000	4,468	12.5	55,853	
2001	108,532	11.5	1,248,115	
2002	379,084	10.5	3,980,378	
2004	278,932	8.5	2,370,923	
2005	26,368	7.5	197,762	
2007	163,270	5.5	897,986	
2008	3,651	4.5	16,429	
2010	<u>126,219</u>	2.5	<u>315,549</u>	
	1,279,644		11,724,377	9.16

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

GENERAL PLANT, Account 392 Transportation Equipment

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
2007	3,836	5.5	21,096	
2011	<u>10,932</u>	1.5	<u>16,398</u>	
	14,768		37,494	2.54

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

GENERAL PLANT, Account 393 Stores Equipment

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1992	4,331	20.5	88,786	
1994	27,200	18.5	503,200	
1995	25,233	17.5	441,578	
2004	39,481	8.5	335,585	
2006	9,820	6.5	63,829	
2008	43,145	4.5	194,154	
2010	4,831	2.5	12,077	
2011	<u>5,855</u>	1.5	<u>8,782</u>	
	159,895		1,647,991	10.31

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

GENERAL PLANT, Account 394, Tools, Shop & Garage Equipment

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1990	23,112	22.5	520,020	
1991	65,186	21.5	1,401,499	
1992	21,422	20.5	439,151	
1994	2,744	18.5	50,764	
1996	26,579	16.5	438,554	
1997	113,910	15.5	1,765,605	
1998	135,419	14.5	1,963,576	
1999	242,443	13.5	3,272,987	
2000	209,913	12.5	2,623,911	
2001	154,805	11.5	1,780,260	
2002	8,901	10.5	93,455	
2003	108,887	9.5	1,034,425	
2004	401,348	8.5	3,411,455	
2005	139,569	7.5	1,046,765	
2006	30,325	6.5	197,111	
2007	142,821	5.5	785,516	
2008	766,795	4.5	3,450,576	
2009	43,589	3.5	152,563	
2010	42,142	2.5	105,356	
2011	332,561	1.5	498,841	
2012	<u>382,966</u>	0.5	<u>191,483</u>	
	3,395,436		25,223,873	7.43

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

GENERAL PLANT, Account 395, Laboratory Equipment

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1990	24,300	22.5	546,750	
1991	31,455	21.5	676,283	
1992	23,978	20.5	491,549	
1996	28,363	16.5	467,990	
1998	9,244	14.5	134,038	
1999	3,800	13.5	51,300	
2002	7,357	10.5	77,253	
2004	11,433	8.5	97,184	
2005	<u>1,834</u>	7.5	<u>13,754</u>	
	141,765		2,556,101	18.03

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

GENERAL PLANT, Account 396, Power Operated Equipment

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
2002	<u>5,931</u>	10.5	<u>62,279</u>	
	5,931		62,279	10.50

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

GENERAL PLANT, Account 397, Communication Equipment

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1991	381,669	21.5	8,205,884	
1992	89,029	20.5	1,825,095	
1993	62,827	19.5	1,225,127	
1994	69,705	18.5	1,289,543	
1995	40,376	17.5	706,580	
1996	82,417	16.5	1,359,881	
1997	65,864	15.5	1,020,892	
1998	1,604,245	14.5	23,261,553	
1999	22,736	13.5	306,933	
2000	152,601	12.5	1,907,508	
2001	55,586	11.5	639,240	
2002	54,040	10.5	567,416	
2003	370,198	9.5	3,516,885	
2004	505,782	8.5	4,299,144	
2005	373,814	7.5	2,803,603	
2006	818,515	6.5	5,320,348	
2007	187,517	5.5	1,031,343	
2008	1,334,401	4.5	6,004,803	
2009	101,882	3.5	356,588	
2010	202,024	2.5	505,060	
2011	177,764	1.5	266,646	
2012	<u>102,608</u>	0.5	<u>51,304</u>	
	6,855,599		66,471,376	9.70

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

GENERAL PLANT, Account 398, Miscellaneous Equipment

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1993	1,822	19.5	35,529	
1997	1,166	15.5	18,073	
2000	13,950	12.5	174,377	
2001	15,126	11.5	173,949	
2002	305,030	10.5	3,202,818	
2004	272,497	8.5	2,316,220	
2005	30,390	7.5	227,927	
2006	59,954	6.5	389,704	
2007	169,093	5.5	930,009	
2008	41,951	4.5	188,781	
2009	84,036	3.5	294,125	
2011	31,638	1.5	47,457	
2012	<u>8,941</u>	0.5	<u>4,471</u>	
	1,035,594		8,003,440	7.73

