



**KENTUCKY
POWER**

A unit of American Electric Power

Kentucky Power
P O Box 5190
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Frankfort, KY 40602
KentuckyPower.com

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

August 15, 2006

Dear Ms. O'Donnell:

Re:

Case No. 2006-00387

RECEIVED

AUG 15 2006

PUBLIC SERVICE
COMMISSION

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

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

Specifically, the Joint Applicants seek authority for Kentucky Power Company, in conjunction with its utility services and pursuant to the 1994 House Bill No. 501, to implement the enclosed revised electric tariff to recover costs associated with the implementation of demand-side management programs, which include net lost revenues and incentives related to those programs.

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

Elizabeth O'Donnell
August 15, 2006
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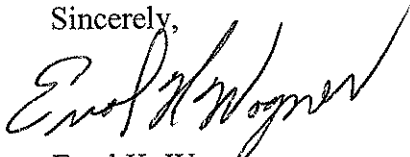
The Joint Applicants request the Commission to approve the following:

- (1) The Experimental DSM Electric Tariff to become effective September 27, 2006. This will allow the Company to utilize the new residential factor with the first billing cycle in October 2006.

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

If you have any questions please contact me at (502) 696-7010.

Sincerely,



Errol K. Wagner
Director of Regulatory Services
Enclosure

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

RATE. (Cont'd.)

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

CUSTOMER SECTOR			
	<u>RESIDENTIAL</u> (\$ Per Kwh)	<u>COMMERCIAL**</u> (\$ Per KWH)	<u>INDUSTRIAL*</u> (\$ Per KWH)
Floor Factor =	0.000414	-0-	- 0 -
Ceiling Factor =	0.000847	-0-	- 0 -

(I)
(I)

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

CUSTOMER SECTOR			
	<u>RESIDENTIAL</u>	<u>COMMERCIAL**</u>	<u>INDUSTRIAL*</u>
<u>DSM (c)</u>	398,099	-0-	- 0 -
<u>S ©</u>	631,521,000	-0-	- 0 -
Adjustment Factor \$	0.000631	-0-	- 0 -

(D)
(D)
(I)

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

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

DATE OF ISSUE August 15, 2006 EFFECTIVE DATE September 27, 2006

ISSUED BY ERROL K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
 NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. dated

KENTUCKY POWER COMPANY
Demand Side Management
Status Report
As of June 30, 2006

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DEFINITIONS

- | | |
|----------------|---|
| 1) YTD Costs | - Year-to-Date costs recorded January 1, 2006 through June 30, 2006. |
| 2) YTD Impacts | - Estimated in place load impacts for Year-to-Date participants. |
| 3) PTD Costs | - Costs recorded from the inception of the program through June 30, 2006. |
| 4) PTD Impacts | - Estimated in place load impacts for Program-to-Date participants. |

COMMENTS

Our calculations are based on actual participants and costs as of June 30, 2006. The Residential, Commercial and Industrial total DSM costs in this status report do not agree with the total costs in the Financial Report due to a one month lag in reporting.

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

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

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

The individual DSM lost revenue, efficiency incentive and maximizing incentives as of June 30, 1997 are calculated based on the initial values from Exhibit E in the joint application, filed September 27, 1995. A retroactive adjustment of the initial values of the efficiency incentives and net lost revenue KWH impacts was used for each program for the first eighteen months (1/1/96 to 6/30/97). The lost revenue, efficiency incentive and maximizing incentive for the period 1/1/06 to 06/30/06 are calculated using the revised values contained in Schedule C of this status report.

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

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

KENTUCKY POWER COMPANY
SUMMARY INFORMATION (ALL PROGRAMS)
As of June 30, 2006

DESCRIPTION	YTD	PTD
Total Revenue Collected	<u>\$497,140</u>	<u>\$10,912,254</u>
Total Program Costs	269,012	7,482,541
Total Lost Revenues	89,763	2,931,251
Total Efficiency / Maximizing Incentive	<u>37,888</u>	<u>616,835</u>
Total DSM Costs As of June 30, 2006	<u>\$396,663</u>	<u>\$11,030,627</u>

DESCRIPTION	YTD	PTD
Actual In-Place Energy Savings:	304,428 kWh	258,401,414 kWh
w/ T&D Line Losses:	334,871 kWh	284,241,555 kWh
Total kW Reductions:		
Winter	567	15,938
w/ T&D Line Losses:	629	17,691
Summer	76	3,633
w/ T&D Line Losses:	84	4,033

KENTUCKY POWER COMPANY



PROGRAM INFORMATION	
PROGRAM:	Energy Fitness
PARTICIPANT DEFINITION:	Number of Households
CUSTOMER SECTOR:	Residential
REPORTING PERIOD:	January - June 2006

2006														
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	YTD	PTD
New Participants	0	0	0	0	0	0							0	2,812

Impacts					
Estimated in Place Energy (kWh) Savings			Anticipated Peak Demand (kW) Reduction		
YTD	PTD	YTD		PTD	
		Summer	Winter	Summer	Winter
0	36,287,619	0	0	441	1,932

KENTUCKY POWER COMPANY



Energy Fitness	
Reporting Period:	January - June 2006

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



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COMMENTS:

This program was discontinued May 14, 1999.

KENTUCKY POWER COMPANY



PROGRAM INFORMATION	
PROGRAM:	Targeted Energy Fitness
PARTICIPANT DEFINITION:	Number of Households
CUSTOMER SECTOR:	Residential - Low Income
REPORTING PERIOD:	January - June 2006

2006														
Participant	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	YTD	PTD
All Electric	2	15	17	16	14	11							75	1,942
Non All Electric	2	1	10	0	9	12							34	712

Impacts						
Estimated in Place Energy (kWh) Savings			Anticipated Peak Demand (kW) Reduction			
YTD	PTD		YTD		PTD	
			Summer	Winter	Summer	Winter
47,255		50,252,352	9	39	521	2,356

KENTUCKY POWER COMPANY



Targeted Energy Efficiency	
Reporting Period:	January - June 2006

Costs					
Description		Year-To-Date	Retroactive Adjustment	Program-To-Date	
Total Evaluation		111.00	0.00	219,447.00	
Equipment/Vendor:		75,765.00	0.00	2,000,316.00	
Promotional:		0.00	0.00	0.00	
Customer Incentives:		0.00	0.00	0.00	
Other Costs:		72.00	0.00	8,909.00	
Total Program Costs		75,948.00	0.00	2,228,672.00	
Lost Revenues:		15,903.00	1,944.00	424,410.00	
Efficiency Incentive:		671.00	184.00	5,264.00	
Maximizing Incentive:		3,654.00	0.00	107,264.00	
Total Costs		96,176.00	2,128.00	2,765,610.00	

KENTUCKY POWER COMPANY



COMMENTS:

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

The Equipment / Vendor cost categories includes the cost of labor and materials of measures installed, participant energy education costs and vendor administration costs. The YTD costs are \$72,890 for all-electric and \$2,875 for non-all-electric homes.

The YTD Estimated in Place Energy (kWh) Savings for all-electric participants and non-all-electric participants is 42,955 and 4,300 respectively.

The YTD Anticipated Peak Demand (kW) Reduction summer/winter for all-electric and non-all-electric participants is 7/35 and 2/4 respectively.

The YTD Lost Revenue for all-electric participants and non-all-electric participants is \$13,826 and \$2,077 respectively.

The YTD Efficiency Incentive for non-all-electric participants is \$671 and the Maximizing Incentive for all-electric participants is \$3,654.

The projected participant and budgetary level for 2007 is 150 all-electric homes, 75 non-all-electric homes and \$195,000 respectively.

KENTUCKY POWER COMPANY



PROGRAM INFORMATION	
PROGRAM:	Compact Fluorescent Bulb
PARTICIPANT DEFINITION:	Number of Bulbs Installed
CUSTOMER SECTOR:	Residential
REPORTING PERIOD:	January - June 2006

2006														
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	YTD	PTD
New Participants	0	0	0	0	0	0							0	269

Impacts						
Estimated in Place Energy (kWh) Savings			Anticipated Peak Demand (kW) Reduction			
YTD	PTD		YTD		PTD	
			Summer	Winter	Summer	Winter
0	192,001		0	0	3	3

KENTUCKY POWER COMPANY



Compact Fluorescent Bulb	
Reporting Period:	January - June 2006

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

KENTUCKY POWER COMPANY



COMMENTS:

This program was discontinued December 31, 1996.

KENTUCKY POWER COMPANY



PROGRAM INFORMATION	
PROGRAM:	High Efficiency Heat Pumps - Retrofit
PARTICIPANT DEFINITION:	Number of Units Installed
CUSTOMER SECTOR:	Residential
REPORTING PERIOD:	January - June 2006

2006														
Participant	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	YTD	PTD
Resistance	0	0	0	0	0	0							0	1,367
Non Resistance	0	0	0	0	0	0							0	929

Impacts					
Estimated in Place Energy (kWh) Savings			Anticipated Peak Demand (kW) Reduction		
YTD	PTD	YTD		PTD	
		Summer	Winter	Summer	Winter
0	41,535,087	0	0	851	2,995

KENTUCKY POWER COMPANY



High Efficiency Heat Pumps - Retrofit	
Reporting Period:	January - June 2006

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



KENTUCKY POWER COMPANY

COMMENTS:

This program was discontinued December 31, 2001.

Impacts					
Estimated in Place Energy (kWh) Savings			Anticipated Peak Demand (kW) Reduction		
YTD		PTD		YTD	
Summer		Winter		Summer	
28,950		37,797,757		4	
YTD		PTD		YTD	
Winter		Summer		Winter	
2,971		208		82	

2006													New Participants		
Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	YTD	PTD	6	5
					8							48	1,612		

PROGRAM INFORMATION	
PROGRAM:	High Efficiency Heat Pump - Mobile Home
PARTICIPANT DEFINITION:	Number of Units Installed
CUSTOMER SECTOR:	Residential
REPORTING PERIOD:	January - June 2006

KENTUCKY POWER COMPANY



KENTUCKY POWER COMPANY



High Efficiency Heat Pump - Mobile Home	
Reporting Period:	January - June 2006

Costs			
Description	Year-To-Date	Retroactive Adjustment	Program-To-Date
Total Evaluation	261.00	0.00	46,374.00
Equipment/Vendor:	2,350.00	0.00	22,405.00
Promotional:	0.00	0.00	0.00
Customer Incentives:	18,800.00	0.00	719,500.00
Other Costs:	0.00	0.00	1,167.00
Total Program Costs	21,411.00	0.00	789,446.00
Lost Revenues:	8,190.00	5,820.00	367,048.00
Efficiency Incentive:	3,802.00	18,331.00	100,406.00
Maximizing Incentive:	0.00	0.00	0.00
Total Costs	33,403.00	24,151.00	1,256,900.00

KENTUCKY POWER COMPANY



COMMENTS:

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

The projected participant and budgetary level for 2007 is 100 and \$50,000 respectively.

Impacts					
Estimated in Place Energy (kWh) Savings			Anticipated Peak Demand (kW) Reduction		
YTD		PTD		YTD	
Summer		Winter		Summer	
103,142		36,665,774		12	
YTD		PTD		YTD	
Summer		Winter		Summer	
160		244		160	
Winter		Winter		Winter	
3,329		3,329		3,329	

2006														
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	YTD	PTD
Heat Pump	23	12	12	13	11	19							90	1,230
Air Conditioner	0	0	0	0	0	0							0	2

PROGRAM INFORMATION	
PROGRAM:	Mobile Home New Construction
PARTICIPANT DEFINITION:	Number of Units Installed
CUSTOMER SECTOR:	Residential
REPORTING PERIOD:	January - June 2006

KENTUCKY POWER COMPANY



KENTUCKY POWER COMPANY



Mobile Home New Construction	
Reporting Period:	January - June 2006

Costs				
Description	Year-To-Date	Retroactive Adjustment	Program-To-Date	
Total Evaluation	259.00	0.00	30,294.00	
Equipment/Vendor:	4,550.00	0.00	75,813.00	
Promotional:	0.00	0.00	3,939.00	
Customer Incentives:	45,500.00	0.00	623,150.00	
Other Costs:	200.00	0.00	3,616.00	
Total Program Costs	50,509.00	0.00	736,812.00	
Lost Revenues:	23,934.00	0.00	329,868.00	
Efficiency Incentive:	11,246.00	0.00	57,728.00	
Maximizing Incentive:	0.00	0.00	2,580.00	
Total Costs	85,689.00	0.00	1,126,988.00	

KENTUCKY POWER COMPANY



COMMENTS:

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

The projected participant and budgetary level for 2007 is 150 heat pumps and \$87,500 respectively.

