

**Kentucky Power
d/b/a
American Electric Power**

REQUEST

Refer to page 11 of the AEP System Pool invoice for the expense month of March 2005.

- a. Is it correct that the market value of allowances consumed for off-system sales is reflected in column (1) and noted in footnote (1) as \$657.04? If not, then please explain the amounts reflected in column (1), how they are computed, and the relationship of footnote (1) to the amounts in column (1).
- b. Is it correct that the SO₂ cost of the allowances consumed for off-system sales is reflected in column (2) and noted in footnote (2) as \$50.76 for Kentucky Power Company? If not, then please explain the amounts reflected in column (2), how they are computed, and the relationship of footnote (2) to the amounts in column (2).
- c. Is it correct that the "SO₂ Adjustment" reflected in column (3) in the amount of \$698,302 reflects the margin on the allowances consumed for off-system sales allocated to Kentucky Power Company?
- d. Please explain how the Company reflects the margins, defined as the market value less the cost, of the allowances consumed for off-system sales allocated to Kentucky Power Company in accordance with the provisions of paragraph 4.3 of the Interim Allowance Agreement are reflected in the Company's monthly ECR filings.
- e. If the Company has not reflected the margins on allowances consumed for off-system sales allocated to Kentucky Power Company in accordance with the provision of paragraph 4.3 of the Interim Allowance Agreement in the Company's monthly ECR filings, then please explain why it has not. Cite all authorities relied on for the Company's position.
- f. Please provide quantification by month for the period January 2004 through the most recent month available of the margins on allowances consumed for off-system sales allocated to Kentucky Power Company in accordance with the provisions of paragraph 4.3 of the Interim Allowance Agreement.

g. Please provide a quantification by month for the period January 2004 through the most recent month available of the margins on allowances consumed for off-system sales allocated to Kentucky Power Company in accordance with the provisions of paragraph 4.3 of the Interim Allowance Agreement that were included as a reduction of the ECR revenue requirement in the Company's ECR filings during those months (total Company and Kentucky retail), if any.

RESPONSE

a. Yes.

b. Yes.

c. No, the statement is incorrect. The column (3) amounts reflect the adjustment from allowances at market price to allowances at cost for the MWH produced by each of the Member Companies for off-system sales. Column (3) is used to adjust the cost of off-system sales in column (7).

d. Please refer to the Company's response to KIUC 2-13.

e. Not applicable.

f. Please refer to KIUC 2-14 Attachment I for the market price/cost adjustment for allowances consumed for off-system sales.

g. Please refer to the Company's response to KIUC 2-14 (f).

WITNESS: Errol K Wagner

**Kentucky Power
d/b/a
American Electric Power**

REQUEST

Refer to the Company's response to KIUC 1-39, which is requested below:

Please provide the revenues, costs, and margins on all sales of emission allowances awarded or purchased by the Company and the sale of those awarded to or purchased by the surplus companies under the Interconnection Agreement and AEGCO under the Rockport UPA. Provide this information by source (Company, Interconnection Agreement, UPA), type of allowance for each of the most recent 18 expense months, and type of purchaser (other member companies, other affiliates, and unaffiliated third parties).

The Company's response was that "the ECR filings clearly show how the sale of emission allowances are handled." The ECR filings do not include the level of detail requested. Please provide the information requested.

RESPONSE

Attached as Exhibit KIUC 2-15 are the revenues, costs and margins on all sales and purchases and awards of emission allowances for Kentucky Power Company (KPCo) and the surplus companies (I&M and Ohio Power). The allowances associated with the KPCo's share from AEGCo under the Rockport UPA are included in the KPCo totals. An adjustment was made in January 2004 for KPCo to account for vintage year 2033 SO2 allowances omitted from the new allowance management system at that time. These allowances will be added to the system this month and an additional entry will be made to offset the initial adjustment.

WITNESS: Errol K Wagner

Kentucky Power Company
 Summary of Emission Allowances Sales, Purchases and Awards
 January 2004 - April 2005

Month	Activity Type	Number of Allowances by Type		Cost	Revenue	Margin on sales of Emissions
		SO2	Nox			
Jan-04	3rd Party Purchase Adjustment	6,449 (34,941)		1,385,056.00		
Feb-04	N/A					
Mar-04	3rd Party Purchase EPA Auction 3rd Party Sale	2,146 14,065 (703)		576,184.00 2,589,186.00 49,561.00	193,887.00	144,326.00
Apr-04	3rd Party Purchase 3rd Party Sale	1,585 (704)		405,760.00 49,632.00	193,283.00	143,651.00
May-04	N/A					
Jun-04	EPA Issued		10,094	-		
Jul-04	3rd Party Purchase EPA Issued	1,266		461,457.00 -		
Aug-04	EPA Issued 3rd Party Sale	34,945	(250)	- -	557,500.00	557,500.00
Sep-04	N/A					
Oct-04	3rd Party Sale		(200)	-	441,000.00	441,000.00
Nov-04	N/A					
Dec-04	Gavin Reallocation 3rd Party Purchase P&E Transfers out Intercompany Sales 3rd Party Sale	5,932 4,729 (1,313) (3,857) (3,603)		- 1,151,064.00 94,556.00 277,754.00 259,463.00	94,553.00 1,098,859.00 817,881.00	- 821,105.00 558,418.00
Jan-05	3rd Party Purchase	1,508		1,048,814.00		
Feb-05	N/A					
Mar-05	N/A					
Apr-05	EPA Auction 3rd Party Sale	4,468	(50)	1,363,024.00 -	154,500.00	154,500.00
		31,972	13,443	9,711,511	3,551,463	2,820,500

KIUC 2-15

Indiana Michigan Power Company
 Summary of Emission Allowances Sales, Purchases and Awards
 January 2004 - April 2005

Month	Activity Type	Number of Allowances by Type		Cost	Revenue	Margin on sales of Emissions
		SO2	Nox			
Jan-04	3rd Party Purchase Adjustment	17,767 (81,376)		3,825,663.00		
Feb-04	N/A					
Mar-04	3rd Party Purchase EPA Auction 3rd Party Sale	6,160 40,378 (2,019)		1,653,923.00 7,432,927.00 132,680.00	556,841.00	424,161.00
Apr-04	3rd Party Purchase 3rd Party Sale	4,555 (2,020)		1,166,080.00 132,918.00	554,591.00	421,673.00
May-04	N/A					
Jun-04	EPA Issued		26,544			
Jul-04	3rd Party Purchase 3rd Party Purchase EPA Issued	3,636		1,325,322.00 1,712,500.00		
Aug-04	EPA Issued	81,376				
Sep-04	N/A					
Oct-04	N/A					
Nov-04	N/A					
Dec-04	3rd Party Purchase P&E Transfers in Intercompany Sales 3rd Party Sale	12,962 4,714 (34,769) (9,876)		3,156,408.00 268,123.00 2,654,860.00 754,103.00	9,905,688.00 2,241,852.00	7,250,828.00 1,487,749.00
Jan-05	3rd Party Purchase	3,780		2,628,990.00		
Feb-05	N/A					
Mar-05	3rd Party Purchase		754	1,698,513.00		
Apr-05	EPA Auction 3rd Party Purchase	10,741		3,276,962.00 321,000.00		
		56,009	52,472	32,140,972	13,258,972	9,584,411

Ohio Power Company
 Summary of Emission Allowances Sales, Purchases and Awards
 January 2004 - April 2005

Month	Activity Type	Number of Allowances by Type		Cost	Revenue	Margin on sales of Emissions
		SO2	Nox			
Jan-04	3rd Party Purchase Adjustment	21,440 (230,864)		4,616,597.00		
Feb-04	N/A					
Mar-04	3rd Party Purchase EPA Auction 3rd Party Sale	7,433 48,733 (2,437)		1,995,724.00 8,970,908.00 160,093.00	672,125.00	512,032.00
Apr-04	3rd Party Purchase 3rd Party Sale	5,495 (2,437)		1,406,720.00 159,817.00	669,078.00	509,261.00
May-04	N/A					
Jun-04	EPA Issued		36,329			
Jul-04	3rd Party Purchase EPA Issued	4,942		1,684,212.00		
Aug-04	EPA Issued 3rd Party Sale	230,864	(1,950)	-	4,593,250.00	4,593,250.00
Sep-04	3rd Party Purchase 3rd Party Sale	822	(1,300)	144,270.00 -	2,846,500.00	2,846,500.00
Oct-04	N/A					
Nov-04	N/A					
Dec-04	Gavin Reallocation 3rd Party Purchase P&E Transfers in Intercompany Purchase 3rd Party Sale	(88,622) 16,187 72,188 107,723 (12,334)		16,569,197.00 3,941,790.00 4,105,913.00 33,684,655.00 2,306,024.00	-	(16,569,197.00)
Jan-05	3rd Party Purchase	4,720		2,058,341.00		
Feb-05	N/A					
Mar-05	3rd Party Purchase		2,722	6,131,729.00		
Apr-05	EPA Auction	13,413		4,092,203.00		
		197,266	42,936	92,028,193	11,580,771	(7,614,360)

Kentucky Power
d/b/a
American Electric Power

REQUEST

Please provide the workpaper and source document support for ES Form 3.11 and ES Form 3.12 for the months January 2004 through the most recent month available.

RESPONSE

The workpaper and source document that support the information contained on ES Form 3.11 and ES Form 3.12 for the months January 2004 through April 2005 are attached.

WITNESS: Errol K. Wagner

Allowance Management System Compliance Inventory Analysis Data For the Month Ended Jan, 2004

Allowance Type: S2
 Kentucky Power Company
 For All Vintage Years

Available Allowance Inventory

	QUANTITY	AMOUNT	UNIT COST
Beginning Balance	1,109,093	10,936,953	9.86
Original Issuance	--	--	--
Internal Purchases	--	--	--
External Purchases	6,449	1,385,056	214.77
Power Sale/Coal Contracts	--	--	--
Hedging Benefits	--	--	--
Other Acquisitions	--	--	--
Swaps & Loans	--	--	--
Total Acquisitions	6,449	1,385,056	214.77
Subtotal Before Issues	1,115,542	12,322,009	11.05
Internal Sales	--	--	
External Sales	--	--	
Power/Coal Contracts	--	--	
Surrenders	--	--	
Hedging Costs	--	--	
Other Issuances	--	--	
Swaps & Loans	--	--	
Total Issuances	0	0	
Consumption	5,760	287,354	49.89
Gain / Loss		0	
Ending Balance	1,109,782	12,034,655	10.84

Withheld Allowance Inventory

Beginning Balance	26,614	0
Withheld Acquisitions	--	--
Withheld Sales / Issuances	--	--
Withheld Ending Balance	26,614	0

Allowance Management System Compliance Inventory Analysis Data For the Month Ended Feb, 2004

**Allowance Type: S2
 Kentucky Power Company
 For All Vintage Years**

Available Allowance Inventory

	QUANTITY	AMOUNT	UNIT COST
Beginning Balance	1,109,782	12,034,655	10.84
Original Issuance	--	--	--
Internal Purchases	--	--	--
External Purchases	--	--	--
Power Sale/Coal Contracts	--	--	--
Hedging Benefits			
Other Acquisitions	--	--	--
Swaps & Loans	--	--	--
Total Acquisitions			
Subtotal Before Issues	1,109,782	12,034,655	10.84
Internal Sales	--	--	
External Sales	--	--	
Power/Coal Contracts	--	--	
Surrenders	--	--	
Hedging Costs			
Other Issuances	--	--	
Swaps & Loans	--	--	
Total Issuances	0	0	
Consumption	7,081	353,256	49.89
Gain / Loss		--	
Ending Balance	1,102,701	11,681,398	10.59

