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March 22, 2006

Errol K. Wagner
Director Regulatory Services
American Electric Power
101A Enterprise Drive
P. O. Box 5190
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CERTIFICATE OF SERVICE

RE: Case No. 2006-00069
American Electric Power

I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on March 22, 2006.

Executive Director

BOD/sh
Enclosure

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE SEMI-ANNUAL DEMAND SIDE)	
MANAGEMENT PROGRAM AND COST)	CASE NO.
RECOVERY FILING OF AMERICAN ELECTRIC)	2006-00069
POWER D/B/A KENTUCKY POWER)	

O R D E R

This matter comes before the Commission through the February 15, 2006 filing of American Electric Power d/b/a Kentucky Power Company ("Kentucky Power") on behalf of its Demand-Side Management ("DSM") Collaborative.¹ The filing includes a revised tariff proposing a decreased DSM surcharge for Kentucky Power's residential customers, to become effective March 30, 2006, and summary status reports on each of Kentucky Power's DSM programs through December 31, 2005.

The revised DSM tariff includes a decrease in the DSM surcharge factor for residential customers from \$.000472 per kWh to \$.000248 per kWh.² The revised DSM surcharge factor was calculated using the methodology proposed by Kentucky Power and approved by the Commission in previous Kentucky Power DSM cases.

The summary status reports describe year-to-date and program-to-date costs, as well as demand and energy savings attributed to each program through December 31,

¹ The DSM Collaborative includes Kentucky Power, the Attorney General's Office, Kentuckians for the Commonwealth, Big Sandy Area Development District, Northeast Kentucky Area Development Council, Kentucky Tech Northeast Region, Christian Appalachian Project, Kentucky Division of Energy, Coleman Oil, Cedar Knoll Galleria, Kentucky Industrial Utility Customers, Big Sandy Area Community Action Program, LKLP – Community Action Council, Middle Kentucky River Area Development Council, Appalachian Regional Defense Fund, and Appalachian Service Project.

² Kentucky Power's DSM surcharge for commercial customers was discontinued on December 31, 2005 as approved by the Commission in Case No. 2005-00333. Its commercial DSM programs were discontinued on December 31, 2002.

2005. The filing also includes cost projections for the existing DSM programs agreed upon by the DSM Collaborative for the remainder of calendar year 2006.

SUMMARY

Based on the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. Kentucky Power has kept the Commission informed of the progress and status of its DSM programs by timely filing summary status reports on these programs.
2. Kentucky Power's revised DSM surcharge factor is reasonable as it reflects the ongoing level of DSM program costs and the true-up of prior-period DSM costs and revenues.

IT IS THEREFORE ORDERED that:

1. Kentucky Power's revised tariff containing a DSM surcharge factor of \$.000248 per kWh for residential customers is approved effective for service rendered on and after March 30, 2006.
2. Within 10 days from the date of this Order, Kentucky Power shall file a revised tariff showing the date of issue and that it was issued by authority of this Order.

Done at Frankfort, Kentucky, this 22nd day of March, 2006.

By the Commission

ATTEST:



Executive Director