KENTUCKY POWER COMPANY



PROGRAM INFORMATION	
PROGRAM:	Modified Energy Fitness
PARTICIPANT DEFINITION:	Number of Audits
CUSTOMER SECTOR:	Residential
REPORTING PERIOD:	January - June 2006

2006														
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	YTD	PTD
New Participants	83	72	68	61	61	95							440	2,429

Impacts						
Estimated in Place Energy (kWh) Savings			Anticipated Peak Demand (kW) Reduction			
YTD	PTD		YTD		PTD	
			Summer	Winter	Summer	Winter
155,524	6,856,704		59	264	324	1,459

KENTUCKY POWER COMPANY



Modified Energy Fitness	
Reporting Period:	January - June 2006

Costs			
Description	Year-To-Date	Retroactive Adjustment	Program-To-Date
Total Evaluation	0.00	0.00	27,106.00
Equipment/Vendor:	121,144.00	0.00	853,690.00
Promotional:	0.00	0.00	0.00
Customer Incentives:	0.00	0.00	0.00
Other Costs:	0.00	0.00	0.00
Total Program Costs	121,144.00	0.00	880,796.00
Lost Revenues:	41,736.00	0.00	184,873.00
Efficiency Incentive:	18,515.00	0.00	75,579.00
Maximizing Incentive:	0.00	0.00	0.00
Total Costs	181,395.00	0.00	1,141,248.00

KENTUCKY POWER COMPANY



COMMENTS:

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

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

The projected participant and budgetary level for 2007 is 1000 and \$405,000 respectively.

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

2006														
Participant	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	YTD	PTD
Class I	0	0	0	0	0	0							0	1,952
Class II	0	0	0	0	0	0							0	194

PROGRAM INFORMATION	
PROGRAM:	Smart Audit - Commercial
PARTICIPANT DEFINITION:	Number of Audits
CUSTOMER SECTOR:	Commercial
REPORTING PERIOD:	January - June 2006

KENTUCKY POWER COMPANY



KENTUCKY POWER COMPANY



Smart Audit - Commercial	
Reporting Period:	January - June 2006

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

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COMMENTS:

This program was discontinued December 31, 2002.

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PROGRAM INFORMATION

PROGRAM:	Smart Incentive - Commercial
PARTICIPANT DEFINITION:	Number of Incentives
CUSTOMER SECTOR:	Commercial
REPORTING PERIOD:	January - June, 2006

2006														
Participant	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	YTD	PTD
Existing Building	0	0	0	0	0	0							0	182
New Building	0	0	0	0	0	0							0	69

Impacts						
Estimated in Place Energy (kWh) Savings			Anticipated Peak Demand (kW) Reduction			
YTD	PTD		YTD		PTD	
			Summer	Winter	Summer	Winter
0		74,542,784	0	0	1,519	2,640

KENTUCKY POWER COMPANY



Smart Incentive - Commercial	
Reporting Period:	January - June 2006

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



KENTUCKY POWER COMPANY

COMMENTS:

This program was discontinued December 31, 2002.

KENTUCKY POWER COMPANY



PROGRAM INFORMATION	
PROGRAM:	Smart Audit - Industrial
PARTICIPANT DEFINITION:	Number of Audits
CUSTOMER SECTOR:	Industrial
REPORTING PERIOD:	January - June 2006

2006														
Participant	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	YTD	PTD
Class I	0	0	0	0	0	0							0	60
Class II	0	0	0	0	0	0							0	4

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

KENTUCKY POWER COMPANY



Smart Audit - Industrial	
Reporting Period:	January - June 2006

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

KENTUCKY POWER COMPANY



COMMENTS:

This program was discontinued December 31, 1998.

KENTUCKY POWER COMPANY



PROGRAM INFORMATION	
PROGRAM:	Smart Incentive - Industrial
PARTICIPANT DEFINITION:	Number of Incentives
CUSTOMER SECTOR:	Residential
REPORTING PERIOD:	January - June 2006

2006														
Participant	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	YTD	PTD
General	0	0	0	0	0	0							0	1
Compressed Air	0	0	0	0	0	0							0	0

Impacts					
Estimated in Place Energy (kWh) Savings			Anticipated Peak Demand (kW) Reduction		
YTD	PTD	YTD		PTD	
		Summer	Winter	Summer	Winter
0	111,477	0	0	6	6

KENTUCKY POWER COMPANY



Smart Incentive - Industrial	
Reporting Period:	January - June 2006

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

KENTUCKY POWER COMPANY



COMMENTS:

This program was discontinued December 31, 1998.

KENTUCKY POWER COMPANY DERIVATION OF 3 SECTOR SURCHARGES FOR 3 YR EXPERIMENT		Exhibit C				PAGE 1 of 14
RESIDENTIAL SECTOR	TOTAL YEARS 1 thru 10	YEAR 11 (2006) 1st HALF (2)	YEAR 11 (2006) 3rd QTR (3)	YEAR 11 (2006) 4th QTR (4)	TOTAL	
	(1)	(2)	(3)	(4)	(5)	
1 CURRENT PERIOD AMOUNT TO BE RECOVERED	\$7,695,944	\$396,663	\$283,796	\$273,275	\$8,649,678	
2 CUMULATIVE (OVER)/UNDER COLLECTION	0	218,850	118,373	261,461	0	
3 18 MOS. RETROACTIVE(OVER)/UNDER ADJUSTMENT	(41,824)	0	0	0	(41,824)	
4 TOTAL TO BE RECOVERED	7,654,120	615,513	402,169	534,736	8,607,854	
5 TOTAL AMOUNT RECOVERED	7,434,924	497,140	0	0	7,932,064	
6 EXPECTED FUTURE RECOVERIES	0	0	140,708	398,490	539,198	
7 TRANSFER PORTION OF BALANCE FROM INDUSTRIAL	(9,833)	0	0	0	(9,833)	
8 TRANSFER PORTION OF BALANCE FROM COMMERCIAL	9,487	0	0	0	9,487	
9 (OVER)/UNDER COLLECTION TO BE REFUNDED	\$218,850	\$118,373	\$261,461	\$136,246	\$136,246	
	=====	=====	=====	=====	=====	
10 AMOUNT TO BE RECOVERED				\$534,736		
11 ADJ. ESTIMATED SECTOR KWH - YEAR 11			567,369,000	631,521,000		
SURCHARGE RANGE (\$ PER KWH)						
12 FLOOR (CARRYOVER)	COL. 4, L 2 / COL. 4, L 11			0.000414		
13 MIDPOINT - proposed rate			0.000248	0.000631		
14 CEILING (TOTAL COST)	COL. 4, L 4 / COL. 4, L 11			0.000847		
COMMERCIAL SECTOR	TOTAL YEARS 1 thru 10	YEAR 11 (2006) 1st HALF (2)	YEAR 11 (2006) 3rd QTR (3)	YEAR 11 (2006) 4th QTR (4)	TOTAL	
	(1)	(2)	(3)	(4)	(5)	
15 CURRENT PERIOD AMOUNT TO BE RECOVERED	\$2,899,298	\$0	\$0	\$0	\$2,899,298	
16 CUMULATIVE (OVER)/UNDER COLLECTION	0	0	0	0	0	
17 18 MOS. RETROACTIVE(OVER)/UNDER ADJUSTMENT	1,520	0	0	0	1,520	
18 TOTAL TO BE RECOVERED	2,900,818	0	0	0	2,900,818	
19 TOTAL AMOUNT RECOVERED	2,888,053	0	0	0	2,888,053	
20 EXPECTED FUTURE RECOVERIES	0	0	0	0	0	
21 TRANSFER PORTION OF BALANCE FROM INDUSTRIAL	(3,278)	0	0	0	(3,278)	
22 TRANSFER BALANCE TO RESIDENTIAL	(9,487)	0	0	0	(9,487)	
22 (OVER)/UNDER COLLECTION TO BE REFUNDED	\$0	\$0	\$0	\$0	\$0	
	=====	=====	=====	=====	=====	
23 AMOUNT TO BE RECOVERED				\$0		
24 ADJ. ESTIMATED SECTOR KWH - YEAR 11			368,800,200	350,231,100		
SURCHARGE RANGE (\$ PER KWH)						
25 FLOOR (CARRYOVER)				0.000000		
26 MIDPOINT - proposed rate			0.000000	0.000000		
27 CEILING (TOTAL COST)				0.000000		
INDUSTRIAL SECTOR	TOTAL YEARS 1 thru 10	YEAR 11 (2006) 1st HALF (2)	YEAR 11 (2006) 3rd QTR (3)	YEAR 11 (2006) 4th QTR (4)	TOTAL	
	(1)	(2)	(3)	(4)	(5)	
28 CURRENT PERIOD AMOUNT TO BE RECOVERED	\$79,026	\$0	\$0	\$0	\$79,026	
29 CUMULATIVE (OVER)/UNDER COLLECTION	0	0	0	0	0	
30 18 MOS. RETROACTIVE(OVER)/UNDER ADJUSTMENT	0	0	0	0	0	
31 TOTAL TO BE RECOVERED	79,026	0	0	0	79,026	
32 TOTAL AMOUNT RECOVERED	92,137	0	0	0	92,137	
33 EXPECTED FUTURE RECOVERIES	0	0	0	0	0	
34 TRANSFER BALANCE TO RESIDENTIAL & COMMERCIAL	13,111	0	0	0	13,111	
35 (OVER)/UNDER COLLECTION TO BE REFUNDED	\$0	\$0	\$0	\$0	\$0	
	=====	=====	=====	=====	=====	
36 AMOUNT TO BE RECOVERED				\$0		
37 ADJ. ESTIMATED SECTOR KWH - YEAR 11			293,613,300	320,845,500		
SURCHARGE RANGE (\$ PER KWH)						
38 FLOOR (CARRYOVER)				0.000000		
39 MIDPOINT			0.000000	0.000000		
40 CEILING (TOTAL COST) - proposed rate				0.000000		