Withheld Allowance Inventory

Beginning Balance	26,614	0
Withheld Acquisitions	--	--
Withheld Sales / Issuances	--	--
Withheld Ending Balance	26,614	0

Allowance Management System Compliance Inventory Analysis Data For the Month Ended Mar, 2004

Allowance Type: S2
 Kentucky Power Company
 For All Vintage Years

Available Allowance Inventory

	QUANTITY	AMOUNT	UNIT COST
Beginning Balance	1,102,701	11,681,398	10.59
Original Issuance	--	--	--
Internal Purchases	--	--	--
External Purchases	16,211	3,165,370	195.26
Power Sale/Coal Contracts	--	--	--
Hedging Benefits	--	--	--
Other Acquisitions	--	--	--
Swaps & Loans	--	--	--
Total Acquisitions			
Subtotal Before Issues	1,118,912	14,846,768	13.27
Internal Sales	--	--	
External Sales	703	49,561	
Power/Coal Contracts	--	--	
Surrenders	--	--	
Hedging Costs	--	--	
Other Issuances	--	--	
Swaps & Loans	--	--	
Total Issuances	703	49,561	
Consumption	3,991	281,365	70.50
Gain / Loss		--	
Ending Balance	1,114,218	14,515,842	13.03

Withheld Allowance Inventory

Beginning Balance	26,614	0
Withheld Acquisitions	--	--
Withheld Sales / Issuances	--	--
Withheld Ending Balance	26,614	0

Allowance Management System Compliance Inventory Analysis Data For the Month Ended Apr, 2004

Allowance Type: S2
Kentucky Power Company
For All Vintage Years

Available Allowance Inventory

	QUANTITY	AMOUNT	UNIT COST
Beginning Balance	1,114,218	14,515,842	13.03
Original Issuance	--	--	--
Internal Purchases	--	--	--
External Purchases	1,585	405,760	256.00
Power Sale/Coal Contracts	--	--	--
Hedging Benefits	--	--	--
Other Acquisitions	--	--	--
Swaps & Loans	--	--	--
Total Acquisitions			
Subtotal Before Issues	1,115,803	14,921,602	13.37
Internal Sales	--	--	
External Sales	704	49,632	
Power/Coal Contracts	--	--	
Surrenders	--	--	
Hedging Costs	--	--	
Other Issuances	--	--	
Swaps & Loans	--	--	
Total Issuances	704	49,632	
Consumption	3,473	244,846	70.50
Gain / Loss		--	
Ending Balance	1,111,626	14,627,125	13.16

Withheld Allowance Inventory

Beginning Balance	26,614	0
Withheld Acquisitions	--	--
Withheld Sales / Issuances	--	--
Withheld Ending Balance	26,614	0

Allowance Management System Compliance Inventory Analysis Data For the Month Ended Apr, 2004

Allowance Type: NX
Kentucky Power Company
For All Vintage Years

Available Allowance Inventory

	QUANTITY	AMOUNT	UNIT COST
Beginning Balance	0	0	0.00
Original Issuance	--	--	--
Internal Purchases	--	--	--
External Purchases	--	--	--
Power Sale/Coal Contracts	--	--	--
Hedging Benefits			
Other Acquisitions	--	--	--
Swaps & Loans	--	--	--
Total Acquisitions			
Subtotal Before Issues	0	0	0.00
Internal Sales	--	--	
External Sales	--	--	
Power/Coal Contracts	--	--	
Surrenders	--	--	
Hedging Costs			
Other Issuances	--	--	
Swaps & Loans	--	--	
Total Issuances	--	--	
Consumption	--	--	-
Gain / Loss		--	
Ending Balance	0	0	0.00

Withheld Allowance Inventory

Beginning Balance	0	0
Withheld Acquisitions	-	-
Withheld Sales / Issuances	--	--
Withheld Ending Balance	0	0

Allowance Management System Compliance Inventory Analysis Data For the Month Ended May, 2004

**Allowance Type: S2
 Kentucky Power Company
 For All Vintage Years**

Available Allowance Inventory

	QUANTITY	AMOUNT	UNIT COST
Beginning Balance	1,111,626	14,627,125	13.16
Original Issuance	--	--	--
Internal Purchases	--	--	--
External Purchases	--	--	--
Power Sale/Coal Contracts	--	--	--
Hedging Benefits	--	--	--
Other Acquisitions	--	--	--
Swaps & Loans	--	--	--
Total Acquisitions			
Subtotal Before Issues	1,111,626	14,627,125	13.16
Internal Sales	--	--	
External Sales	--	--	
Power/Coal Contracts	--	--	
Surrenders	--	--	
Hedging Costs	--	--	
Other Issuances	--	--	
Swaps & Loans	--	--	
Total Issuances	0	0	
Consumption	4,328	305,123	70.50
Gain / Loss		--	
Ending Balance	1,107,298	14,322,002	12.93

Withheld Allowance Inventory

Beginning Balance	26,614	0
Withheld Acquisitions	--	--
Withheld Sales / Issuances	1,012	0
Withheld Ending Balance	25,602	0

Allowance Management System
Compliance Inventory Analysis Data
 For the Month Ended May, 2004

Allowance Type: NX
Kentucky Power Company
For All Vintage Years

Available Allowance Inventory

	QUANTITY	AMOUNT	UNIT COST
Beginning Balance	0	0	0.00
Subtotal Before Issues	0	0	0.00
Ending Balance	0	0	0.00

Withheld Allowance Inventory

Beginning Balance	0	0
Withheld Ending Balance	0	0

Allowance Management System Compliance Inventory Analysis Data For the Month Ended Jun, 2004

Allowance Type: S2
Kentucky Power Company
For All Vintage Years

Available Allowance Inventory

	QUANTITY	AMOUNT	UNIT COST
Beginning Balance	1,107,298	14,322,002	12.93
Original Issuance	--	--	--
Internal Purchases	--	--	--
External Purchases	--	--	--
Power Sale/Coal Contracts	--	--	--
Hedging Benefits	--	--	--
Other Acquisitions	--	--	--
Swaps & Loans	--	--	--
Total Acquisitions			
Subtotal Before Issues	1,107,298	14,322,002	12.93
Internal Sales	--	--	
External Sales	--	--	
Power/Coal Contracts	--	--	
Surrenders	--	--	
Hedging Costs	--	--	
Other Issuances	--	--	
Swaps & Loans	--	--	
Total Issuances	0	0	
Consumption	4,441	313,090	70.50
Gain / Loss		--	
Ending Balance	1,102,857	14,008,912	12.70

Withheld Allowance Inventory

Beginning Balance	25,602	0
Withheld Acquisitions	--	--
Withheld Sales / Issuances	--	--
Withheld Ending Balance	25,602	0

Allowance Management System Compliance Inventory Analysis Data For the Month Ended Jun, 2004

Allowance Type: NX
Kentucky Power Company
For All Vintage Years

Available Allowance Inventory

	QUANTITY	AMOUNT	UNIT COST
Beginning Balance	0	0	0.00
Original Issuance	10,094	0	0.00
Internal Purchases	--	--	--
External Purchases	--	--	--
Power Sale/Coal Contracts	--	--	--
Hedging Benefits	--	--	--
Other Acquisitions	--	--	--
Swaps & Loans	--	--	--
Total Acquisitions			
Subtotal Before Issues	10,094	0	0.00
Internal Sales	--	--	
External Sales	--	--	
Power/Coal Contracts	--	--	
Surrenders	--	--	
Hedging Costs	--	--	
Other Issuances	--	--	
Swaps & Loans	--	--	
Total Issuances	0	0	
Consumption	420	0	0.00
Gain / Loss		--	
Ending Balance	9,674	0	0.00

Withheld Allowance Inventory

Beginning Balance	0	0
Withheld Acquisitions	--	--
Withheld Sales / Issuances	--	--
Withheld Ending Balance	0	0

Allowance Management System Compliance Inventory Analysis Data

For the Month Ended Jul, 2004

Allowance Type: S2
 Kentucky Power Company
 For All Vintage Years

Available Allowance Inventory

	QUANTITY	AMOUNT	UNIT COST
Beginning Balance	1,102,857	14,008,912	12.70
Original Issuance	--	--	--
Internal Purchases	--	--	--
External Purchases	1,266	461,457	364.50
Power Sale/Coal Contracts	--	--	--
Hedging Benefits	--	--	--
Other Acquisitions	--	--	--
Swaps & Loans	--	--	--
Total Acquisitions			
Subtotal Before Issues	1,104,123	14,470,369	13.11
Internal Sales	--	--	
External Sales	--	--	
Power/Coal Contracts	--	--	
Surrenders	--	--	
Hedging Costs	--	--	
Other Issuances	--	--	
Swaps & Loans	--	--	
Total Issuances	0	0	
Consumption	4,575	322,537	70.50
Gain / Loss		--	
Ending Balance	1,099,548	14,147,832	12.87

Withheld Allowance Inventory

Beginning Balance	25,602	0
Withheld Acquisitions	--	--
Withheld Sales / Issuances	--	--
Withheld Ending Balance	25,602	0

Allowance Management System
Compliance Inventory Analysis Data
 For the Month Ended Jul, 2004

Allowance Type: NX
Kentucky Power Company
For All Vintage Years

Available Allowance Inventory

	QUANTITY	AMOUNT	UNIT COST
Beginning Balance	9,674	0	0.00
Original Issuance	3,849	0	0.00
Internal Purchases	--	--	--
External Purchases	--	--	--
Power Sale/Coal Contracts	--	--	--
Hedging Benefits	--	--	--
Other Acquisitions	--	--	--
Swaps & Loans	--	--	--
Total Acquisitions			
Subtotal Before Issues	13,523	0	0.00
Internal Sales	--	--	
External Sales	--	--	
Power/Coal Contracts	--	--	
Surrenders	--	--	
Hedging Costs	--	--	
Other Issuances	--	--	
Swaps & Loans	--	--	
Total Issuances	0	0	
Consumption	653	0	0.00
Gain / Loss		--	
Ending Balance	12,870	0	0.00

Withheld Allowance Inventory

Beginning Balance	0	0
Withheld Acquisitions	--	--
Withheld Sales / Issuances	--	--
Withheld Ending Balance	0	0

Allowance Management System Compliance Inventory Analysis Data For the Month Ended Aug, 2004

Allowance Type: S2
Kentucky Power Company
For All Vintage Years

Available Allowance Inventory

	QUANTITY	AMOUNT	UNIT COST
Beginning Balance	1,099,548	14,147,832	12.87
Original Issuance	34,945	0	0.00
Internal Purchases	--	--	--
External Purchases	--	--	--
Power Sale/Coal Contracts	--	--	--
Hedging Benefits	--	--	--
Other Acquisitions	--	--	--
Swaps & Loans	--	--	--
Total Acquisitions			
Subtotal Before Issues	1,134,493	14,147,832	12.47
Internal Sales	--	--	
External Sales	--	--	
Power/Coal Contracts	--	--	
Surrenders	--	--	
Hedging Costs	--	--	
Other Issuances	--	--	
Swaps & Loans	--	--	
Total Issuances	0	0	
Consumption	4,858	342,488	70.50
Gain / Loss		--	
Ending Balance	1,129,635	13,805,344	12.22