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2012
DEPRECIATION STUDY WORKPAPERS
ACCRUAL REPORT
GENERAL PLANT

**KENTUCKY POWER COMPANY
REMAINING LIFE DEPRECIATION ACCRUAL
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

Account 389, Land Rights

**Dispersion: 75.00 - R4.0
Average Net Salvage Rate: 0%**

Plant Amount	Accum. Depreciation	Theoretical Reserve	Remaining Life	Accrual Rate %
37,384	6,763	11,415	52.10	1.57
Net Plant		30,621		
Calculated Net Plant		25,969		

**KENTUCKY POWER COMPANY
REMAINING LIFE DEPRECIATION ACCRUAL
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

Account 390, Structures and Improvements

**Dispersion: 40.00 - R2.0
Average Net Salvage Rate: 2%**

Plant Amount	Accum. Depreciation	Theoretical Reserve	Remaining Life	Accrual Rate %
19,586,360	5,065,562	8,549,557	22.18	3.25
Net Plant		14,520,798		
Calculated Net Plant		11,036,803		

**KENTUCKY POWER COMPANY
REMAINING LIFE DEPRECIATION ACCRUAL
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

Account 391, Office Furniture and Equipment

**Dispersion: 35.00 - SQ
Average Net Salvage Rate: 0%**

Plant Amount	Accum. Depreciation	Theoretical Reserve	Remaining Life	Accrual Rate %
1,279,644	198,475	334,982	25.84	3.27
Net Plant		1,081,169		
Calculated Net Plant		944,662		

**KENTUCKY POWER COMPANY
REMAINING LIFE DEPRECIATION ACCRUAL
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

Account 392 Transportation Equipment

**Dispersion: 30.00 - SQ
Average Net Salvage Rate: 0%**

Plant Amount	Accum. Depreciation	Theoretical Reserve	Remaining Life	Accrual Rate %
14,768	741	1,250	27.46	3.46
Net Plant		14,027		
Calculated Net Plant		13,518		

**KENTUCKY POWER COMPANY
REMAINING LIFE DEPRECIATION ACCRUAL
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

Account 393 Stores Equipment

Dispersion: 30.00 - SQ

Average Net Salvage Rate: 0%

Plant Amount	Accum. Depreciation	Theoretical Reserve	Remaining Life	Accrual Rate %
159,895	32,547	54,933	19.69	4.04
Net Plant		127,348		
Calculated Net Plant		104,962		

**KENTUCKY POWER COMPANY
REMAINING LIFE DEPRECIATION ACCRUAL
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

Account 394, Tools, Shop and Garage Equipment

**Dispersion: 30.00 - SQ
Average Net Salvage Rate: -9%**

Plant Amount	Accum. Depreciation	Theoretical Reserve	Remaining Life	Accrual Rate %
3,395,436	543,001	916,467	22.57	4.12
Net Plant		2,852,435		
Calculated Net Plant		2,478,969		

**KENTUCKY POWER COMPANY
REMAINING LIFE DEPRECIATION ACCRUAL
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

Account 395, Laboratory Equipment

**Dispersion: 30.00 - SQ
Average Net Salvage Rate: 0%**

Plant Amount	Accum. Depreciation	Theoretical Reserve	Remaining Life	Accrual Rate %
141,765	50,482	85,203	11.97	5.38
Net Plant			91,283	
Calculated Net Plant			56,562	

**KENTUCKY POWER COMPANY
REMAINING LIFE DEPRECIATION ACCRUAL
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

Account 396, Power Operated Equipment

Dispersion: 25.00 - SQ

Average Net Salvage Rate: 0%

Plant Amount	Accum. Depreciation	Theoretical Reserve	Remaining Life	Accrual Rate %
5,931	1,476	2,491	14.50	5.18
Net Plant		4,455		
Calculated Net Plant		3,440		

**KENTUCKY POWER COMPANY
REMAINING LIFE DEPRECIATION ACCRUAL
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

Account 397, Communication Equipment

Dispersion: 20.00 - SQ

Average Net Salvage Rate: 6%

Plant Amount	Accum. Depreciation	Theoretical Reserve	Remaining Life	Accrual Rate %
6,855,599	1,833,861	3,095,155	10.39	6.47
Net Plant		5,021,738		
Calculated Net Plant		3,760,444		

**KENTUCKY POWER COMPANY
REMAINING LIFE DEPRECIATION ACCRUAL
DEPRECIATION STUDY AS OF DECEMBER 31, 2012**

Account 398 Miscellaneous

**Dispersion: 20.00 - SQ
Average Net Salvage Rate: -3%**

Plant Amount	Accum. Depreciation	Theoretical Reserve	Remaining Life	Accrual Rate %
1,035,594	244,213	412,177	12.27	6.47
Net Plant		791,381		
Calculated Net Plant		623,417		