YEAR 1	NEW	CUMULATIVE	TOTAL ESTIMATED	TOTAL ACT.	NET LOST	REVENUE	ENERGY SAVINGS	TOTAL	NET LOST	TOTAL NET*	EFFICIENCY	MAXIMIZING	TOTAL EST.
PROGRAM DESCRIPTIONS	PARTICIPANT NUMBER	PARTICIPANT NUMBER	PROGRAM COSTS PER PARTICIPANT	PROGRAM COSTS (KWH/PARTIC)	REVENUE (KWH/PARTIC)	ENERGY SAVINGS (\$/KWH)	REVENUES (EX. C. PG. 9B)	INCENTIVE (5% OF COSTS)	INCENTIVE (10)	INCENTIVE (9)	INCENTIVE (4)X(5%)	INCENTIVE (9)+(10)	INCENTIVE (9)+(10)+(11)
PROGRAM DESCRIPTIONS	NUMBER	NUMBER	COSTS	COSTS	REVENUE	REVENUES	REVENUES	INCENTIVE	INCENTIVE	INCENTIVE	INCENTIVE	INCENTIVE	RECOVERED COSTS TO BE
PROGRAM DESCRIPTIONS	NUMBER	NUMBER	COSTS	COSTS	REVENUE	REVENUES	REVENUES	INCENTIVE	INCENTIVE	INCENTIVE	INCENTIVE	INCENTIVE	RECOVERED COSTS TO BE
Energy Fitness	552	148	\$221.65	\$122.951	2,690	398,120	\$0.03	\$12,397	\$43,177	\$43,177		\$43,177	\$177,925
Targeted Energy Efficiency - All Electric	223	101	\$1,026.88	\$228,994	5,570	562,570	\$0.03	\$17,513	\$0	\$11,450		\$11,450	\$257,897
- Non-All Electric	74	35	\$372.19	\$27,542	680	23,800	\$0.03	\$744	\$719			\$719	\$29,005
Compact Fluorescent Bulb	269	73	\$56.06	\$15,081	62	4,526	\$0.03	\$140	\$425			\$425	\$15,646
High - Efficiency Heat Pump - Resistance Heat	539	216	\$73.49	\$39,611	2,275	491,400	\$0.03	\$15,292	\$10,634			\$10,634	\$65,537
- Non Resistance Heat	527	208	\$81.31	\$32,310	813	167,478	\$0.03	\$5,215	\$8,796			\$8,796	\$46,321
High - Efficiency Heat Pump - Mobile Home	356	158	\$498.95	\$176,914	2,160	341,280	\$0.03	\$10,517	\$13,834			\$13,834	\$201,365
Mobile Home New Construction	70	22	\$292.69	\$20,489	0	0							\$21,512
TOTAL RESIDENTIAL PROGRAMS	2,610	959	\$663,291	1,989,174		1,989,174		\$61,918	\$77,585			\$12,474	\$815,268
COMMERCIAL PROGRAMS	91	19	\$1,258.51	\$114,524	0	0		\$0	\$5,726			\$5,726	\$120,250
Smart Audit - Class 1	91	19	\$1,258.51	\$114,524	0	0		\$0	\$5,726			\$5,726	\$120,250
Smart Audit - Class 2	5	1	\$1,875.40	\$9,377	0	0		\$0	\$469			\$469	\$9,846
Smart Financing - Existing Building	1	0	\$5,794.00	\$5,794	22,000	22,000	\$0.04	\$0	\$506			\$506	\$9,300
Smart Financing - New Building	0	0	\$0	\$0	30,600	30,600	\$0.04	\$0	\$0			\$0	\$0
TOTAL COMMERCIAL PROGRAMS	97	20	\$129,695	\$129,695	0	0		\$0	\$506			\$6,195	\$136,396
INDUSTRIAL PROGRAMS - (w/Est Opt-Outs Removed)	15	1	\$149.40	\$2,241	0	0		\$0	\$112			\$112	\$2,353
Smart Audit - Class 1	15	1	\$149.40	\$2,241	0	0		\$0	\$112			\$112	\$2,353
Smart Audit - Class 2	2	1	\$8,980.00	\$17,960	0	0		\$0	\$898			\$898	\$18,858
Smart Financing - General	0	0	\$0	\$0	28,200	28,200	\$0.04	\$0	\$0			\$0	\$4,115
Smart Financing - Compressed Air System	0	0	\$0	\$0	164,800	164,800	\$0.03	\$0	\$0			\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	17	2	\$24,120	\$24,120	0	0		\$0	\$1,206			\$1,206	\$25,326
TOTAL COMPANY	2,724	981	\$817,106	1,989,174		1,989,174		\$61,918	\$78,091			\$19,875	\$976,990
* Last revenue and efficiency incentives are based on initial values per the settlement agreement.													

1997												
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 1997											Exhibit C PAGE 3A of 14	
YEAR 2 (1st HALF)	NEW PARTICIPANT NUMBER	CUMULATIVE PARTICIPANT NUMBER	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT	TOTAL ACT. PROGRAM COSTS	NET LOST REV/6 MOS (KWH/PARTIC)	TOTAL ENERGY SAVINGS KWH/6 MOS	NET LOST REVENUE (\$/KWH)	TOTAL NET * LOST REVENUES	EFFICIENCY INCENTIVE (EX. C, PG.9B)	MAXIMIZING INCENTIVE (5% of COSTS)	TOTAL * INCENTIVE	TOTAL EST. COSTS TO BE RECOVERED
PROGRAM DESCRIPTIONS	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
RESIDENTIAL PROGRAMS				(1)X(3)	(5)	(2)X(6)	(7)	(6)X(7)	(9)	(4)X(5%)	(9)+(10)	(4)+(8)+(11)
Energy Fitness	273	651	\$260.68	\$71,167	1,345	875,595	\$0.03	\$27,266	\$21,354	n/a	\$21,354	\$119,787
Targeted Energy Efficiency - All Electric	118	279	\$818.97	\$96,638	2,785	777,015	\$0.03	\$24,188	\$0	\$4,832	\$4,832	\$125,658
- Non-All Electric	26	88	\$88.23	\$2,294	340	29,920	\$0.03	\$935	\$252	n/a	\$252	\$3,481
Compact Fluorescent Bulb	0	269	\$0	\$0	31	8,339	\$0.03	\$258	\$0	n/a	\$0	\$258
High - Efficiency Heat Pump - Resistance Heat	123	590	\$2.58	\$317	1,138	671,420	\$0.03	\$20,895	\$2,427	n/a	\$2,427	\$23,639
- Non Resistance Heat	124	581	\$2.56	\$318	407	236,467	\$0.03	\$7,364	\$2,070	n/a	\$2,070	\$9,752
High - Efficiency Heat Pump - Mobile Home	109	403	\$157.87	\$17,208	1,080	435,240	\$0.03	\$13,540	\$4,236	n/a	\$4,236	\$34,984
Mobile Home New Construction	12	78	\$635.17	\$7,622	0	0	n/a	n/a	\$0	\$381	\$381	\$8,003
TOTAL RESIDENTIAL PROGRAMS	785	2,939		\$195,564		3,033,996		\$94,446	\$30,339	\$5,213	\$35,552	\$325,562
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	243	207	\$284.00	\$64,152	0	0	n/a	n/a	\$0	\$3,208	\$3,208	\$67,360
- Class 2	11	9	\$2,705.00	\$29,755	0	0	n/a	n/a	\$0	\$1,488	\$1,488	\$31,243
Smart Financing - Existing Building	0	1	n/a	\$5,629	11,000	11,000	\$0.04	\$469	\$0	\$281	\$281	\$6,379
Smart Financing - New Building	1	0	\$4,692.00	\$4,692	15,300	0	\$0.04	\$0	\$50	n/a	\$50	\$4,742
TOTAL COMMERCIAL PROGRAMS	255	217		\$104,228		11,000		\$469	\$50	\$4,977	\$5,027	\$109,724
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	9	20	\$279.56	\$2,516	0	0	n/a	n/a	\$0	\$126	\$126	\$2,642
Smart Audit - Class 2	1	2	\$1,133.00	\$1,133	0	0	n/a	n/a	\$0	\$57	\$57	\$1,190
Smart Financing - General	0	0	n/a	\$7,840	14,100	0	\$0.04	\$0	\$392	\$392	\$392	\$8,232
Smart Financing - Compressed Air System	0	0	\$0	\$0	82,400	0	\$0.03	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	10	22		\$11,489		0		\$0	\$0	\$575	\$575	\$12,064
TOTAL COMPANY	1,050	3,178		\$311,281		3,044,996		\$94,915	\$30,389	\$10,785	\$41,154	\$447,350
* Lost revenue and efficiency incentives are based on initial values per the settlement agreement.												

KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YR PROGRAM												
YEAR 2 (3rd QTR)	NEW PARTICIPANT NUMBER	CUMULATIVE PARTICIPANT NUMBER	TOTAL ESTIMATED PROGRAM COSTS	TOTAL ACT. NET LOST REV/QTR (KWH/PARTIC)	TOTAL ENERGY SAVINGS KWH/QTR	NET LOST REVENUE (\$/KWH)	TOTAL NET * REVENUES (EX. C. PG. 9B)	EFFICIENCY INCENTIVE (6% of COSTS)	MAXIMIZING INCENTIVE	TOTAL * COSTS TO BE RECOVERED	TOTAL EST.	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
			(1)X(3)	(1)X(4)	(2)X(5)	(6)X(7)	(4)X(5%)	(9)+(10)	(9)+(10)	(4)+(9)+(11)		
Energy Fitness	257	957	\$47,542	\$47,542	341	\$328,337	\$0.03	\$10,156	\$5,340	\$5,340	\$69,038	
Targeted Energy Efficiency - All Electric	51	359	\$1,090.08	\$55,594	1,392	\$13,648	\$0.03	\$15,980	\$2,780	\$2,780	\$74,354	
- Non-All Electric	15	108	\$193.33	\$2,900	170	\$18,360	\$0.03	\$574	n/a	\$25	\$3,499	
Compact Fluorescent Bulb	0	269	n/a	\$0	16	\$4,304	\$0.03	\$133	\$0	\$0	\$133	
High - Efficiency Heat Pump - Resistance Heat	109	717	\$55.05	\$6,000	547	\$92,199	\$0.03	\$12,213	\$787	n/a	\$19,000	
- Non Resistance Heat	84	656	\$66.18	\$5,559	221	\$153,585	\$0.03	\$4,786	n/a	\$2,445	\$12,790	
High - Efficiency Heat Pump - Mobile Home	77	509	\$689.62	\$53,101	625	\$318,125	\$0.03	\$9,894	n/a	\$2,503	\$65,498	
Mobile Home New Construction	0	82	n/a	\$8,082	0	0	0	\$0	\$305	\$305	\$8,397	
TOTAL RESIDENTIAL PROGRAMS	593	3,706	\$176,788	\$176,788	1,728,568	\$53,736	\$11,100	\$3,085	\$14,185	\$244,709		
COMMERCIAL PROGRAMS	98	383	\$413.13	\$40,487	0	0	\$0	\$2,024	\$2,024	\$2,024	\$42,511	
Smart Audit - Class 1	5	19	\$2,705.00	\$13,525	0	0	\$0	\$0	\$676	\$676	\$14,201	
- Class 2	5	19	\$2,705.00	\$13,525	0	0	\$0	\$0	\$676	\$676	\$14,201	
Smart Financing - Existing Building	2	2	\$3,067.00	\$6,134	11,100	22,200	\$0.04	\$940	n/a	\$1,627	\$8,701	
Smart Financing - New Building	0	1	n/a	\$0	7,650	7,650	\$0.04	\$327	\$0	\$0	\$327	
TOTAL COMMERCIAL PROGRAMS	105	405	\$60,146	\$60,146	28,850	\$1,287	\$1,627	\$2,700	\$4,327	\$65,740		
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)	3	29	\$868.00	\$1,998	0	0	\$0	\$0	\$100	\$100	\$2,098	
Smart Audit - Class 1	3	29	\$868.00	\$1,998	0	0	\$0	\$0	\$100	\$100	\$2,098	
Smart Audit - Class 2	0	3	n/a	\$0	0	0	\$0	\$0	\$0	\$0	\$0	
Smart Financing - General	0	0	n/a	\$4,785	14,825	\$0.04	\$0	\$0	n/a	\$0	\$4,785	
Smart Financing - Compressed Air System	0	0	0	\$0	41,200	0	\$0.04	\$0	\$0	\$0	\$0	
TOTAL INDUSTRIAL PROGRAMS	3	29	\$878.00	\$6,783	0	0	\$0	\$0	\$100	\$100	\$6,883	
TOTAL COMPANY	701	4,140	\$243,717	\$243,717	1,756,418	\$55,003	\$12,727	\$5,885	\$19,612	\$317,332		
* Lost revenue and efficiency incentives are based on prospective values.												