Withheld Allowance Inventory

Beginning Balance	25,602	0
Withheld Acquisitions	--	--
Withheld Sales / Issuances	--	--
Withheld Ending Balance	25,602	0

Allowance Management System Compliance Inventory Analysis Data For the Month Ended Aug, 2004

Allowance Type: NX
Kentucky Power Company
For All Vintage Years

Available Allowance Inventory

	QUANTITY	AMOUNT	UNIT COST
Beginning Balance	12,870	0	0.00
Original Issuance	--	--	--
Internal Purchases	--	--	--
External Purchases	--	--	--
Power Sale/Coal Contracts	--	--	--
Hedging Benefits			
Other Acquisitions	--	--	--
Swaps & Loans	--	--	--
Total Acquisitions			
Subtotal Before Issues	12,870	0	0.00
Internal Sales	--	--	
External Sales	250	0	
Power/Coal Contracts	--	--	
Surrenders	--	--	
Hedging Costs			
Other Issuances	--	--	
Swaps & Loans	--	--	
Total Issuances	250	0	
Consumption	477	0	0.00
Gain / Loss		--	
Ending Balance	12,143	0	0.00

Withheld Allowance Inventory

Beginning Balance	0	0
Withheld Acquisitions	--	--
Withheld Sales / Issuances	--	--
Withheld Ending Balance	0	0

Allowance Management System Compliance Inventory Analysis Data For the Month Ended Sept, 2004

**Allowance Type: S2
 Kentucky Power Company
 For All Vintage Years**

Available Allowance Inventory

	QUANTITY	AMOUNT	UNIT COST
Beginning Balance	1,129,635	13,805,344	12.22
Original Issuance	--	--	--
Internal Purchases	--	--	--
External Purchases	--	--	--
Power Sale/Coal Contracts	--	--	--
Hedging Benefits	--	--	--
Other Acquisitions	--	--	--
Swaps & Loans	--	--	--
Total Acquisitions			
Subtotal Before Issues	1,129,635	13,805,344	12.22
Internal Sales	--	--	
External Sales	--	--	
Power/Coal Contracts	--	--	
Surrenders	--	--	
Hedging Costs	--	--	
Other Issuances	--	--	
Swaps & Loans	--	--	
Total Issuances	0	0	
Consumption	4,551	320,845	70.50
Gain / Loss		--	
Ending Balance	1,125,084	13,484,500	11.99

Withheld Allowance Inventory

Beginning Balance	25,602	0
Withheld Acquisitions	--	--
Withheld Sales / Issuances	--	--
Withheld Ending Balance	25,602	0

Avg Unit Cost of Consumption may not equal Amount/Quantity due to prior period adjustments

Allowance Management System Compliance Inventory Analysis Data For the Month Ended Sept, 2004

Allowance Type: NX
Kentucky Power Company
For All Vintage Years

Available Allowance Inventory

	QUANTITY	AMOUNT	UNIT COST
Beginning Balance	12,143	0	0.00
Original Issuance	--	--	--
Internal Purchases	--	--	--
External Purchases	--	--	--
Power Sale/Coal Contracts	--	--	--
Hedging Benefits			
Other Acquisitions	--	--	--
Swaps & Loans	--	--	--
Total Acquisitions			
Subtotal Before Issues	12,143	0	0.00
Internal Sales	--	--	
External Sales	--	--	
Power/Coal Contracts	--	--	
Surrenders	--	--	
Hedging Costs			
Other Issuances	--	--	
Swaps & Loans	--	--	
Total Issuances	0	0	
Consumption	463	0	0.00
Gain / Loss		--	
Ending Balance	11,680	0	0.00

Withheld Allowance Inventory

Beginning Balance	0	0
Withheld Acquisitions	--	--
Withheld Sales / Issuances	--	--
Withheld Ending Balance	0	0

Allowance Management System Compliance Inventory Analysis Data For the Month Ended Oct, 2004

Allowance Type: S2
 Kentucky Power Company
 For All Vintage Years

Available Allowance Inventory

	QUANTITY	AMOUNT	UNIT COST
Beginning Balance	1,125,084	13,484,500	11.99
Original Issuance	--	--	--
Internal Purchases	--	--	--
External Purchases	--	--	--
Power Sale/Coal Contracts	--	--	--
Hedging Benefits	--	--	--
Other Acquisitions	--	--	--
Swaps & Loans	--	--	--
Total Acquisitions			
Subtotal Before Issues	1,125,084	13,484,500	11.99
Internal Sales	--	--	
External Sales	--	--	
Power/Coal Contracts	--	--	
Surrenders	--	--	
Hedging Costs	--	--	
Other Issuances	--	--	
Swaps & Loans	--	--	
Total Issuances	0	0	
Consumption	3,205	225,952	70.50
Gain / Loss		--	
Ending Balance	1,121,879	13,258,548	11.82

Withheld Allowance Inventory

Beginning Balance	25,602	0
Withheld Acquisitions	--	--
Withheld Sales / Issuances	--	--
Withheld Ending Balance	25,602	0

Avg Unit Cost of Consumption may not equal Amount/Quantity due to prior period adjustments

Allowance Management System Compliance Inventory Analysis Data

For the Month Ended Oct, 2004

Allowance Type: NX
Kentucky Power Company
For All Vintage Years

Available Allowance Inventory

	QUANTITY	AMOUNT	UNIT COST
Beginning Balance	11,680	0	0.00
Original Issuance	--	--	--
Internal Purchases	--	--	--
External Purchases	--	--	--
Power Sale/Coal Contracts	--	--	--
Hedging Benefits	--	--	--
Other Acquisitions	--	--	--
Swaps & Loans	--	--	--
Total Acquisitions			
Subtotal Before Issues	11,680	0	0.00
Internal Sales	--	--	
External Sales	200	0	
Power/Coal Contracts	--	--	
Surrenders	--	--	
Hedging Costs	--	--	
Other Issuances	--	--	
Swaps & Loans	--	--	
Total Issuances	200	0	
Consumption	0	0	0.00
Gain / Loss		--	
Ending Balance	11,480	0	0.00

Withheld Allowance Inventory

Beginning Balance	0	0
Withheld Acquisitions	--	--
Withheld Sales / Issuances	--	--
Withheld Ending Balance	0	0

Allowance Management System
Compliance Inventory Analysis Data
 For the Month Ended Nov, 2004

Allowance Type: S2
Kentucky Power Company
For All Vintage Years

Available Allowance Inventory

	QUANTITY	AMOUNT	UNIT COST
Beginning Balance	1,121,879	13,258,548	11.82
Original Issuance	--	--	--
Internal Purchases	--	--	--
External Purchases	--	--	--
Power Sale/Coal Contracts	--	--	--
Hedging Benefits			
Other Acquisitions	--	--	--
Swaps & Loans	--	--	--
Total Acquisitions			
Subtotal Before Issues	1,121,879	13,258,548	11.82
Internal Sales	--	--	
External Sales	--	--	
Power/Coal Contracts	--	--	
Surrenders	--	--	
Hedging Costs			
Other Issuances	--	--	
Swaps & Loans	--	--	
Total Issuances	0	0	
Consumption	3,402	239,840	70.50
Gain / Loss		-	
Ending Balance	1,118,477	13,018,708	11.64

Withheld Allowance Inventory

Beginning Balance	25,602	0
Withheld Acquisitions	--	--
Withheld Sales / Issuances	--	--
Withheld Ending Balance	25,602	0

Allowance Management System
Compliance Inventory Analysis Data
 For the Month Ended Nov, 2004

Allowance Type: NX
Kentucky Power Company
For All Vintage Years

Available Allowance Inventory

	QUANTITY	AMOUNT	UNIT COST
Beginning Balance	11,480	0	0.00
Original Issuance	--	--	--
Internal Purchases	--	--	--
External Purchases	--	--	--
Power Sale/Coal Contracts	--	--	--
Hedging Benefits			
Other Acquisitions	--	--	--
Swaps & Loans	--	--	--
Total Acquisitions			
Subtotal Before Issues	11,480	0	0.00
Internal Sales	--	--	
External Sales	--	--	
Power/Coal Contracts	--	--	
Surrenders	--	--	
Hedging Costs			
Other Issuances	--	--	
Swaps & Loans	--	--	
Total Issuances	0	0	
Consumption	0	0	0.00
Gain / Loss		--	
Ending Balance	11,480	0	0.00

Withheld Allowance Inventory

Beginning Balance	0	0
Withheld Acquisitions	--	--
Withheld Sales / Issuances	--	--
Withheld Ending Balance	0	0

Allowance Management System Compliance Inventory Analysis Data

For the Month Ended Dec, 2004

Allowance Type: S2
Kentucky Power Company

2004

Available Allowance Inventory

	QUANTITY	AMOUNT	UNIT COST
Beginning Balance	29,191	2,058,241	70.51
Original Issuance	--	--	--
Internal Purchases	5,932	0	0.00
External Purchases	3,965	756,602	190.82
Power Sale/Coal Contracts	--	--	--
Other Acquisitions	--	--	--
Swaps & Loans	--	--	--
Total Acquisitions			
Subtotal Before Issues	39,088	2,814,843	72.01
Internal Sales	5,170	372,307	
External Sales	3,603	259,463	
Power/Coal Contracts	--	--	
Surrenders	--	--	
Other Issuances	--	--	
Swaps & Loans	--	--	
Total Issuances	8,773	631,770	
Consumption	5,053	363,291	71.90
Gain / Loss		--	
Ending Balance	25,262	1,819,782	72.04

* December beginning balances have been adjusted to reflect discrepancies with inventory.
 Details are included in the AMS Bugzilla database (#691)

Withheld Allowance Inventory

Beginning Balance	100	0
Withheld Acquisitions	--	--
Withheld Sales / Issuances	--	
Withheld Ending Balance	100	0

Avg Unit Cost of Consumption may not equal Amount/Quantity due to prior period adjustments

Allowance Management System Compliance Inventory Analysis Data

For the Month Ended Dec, 2004

Allowance Type: NX
 Kentucky Power Company
 For All Vintage Years

Available Allowance Inventory

	QUANTITY	AMOUNT	UNIT COST
Beginning Balance	11,480	0	0.00
Original Issuance	--	--	--
Internal Purchases	--	--	--
External Purchases	--	--	--
Power Sale/Coal Contracts	--	--	--
Hedging Benefits	--	--	--
Other Acquisitions	--	--	--
Swaps & Loans	--	--	--
Total Acquisitions			
Subtotal Before Issues	11,480	0	0.00
Internal Sales	--	--	
External Sales	--	--	
Power/Coal Contracts	--	--	
Surrenders	--	--	
Hedging Costs	--	--	
Other Issuances	--	--	
Swaps & Loans	--	--	
Total Issuances	0	0	
Consumption	0	0	0.00
Gain / Loss		-	
Ending Balance	11,480	0	0.00

Withheld Allowance Inventory

Beginning Balance	0	0
Withheld Acquisitions	-	-
Withheld Sales / Issuances	-	-
Withheld Ending Balance	0	0

2004 Emission Allowance Settlement

	APCO	CSP	I&M	KYP	OPCO	TOTAL
Balance @ Nov. 30, 2004	177,262	79,814	109,079	29,191	32,366	427,712
Dec. 2004 Emissions	(15,240)	(11,032)	(9,711)	(4,663)	(36,149)	(76,795)
Gavin Reallocation	34,275	48,415	-	5,932	(88,622)	-
P&E Transfers	(44,997)	(30,592)	4,714	(1,313)	72,188	-
Subtotal	151,300	86,605	104,082	29,147	(20,217)	350,917
<i>Interco Purch/(Sales)</i>	(43,537)	(24,615)	(34,769)	(3,857)	106,778	-
Balance @ Dec. 31, 2004	107,763	61,989	69,313	25,291	86,561	350,917
Dec. 2004 MLR	0.30709	0.17665	0.19752	0.07207	0.24667	1.00000
Target Inventory Level	107,763	61,989	69,313	25,291	86,561	350,917

Notes:

This settlement excludes adjustments and corrections made to fourth quarter 2004 emission allowance consumption statistics. These adjustments are generally immaterial.

2003 Emission Allowance Settlement

	APCO	CSP	I&M	KYP	OPCO	TOTAL
Balance @ Nov. 30, 2003	173,686	70,926	135,116	38,598	59,575	477,901
Dec. 2003 Emissions	(17,350)	(13,418)	(5,229)	(5,726)	(31,295)	(73,018)
Gavin Reallocation	38,064	47,705	-	5,977	(91,746)	-
P&E Transfers	(38,680)	(33,352)	(275)	(5,310)	77,617	-
Subtotal	155,720	71,861	129,612	33,539	14,151	404,883
<i>Interco Purch/(Sales)</i>	(27,315)	459	(50,344)	(4,319)	81,519	-
Balance @ Dec. 31, 2003	128,405	72,320	79,268	29,220	95,670	404,883
Dec. 2003 MLR	0.31714	0.17862	0.19578	0.07217	0.23629	1.00000
Target Inventory Level	128,405	72,320	79,268	29,220	95,670	404,883

Notes:

This settlement excludes adjustments and corrections made to fourth quarter 2003 emission allowance consumption statistics. These adjustments are generally immaterial.

2002 Emission Allowance Settlement

	APCO	CSP	I&M	KYP	OPCO	TOTAL
Balance @ Nov. 30, 2002	179,322	64,311	125,476	40,544	110,541	520,194
Dec. 2002 Emissions	(16,865)	(10,917)	(10,101)	(1,601)	(32,118)	(71,602)
Gavin Reallocation	18,074	43,907	-	6,187	(68,168)	-
P&E Transfers	(22,191)	(20,528)	3,099	1,021	38,599	-
Subtotal	158,340	76,773	118,474	46,151	48,854	448,592
<i>Interco Purch/(Sales)</i>	<i>(31,671)</i>	<i>8,379</i>	<i>(27,361)</i>	<i>(13,462)</i>	<i>64,115</i>	<i>-</i>
Balance @ Dec. 31, 2002	<u>126,669</u>	<u>85,152</u>	<u>91,113</u>	<u>32,689</u>	<u>112,969</u>	<u>448,592</u>
Dec. 2002 MLR	0.28237	0.18982	0.20311	0.07287	0.25183	1.00000
Target Inventory Level	126,669	85,152	91,113	32,689	112,969	448,592

Notes:

This settlement excludes adjustments and corrections made to fourth quarter 2002 emission allowance consumption statistics. These adjustments are generally immaterial.

2001 Emission Allowance Settlement

	APCO	CSP	I&M	KYP	OPCO	TOTAL
Balance @ Nov. 30, 2001	315,349	125,421	170,442	47,103	50,238	708,553
Dec. 2001 Emissions	(13,407)	(9,799)	(7,991)	(6,197)	(30,688)	(68,082)
Gavin Reallocation	35,320	42,058	-	8,546	(85,924)	-
P&E Transfers	(42,363)	(28,723)	3,950	6,686	60,450	-
Subtotal	294,899	128,957	166,401	56,138	(5,924)	640,471
<i>Interco Purch/(Sales)</i>	(104,173)	(11,962)	(39,812)	(9,095)	165,043	-
Balance @ Dec. 31, 2001	190,726	116,995	126,589	47,043	159,119	640,471
Dec. 2001 MLR	0.29779	0.18267	0.19765	0.07345	0.24844	1.00000
Target Inventory Level	190,726	116,995	126,589	47,043	159,119	640,471

Notes:

This settlement also excludes adjustments and corrections made to fourth quarter 2000 emission allowance consumption statistics. These adjustments are generally immaterial.

REVISED

2000 Emission Allowance Settlement

	APCO	CSP	I&M	KYP	OPCO	TOTAL
Balance @ Nov. 30, 2000	276,994	112,529	176,543	53,291	105,529	724,886
Dec. 2000 Emissions	(16,403)	(13,841)	(11,115)	(6,232)	(37,192)	(84,783)
Gavin Reallocation	36,097	40,291	-	6,812	(83,200)	-
P&E Transfers	(53,519)	(32,778)	(14,891)	2,809	98,379	-
Subtotal	243,169	106,201	150,537	56,680	83,516	640,103
Interco Purch/(Sales)	(41,242)	1,535	(28,546)	(8,711)	76,964	0
Balance @ Dec. 31, 2000	201,927	107,736	121,991	47,969	160,480	640,103
Dec. 2000 MLR	0.31546	0.16831	0.19058	0.07494	0.25071	1.00000
Target Inventory Level	201,927	107,736	121,991	47,969	160,480	640,103

Notes:

This settlement also excludes adjustments and corrections made to fourth quarter 2000 emission allowance consumption statistics. These adjustments are generally immaterial.

AEP System 1999 Emission Allowance Settlement

	APCO	CSP	I&M	KYP	OPCO	TOTAL
Balance @ Nov. 30, 1999	225,836	99,535	159,043	46,282	323,185	853,881
Dec. 99 Adjustments	-	-	-	-	32,063	32,063
Dec. 99 Emissions	-	(9,380)	(3,031)	-	(23,679)	(36,090)
Gavin Reallocation	31,735	54,448	-	4,169	(90,352)	-
P&E Transfers	(6,496)	(10,013)	(14,901)	(537)	31,947	-
Subtotal	251,075	134,590	141,111	49,914	273,164	849,854
Interco Purch/(Sales)	(7,124)	18,290	25,078	7,638	(43,882)	-
Balance @ Dec. 31, 1999	243,951	152,880	166,189	57,552	229,282	849,854
Dec. 1999 MLR	0.28705	0.17989	0.19555	0.06772	0.26979	1.00000
Target Inventory Level	243,951	152,880	166,189	57,552	229,282	849,854

Notes:

- (1) This settlement excludes the surrender of extension allowances to be made for Cardinal 1, Muskingum 1-4, Conesville 1 & 3, Gavin and Picway. The surrender of extension allowance totals will not be available until the end of January 2000.
- (2) This settlement also excludes adjustments and corrections made to fourth quarter 1999 emission allowance consumption statistics. These adjustments are generally immaterial.
- (3) * CONSOL transferred 45,063 allowances to Gavin.

Allowance Management System Compliance Inventory Analysis Data

For the Month Ended Jan, 2005

Allowance Type: S2
Kentucky Power Company
For All Vintage Years

Available Allowance Inventory

	QUANTITY	AMOUNT	UNIT COST
Beginning Balance	1,115,308	13,174,710	11.81
Original Issuance	--	--	--
Internal Purchases	--	--	--
External Purchases	1,508	1,048,814	695.50
Power Sale/Coal Contracts	--	--	--
Hedging Benefits			
Other Acquisitions	--	--	--
Swaps & Loans	--	--	--
Total Acquisitions			
Subtotal Before Issues	1,116,816	14,223,524	12.74
Internal Sales	--	--	
External Sales	--	--	
Power/Coal Contracts	--	--	
Surrenders	--	--	
Hedging Costs			
Other Issuances	--	--	
Swaps & Loans	--	--	
Total Issuances	0	0	
Consumption	1,746	88,623	50.76
Gain / Loss		--	
Ending Balance	1,115,070	14,134,901	12.68

Withheld Allowance Inventory

Beginning Balance	25,602	0
Withheld Acquisitions	--	--
Withheld Sales / Issuances	--	--
Withheld Ending Balance	25,602	0

Allowance Management System Compliance Inventory Analysis Data

For the Month Ended Jan, 2005

Allowance Type: NX
Kentucky Power Company
For All Vintage Years

Available Allowance Inventory

	QUANTITY	AMOUNT	UNIT COST
Beginning Balance	11,480	0	0.00
Original Issuance	--	--	--
Internal Purchases	--	--	--
External Purchases	--	--	--
Power Sale/Coal Contracts	--	--	--
Hedging Benefits			
Other Acquisitions	--	--	--
Swaps & Loans	--	--	--
Total Acquisitions			
Subtotal Before Issues	11,480	0	0.00
Internal Sales	--	--	
External Sales	--	--	
Power/Coal Contracts	--	--	
Surrenders	--	--	
Hedging Costs			
Other Issuances	--	--	
Swaps & Loans	--	--	
Total Issuances	--	--	
Consumption	--	--	--
Gain / Loss		--	
Ending Balance	11,480	0	0.00

Withheld Allowance Inventory

Beginning Balance	0	0
Withheld Acquisitions	--	--
Withheld Sales / Issuances	--	--
Withheld Ending Balance	0	0

Allowance Management System Compliance Inventory Analysis Data

For the Month Ended Feb, 2005

Allowance Type: S2
Kentucky Power Company
For All Vintage Years

Available Allowance Inventory

	QUANTITY	AMOUNT	UNIT COST
Beginning Balance	1,115,070	14,134,901	12.68
Original Issuance	--	--	--
Internal Purchases	--	--	--
External Purchases	--	--	--
Power Sale/Coal Contracts	--	--	--
Hedging Benefits			
Other Acquisitions	--	--	--
Swaps & Loans	--	--	--
Total Acquisitions			
Subtotal Before Issues	1,115,070	14,134,901	12.68
Internal Sales	--	--	
External Sales	--	--	
Power/Coal Contracts	--	--	
Surrenders	--	--	
Hedging Costs			
Other Issuances	--	--	
Swaps & Loans	--	--	
Total Issuances	0	0	
Consumption	7,435	377,384	50.76
Gain / Loss		--	
Ending Balance	1,107,635	13,757,517	12.42

Withheld Allowance Inventory

Beginning Balance	25,502	0
Withheld Acquisitions	--	--
Withheld Sales / Issuances	--	--
Withheld Ending Balance	25,502	0

Allowance Management System
Compliance Inventory Analysis Data
 For the Month Ended Feb, 2005