1998												
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM											Exhibit C	14
YEAR 3(1st HALF)	NEW PARTICIPANT NUMBER	CUMULATIVE PARTICIPANT NUMBER	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT	TOTAL ACT. PROGRAM COSTS	NET LOST REV/6 MOS (KWH/PARTIC)	TOTAL ENERGY SAVINGS KWH/6 MOS	NET LOST REVENUE (\$/KWH)	TOTAL NET * LOST REVENUES	EFFICIENCY INCENTIVE (EX. C. PG.9B)	MAXIMIZING INCENTIVE (5% of COSTS)	TOTAL * INCENTIVE	TOTAL EST. COSTS TO BE RECOVERED
PROGRAM DESCRIPTIONS	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
				(1)X(3)		(2)X(5)		(6)X(7)		(4)X(5%)	(9)+(10)	(4)+(8)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	544	1,768	\$184.44	\$100,334	682	1,205,776	\$0.03	\$37,524	\$11,304	n/a	\$11,304	\$149,162
Targeted Energy Efficiency - All Electric	122	565	\$1,132.92	\$138,216	2,784	1,572,960	\$0.03	\$48,935	\$0	\$6,911	\$6,911	\$194,062
- Non-All Electric	24	203	\$112.92	\$2,710	340	69,020	\$0.03	\$2,156	\$40	n/a	\$40	\$4,906
Compact Fluorescent Bulb	0	269	\$0.00	\$0	32	8,608	\$0.03	\$266	\$0	\$0	\$0	\$266
High - Efficiency Heat Pump - Resistance Heat	21	887	\$70.10	\$1,472	1,094	970,378	\$0.03	\$30,218	\$152	n/a	\$152	\$31,842
- Non Resistance Heat	26	848	\$70.00	\$1,820	442	374,816	\$0.03	\$11,679	\$757	n/a	\$757	\$14,256
High - Efficiency Heat Pump - Mobile Home	68	616	\$535.30	\$35,330	1,250	770,000	\$0.03	\$23,947	\$2,145	n/a	\$2,145	\$61,422
Mobile Home New Construction	0	82	n/a	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
TOTAL RESIDENTIAL PROGRAMS	803	5,238		\$279,882		4,971,558		\$154,725	\$14,398	\$6,911	\$21,309	\$455,916
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	204	597	\$194.13	\$39,602	0	0	n/a	\$0	\$1,980	\$1,980	\$41,582	
- Class 2	28	60	\$1,600.00	\$44,800	0	0	n/a	\$0	\$2,240	\$2,240	\$47,040	
Smart Financing - Existing Building	8	16	\$5,581.50	\$44,652	22,200	355,200	\$0.04	\$15,043	\$6,506	n/a	\$6,506	\$66,201
Smart Financing - New Building	1	1	\$4,564.00	\$4,564	15,300	15,300	\$0.04	\$654	\$29	\$0	\$29	\$5,247
TOTAL COMMERCIAL PROGRAMS	241	674		\$133,618		370,500		\$15,697	\$6,535	\$4,220	\$10,755	\$160,070
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	12	51	\$246.08	\$2,953	0	0	n/a	\$0	\$148	\$148	\$3,101	
Smart Audit - Class 2	1	3	\$1,800.00	\$1,800	0	0	n/a	\$0	\$90	\$90	\$1,890	
Smart Financing - General	0	0	\$0.00	\$1,338	29,250	0	\$0.04	\$0	\$0	\$67	\$1,405	
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	82,400	0	\$0.04	\$0	\$0	\$0	\$0	
TOTAL INDUSTRIAL PROGRAMS	13	54		\$6,091		0		\$0	\$0	\$305	\$305	\$6,396
TOTAL COMPANY	1,057	5,966		\$419,591		5,342,058		\$170,422	\$20,933	\$11,436	\$32,369	\$622,382
* Lost revenue and efficiency incentives are based on prospective values.												

1998

KENTUCKY POWER COMPANY
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM

Exhibit C
PAGE 4B of 14

YEAR 3(2nd HALF)	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (1)X(3) (4)	NET LOST REV/6 MOS (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/6 MOS (2)X(5) (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * LOST REVENUES (6)X(7) (8)	EFFICIENCY INCENTIVE (EX. C, PG.9B) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (4)X(5%) (10)	TOTAL * INCENTIVE (11)	TOTAL EST. COSTS TO BE RECOVERED (12)
RESIDENTIAL PROGRAMS												
Energy Fitness	448	2,277	\$301.30	\$134,982	682	1,552,914	\$0.03	\$48,327	\$9,309	\$0	\$9,309	\$192,618
Targeted Energy Efficiency - All Electric	131	697	\$1,197.51	\$155,564	2,784	1,940,448	\$0.03	\$60,367	\$0	\$7,778	\$7,778	\$223,709
- Non-All Electric	42	238	\$139.62	\$5,864	340	80,920	\$0.03	\$2,528	\$70	\$0	\$70	\$8,482
Compact Fluorescent Bulb	0	269	\$0.00	\$0	32	8,608	\$0.03	\$266	\$0	\$0	\$0	\$266
High - Efficiency Heat Pump - Resistance Heat	108	940	\$147.45	\$15,925	1,094	1,028,360	\$0.03	\$32,023	\$780	\$0	\$780	\$48,728
- Non Resistance Heat	64	894	\$72.27	\$4,625	442	395,148	\$0.03	\$12,313	\$1,863	\$0	\$1,863	\$18,501
High - Efficiency Heat Pump - Mobile Home	173	764	\$514.50	\$89,009	1,250	955,000	\$0.03	\$29,701	\$5,623	\$0	\$5,623	\$124,333
Mobile Home New Construction	33	11	\$549.45	\$18,132	0	0	n/a	\$0	\$907	\$907	\$19,039	
TOTAL RESIDENTIAL PROGRAMS	999	6,090		\$424,101		5,961,398		\$185,525	\$17,646	\$8,685	\$26,330	\$635,956
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	178	795	\$534.85	\$95,203	0	0	n/a	\$0	\$4,760	\$4,760	\$99,963	
- Class 2	9	73	\$2,800.00	\$25,200	0	0	n/a	\$0	\$1,260	\$1,260	\$26,460	
Smart Financing - Existing Building	29	32	\$1,878.86	\$54,487	22,200	710,400	\$0.04	\$30,085	\$23,585	\$0	\$23,585	\$108,157
Smart Financing - New Building	5	6	\$1,529.20	\$7,646	15,300	91,800	\$0.04	\$3,926	\$144	\$0	\$144	\$11,716
TOTAL COMMERCIAL PROGRAMS	221	906		\$182,536		802,200		\$34,011	\$23,729	\$6,020	\$29,749	\$246,296
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	3	59	\$852.33	\$2,557	0	0	n/a	\$0	\$128	\$128	\$2,685	
Smart Audit - Class 2	0	4	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	
Smart Financing - General	1	0	\$0.00	\$2,430	29,250	0	\$0.04	\$0	\$383	\$0	\$383	\$2,813
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	82,400	0	\$0.04	\$0	\$0	\$0	\$0	
TOTAL INDUSTRIAL PROGRAMS	4	63		\$4,987		0		\$0	\$383	\$128	\$511	\$5,498
TOTAL COMPANY	1,224	7,059		\$611,624		6,763,598		\$219,536	\$41,757	\$14,833	\$56,590	\$887,750
* Lost revenue and efficiency incentives are based on prospective values.												

KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM												
YEAR 4 (1st HALF)	NEW	CUMULATIVE	TOTAL ESTIMATED	TOTAL ACT.	NET LOSS	REVENUE	REVENUE	NET LOSS	TOTAL NET *	EFFICIENCY	MAXIMIZING	TOTAL EST.
PROGRAM DESCRIPTIONS	PARTICIPANT NUMBER	PARTICIPANT NUMBER **	PROGRAM COSTS	PROGRAM COSTS	REV/HALF (KWH/PARTIC)	REV/HALF (KWH/HALF)	ENERGY SAVINGS (\$/KWH)	REVENUE LOST (EX C. PG.9B)	INCENTIVE (5% OF COSTS)	INCENTIVE	TOTAL * COSTS TO BE RECOVERED	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
				(1)X(3)	(2)X(5)	(6)X(7)	(4)X(5%)	(9)X(10)	(9)X(10)	(9)X(10)	(4)+(9)+(11)	
Targeted Energy Efficiency - All Electric	75	773	\$1,907.41	\$143,056	630	486,980	\$0.03	\$15,150	\$0	\$7,153	\$165,359	
Energy Fitness	306	2,694	\$312.58	\$95,650	707	1,904,658	\$0.03	\$59,273	\$0	\$10,370	\$165,293	
Compact Fluorescent Bulb	0	269	\$0.00	\$0	31	8,339	\$0.03	\$258	\$0	\$0	\$258	
High - Efficiency Heat Pump - Resistance Heat	99	1,002	\$273.74	\$27,100	1,200	1,202,400	\$0.03	\$37,443	\$4,375	\$0	\$68,918	
- Non Resistance Heat	2	853	\$50.00	\$100	442	377,026	\$0.03	\$11,748	\$0	\$5	\$11,853	
High - Efficiency Heat Pump - Mobile Home	101	826	\$645.99	\$65,145	1,475	1,218,350	\$0.03	\$37,891	\$9,605	\$0	\$101,541	
Mobile Home New Construction ***	98	45	\$687.20	\$57,646	1,756	79,020	\$0.03	\$2,458	\$4,353	\$0	\$64,357	
TOTAL RESIDENTIAL PROGRAMS	693	6,711	\$379,941	\$579,941	5,352,977	\$166,601	\$27,663	\$7,158	\$34,821	\$581,363		
COMMERCIAL PROGRAMS	186	964	\$204.71	\$38,076	0	0	0	0	\$1,904	\$1,904	\$39,980	
Smart Audit - Class 1	186	964	\$204.71	\$38,076	0	0	0	0	0	0	0	
Smart Audit - Class 2	16	87	\$2,705.00	\$43,280	0	0	0	0	0	0	0	
Smart Financing - Existing Building	6	51	\$5,109.67	\$30,658	13,282	677,382	\$0.04	\$28,687	\$1,395	\$0	\$60,740	
Smart Financing - New Building	3	9	\$0.00	\$2,350	14,101	126,909	\$0.04	\$5,428	\$787	\$0	\$8,565	
TOTAL COMMERCIAL PROGRAMS	211	1,111	\$114,364	\$804,291	804,291	\$34,115	\$2,182	\$4,068	\$8,250	\$154,729		
INDUSTRIAL PROGRAMS - (W/Est Opt-Outs Removed)	0	60	\$0.00	\$0	0	0	0	0	\$0	\$0	\$0	
Smart Audit - Class 1	0	60	\$0.00	\$0	0	0	0	0	0	0	0	
Smart Audit - Class 2	0	4	\$0.00	\$0	0	0	0	0	0	0	0	
Smart Financing - General	0	1	\$0.00	\$0	0	0	0	0	0	0	0	
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	0	0	0	0	0	
TOTAL INDUSTRIAL PROGRAMS	0	65	\$0	\$0	0	0	0	0	\$0	\$0	\$0	
TOTAL COMPANY	904	7,920	\$494,305	\$6,216,216	6,216,216	\$200,716	\$29,845	\$11,226	\$41,071	\$736,092		
* Lost revenue and efficiency incentives are based on prospective values.												
** Cumulative participants include a reduction for the cumulative participants as of 06/30/96.												
*** Participants since 09/01/98.												