Allowance Type: NX
Kentucky Power Company
For All Vintage Years

Available Allowance Inventory

	QUANTITY	AMOUNT	UNIT COST
Beginning Balance	11,480	0	0.00
Original Issuance	--	--	--
Internal Purchases	--	--	--
External Purchases	--	--	--
Power Sale/Coal Contracts	--	--	--
Hedging Benefits			
Other Acquisitions	--	--	--
Swaps & Loans	--	--	--
Total Acquisitions			
Subtotal Before Issues	11,480	0	0.00
Internal Sales	--	--	
External Sales	--	--	
Power/Coal Contracts	--	--	
Surrenders	--	--	
Hedging Costs			
Other Issuances	--	--	
Swaps & Loans	--	--	
Total Issuances	--	--	
Consumption	--	--	--
Gain / Loss		--	
Ending Balance	11,480	0	0.00

Withheld Allowance Inventory

Beginning Balance	0	0
Withheld Acquisitions	--	--
Withheld Sales / Issuances	--	--
Withheld Ending Balance	0	0

Allowance Management System Compliance Inventory Analysis Data

For the Month Ended Mar, 2005

Allowance Type: S2
Kentucky Power Company
For All Vintage Years

Available Allowance Inventory

	QUANTITY	AMOUNT	UNIT COST
Beginning Balance	1,107,635	13,757,517	12.42
Original Issuance	--	--	--
Internal Purchases	--	--	--
External Purchases	--	--	--
Power Sale/Coal Contracts	--	--	--
Hedging Benefits			
Other Acquisitions	--	--	--
Swaps & Loans	--	--	--
Total Acquisitions			
Subtotal Before Issues	1,107,635	13,757,517	12.42
Internal Sales	--	--	
External Sales	--	--	
Power/Coal Contracts	--	--	
Surrenders	--	--	
Hedging Costs			
Other Issuances	--	--	
Swaps & Loans	--	--	
Total Issuances	0	0	
Consumption	6,219	315,663	50.76
Gain / Loss		--	
Ending Balance	1,101,416	13,441,855	12.20

Withheld Allowance Inventory

Beginning Balance	25,502	0
Withheld Acquisitions	--	--
Withheld Sales / Issuances	--	--
Withheld Ending Balance	25,502	0

Avg Unit Cost of Consumption may not equal Amount/Quantity due to prior period adjustments

Allowance Management System Compliance Inventory Analysis Data

For the Month Ended Mar, 2005

Allowance Type: NX
 Kentucky Power Company
 For All Vintage Years

Available Allowance Inventory

	QUANTITY	AMOUNT	UNIT COST
Beginning Balance	11,480	0	0.00
Original Issuance	--	--	--
Internal Purchases	--	--	--
External Purchases	--	--	--
Power Sale/Coal Contracts	--	--	--
Hedging Benefits	--	--	--
Other Acquisitions	--	--	--
Swaps & Loans	--	--	--
Total Acquisitions			
Subtotal Before Issues	11,480	0	0.00
Internal Sales	--	--	
External Sales	--	--	
Power/Coal Contracts	--	--	
Surrenders	--	--	
Hedging Costs	--	--	
Other Issuances	--	--	
Swaps & Loans	--	--	
Total Issuances	--	--	
Consumption	--	--	--
Gain / Loss		--	
Ending Balance	11,480	0	0.00

Withheld Allowance Inventory

Beginning Balance	0	0
Withheld Acquisitions	--	--
Withheld Sales / Issuances	--	--
Withheld Ending Balance	0	0

Allowance Management System Compliance Inventory Analysis Data

For the Month Ended Apr, 2005

Allowance Type: S2
 Kentucky Power Company
 For All Vintage Years

Available Allowance Inventory

	QUANTITY	AMOUNT	UNIT COST
Beginning Balance	1,101,416	13,441,855	12.20
Original Issuance	--	--	--
Internal Purchases	--	--	--
External Purchases	4,468	1,363,024	305.06
Power Sale/Coal Contracts	--	--	--
Hedging Benefits	--	--	--
Other Acquisitions	--	--	--
Swaps & Loans	--	--	--
Total Acquisitions			
Subtotal Before Issues	1,105,884	14,804,879	13.39
Internal Sales	--	--	
External Sales	--	--	
Power/Coal Contracts	--	--	
Surrenders	--	--	
Hedging Costs	--	--	
Other Issuances	--	--	
Swaps & Loans	--	--	
Total Issuances	0	0	
Consumption	3,547	180,038	50.76
Gain / Loss		-	
Ending Balance	1,102,337	14,624,841	13.27

Withheld Allowance Inventory

Beginning Balance	25,502	0
Withheld Acquisitions	--	--
Withheld Sales / Issuances	--	--
Withheld Ending Balance	25,502	0

Allowance Management System Compliance Inventory Analysis Data

For the Month Ended Apr, 2005

Allowance Type: NX
 Kentucky Power Company
 For All Vintage Years

Available Allowance Inventory

	QUANTITY	AMOUNT	UNIT COST
Beginning Balance	11,480	0	0.00
Original Issuance	--	--	--
Internal Purchases	--	--	--
External Purchases	--	--	--
Power Sale/Coal Contracts	--	--	--
Hedging Benefits			
Other Acquisitions	--	--	--
Swaps & Loans	--	--	--
Total Acquisitions			
Subtotal Before Issues	11,480	0	0.00
Internal Sales	--	--	
External Sales	50	0	
Power/Coal Contracts	--	--	
Surrenders	--	--	
Hedging Costs			
Other Issuances	--	--	
Swaps & Loans	--	--	
Total Issuances	50	0	
Consumption	0	0	0.00
Gain / Loss		--	
Ending Balance	11,430	0	0.00

Withheld Allowance Inventory

Beginning Balance	0	0
Withheld Acquisitions	--	--
Withheld Sales / Issuances	--	--
Withheld Ending Balance	0	0

**Kentucky Power
d/b/a
American Electric Power**

REQUEST

Please provide a copy of all appendices to the most recent version of the Interim Allowance Agreement, including, but not limited to, Appendix E.

RESPONSE

A copy of all appendices to the most recent version of the Interim Allowance Agreement, which were inadvertently omitted, are attached. There is no Appendix E in the most recent version of the Interim Allowance Agreement.

WITNESS: Errol K Wagner

APPENDIX A

ALLOWANCE TRANSFER SUMMARY

FINANCIAL STATEMENT EFFECTS

AEP System
Interim Allowance Agreement - Modification No. 1
Description of Allowance Transfer Summary

The forecasted allowance transfers for 1996 and 1997, pursuant to Modification No. 1 of the Interim Allowance Agreement, are summarized on the top of Pages 3 and 4 of Appendix A. Under the terms of Modification No. 1 ("Modified Agreement"), the calculation of these transfers remains unchanged, with the exception of the Intercompany Purchases/(Sales). The elements related to the allowance transfers are described below.

EPA Awarded Allowances - Defined in Section 1.4 of the Modified Agreement, EPA Awarded Allowances represent the allowances awarded to each generating unit by the EPA as defined in Section 404(a) of the 1990 Amendments.

Other Allowances, Ormet - Other Allowances represent the allowances received by OPCO from Ormet Primary Aluminum Corporation, pursuant to a contract for retail power sales to Ormet.

SO2 Emissions - Defined in Section 1.29 of the Modified Agreement, SO2 Emissions represent the total of the Member's SO2 Emissions from the Member's Affected Units.

Over/(Under) Compliance - Represents the difference between a Member's allowances (including EPA Awarded Allowances and Other Allowances) and its SO2 Emissions.

Gavin Reallocation - Described in Section 4.1 of the Modified Agreement, the terms of the Gavin Reallocation are not affected by Modification No. 1.

P&E Transfers - Described in Section 4.2 of the Modified Agreement, the terms of the P&E Transfers are not affected by Modification No. 1.

Intercompany Purchases/(Sales) - Described in Section 4.5 of the Modified Agreement, the method for calculating Intercompany Purchases/(Sales) of allowances has been changed by Modification No. 1. Under the amended terms, each Member must own, at the end of each calendar year, a sufficient number of allowances to cover (1) its annual compliance requirement and (2) its MLR-share of the AEP System Allowance Bank. This represents a change from the original agreement, which required each Member to own, at the end of each calendar year, a sufficient number of allowances to cover (1) its annual compliance requirement and (2) a share of the AEP System Allowance Bank based on its estimated future compliance requirements over a 20-year forecast period. The calculation of Intercompany Purchases/(Sales) is presented on Pages 5 and 6 of Appendix A.

AEP System
Interim Allowance Agreement - Modification 1
Description of Financial Statement Effects

The forecasted financial statement effects of allowance transfers for 1996 and 1997, pursuant to Modification 1 of the Interim Allowance Agreement, are summarized on the bottom of Pages 1 and 2 of Appendix A. Below is a brief description the effects on financial statements.

Income Statement Effects:

Sales for Resale - Reflects the reimbursement of the market value of allowances consumed for sales to foreign companies. Also reflects intercompany billing for the consumed cost of such allowances.

Purchased Power - Reflects the consumed cost of allowances used in the generation for sales to foreign companies.

SO2 Emissions Expense - Reflects the consumption of allowances, at average cost, to cover the SO2 emissions from affected units.

Balance Sheet Effects:

Allowance Inventory - Reflects increases in the value of Allowance Inventory due to (1) P&E Transfers In and (2) Intercompany Purchases. Reflects decreases in the value of Allowance Inventory due to (1) P&E Transfers Out, (2) Intercompany Sales and (3) SO2 Emissions.

Accounts Receivable/Payable - Reflects receivables/payables associated with (1) Intercompany Allowance Purchases/Sales, (2) P&E Transfers and (3) settlements for allowances consumed for sales to foreign companies.

Other Regulatory Liabilities - Represents the deferred gain from allowance sales to other Members.

AEP SYSTEM
 INTERIM ALLOWANCE AGREEMENT
 MODIFICATION No. 1
 1996 FORECAST

APCO	CSP	I&M	KYPC	OPCO	SYSTEM
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**Allowance Transfer
 Summary (Tons)**

EPA Awarded Allowances	-	101,444	47,489	-	757,340	906,273
Other Allowances - Ormet	-	-	-	-	66,400	66,400
SO2 Emissions	-	(87,800)	(32,200)	-	(343,000)	(463,000)
Over/(Under) Compliance	-	13,644	15,289	-	480,740	509,673

Allowance Transfers:

Gavin Reallocation	68,318	58,918	-	1,560	(128,796)	-
P&E Transfers	(2,876)	(1,131)	(4,240)	(136)	8,383	-
Intercompany Puch/(Sales)	106,943	13,287	82,930	33,473	(236,633)	-
Subtotal - Allowance Transfers	172,385	71,074	78,690	34,897	(357,046)	-

**Increase/(Decrease) in
 Allowance Bank**

Increase/(Decrease) in Allowance Bank	172,385	84,718	93,979	34,897	123,694	509,673
Bank Level - Beginning of Year	116,490	60,473	69,315	24,400	100,984	371,661
Bank Level - End of Year	288,875	145,191	163,294	59,296	224,678	881,334

**Financial Statement Effects
 of Allowance Transfers (\$000)**

INCOME STATEMENT:

Sales for Resale	756	441	558	156	845	2,755
Purchased Power Expense	142	65	60	29	51	346
SO2 Emissions Expense	-	633	2,533	-	4,267	7,434
Net Effect	614	(258)	(2,035)	126	(3,472)	(5,025)

BALANCE SHEET:

ASSETS:

Allowance Inventory	13,400	1,048	7,676	4,240	(6,656)	19,707
Accts Receivable - Assoc Co	197	54	441	16	30,277	30,984
Accts Receivable - Other	756	395	450	156	653	2,409
Total Assets	14,352	1,497	8,568	4,411	24,273	53,100

LIABILITIES:

Accts Payable - Assoc Co	13,738	1,754	10,603	4,285	605	30,984
Other Regulatory Liabilities	-	-	-	-	27,141	27,141
Total Liabilities	13,738	1,754	10,603	4,285	27,745	58,125

AEP SYSTEM
INTERIM ALLOWANCE AGREEMENT
MODIFICATION No. 1
1997 FORECAST

APCO	CSP	I&M	KYPC	OPCO	SYSTEM
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**Allowance Transfer
Summary (Tons)**

EPA Awarded Allowances	-	88,554	47,489	-	502,821	638,864
Other Allowances - Ormet	-	-	-	-	17,900	17,900
SO2 Emissions	-	(95,600)	(24,700)	-	(350,500)	(470,800)
Over/(Under) Compliance	-	(7,046)	22,789	-	170,221	185,964

Allowance Transfers:

Gavin Reallocation	50,055	43,866	-	2,133	(96,054)	-
P&E Transfers	(7,318)	(6,084)	(5,033)	(39)	18,474	-
Intercompany Puch/(Sales)	4,619	3,838	22,324	8,977	(39,758)	-
Subtotal - Allowance Transfers	47,356	41,620	17,291	11,071	(117,338)	-

**Increase/(Decrease) in
Allowance Bank**

Increase/(Decrease) in Allowance Bank	47,356	34,574	40,080	11,071	52,883	185,964
Bank Level - Beginning of Year	288,875	145,191	163,294	59,296	224,678	881,334
Bank Level - End of Year	336,231	179,765	203,374	70,367	277,562	1,067,298

**Financial Statement Effects
of Allowance Transfers (\$000)**

INCOME STATEMENT:

Sales for Resale	1,138	655	742	238	1,213	3,985
Purchased Power Expense	152	69	75	32	40	368
SO2 Emissions Expense	-	574	1,831	-	3,510	5,915
Net Effect	985	11	(1,164)	206	(2,337)	(2,298)

BALANCE SHEET:

ASSETS:

Allowance Inventory	170	(74)	922	1,252	(3,016)	(746)
Accts Receivable - Assoc Co	477	93	440	5	5,813	6,827
Accts Receivable - Other	1,138	599	675	238	967	3,617
Total Assets	1,785	618	2,037	1,495	3,763	9,698

LIABILITIES:

Accts Payable - Assoc Co	799	606	3,201	1,289	931	6,827
Other Regulatory Liabilities	-	-	-	-	5,169	5,169
Total Liabilities	799	606	3,201	1,289	6,100	11,996

AEP SYSTEM
 INTERIM ALLOWANCE AGREEMENT - MODIFICATION No. 1
 CALCULATION OF INTERCOMPANY PURCHASES/(SALES)
 1996 FORECAST
 (TONS)

	APCO	CSP	I&M	KYPC	OPCO	SYSTEM
[A] Bank Level - Beginning of Year	116,490	60,473	69,315	24,400	100,984	371,661
[B] Annual Over/(Under) Compliance	-	13,644	15,289	-	480,740	509,673
[C] Gavin Reallocation	68,318	58,918	-	1,560	(128,796)	-
[D] P&E Transfers	(2,876)	(1,131)	(4,240)	(136)	8,383	-
[E] = [A]+[B]+[C]+[D] Subtotal	181,932	131,904	80,364	25,824	461,311	881,334
[F] December 1996 MLR	0.32777	0.16474	0.18528	0.06728	0.25493	1.00000
[G] = [F] * 881,334 MLR-Share of System Allowance Bank	288,875	145,191	163,294	59,296	224,678	881,334
[H] = [G] - [E] Purchases/(Sales) Required to Achieve MLR-Share of System Allowance Bank	106,943	13,287	82,930	33,473	(236,633)	-

AEP SYSTEM
 INTERIM ALLOWANCE AGREEMENT - MODIFICATION No. 1
 CALCULATION OF INTERCOMPANY PURCHASES/(SALES)
 1997 FORECAST
 (TONS)

	APCO	CSP	I&M	KYPC	OPCO	SYSTEM
[A] Bank Level - Beginning of Year	288,875	145,191	163,294	59,296	224,678	881,334
[B] Annual Over/(Under) Compliance	-	(7,046)	22,789	-	170,221	185,964
[C] Gain Reallocation	50,055	43,866	-	2,133	(96,054)	-
[D] P&E Transfers	(7,318)	(6,084)	(5,033)	(39)	18,474	-
[E] = [A]+[B]+[C]+[D] Subtotal	331,612	175,927	181,050	61,390	317,319	1,067,298
[F] December 1997 MLR	0.31503	0.16843	0.19055	0.06593	0.26006	1.00000
[G] = [F] * 1,067,298 MLR-Share of System Allowance Bank	336,231	179,765	203,374	70,367	277,562	1,067,298
[H] = [G] - [E] Purchases/(Sales) Required to Achieve MLR-Share of System Allowance Bank	4,619	3,838	22,324	8,977	(39,758)	-

APPENDIX B

PROCEEDS/COSTS ASSOCIATED WITH THIRD PARTY

SALES/PURCHASES, PREVIOUSLY DEFERRED

AEP SYSTEM
INTERIM ALLOWANCE AGREEMENT
MODIFICATION No. 1
(\$000)

KPSC Case No. 2005-00068
KIUC 2nd Set Data Request
Item No. 17
Page 10 of 27

Member's Share of Proceeds/(Costs)
Associated with Third Party Allowance Transactions

	APCO	CSP	I&M	KYPC	OPCO	SYSTEM
Proceeds from EPA Auctions	819	574	560	151	3,383	5,487
Proceeds from Other Allowance Sales	11,788	5,421	5,949	2,240	9,305	34,703
Cost of Purchased Allowances	(503)	(231)	(254)	(96)	(397)	(1,480)
Total	<u>12,104</u>	<u>5,763</u>	<u>6,256</u>	<u>2,296</u>	<u>12,291</u>	<u>38,710</u>

AEP System
Allowance Purchases/Sales
Deferred Pending Final Agreement
(\$000)

KPSC Case No. 2005-00068
KIUC 2nd Set Data Request
Item No. 17
Page 11 of 27

	APCO	CSP	I&M	KYPC	OPCO	SYSTEM
<u>EPA Auction Proceeds</u>						
1993 Auction Proceeds	212	162	158	39	1,002	1,573
1994 Auction Proceeds	291	198	193	54	1,142	1,878
1995 Auction Proceeds	250	168	164	46	964	1,592
Subtotal	<u>753</u>	<u>528</u>	<u>515</u>	<u>139</u>	<u>3,108</u>	<u>5,043</u>
Plus Accrued Carrying Charge through May 1996	<u>66</u>	<u>46</u>	<u>45</u>	<u>12</u>	<u>275</u>	<u>444</u>
Total Credit to be Retained by each Member	<u>819</u>	<u>574</u>	<u>560</u>	<u>151</u>	<u>3,383</u>	<u>5,487</u>
<u>Allowance Sales</u>						
1994 Sale of Allowances						31,619
Plus Accrued Carrying Charge through May 1996						<u>3,084</u>
al						34,703
March 1994 MLR	0.33968	0.15620	0.17144	0.06456	0.26812	1.00000
Member's Share of Net Proceeds	<u>11,788</u>	<u>5,421</u>	<u>5,949</u>	<u>2,240</u>	<u>9,305</u>	<u>34,703</u>
<u>Allowance Purchases</u>						
1994 EPA Auction Purchase of 8,788 allowances						(1,287)
Plus Accrued Carrying Charge through May 1996						<u>(193)</u>
Total Cost						(1,480)
March 1994 MLR	0.33968	0.15620	0.17144	0.06456	0.26812	1.00000
Member's Share of Purchase Price	<u>(503)</u>	<u>(231)</u>	<u>(254)</u>	<u>(96)</u>	<u>(397)</u>	<u>(1,480)</u>

APPENDIX C

COMPARISON OF REVENUE REQUIREMENTS

BASE CASE (IAA) vs MLR CASE (MODIFICATION No. 1 to the IAA)

**AEP System
Comparison of Revenue Requirements
Base Case vs MLR Case
(\$ Millions)**

KPSC Case No. 2005-00068
KIUC 2nd Set Data Request
Item No. 17
Page 13 of 27

	APCO	CSP	I&M	KYPC	OPCO	TOTAL
5 Year Average						
Base Case	1,551	1,053	1,131	292	1,594	5,621
MLR Case	<u>1,551</u>	<u>1,051</u>	<u>1,135</u>	<u>292</u>	<u>1,585</u>	<u>5,614</u>
Change	<u><u>-</u></u>	<u><u>(2)</u></u>	<u><u>4</u></u>	<u><u>-</u></u>	<u><u>(9)</u></u>	<u><u>(7)</u></u>
10 Year Average						
Base Case	1,743	1,191	1,253	342	1,748	6,277
MLR Case	<u>1,740</u>	<u>1,188</u>	<u>1,253</u>	<u>340</u>	<u>1,753</u>	<u>6,274</u>
Change	<u><u>(3)</u></u>	<u><u>(3)</u></u>	<u><u>-</u></u>	<u><u>(2)</u></u>	<u><u>5</u></u>	<u><u>(3)</u></u>
20 Year NPV @10.14%						
Base Case	16,647	11,579	11,539	3,298	15,916	58,979
MLR Case	<u>16,638</u>	<u>11,574</u>	<u>11,536</u>	<u>3,298</u>	<u>15,932</u>	<u>58,978</u>
Change	<u><u>(9)</u></u>	<u><u>(5)</u></u>	<u><u>(3)</u></u>	<u><u>-</u></u>	<u><u>16</u></u>	<u><u>(1)</u></u>

Note:

Forecast data based on AEP System Acid Rain Compliance Plan, filed before the P.U.C.O. on October 14, 1994.