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KENTUCKY POWER COMPANY
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM

Exhibit C
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YEAR 4 (2nd HALF)	NEW PARTICIPANT NUMBER	CUMULATIVE PARTICIPANT NUMBER **	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT	TOTAL ACT. PROGRAM COSTS	NET LOST REV/HALF (KWH/PARTIC)	TOTAL ENERGY SAVINGS KWH/HALF	NET LOST REVENUE (\$/KWH)	TOTAL NET * LOST REVENUES	EFFICIENCY INCENTIVE (EX. C. PG.9B)	MAXIMIZING INCENTIVE (5% of COSTS)	TOTAL * INCENTIVE	TOTAL EST. COSTS TO BE RECOVERED
PROGRAM DESCRIPTIONS	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
				(1)X(3)		(2)X(5)		(6)X(7)		(4)X(5)	(9)+(10)	(4)+(6)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	0	2,519	\$0.00	\$972	797	1,780,933	\$0.03	\$55,423	\$0	\$0	\$0	\$56,395
Targeted Energy Efficiency - All Electric	66	700	\$1,222.78	\$80,702	630	441,000	\$0.03	\$13,720	\$0	\$4,035	\$4,035	\$98,457
- Non-All Electric	8	220	\$67.50	\$540	306	67,320	\$0.03	\$2,103	\$40	\$0	\$40	\$2,683
Compact Fluorescent Bulb	0	123	\$0.00	\$0	31	3,813	\$0.03	\$118	\$0	\$0	\$0	\$118
High - Efficiency Heat Pump - Resistance Heat	140	810	\$211.14	\$29,560	1,200	972,000	\$0.03	\$30,268	\$6,187	\$0	\$6,187	\$66,015
- Non Resistance Heat	0	593	\$0.00	\$0	447	265,071	\$0.03	\$8,260	\$0	\$0	\$0	\$8,260
High - Efficiency Heat Pump - Mobile Home	134	739	\$539.07	\$72,236	1,475	1,090,025	\$0.03	\$33,900	\$11,284	\$0	\$11,284	\$117,420
Mobile Home New Construction ***	123	196	\$581.42	\$71,515	1,755	343,980	\$0.03	\$10,698	\$5,464	\$0	\$5,464	\$87,677
TOTAL RESIDENTIAL PROGRAMS	471	5,900		\$255,525		4,964,142		\$154,490	\$22,975	\$4,035	\$27,010	\$437,025
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	188	1,129	\$356.11	\$66,948	0	0	n/a	\$0	\$3,347	\$3,347	\$0	\$70,295
- Class 2	21	103	\$2,705.00	\$66,805	0	0	n/a	\$0	\$2,840	\$2,840	\$0	\$59,645
Smart Financing - Existing Building	25	66	\$2,726.04	\$68,151	13,282	876,612	\$0.04	\$37,125	\$5,814	\$0	\$5,814	\$111,090
Smart Financing - New Building	8	13	\$3,087.00	\$24,696	14,101	183,313	\$0.04	\$7,840	\$2,099	\$0	\$2,099	\$34,635
TOTAL COMMERCIAL PROGRAMS	242	1,311		\$216,600		1,059,925		\$44,965	\$7,913	\$6,187	\$14,100	\$275,665
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	0	57	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	4	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	0	1	\$0.00	\$0	0	0	\$0.04	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.04	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	0	62		\$0		0		\$0	\$0	\$0	\$0	\$0
TOTAL COMPANY	713	7,273		\$472,125		6,024,067		\$199,455	\$30,888	\$10,222	\$41,110	\$712,690

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

** Cumulative participants include a reduction for the cumulative participants as of 12/31/96.

*** Participants since 09/01/98.

YEAR 5 (1st half)	NEW PARTICIPANT NUMBER	CUMULATIVE PARTICIPANT NUMBER **	TOTAL ESTIMATED PROGRAM ACT. COSTS	NET LOST PROGRAM REVENUE	TOTAL NET LOST REVENUE (\$/KWH)	TOTAL NET * EFFICIENCY INCENTIVE (EX. C. PG.9B)	EFFICIENCY INCENTIVE (5% OF COSTS)	MAXIMIZING INCENTIVE	TOTAL * COSTS TO BE RECOVERED	TOTAL EST.
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	PROGRAM DESCRIPTIONS	PROGRAM DESCRIPTIONS	PROGRAM DESCRIPTIONS	PROGRAM DESCRIPTIONS	PROGRAM DESCRIPTIONS	PROGRAM DESCRIPTIONS	PROGRAM DESCRIPTIONS	PROGRAM DESCRIPTIONS	PROGRAM DESCRIPTIONS	PROGRAM DESCRIPTIONS
	Energy Fitness	2,161	\$0.00	\$0	1,527,827	\$0.03	\$47,546	\$0	\$0	\$47,546
	Targeted Energy Efficiency - All Electric	659	\$1,272.61	\$83,992	415,170	\$0.03	\$12,916	\$4,200	\$4,200	\$101,108
	- Non-All Electric	28	\$90.82	\$2,543	61,812	\$0.03	\$141	\$0	\$141	\$4,615
	Compact Fluorescent Bulb	0	\$0.00	\$0	0	\$0.00	\$0	\$0	\$0	\$0
	High - Efficiency Heat Pump - Resistance Heat	38	\$200.00	\$7,600	819,600	\$0.03	\$25,522	\$0	\$1,679	\$34,801
	- Non Resistance Heat	38	\$0.00	\$0	155,556	\$0.03	\$4,847	\$0	\$0	\$4,847
	High - Efficiency Heat Pump - Mobile Home	45	\$500.00	\$22,500	1,007,425	\$0.03	\$31,331	\$3,789	\$3,789	\$57,620
	Mobile Home New Construction ***	101	\$530.20	\$53,550	530,010	\$0.03	\$16,483	\$4,486	\$0	\$74,519
	TOTAL RESIDENTIAL PROGRAMS	278	\$170,185	\$4,517,400	\$140,576	\$10,095	\$4,200	\$14,295	\$325,056	
	COMMERCIAL PROGRAMS	144	\$397.19	\$57,195	0	na	\$0	\$2,860	\$2,860	\$60,055
	Smart Audit - Class 1	8	\$0.00	\$0	0	na	\$0	\$0	\$0	\$0
	- Class 2	112	\$2,705.00	\$21,640	0	na	\$0	\$1,082	\$1,082	\$22,722
	Smart Financing - Existing Building	16	\$1,307.31	\$20,917	13,282	\$0.04	\$3,721	\$0	\$3,721	\$73,012
	Smart Financing - New Building	4	\$6,298.75	\$25,195	14,101	\$0.04	\$12,062	\$0	\$1,049	\$38,306
	TOTAL COMMERCIAL PROGRAMS	172	\$124,947	\$124,947	\$124,272	\$60,436	\$4,770	\$3,942	\$8,712	\$194,095
	INDUSTRIAL PROGRAMS - (West Opt-Outs Removed)	0	\$0.00	\$0	0	na	\$0	\$0	\$0	\$0
	Smart Audit - Class 1	0	\$0.00	\$0	0	na	\$0	\$0	\$0	\$0
	Smart Financing - General	0	\$0.00	\$0	0	\$0.00	\$0	\$0	\$0	\$0
	Smart Financing - Compressed Air System	0	\$0.00	\$0	0	\$0.00	\$0	\$0	\$0	\$0
	TOTAL INDUSTRIAL PROGRAMS	0	\$0	\$0	0	\$0	\$0	\$0	\$0	\$0
	TOTAL COMPANY	450	\$6,382	\$295,132	\$,941,672	\$201,012	\$14,865	\$8,142	\$23,007	\$519,151
	* Lost revenue and efficiency incentives are based on prospective values.									
	** Cumulative participants include a reduction for the cumulative participants as of 06/30/97.									
	*** Participants since 09/01/98									

KENTUCKY POWER COMPANY
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM

Year 2000												
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM											Exhibit C PAGE 6B of	14
YEAR 5 (2nd half)	NEW PARTICIPANT NUMBER	CUMULATIVE PARTICIPANT NUMBER **	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT	TOTAL ACT. PROGRAM COSTS	NET LOST REV/HALF (KWH/PARTIC)	TOTAL ENERGY SAVINGS KWH/HALF	NET LOST REVENUE (\$/KWH)	TOTAL NET * LOST REVENUES	EFFICIENCY INCENTIVE (EX. C, PG.9B)	MAXIMIZING INCENTIVE (5% of COSTS)	TOTAL * INCENTIVE	TOTAL EST. COSTS TO BE RECOVERED
PROGRAM DESCRIPTIONS	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
				(1)X(3)		(2)X(5)		(6)X(7)		(4)X(5%)	(9)+(10)	(4)+(8)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	0	1,525	\$0.00	\$0	706	1,076,650	\$0.03	\$33,505	\$0	\$0	\$0	\$33,505
Targeted Energy Efficiency - All Electric	99	583	\$1,115.41	\$110,426	630	367,290	\$0.03	\$11,426	\$0	\$5,521	\$5,521	\$127,373
- Non-All Electric	21	170	\$94.67	\$1,988	306	52,020	\$0.03	\$1,625	\$105	\$0	\$105	\$3,718
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump - Resistance Heat	25	481	\$200.00	\$5,000	1,200	577,200	\$0.03	\$17,974	\$1,105	\$0	\$1,105	\$24,079
- Non Resistance Heat	0	147	\$0.00	\$0	446	65,562	\$0.03	\$2,043	\$0	\$0	\$0	\$2,043
High - Efficiency Heat Pump - Mobile Home	43	572	\$495.35	\$21,300	1,476	844,272	\$0.03	\$26,257	\$3,621	\$0	\$3,621	\$51,178
Mobile Home New Construction ***	94	403	\$575.00	\$54,050	1,755	707,265	\$0.03	\$21,996	\$4,175	\$0	\$4,175	\$80,221
TOTAL RESIDENTIAL PROGRAMS	282	3,881		\$192,764		3,690,259		\$114,826	\$9,009	\$5,521	\$14,527	\$322,117
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	159	1,026	\$165.24	\$26,273	0	0	n/a	\$0	\$0	\$1,314	\$1,314	\$27,587
- Class 2	29	98	\$2,705.00	\$78,445	0	0	n/a	\$0	\$0	\$3,922	\$3,922	\$82,367
Smart Financing - Existing Building	24	97	\$914.54	\$21,949	13,282	1,288,354	\$0.04	\$54,562	\$5,581	\$0	\$5,581	\$82,092
Smart Financing - New Building	0	21	\$0.00	\$7,269	14,102	296,142	\$0.04	\$12,666	\$0	\$0	\$0	\$19,935
TOTAL COMMERCIAL PROGRAMS	212	1,242		\$133,936		1,584,496		\$67,228	\$5,581	\$5,236	\$10,817	\$211,981
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.00	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	0	0		\$0		0		\$0	0	\$0	0	0
TOTAL COMPANY	494	5,123		\$326,700		5,274,755		\$182,054	\$14,587	\$10,757	\$25,344	\$534,098

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

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

*** Participants since 09/01/98.

KENTUCKY POWER COMPANY
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM

YEAR 6 (1st Half)	NEW PARTICIPANT NUMBER	CUMULATIVE PARTICIPANT NUMBER **	TOTAL ESTIMATED PROGRAM COSTS	TOTAL ACT. PROGRAM COSTS	NET LOSS REV/ACT (KWH/PARTIC)	ENERGY SAVINGS KWH-HALF (KWH)	NET LOSS REVENUE LOST (KWH)	TOTAL NET REVENUES (EX. C. PG. 98)	EFFICIENCY INCENTIVE (5% of COSTS)	MAXIMIZING INCENTIVE (10)	TOTAL * COSTS TO BE RECOVERED (11)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
			(1)X(3)	(2)X(5)	(1)X(3)	(2)X(5)	(6)X(7)	(9)	(4)X(5%)	(9)+-(10)	(4)+(8)+(11)
RESIDENTIAL PROGRAMS	0	1,044	\$0.00	\$0	707	738,108	\$0.03112	\$22,970	\$0	\$0	\$22,970
Energy Fitness	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0
Targeted Energy Efficiency - All Electric	62	535	\$1,276.94	\$79,170	630	337,050	\$0.03111	\$10,486	\$0	\$3,959	\$93,619
- Non-All Electric	18	137	\$87.89	\$1,582	308	41,922	\$0.03124	\$1,310	\$0	\$90	\$2,982
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump - Resistance Heat	23	438	\$201.04	\$4,624	1200	625,600	\$0.03114	\$16,367	\$1,016	\$1,016	\$22,007
- Non Resistance Heat	0	81	\$0.00	\$0	447	36,207	\$0.03116	\$1,128	\$0	\$0	\$1,128
High - Efficiency Heat Pump - Mobile Home	53	558	\$472.15	\$25,024	1476	823,050	\$0.03110	\$25,597	\$4,463	\$4,463	\$55,084
Mobile Home New Construction ***	83	488	\$537.04	\$44,574	1755	856,440	\$0.03110	\$26,636	\$3,697	\$3,697	\$74,996
TOTAL RESIDENTIAL PROGRAMS	239	3,281	\$154,974	\$3,988,377	1,840,109	1,840,109	\$18,076	\$5,987	\$4,270	\$9,857	\$272,682
COMMERCIAL PROGRAMS	134	1,017	\$321.82	\$43,124	0	0	n/a	\$0	\$2,156	\$2,156	\$45,280
Smart Audit - Class 1	134	1,017	\$321.82	\$43,124	0	0	n/a	\$0	\$2,156	\$2,156	\$45,280
- Class 2	28	106	\$1,610.00	\$42,280	0	0	n/a	\$0	\$2,114	\$2,114	\$44,394
Smart Financing - Existing Building	16	112	\$2,309.00	\$34,636	13,282	1,487,584	\$0.04235	\$62,999	\$3,488	\$3,488	\$101,122
Smart Financing - New Building	8	25	\$4,016.13	\$32,129	14,101	392,525	\$0.04271	\$19,071	\$2,099	\$2,099	\$49,305
TOTAL COMMERCIAL PROGRAMS	185	1,259	\$152,168	\$184,109	1,840,109	1,840,109	\$18,076	\$5,987	\$4,270	\$9,857	\$240,101
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	0	0	\$0	\$0	0	0	\$0	\$0	\$0	\$0	\$0
TOTAL COMPANY	424	4,540	\$307,142	\$5,198,486	5,198,486	5,198,486	\$182,569	\$14,843	\$8,229	\$23,072	\$512,783

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

KENTUCKY POWER COMPANY
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM

YEAR 6 (2nd Half)	NEW PARTICIPANT NUMBER	CUMULATIVE PARTICIPANT NUMBER **	TOTAL ESTIMATED PROGRAM COSTS	TOTAL ACT. PROGRAM COSTS	REV/LTR (KWH/PARTIC)	ENERGY SAVINGS (KWH/HALF)	REVENUE LOST (\$/KWH)	TOTAL NET * REVENUES	EFFICIENCY INCENTIVE (% of COSTS)	MAXIMIZING INCENTIVE	TOTAL * COSTS TO BE RECOVERED
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
PROGRAM DESCRIPTIONS	NUMBER	NUMBER **	PER PARTICIPANT COSTS	PROGRAM COSTS	REV/LTR (KWH/PARTIC)	ENERGY SAVINGS (KWH/HALF)	REVENUE LOST (\$/KWH)	TOTAL NET * REVENUES (EX C PG.9B)	EFFICIENCY INCENTIVE (% of COSTS)	MAXIMIZING INCENTIVE	TOTAL * COSTS TO BE RECOVERED
			(1X3)	(1X3)	(2X5)	(2X5)	(6X7)	(9)	(4X 5%)	(11)	(12)
RESIDENTIAL PROGRAMS	0	535	\$0.00	\$0	706	377,710	\$0.0312	\$11,754	\$0	\$0	\$11,754
Energy Fitness	0	535	\$0.00	\$0	706	377,710	\$0.0312	\$11,754	\$0	\$0	\$11,754
Targeted Energy Efficiency - All Electric	88	486	\$1,018.86	\$89,660	630	306,180	\$0.0311	\$9,525	\$0	\$4,483	\$103,668
Targeted Energy Efficiency - Non-All Electric	46	122	\$81.46	\$3,747	306	37,332	\$0.03124	\$1,166	\$0	\$231	\$5,144
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump - Resistance Heat	30	412	\$173.33	\$5,200	1,200	494,400	\$0.0314	\$15,396	\$1,326	\$1,326	\$21,922
High - Efficiency Heat Pump - Non Resistance Heat	0	35	\$0.00	\$0	446	15,610	\$0.0316	\$486	\$0	\$0	\$486
High - Efficiency Heat Pump - Mobile Home	47	469	\$510.64	\$24,000	1,476	692,244	\$0.03110	\$21,529	\$3,958	\$3,958	\$49,487
Mobile Home New Construction ***	92	568	\$555.43	\$51,100	1,755	996,840	\$0.03110	\$31,002	\$4,087	\$4,087	\$86,189
TOTAL RESIDENTIAL PROGRAMS	303	2,627	\$173,707	\$173,707	2,920,316	2,920,316	\$90,858	\$90,858	\$9,602	\$4,483	\$278,650
COMMERCIAL PROGRAMS	131	966	\$454.04	\$59,479	0	0	n/a	\$0	\$0	\$2,974	\$62,453
Smart Audit - Class 1	131	966	\$454.04	\$59,479	0	0	n/a	\$0	\$0	\$2,974	\$62,453
Smart Audit - Class 2	5	5	\$9,817.20	\$49,086	0	0	n/a	\$0	\$0	\$2,454	\$51,540
Smart Audit - Existing Building	109	109	\$1,664.27	\$24,964	13,282	1,447,738	\$0.04236	\$61,312	\$3,488	\$3,488	\$89,764
Smart Financing - Existing Building	18	34	\$1,799.28	\$32,387	14,102	479,468	\$0.04277	\$20,607	\$4,722	\$0	\$57,616
Smart Financing - New Building	169	169	\$165,916	\$165,916	1,927,206	\$91,819	\$91,819	\$9,210	\$5,428	\$13,638	\$261,373
INDUSTRIAL PROGRAMS - (West Opt-Outs Removed)	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	0	0	\$0	\$0	0	0	\$0	\$0	\$0	\$0	\$0
TOTAL COMPANY	472	3,847	\$339,623	\$339,623	4,847,522	\$172,677	\$172,677	\$17,812	\$9,911	\$27,723	\$640,023
* Lost revenue and efficiency incentives are based on prospective values.											
** Cumulative participants include a reduction for the cumulative participants as of 12/31/98											
*** Participants since 07/01/98.											

YEAR 7 (1st Half)	NEW	CUMULATIVE	TOTAL ESTIMATED	TOTAL ACTUAL	NET LOST	ENERGY SAVINGS	REVENUE	LOST	INCENTIVE	INCENTIVE	TOTAL * COSTS TO BE
PROGRAM DESCRIPTIONS	NUMBER	NUMBER **	PARTICIPANT COSTS	PROGRAM REVENUE	REV/HALF	REVENUE	SAVINGS	REVENUE	LOST	INCENTIVE	TOTAL * COSTS TO BE
RESIDENTIAL PROGRAMS	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Energy Fitness	0	116	\$0.00	\$0	707	\$0.03112	\$2,552	\$0	\$0	\$0	\$0
Targeted Energy Efficiency - All Electric	63	442	\$1,752.40	\$110,401	1,028	\$0.03111	\$14,136	\$0	\$0	\$5,520	\$130,057
- Non-All Electric	32	135	\$65.47	\$2,095	315	\$0.03124	\$1,328	\$137	\$0	\$0	\$3,560
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump - Resistance Heat	1	314	\$1,152.00	\$1,152	1,200	\$0.03114	\$11,734	\$44	\$0	\$0	\$12,930
- Non Resistance Heat	0	0	\$0.00	\$0	447	\$0.03116	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump - Mobile Home	43	414	\$619.77	\$26,650	1,144	\$0.03110	\$14,729	\$1,244	\$0	\$0	\$42,623
Mobile Home New Construction ***	57	568	\$641.77	\$36,581	1,809	\$0.03110	\$31,956	\$231	\$0	\$0	\$68,768
TOTAL RESIDENTIAL PROGRAMS	196	1,989	\$176,879	2,466,841		\$76,435	\$1,656	\$5,520	\$7,176	\$260,490	
COMMERCIAL PROGRAMS	125	923	\$432.92	\$54,115	0	\$0	\$0	\$0	\$0	\$0	\$56,821
Smart Audit - Class 1	8	104	\$3,711.00	\$29,688	0	\$0	\$0	\$0	\$0	\$0	\$31,172
- Class 2	7	101	\$2,552.71	\$17,869	13,282	\$0.04235	\$56,812	\$1,628	\$0	\$0	\$76,309
Smart Financing - Existing Building	5	42	\$1,394.60	\$6,973	14,101	\$0.04277	\$25,330	\$1,312	\$0	\$0	\$33,615
Smart Financing - New Building	145	1,170	\$108,645	1,933,724		\$82,142	\$2,940	\$4,190	\$7,130	\$197,917	
TOTAL COMMERCIAL PROGRAMS	145	1,170	\$108,645	1,933,724		\$82,142	\$2,940	\$4,190	\$7,130	\$197,917	
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)	0	0	\$0.00	\$0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 1	0	0	\$0.00	\$0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	0	\$0.00	\$0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	0	0	\$0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL COMPANY	341	3,159	\$285,524	4,390,565		\$158,577	\$4,596	\$9,710	\$14,306	\$458,407	

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

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

*** Participants since 01/01/1999.

Year 2003												
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM											Exhibit C PAGE 9A of	14
YEAR 8 (1st HALF)	NEW	CUMULATIVE	TOTAL ESTIMATED PROGRAM COSTS	TOTAL ACTUAL PROGRAM COSTS	NET LOST REV/HALF	TOTAL ENERGY SAVINGS (KWH/HALF)	NET LOST REVENUE (\$/KWH)	TOTAL NET * REVENUES (8)	EFFICIENCY INCENTIVE (9)	MAXIMIZING INCENTIVE (10)	TOTAL * INCENTIVE (11)	TOTAL ACTUAL COSTS TO BE RECOVERED (12)
PROGRAM DESCRIPTIONS	NUMBER (1)	NUMBER ** (2)	PER PARTICIPANT COSTS (3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
				(1)X(3)		(2)X(5)		(6)X(7)		(4)X(5)	(9)+(10)	(4)+(8)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	0	0	\$0.00	\$0	707	0	\$0.03112	\$0	\$0	\$0	\$0	\$0
Targeted Energy Efficiency												
- All Electric	100	467	\$849.84	\$84,984	1,028	480,076	\$0.03111	\$14,935	\$0	\$4,249	\$4,249	\$104,168
- Non-All Electric	7	151	\$79.29	\$555	314	47,414	\$0.03124	\$1,481	\$30	\$0	\$30	\$2,066
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump												
- Resistance Heat	0	94	\$0.00	\$0	1,200	112,800	\$0.03114	\$3,513	\$0	\$0	\$0	\$3,513
- Non Resistance Heat	0	0	\$0.00	\$0	447	0	\$0.03116	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump												
- Mobile Home	34	288	\$379.41	\$12,900	1,144	306,592	\$0.03110	\$9,535	\$983	\$0	\$983	\$23,418
Mobile Home New Construction ***												
- Heat Pump	46	460	\$482.61	\$22,200	1,808	831,680	\$0.03110	\$25,865	\$187	\$0	\$187	\$48,252
- Air Conditioner	0	0	\$0.00	\$0	157	0	\$0.03124	\$0	\$0	\$0	\$0	\$0
Modified Energy Fitness	101	23	\$142.72	\$14,415	1,194	27,462	\$0.03116	\$856	\$2,127	\$0	\$2,127	\$17,398
TOTAL RESIDENTIAL PROGRAMS	288	1,463		\$135,054		1,806,024		\$56,185	\$3,327	\$4,249	\$7,576	\$198,815
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	0	620	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
- Class 2	0	73	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - Existing Building	0	110	\$0.00	\$0	13,282	1,461,020	\$0.04235	\$61,874	\$0	\$0	\$0	\$61,874
Smart Financing - New Building	0	49	\$0.00	\$0	14,101	690,949	\$0.04277	\$29,552	\$0	\$0	\$0	\$29,552
TOTAL COMMERCIAL PROGRAMS	0	852		\$0		2,151,969		\$91,426	\$0	\$0	\$0	\$91,426
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	0	0		\$0		0		\$0	\$0	\$0	\$0	\$0
TOTAL COMPANY	288	2,315		\$135,054		3,957,993		\$147,611	\$3,327	\$4,249	\$7,576	\$290,241