KPSC Case No. 2005-00068
KIUC 2nd Set Data Request
Item No. 17
Page 14 of 27

REVENUE REQUIREMENTS

BASE CASE

APCO
INTERIM ALLOWANCE AGREEMENT - Base Case w/ Allowance Sales
REVENUE REQUIREMENTS
(\$ MILLIONS)

	Base Level	Effect of Interim Allowance Agreement				Total Revenue Requirement
		Internal Sales	External Sales	Consumed Allowances	Subtotal	
1995	1,439	0.0	0.0	0.0	0.0	1,439
1996	1,484	0.0	0.0	0.0	0.0	1,484
1997	1,551	0.0	0.0	0.0	0.0	1,551
1998	1,611	0.0	0.0	0.0	0.0	1,611
1999	1,669	0.0	0.0	0.0	0.0	1,669
2000	1,772	0.0	0.0	1.6	1.6	1,774
2001	1,855	0.0	0.0	1.1	1.1	1,856
2002	1,930	0.0	0.0	0.7	0.7	1,931
2003	2,017	0.0	0.0	0.4	0.4	2,017
2004	2,098	0.0	0.0	0.3	0.3	2,098
2005	2,201	0.0	0.0	0.2	0.2	2,201
2006	2,337	0.0	0.0	0.1	0.1	2,337
2007	2,464	0.0	0.0	0.1	0.1	2,464
2008	2,555	0.0	0.0	0.0	0.0	2,555
2009	2,761	0.0	0.0	0.0	0.0	2,761
2010	2,929	0.0	0.0	23.3	23.3	2,952
2011	3,087	0.0	0.0	17.1	17.1	3,104
2012	3,246	0.0	0.0	12.1	12.1	3,258
2013	3,339	0.0	0.0	13.2	13.2	3,352
2014	3,545	0.0	0.0	4.6	4.6	3,550

5-yr Average	1,551	0.0	0.0	0.0	0.0	1,551
10-yr Average	1,743	0.0	0.0	0.4	0.4	1,743
NPV @ 10.14%	16,632	0.0	0.0	15.4	15.4	16,647

CSP
INTERIM ALLOWANCE AGREEMENT - Base Case w/ Allowance Sales
REVENUE REQUIREMENTS
(\$ MILLIONS)

	Base Level	Effect of Interim Allowance Agreement				Total Revenue Requirement
		Internal Sales	External Sales	Consumed Allowances	Subtotal	
1995	976	0.0	0.0	0.1	0.1	976
1996	1,009	0.0	0.0	0.2	0.2	1,009
1997	1,051	0.0	0.0	0.1	0.1	1,051
1998	1,094	0.0	0.0	0.1	0.1	1,094
1999	1,133	0.0	0.0	0.1	0.1	1,133
2000	1,214	0.0	0.0	0.1	0.1	1,214
2001	1,269	0.0	0.0	0.1	0.1	1,269
2002	1,326	0.0	0.0	0.1	0.1	1,326
2003	1,388	0.0	0.0	0.1	0.1	1,388
2004	1,451	0.0	0.0	0.0	0.0	1,451
2005	1,536	0.0	0.0	0.0	0.0	1,536
2006	1,632	0.0	0.0	0.0	0.0	1,632
2007	1,736	0.0	0.0	0.0	0.0	1,736
2008	1,810	(4.1)	0.0	0.0	(4.1)	1,806
2009	1,999	0.0	0.0	0.0	0.0	1,999
2010	2,177	0.0	0.0	7.5	7.5	2,185
2011	2,269	0.0	0.0	13.5	13.5	2,283
2012	2,378	0.0	0.0	12.7	12.7	2,391
2013	2,447	0.0	0.0	13.6	13.6	2,461
2014	2,495	0.0	0.0	15.6	15.6	2,511

5-yr Average	1,053	0.0	0.0	0.1	0.1	1,053
10-yr Average	1,191	0.0	0.0	0.1	0.1	1,191
NPV @ 10.14%	11,568	(1.1)	0.0	11.5	10.5	11,579

I&M
INTERIM ALLOWANCE AGREEMENT - Base Case w/ Allowance Sales
REVENUE REQUIREMENTS
(\$ MILLIONS)

	Base Level	Effect of Interim Allowance Agreement				Total Revenue Requirement
		Internal Sales	External Sales	Consumed Allowances	Subtotal	
1995	1,050	0.0	0.0	0.7	0.7	1,051
1996	1,091	0.0	0.0	1.7	1.7	1,093
1997	1,156	0.0	0.0	0.8	0.8	1,157
1998	1,158	0.0	0.0	0.3	0.3	1,158
1999	1,195	0.0	0.0	0.1	0.1	1,195
2000	1,267	0.0	0.0	0.0	0.0	1,267
2001	1,312	0.0	0.0	0.0	0.0	1,312
2002	1,368	0.0	0.0	0.0	0.0	1,368
2003	1,431	0.0	0.0	0.0	0.0	1,431
2004	1,497	0.0	0.0	0.0	0.0	1,497
2005	1,518	0.0	0.0	0.0	0.0	1,518
2006	1,594	0.0	0.0	0.0	0.0	1,594
2007	1,672	0.0	0.0	0.0	0.0	1,672
2008	1,727	(6.1)	0.0	0.0	(6.1)	1,721
2009	1,781	0.0	0.0	0.0	0.0	1,781
2010	1,806	0.0	0.0	0.4	0.4	1,806
2011	1,860	0.0	0.0	3.4	3.4	1,863
2012	1,972	0.0	0.0	3.4	3.4	1,975
2013	2,066	0.0	0.0	3.5	3.5	2,070
2014	2,256	0.0	0.0	0.6	0.6	2,257

5-yr Average	1,130	0.0	0.0	0.7	0.7	1,131
10-yr Average	1,253	0.0	0.0	0.4	0.4	1,253
NPV @ 10.14%	11,536	(1.6)	0.0	4.9	3.3	11,539

KYPC
INTERIM ALLOWANCE AGREEMENT - Base Case w/ Allowance Sales
REVENUE REQUIREMENTS
(\$ MILLIONS)

	Base Level	Effect of Interim Allowance Agreement				Total Revenue Requirement
		Internal Sales	External Sales	Consumed Allowances	Subtotal	
1995	264	0.0	0.0	0.0	0.0	264
1996	279	0.0	0.0	0.0	0.0	279
1997	293	0.0	0.0	0.0	0.0	293
1998	304	0.0	0.0	0.0	0.0	304
1999	318	0.0	0.0	0.0	0.0	318
2000	349	0.0	0.0	11.6	11.6	361
2001	365	0.0	0.0	10.9	10.9	376
2002	382	0.0	0.0	9.6	9.6	392
2003	401	0.0	0.0	9.1	9.1	410
2004	417	0.0	0.0	8.4	8.4	425
2005	453	0.0	0.0	7.2	7.2	460
2006	472	0.0	0.0	6.3	6.3	478
2007	495	0.0	0.0	6.1	6.1	501
2008	511	0.0	0.0	12.6	12.6	524
2009	538	0.0	0.0	24.1	24.1	562
2010	563	0.0	0.0	18.9	18.9	582
2011	604	0.0	0.0	23.6	23.6	628
2012	648	0.0	0.0	24.8	24.8	673
2013	668	0.0	0.0	27.5	27.5	696
2014	689	0.0	0.0	31.1	31.1	720

5-yr Average	292	0.0	0.0	0.0	0.0	292
10-yr Average	337	0.0	0.0	5.0	5.0	342
NPV @ 10.14%	3,238	0.0	0.0	60.5	60.5	3,298

OPCO
INTERIM ALLOWANCE AGREEMENT - Base Case w/ Allowance Sales
REVENUE REQUIREMENTS
(\$ MILLIONS)

	Base Level	Effect of Interim Allowance Agreement				Total Revenue Requirement
		Internal Sales	External Sales	Consumed Allowances	Subtotal	
1995	1,518	(21.2)	0.0	0.0	(21.2)	1,497
1996	1,566	(20.1)	0.0	0.0	(20.1)	1,546
1997	1,599	0.0	0.0	0.1	0.1	1,599
1998	1,647	0.0	0.0	0.1	0.1	1,647
1999	1,683	0.0	0.0	0.1	0.1	1,683
2000	1,803	0.0	(135.9)	0.1	(135.8)	1,667
2001	1,867	0.0	0.0	1.0	1.0	1,868
2002	1,905	0.0	0.0	12.1	12.1	1,917
2003	1,978	0.0	0.0	13.8	13.8	1,992
2004	2,048	0.0	0.0	17.9	17.9	2,066
2005	2,093	0.0	0.0	5.1	5.1	2,098
2006	2,179	0.0	0.0	0.9	0.9	2,180
2007	2,261	0.0	0.0	0.2	0.2	2,261
2008	2,310	(1.5)	0.0	0.0	(1.5)	2,309
2009	2,427	(36.9)	0.0	0.0	(36.9)	2,390
2010	2,407	(41.1)	0.0	0.1	(41.0)	2,366
2011	2,603	(57.7)	(2.8)	0.0	(60.5)	2,543
2012	2,743	(51.9)	(22.3)	0.0	(74.2)	2,669
2013	2,791	(58.0)	(22.4)	0.1	(80.3)	2,711
2014	3,030	(44.1)	(44.0)	0.1	(88.0)	2,942

5-yr Average	1,603	(8.3)	0.0	0.1	(8.2)	1,594
10-yr Average	1,761	(4.1)	(13.6)	4.5	(13.2)	1,748
NPV @ 10.14%	16,075	(89.6)	(90.5)	21.1	(159.0)	15,916

AEP SYSTEM
INTERIM ALLOWANCE AGREEMENT - Base Case w/ Allowance Sales
REVENUE REQUIREMENTS
(\$ MILLIONS)

	Base Level	Effect of Interim Allowance Agreement				Total Revenue Requirement
		Internal Sales	External Sales	Consumed Allowances	Subtotal	
1995	5,247	(21.2)	0.0	0.8	(20.4)	5,227
1996	5,429	(20.1)	0.0	1.9	(18.2)	5,411
1997	5,650	0.0	0.0	1.0	1.0	5,651
1998	5,814	0.0	0.0	0.5	0.5	5,815
1999	5,998	0.0	0.0	0.3	0.3	5,998
2000	6,405	0.0	(135.9)	13.4	(122.5)	6,283
2001	6,668	0.0	0.0	13.1	13.1	6,681
2002	6,911	0.0	0.0	22.5	22.5	6,934
2003	7,215	0.0	0.0	23.4	23.4	7,238
2004	7,511	0.0	0.0	26.6	26.6	7,538
2005	7,801	0.0	0.0	12.5	12.5	7,814
2006	8,214	0.0	0.0	7.3	7.3	8,221
2007	8,628	0.0	0.0	6.4	6.4	8,634
2008	8,913	(11.7)	0.0	12.6	0.9	8,914
2009	9,506	(36.9)	0.0	24.1	(12.8)	9,493
2010	9,882	(41.1)	0.0	50.2	9.1	9,891
2011	10,423	(57.7)	(2.8)	57.6	(2.9)	10,420
2012	10,987	(51.9)	(22.3)	53.0	(21.2)	10,966
2013	11,311	(58.0)	(22.4)	57.9	(22.5)	11,289
2014	12,015	(44.1)	(44.0)	52.0	(36.1)	11,979

5-yr Average	5,628	(8.3)	0.0	0.9	(7.4)	5,620
10-yr Average	6,285	(4.1)	(13.6)	10.4	(7.4)	6,277
NPV @ 10.14%	59,048	(92.2)	(90.5)	113.4	(69.4)	58,979

KPSC Case No. 2005-00068
KIUC 2nd Set Data Request
Item No. 17
Page 21 of 27

REVENUE REQUIREMENTS

MLR CASE

APCO
INTERIM ALLOWANCE AGREEMENT - MLR CASE
REVENUE REQUIREMENTS
(\$ MILLIONS)