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

** Cumulative participants include a reduction for the cumulative participants as of 06/30/2000.

*** Participants since 01/01/2000.

Year 2003												
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM											Exhibit C PAGE 9B of	14
YEAR 8 (2nd HALF)	NEW PARTICIPANT	CUMULATIVE PARTICIPANT	TOTAL ESTIMATED PROGRAM COSTS	TOTAL ACTUAL PROGRAM COSTS	NET LOST REV/HALF	TOTAL ENERGY SAVINGS KWH/HALF	NET LOST REVENUE (\$/KWH)	TOTAL NET * LOST REVENUES	EFFICIENCY INCENTIVE (EX. C. PG.11)	MAXIMIZING INCENTIVE (5% of COSTS)	TOTAL * INCENTIVE (9)+(10)	TOTAL ACTUAL COSTS TO BE RECOVERED (12) (4)+(8)+(11)
PROGRAM DESCRIPTIONS	NUMBER (1)	NUMBER ** (2)	PER PARTICIPANT COSTS (3)	(4) (1)X(3)	(5)	(6) (2)X(5)	(7)	(8) (6)X(7)	(9)	(10) (4)X(5%)	(11) (9)+(10)	(12) (4)+(8)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	0	0	\$0.00	\$0	706	0	\$0.03112	\$0	\$0	\$0	\$0	\$0
Targeted Energy Efficiency												
- All Electric	69	473	\$974.94	\$67,271	1,028	486,244	\$0.03111	\$15,127	\$0	\$3,364	\$3,364	\$85,762
- Non-All Electric	69	167	\$76.10	\$5,251	316	52,772	\$0.03124	\$1,649	\$295	\$0	\$295	\$7,195
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump												
- Resistance Heat	0	63	\$0.00	\$0	1,200	75,600	\$0.03114	\$2,354	\$0	\$0	\$0	\$2,354
- Non Resistance Heat	0	0	\$0.00	\$0	446	0	\$0.03116	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump												
- Mobile Home	29	256	\$453.45	\$13,150	1,144	292,864	\$0.03110	\$9,108	\$839	\$0	\$839	\$23,097
Mobile Home New Construction ***												
- Heat Pump	64	419	\$649.59	\$41,574	1,810	758,390	\$0.03110	\$23,586	\$260	\$0	\$260	\$65,420
- Air Conditioner	1	0	\$150.00	\$150	158	0	\$0.03124	\$0	\$0	\$0	\$0	\$150
Modified Energy Fitness	441	324	\$431.43	\$190,262	1,194	386,856	\$0.03116	\$12,054	\$9,287	\$0	\$9,287	\$211,603
TOTAL RESIDENTIAL PROGRAMS	673	1,702		\$317,658		2,052,726		\$63,878	\$10,681	\$3,364	\$14,045	\$395,581
	=====	=====		=====		=====		=====	=====	=====	=====	=====
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	0	453	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
- Class 2	0	63	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - Existing Building	0	77	\$0.00	\$0	13,282	1,022,714	\$0.04235	\$43,312	\$0	\$0	\$0	\$43,312
Smart Financing - New Building	0	47	\$0.00	\$0	14,102	662,794	\$0.04277	\$28,348	\$0	\$0	\$0	\$28,348
TOTAL COMMERCIAL PROGRAMS	0	640		\$0		1,685,508		\$71,660	\$0	\$0	\$0	\$71,660
	=====	=====		=====		=====		=====	=====	=====	=====	=====
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	0	0		\$0		0		\$0	\$0	\$0	\$0	\$0
	=====	=====		=====		=====		=====	=====	=====	=====	=====
TOTAL COMPANY	673	2,342		\$317,658		3,738,234		\$135,538	\$10,681	\$3,364	\$14,045	\$467,241
	=====	=====		=====		=====		=====	=====	=====	=====	=====
* Lost revenue and efficiency incentives are based on prospective values.												
** Cumulative participants include a reduction for the cumulative participants as of 12/31/2000.												
*** Participants since 07/01/2000.												

Year 2004												
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM											Exhibit C	
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YEAR 9 (1st HALF)	NEW	CUMULATIVE	TOTAL ESTIMATED	TOTAL	NET LOST	TOTAL	NET	TOTAL	EFFICIENCY	MAXIMIZING		TOTAL
	PARTICIPANT	PARTICIPANT	PROGRAM	ACTUAL	REV/QTR	ENERGY	LOST	NET *	INCENTIVE	INCENTIVE	TOTAL *	ACTUAL
PROGRAM DESCRIPTIONS	NUMBER	NUMBER **	PER PARTICIPANT	COSTS	(KWH/PARTIC)	KWH/ HALF	(\$/KWH)	REVENUES	(EX. C. PG.11)	(5% of COSTS)	INCENTIVE	RECOVERED
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
				(1)X(3)		(2)X(5)		(6)X(7)		(4)X(5%)	(9)+(10)	(4)+(8)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	0	0	\$0.00	\$0	707	0	\$0.03112	\$0	\$0	\$0	\$0	\$0
Targeted Energy Efficiency												
- All Electric	72	463	\$751.54	\$54,111	1,028	475,964	\$0.03111	\$14,807	\$0	\$2,706	\$2,706	\$71,624
- Non-All Electric	10	179	\$78.60	\$786	314	56,206	\$0.03124	\$1,756	\$43	\$0	\$43	\$2,585
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump												
- Resistance Heat	0	42	\$0.00	\$0	1,200	50,400	\$0.03114	\$1,569	\$0	\$0	\$0	\$1,569
- Non Resistance Heat	0	0	\$0.00	\$0	447	0	\$0.03116	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump												
- Mobile Home	41	247	\$428.05	\$17,550	1,144	282,568	\$0.03110	\$8,788	\$1,186	\$0	\$1,186	\$27,524
Mobile Home New Construction ***												
- Heat Pump	68	394	\$503.68	\$34,250	1,808	712,352	\$0.03110	\$22,154	\$276	\$0	\$276	\$56,680
- Air Conditioner	1	1	\$150.00	\$150	157	157	\$0.03124	\$5	\$0	\$0	\$0	\$155
Modified Energy Fitness	334	735	\$417.76	\$139,531	1,194	877,590	\$0.03116	\$27,346	\$7,034	\$0	\$7,034	\$173,911
TOTAL RESIDENTIAL PROGRAMS	526	2,061		\$246,378		2,455,237		\$76,425	\$8,539	\$2,706	\$11,245	\$334,048
=====												
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	0	338	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
- Class 2	0	30	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - Existing Building	0	54	\$0.00	\$0	13,282	717,228	\$0.04235	\$30,375	\$0	\$0	\$0	\$30,375
Smart Financing - New Building	0	43	\$0.00	\$0	14,101	606,343	\$0.04277	\$25,933	\$0	\$0	\$0	\$25,933
TOTAL COMMERCIAL PROGRAMS	0	465		\$0		1,323,571		\$56,308	\$0	\$0	\$0	\$56,308
=====												
INDUSTRIAL PROGRAMS -												
(w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	0	0		\$0		0		\$0	\$0	\$0	\$0	\$0
=====												
TOTAL COMPANY	526	2,526		\$246,378		3,778,808		\$132,733	\$8,539	\$2,706	\$11,245	\$390,356
=====												
* Lost revenue and efficiency incentives are based on prospective values.												
** Cumulative participants include a reduction for the cumulative participants as of 06/30/2001.												
*** Participants since 01/01/2001.												

Year 2004												
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM											Exhibit C	
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YEAR 9 (2nd HALF)	NEW PARTICIPANT	CUMULATIVE PARTICIPANT	TOTAL ESTIMATED PROGRAM COSTS	TOTAL ACTUAL PROGRAM COSTS	NET LOST REV/QTR	TOTAL ENERGY SAVINGS KWH/ HALF	NET LOST REVENUE (\$/KWH)	TOTAL NET * LOST REVENUES (8)	EFFICIENCY INCENTIVE (EX. C, PG.11) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL * INCENTIVE (11) (9)+(10)	TOTAL ACTUAL COSTS TO BE RECOVERED (12) (4)+(8)+(11)
PROGRAM DESCRIPTIONS	NUMBER (1)	NUMBER ** (2)	PER PARTICIPANT (3)	(1)X(3) (4)	(5)	(2)X(6) (6)	(7)	(6)X(7) (8)	(9)	(10) (4)X(5)	(11) (9)+(10)	(12) (4)+(8)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	0	0	\$0.00	\$0	706	0	\$0.03112	\$0	\$0	\$0	\$0	\$0
Targeted Energy Efficiency												
- All Electric	89	462	\$1,118.43	\$99,540	1,028	474,936	\$0.03111	\$14,775	\$0	\$4,977	\$4,977	\$119,292
- Non-All Electric	72	205	\$60.60	\$4,363	316	64,780	\$0.03124	\$2,024	\$308	\$0	\$308	\$6,695
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump												
- Resistance Heat	0	15	\$0.00	\$0	1,200	18,000	\$0.03114	\$561	\$0	\$0	\$0	\$561
- Non Resistance Heat	0	0	\$0.00	\$0	446	0	\$0.03116	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump												
- Mobile Home	46	239	\$469.57	\$21,600	1,144	273,416	\$0.03110	\$8,503	\$1,330	\$0	\$1,330	\$31,433
Mobile Home New Construction ***												
- Heat Pump	70	379	\$597.14	\$41,800	1,810	685,990	\$0.03110	\$21,334	\$284	\$0	\$284	\$63,418
- Air Conditioner	0	2	#DIV/0!	\$0	158	316	\$0.03124	\$10	\$0	\$0	\$0	\$10
Modified Energy Fitness	391	1,070	\$347.20	\$135,756	1,194	1,277,580	\$0.03116	\$39,809	\$8,234	\$0	\$8,234	\$183,799
TOTAL RESIDENTIAL PROGRAMS	668	2,372		\$303,059		2,795,018		\$87,016	\$10,156	\$4,977	\$15,133	\$405,208
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	0	191	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
- Class 2	0	10	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - Existing Building	0	41	\$0.00	\$0	13,282	544,562	\$0.04235	\$23,062	\$0	\$0	\$0	\$23,062
Smart Financing - New Building	0	30	\$0.00	\$0	14,102	423,060	\$0.04277	\$18,094	\$0	\$0	\$0	\$18,094
TOTAL COMMERCIAL PROGRAMS	0	272		\$0		967,622		\$41,156	\$0	\$0	\$0	\$41,156
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	0	0		\$0		0		\$0	\$0	\$0	\$0	\$0
TOTAL COMPANY	668	2,644		\$303,059		3,762,640		\$128,172	\$10,156	\$4,977	\$15,133	\$446,364
* Lost revenue and efficiency incentives are based on prospective values.												
** Cumulative participants include a reduction for the cumulative participants as of 12/31/2001.												
*** Participants since 07/01/2001.												

Kentucky Power Company Estimated Sector Surcharges for 3 Year Program														
Year 2006														
Year 11 (1st Half)	NEW	CUMULATIVE	PARTICIPANT PROGRAM COSTS	PROGRAM ACTUAL	TOTAL ACTUAL	NET LOSS	TOTAL ENERGY SAVINGS	REVENUE	NET * EFFICIENCY	INCENTIVE	INCENTIVE	TOTAL * COSTS TO BE	PROGRAM DESCRIPTIONS	PROGRAM
														NUMBER
	NUMBER	NUMBER **	PER PARTICIPANT	COSTS	(KWH) PARTICIPANT	(KWH) QTR	(\$/KWH) REVENUES	(EX C. PG.11) COSTS	(5% of COSTS)	(11)	(10)	(9)+(10)	(12)	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)		
				(1)(9)	(2)(9)	(3)(7)	(4)(5%)	(9)+(10)	(4)+(9)+(11)					
Targeted Energy Efficiency	75	496	\$974.31	\$73,073	896	444,416	\$0.03111	\$13,626	\$0	\$3,654	\$3,654	\$90,553	All Electric	
- Non-All Electric	34	249	\$84.56	\$2,875	267	66,483	\$0.03124	\$2,077	\$0	\$671	\$671	\$3,623		
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	\$0.00000		\$0	\$0	\$0	\$0	\$0		
High - Efficiency Heat Pump	0	0	\$0.00	\$0	1,200	\$0.03114		\$0	\$0	\$0	\$0	\$0		
- Resistance Heat	0	0	\$0.00	\$0	447	\$0.03116		\$0	\$0	\$0	\$0	\$0		
- Non Resistance Heat	0	0	\$0.00	\$0	447	\$0.03116		\$0	\$0	\$0	\$0	\$0		
High - Efficiency Heat Pump	48	230	\$446.06	\$21,411	1,145	263,350	\$0.03110	\$8,190	\$3,802	\$3,802	\$3,802	\$33,403	- Mobile Home	
Mobile Home New Construction ***	90	426	\$661.21	\$50,509	1,810	769,250	\$0.03110	\$23,924	\$11,246	\$11,246	\$11,246	\$65,679	- Heat Pump	
- Air Conditioner	0	2	\$0.00	\$0	157	314	\$0.03124	\$10	\$0	\$0	\$0	\$10		
Modified Energy Fitness	440	2,165	\$275.33	\$121,144	613	1,399,405	\$0.03116	\$41,736	\$18,515	\$18,515	\$18,515	\$181,395		
TOTAL RESIDENTIAL PROGRAMS	687	3,587	\$268,012	2,893,218		\$89,763	\$34,234	\$3,654	\$37,888	\$37,888	\$37,888	\$396,663		
COMMERCIAL PROGRAMS	0	0	\$0.00	\$0	0	0	na	\$0	\$0	\$0	\$0	\$0	Smart Audit - Class 1	
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	na	\$0	\$0	\$0	\$0	\$0	- Class 2	
Smart Financing - Existing Building	0	0	\$0.00	\$0	0	\$0.00000		\$0	\$0	\$0	\$0	\$0		
Smart Financing - New Building	0	0	\$0.00	\$0	0	\$0.00000		\$0	\$0	\$0	\$0	\$0		
TOTAL COMMERCIAL PROGRAMS	0	0	\$0	0	0	0	0	0	0	0	0	0		
INDUSTRIAL PROGRAMS -	0	0	\$0.00	\$0	0	0	na	\$0	\$0	\$0	\$0	\$0	(West Opt-Outs Removed)	
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	na	\$0	\$0	\$0	\$0	\$0		
Smart Audit - Class 2	0	0	\$0.00	\$0	0	0	na	\$0	\$0	\$0	\$0	\$0		
Smart Financing - General	0	0	\$0.00	\$0	0	\$0.00000		\$0	\$0	\$0	\$0	\$0		
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	\$0.00000		\$0	\$0	\$0	\$0	\$0		
TOTAL INDUSTRIAL PROGRAMS	0	0	\$0	0	0	0	0	0	0	0	0	0		
TOTAL COMPANY	687	3,587	\$268,012	2,893,218		\$89,763	\$34,234	\$3,654	\$37,888	\$37,888	\$37,888	\$396,663		
* Last revenue and efficiency incentives are based on prospective values.														
** Cumulative participants include a reduction for the cumulative participants as of 06/30/2003.														
*** Participants since 01/01/2003.														