	Base Level	Effect of Interim Allowance Agreement				Total Revenue Requirement
		Internal Sales	External Sales	Consumed Allowances	Subtotal	
1995	1,439	0.0	0.0	0.0	0.0	1,439
1996	1,484	0.0	0.0	0.0	0.0	1,484
1997	1,551	0.0	0.0	0.0	0.0	1,551
1998	1,611	0.0	0.0	0.0	0.0	1,611
1999	1,669	0.0	0.0	0.0	0.0	1,669
2000	1,772	(6.4)	(31.0)	11.6	(25.8)	1,746
2001	1,855	(6.8)	0.0	8.6	1.8	1,857
2002	1,930	(4.9)	0.0	5.6	0.7	1,931
2003	2,017	(4.9)	0.0	3.6	(1.3)	2,016
2004	2,098	(6.0)	0.0	2.2	(3.8)	2,094
2005	2,201	(2.6)	0.0	1.2	(1.4)	2,200
2006	2,337	0.0	0.0	0.6	0.6	2,338
2007	2,464	0.0	0.0	1.5	1.5	2,466
2008	2,555	0.0	0.0	9.0	9.0	2,564
2009	2,761	0.0	0.0	22.9	22.9	2,784
2010	2,929	0.0	0.0	23.9	23.9	2,953
2011	3,087	0.0	(0.8)	17.9	17.1	3,104
2012	3,246	0.0	(6.0)	16.4	10.4	3,256
2013	3,339	0.0	(5.9)	18.4	12.5	3,352
2014	3,545	0.0	(11.9)	18.7	6.8	3,552

5-yr Average	1,551	0.0	0.0	0.0	0.0	1,551
10-yr Average	1,743	(2.9)	(3.1)	3.2	(2.8)	1,740
NPV @ 10.14%	16,632	(14.5)	(21.2)	41.6	5.8	16,638

CSP
INTERIM ALLOWANCE AGREEMENT - MLR CASE
REVENUE REQUIREMENTS
(\$ MILLIONS)

	Base Level	Effect of Interim Allowance Agreement				Total Revenue Requirement
		Internal Sales	External Sales	Consumed Allowances	Subtotal	
1995	976	(3.5)	0.0	0.0	(3.5)	973
1996	1,009	0.0	0.0	0.1	0.1	1,009
1997	1,051	(1.5)	0.0	0.1	(1.4)	1,050
1998	1,094	(1.7)	0.0	0.1	(1.6)	1,092
1999	1,133	(1.1)	0.0	0.0	(1.1)	1,132
2000	1,214	(2.1)	(23.3)	0.0	(25.4)	1,189
2001	1,269	(0.4)	0.0	0.0	(0.4)	1,269
2002	1,326	0.0	0.0	1.3	1.3	1,327
2003	1,388	0.0	0.0	2.3	2.3	1,390
2004	1,451	0.0	0.0	3.1	3.1	1,454
2005	1,536	0.0	0.0	3.7	3.7	1,540
2006	1,632	0.0	0.0	4.8	4.8	1,637
2007	1,736	0.0	0.0	6.6	6.6	1,743
2008	1,810	0.0	0.0	9.5	9.5	1,820
2009	1,999	0.0	0.0	14.7	14.7	2,014
2010	2,177	0.0	0.0	15.5	15.5	2,193
2011	2,269	0.0	(0.4)	15.0	14.6	2,284
2012	2,378	0.0	(2.9)	15.0	12.1	2,390
2013	2,447	0.0	(2.9)	16.2	13.3	2,460
2014	2,495	0.0	(5.2)	22.9	17.7	2,513

5-yr Average	1,053	(1.6)	0.0	0.1	(1.5)	1,051
10-yr Average	1,191	(1.0)	(2.3)	0.7	(2.7)	1,188
NPV @ 10.14%	11,568	(7.5)	(14.9)	28.3	5.9	11,574

I&M
INTERIM ALLOWANCE AGREEMENT - MLR CASE
REVENUE REQUIREMENTS
(\$ MILLIONS)

KPSC Case No. 2005-00068
KIUC 2nd Set Data Request
Item No. 17
Page 24 of 27

	Base Level	Effect of Interim Allowance Agreement				Total Revenue Requirement
		Internal Sales	External Sales	Consumed Allowances	Subtotal	
1995	1,050	0.0	0.0	3.4	3.4	1,053
1996	1,091	0.0	0.0	4.0	4.0	1,095
1997	1,156	0.0	0.0	4.8	4.8	1,161
1998	1,158	0.0	0.0	5.1	5.1	1,163
1999	1,195	0.0	0.0	5.4	5.4	1,200
2000	1,267	(3.9)	(17.5)	6.4	(15.0)	1,252
2001	1,312	(4.4)	0.0	4.7	0.3	1,312
2002	1,368	(3.8)	0.0	3.2	(0.6)	1,367
2003	1,431	(4.7)	0.0	2.2	(2.5)	1,429
2004	1,497	(6.2)	0.0	1.4	(4.8)	1,492
2005	1,518	(6.0)	0.0	0.8	(5.2)	1,513
2006	1,594	(7.6)	0.0	0.4	(7.2)	1,587
2007	1,672	(9.1)	0.0	0.2	(8.9)	1,663
2008	1,727	(9.1)	0.0	3.3	(5.8)	1,721
2009	1,781	(4.1)	0.0	4.6	0.5	1,782
2010	1,806	(1.0)	0.0	5.8	4.8	1,811
2011	1,860	0.0	(0.5)	4.3	3.8	1,864
2012	1,972	0.0	(3.8)	6.3	2.5	1,975
2013	2,066	0.0	(3.7)	7.1	3.4	2,069
2014	2,256	0.0	(7.3)	8.6	1.3	2,257

5-yr Average	1,130	0.0	0.0	4.5	4.5	1,135
10-yr Average	1,253	(2.3)	(1.8)	4.1	0.0	1,253
NPV @ 10.14%	11,536	(21.1)	(12.2)	33.6	0.3	11,536

KYPC
INTERIM ALLOWANCE AGREEMENT - MLR CASE
REVENUE REQUIREMENTS
(\$ MILLIONS)

	Base Level	Effect of Interim Allowance Agreement				Total Revenue Requirement
		Internal Sales	External Sales	Consumed Allowances	Subtotal	
1995	264	0.0	0.0	0.0	0.0	264
1996	279	0.0	0.0	0.0	0.0	279
1997	293	0.0	0.0	0.0	0.0	293
1998	304	0.0	0.0	0.0	0.0	304
1999	318	0.0	0.0	0.0	0.0	318
2000	349	0.0	(4.8)	9.6	4.8	354
2001	365	0.0	0.0	7.6	7.6	373
2002	382	0.0	0.0	6.2	6.2	388
2003	401	0.0	0.0	6.4	6.4	407
2004	417	0.0	0.0	7.2	7.2	424
2005	453	0.0	0.0	10.4	10.4	463
2006	472	0.0	0.0	13.6	13.6	486
2007	495	0.0	0.0	15.7	15.7	511
2008	511	0.0	0.0	18.4	18.4	529
2009	538	0.0	0.0	21.3	21.3	559
2010	563	0.0	0.0	23.6	23.6	587
2011	604	0.0	(0.1)	24.3	24.2	628
2012	648	0.0	(0.7)	25.4	24.7	673
2013	668	0.0	(0.6)	28.1	27.5	696
2014	689	0.0	(1.0)	32.5	31.5	721

5-yr Average	292	0.0	0.0	0.0	0.0	292
10-yr Average	337	0.0	(0.5)	3.7	3.2	340
NPV @ 10.14%	3,238	0.0	(3.1)	63.0	60.0	3,298

OPCO
INTERIM ALLOWANCE AGREEMENT - MLR CASE
REVENUE REQUIREMENTS
(\$ MILLIONS)

	Base Level	Effect of Interim Allowance Agreement				Total Revenue Requirement
		Internal Sales	External Sales	Consumed Allowances	Subtotal	
1995	1,518	(17.0)	0.0	0.0	(17.0)	1,501
1996	1,566	(29.5)	0.0	0.0	(29.5)	1,537
1997	1,599	(13.7)	0.0	0.2	(13.5)	1,586
1998	1,647	(13.2)	0.0	0.2	(13.0)	1,634
1999	1,683	(16.3)	0.0	0.3	(16.0)	1,667
2000	1,803	0.0	(33.3)	8.1	(25.2)	1,778
2001	1,867	0.0	0.0	11.2	11.2	1,878
2002	1,905	0.0	0.0	8.4	8.4	1,913
2003	1,978	0.0	0.0	6.1	6.1	1,984
2004	2,048	0.0	0.0	5.5	5.5	2,054
2005	2,093	(5.7)	0.0	2.4	(3.3)	2,090
2006	2,179	(10.0)	0.0	1.4	(8.6)	2,170
2007	2,261	(13.4)	0.0	1.2	(12.2)	2,249
2008	2,310	(13.5)	0.0	8.2	(5.3)	2,305
2009	2,427	(38.8)	0.0	5.7	(33.1)	2,394
2010	2,407	(43.4)	0.0	4.9	(38.5)	2,369
2011	2,603	(59.3)	(0.8)	0.4	(59.7)	2,543
2012	2,743	(66.1)	(5.6)	0.0	(71.7)	2,671
2013	2,791	(73.8)	(5.6)	0.2	(79.2)	2,712
2014	3,030	(77.8)	(11.0)	0.1	(88.7)	2,941

5-yr Average	1,603	(17.9)	0.0	0.1	(17.8)	1,585
10-yr Average	1,761	(9.0)	(3.3)	4.0	(8.3)	1,753
NPV @ 10.14%	16,075	(146.0)	(22.3)	25.5	(142.8)	15,932

**AEP SYSTEM
INTERIM ALLOWANCE AGREEMENT - MLR CASE
REVENUE REQUIREMENTS
(\$ MILLIONS)**

KPSC Case No. 2005-00068
KIUC 2nd Set Data Request
Item No. 17
Page 27 of 27

	Base Level	Effect of Interim Allowance Agreement				Total Revenue Requirement
		Internal Sales	External Sales	Consumed Allowances	Subtotal	
1995	5,247	(20.5)	0.0	3.4	(17.1)	5,230
1996	5,429	(29.5)	0.0	4.1	(25.4)	5,404
1997	5,650	(15.2)	0.0	5.1	(10.1)	5,640
1998	5,814	(14.9)	0.0	5.4	(9.5)	5,805
1999	5,998	(17.4)	0.0	5.7	(11.7)	5,986
2000	6,405	(12.4)	(109.9)	35.7	(86.6)	6,318
2001	6,668	(11.6)	0.0	32.1	20.5	6,689
2002	6,911	(8.7)	0.0	24.7	16.0	6,927
2003	7,215	(9.6)	0.0	20.6	11.0	7,226
2004	7,511	(12.2)	0.0	19.4	7.2	7,518
2005	7,801	(14.3)	0.0	18.5	4.2	7,805
2006	8,214	(17.6)	0.0	20.8	3.2	8,217
2007	8,628	(22.5)	0.0	25.2	2.7	8,631
2008	8,913	(22.6)	0.0	48.4	25.8	8,939
2009	9,506	(42.9)	0.0	69.2	26.3	9,532
2010	9,882	(44.4)	0.0	73.7	29.3	9,911
2011	10,423	(59.3)	(2.6)	61.9	0.0	10,423
2012	10,987	(66.1)	(19.0)	63.1	(22.0)	10,965
2013	11,311	(73.8)	(18.7)	70.0	(22.5)	11,289
2014	12,015	(77.8)	(36.4)	82.8	(31.4)	11,984

5-yr Average	5,628	(19.5)	0.0	4.7	(14.8)	5,613
10-yr Average	6,285	(15.2)	(11.0)	15.6	(10.6)	6,274
NPV @ 10.14%	59,048	(189.1)	(73.7)	192.1	(70.7)	58,977