Year 2006													
KENTUCKY POWER COMPANY													
ESTIMATED SECTOR SURCHARGES FOR 3													
YEAR PROGRAM													
TOTAL													
YEAR 11 (3rd QTR)	NEW	CUMULATIVE	ESTIMATED PROGRAM COSTS	ESTIMATED PROGRAM REVENUE	NET REVENUE	NET LOSS	TOTAL ESTIMATED ENERGY SAVINGS	REVENUE	LOST	NET * EFFICIENCY	MAXIMIZING	ESTIMATED COSTS TO BE	TOTAL
PROGRAM DESCRIPTIONS	NUMBER (1)	NUMBER ** (2)	PER PARTICIPANT COSTS (3)	COSTS (4)	(KWH/ PARTICIPANT) (5)	(KWH/ QTRS) (6)	(\$/KWH) (7)	REVENUES (8)	PG.(1) (9)	(EX.C. (5% of COSTS) (10)	INCENTIVE (11)	RECOVERED (12)	
RESIDENTIAL PROGRAMS													
Energy Fitness	0	0	\$0.00	\$0	600	0	\$0.03114	\$0	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump	0	0	\$0.00	\$0	223	0	\$0.03116	\$0	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump - Non Resistance Heat	0	0	\$0.00	\$0	0	0	\$0.03116	\$0	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump - Mobile Home	28	240	\$450.00	\$12,600	572	137,280	\$0.03110	\$4,269	\$2,218	\$0	\$2,218	\$19,087	\$19,087
Mobile Home New Construction ***													
Heat Pump	31	440	\$550.00	\$17,050	904	397,760	\$0.03110	\$12,370	\$3,874	\$0	\$3,874	\$33,294	\$33,294
- Heat Pump													
- Air Conditioner	0	2	\$0.00	\$0	79	158	\$0.03124	\$5	\$5	\$0	\$0	\$5	\$5
Modified Energy Fitness	312	2,398	\$400.00	\$124,800	306	730,728	\$0.03116	\$22,769	\$13,129	\$0	\$13,129	\$160,698	\$160,698
TOTAL RESIDENTIAL PROGRAMS	431	3,806	\$214,150	\$1,514,699		\$47,157	\$19,635	\$2,854	\$22,489	\$0	\$22,489	\$283,796	\$283,796
COMMERCIAL PROGRAMS													
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	\$0
- Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	\$0
Smart Financing - Existing Building	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0
Smart Financing - New Building	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL COMMERCIAL PROGRAMS	0	0	\$0	\$0	0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)													
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	0	0	\$0	\$0	0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL COMPANY	431	3,806	\$214,150	\$1,514,699		\$47,157	\$19,635	\$2,854	\$22,489	\$0	\$22,489	\$283,796	\$283,796
* Lost revenue and efficiency incentives are based on prospective values.													
** Cumulative participants include a reduction for the cumulative participants as of 09/30/2003.													
*** Participants since 07/01/2003.													

Year 2006												
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM											Exhibit C PAGE 12C of	14
YEAR 11 (4th QTR)	NEW PARTICIPANT	CUMULATIVE PARTICIPANT	TOTAL ESTIMATED PROGRAM COSTS	TOTAL ESTIMATED PROGRAM COSTS	NET LOST REV/QTRS	TOTAL ENERGY SAVINGS	NET LOST REVENUE	TOTAL NET * LOST	EFFICIENCY INCENTIVE	MAXIMIZING INCENTIVE	TOTAL *	TOTAL ESTIMATED COSTS TO BE RECOVERED
PROGRAM DESCRIPTIONS	NUMBER (1)	NUMBER ** (2)	PER PARTICIPANT COSTS (3)	(4) (1)X(3)	(KWH/ PARTICIPANT) (5)	KWH/ QTR(S) (6) (2)X(5)	(\$/KWH) (7)	REVENUES (8) (6)X(7)	(EX. C, PG.11) (9)	(5% of COSTS) (10) (4)X(5%)	INCENTIVE (11) (9)+(10)	(12) (4)+(8)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	0	0	\$0.00	\$0	353	0	\$0.03112	\$0	\$0	\$0	\$0	\$0
Targeted Energy Efficiency												
- All Electric	36	483	\$1,325.00	\$47,700	448	216,384	\$0.03111	\$6,732	\$0	\$2,385	\$2,385	\$56,817
- Non-All Electric	20	243	\$125.00	\$2,500	133	32,319	\$0.03124	\$1,010	\$395	\$0	\$395	\$3,905
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump												
- Resistance Heat	0	0	\$0.00	\$0	600	0	\$0.03114	\$0	\$0	\$0	\$0	\$0
- Non Resistance Heat	0	0	\$0.00	\$0	223	0	\$0.03116	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump												
- Mobile Home	24	253	\$450.00	\$10,800	572	144,715	\$0.03110	\$4,501	\$1,901	\$0	\$1,901	\$17,202
Mobile Home New Construction ***												
- Heat Pump	31	437	\$550.00	\$17,050	904	395,048	\$0.03110	\$12,286	\$3,874	\$0	\$3,874	\$33,210
- Air Conditioner	0	2	\$0.00	\$0	79	158	\$0.03124	\$5	\$0	\$0	\$0	\$5
Modified Energy Fitness	314	2,446	\$400.00	\$125,600	306	748,476	\$0.03116	\$23,323	\$13,213	\$0	\$13,213	\$162,136
TOTAL RESIDENTIAL PROGRAMS	425	3,864		\$203,650		1,537,101		\$47,857	\$19,383	\$2,385	\$21,768	\$273,275
=====												
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
- Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - Existing Building	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Smart Financing - New Building	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
TOTAL COMMERCIAL PROGRAMS	0	0		\$0		0		\$0	\$0	\$0	\$0	\$0
=====												
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	0	0		\$0		0		\$0	\$0	\$0	\$0	\$0
=====												
TOTAL COMPANY	425	3,864		\$203,650		1,537,101		\$47,857	\$19,383	\$2,385	\$21,768	\$273,275
=====												
* Lost revenue and efficiency incentives are based on prospective values.												
** Cumulative participants include a reduction for the cumulative participants as of 12/31/2003.												
*** Participants since 10/01/2003.												

KENTUCKY POWER COMPANY
DERIVATION FOR 3 YEAR DSM EXPERIMENT

CALCULATION OF EFFICIENCY INCENTIVE

PROGRAM DESCRIPTIONS	EFFICIENCY INCENTIVE PARTICIPANT \$ (1)	YEAR 1 (6)		YEAR 2 (7)		YEAR 3 (8)		YEAR 4 (9)		YEAR 5 (10)		YEAR 6 (11)		YEAR 7 (12)		YEAR 8 (13)		YEAR 9 (14)		YEAR 10 (15)		YEAR 11 (16)		TOTAL		
		1st half	2nd half	1st half	2nd half	1st half	2nd half	1st half	2nd half	1st half	2nd half	1st half	2nd half	1st half	2nd half	1st half	2nd half	1st half	2nd half	1st half	2nd half	1st half	2nd half			
RESIDENTIAL PROGRAMS																										
Energy Fitness	\$78.22	552	689	544	448	306	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Targeted Energy Efficiency																										
- All Electric	\$0.00	223	175	122	131	75	68	66	89	67	83	63	63	76	100	69	72	88	88	88	88	88	88	88	88	88
- Non-All Electric	\$9.71	74	83	24	42	12	8	28	21	16	48	32	32	13	7	69	10	72	57	57	57	57	57	57	57	
Compact Fluorescent Bulb	\$1.85	269	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
High - Efficiency Heat Pump																										
- Resistance Heat	\$19.73	539	123	220	21	108	89	140	38	25	23	30	1	0	0	0	0	0	0	0	0	0	0	0	0	0
- Heat Pump	\$10.69	527	124	186	28	64	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
High - Efficiency Heat Pump																										
- Mobile Home	\$38.85	359	169	66	173	101	134	45	43	53	47	43	34	28	41	46	34	40	48	48	48	48	48	48	48	48
Mobile Home New Construction ***																										
- Heat Pump	n/a	0	0	0	33	98	123	101	84	83	82	57	61	46	64	69	70	83	80	80	80	80	80	80	80	80
- Air Conditioner																										
Modified Energy Fitness																										
TOTAL RESIDENTIAL PROGRAMS																										
*** Participants since 09/01/88																										
COMMERCIAL PROGRAMS																										
Smart Audit - Class 1	\$0.00	91	243	168	204	178	188	144	159	134	131	125	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Class 2	\$0.00	6	11	26	28	9	19	21	8	29	28	5	8	0	0	0	0	0	0	0	0	0	0	0	0	0
Smart Financing - Existing Building	\$508.34	1	0	11	8	29	6	25	16	24	15	7	25	0	0	0	0	0	0	0	0	0	0	0	0	0
Smart Financing - New Building	\$50.33	0	1	0	1	3	8	4	4	0	8	5	16	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL COMMERCIAL PROGRAMS																										
INDUSTRIAL PROGRAMS																										
(WEEK CPE-OURS Removed)																										
Smart Audit - Class 1	\$0.00	15	9	21	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Smart Audit - Class 2	\$0.00	2	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Smart Financing - General	\$179.85	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Smart Financing - Compressed Air System	\$4,850.21	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL INDUSTRIAL PROGRAMS																										
ANNUAL SHARED SAVINGS (\$)																										

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

PROGRAM DESCRIPTIONS	YEAR 1		YEAR 2		YEAR 3		YEAR 4		YEAR 5		YEAR 6		YEAR 7		YEAR 8		YEAR 9		YEAR 10		YEAR 11	
	(28) (1)X(6)	(29) (1)X(7)	(30) (2)X(8)	(31) (2)X(9)	(32) (2)X(10)	(33) (3)X(11)	(34) (3)X(12)	(35) (3)X(13)	(36) (3)X(14)	(37) (3)X(15)	(38) (3)X(16)	(39) (4)X(17)	(40) (4)X(18)	(41) (4)X(19)	(42) (4)X(20)	(43) (4)X(21)	(44) (4)X(22)	(45) (5)X(23)	(46) (5)X(24)	(47) (5)X(25)	(48) (5)X(26)	(49) (5)X(27)
RESIDENTIAL PROGRAMS	\$43,177	\$21,354	\$14,317	\$11,304	\$9,309	\$10,370	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Energy Fitness																						
Targeted Energy Efficiency	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- All Electric	\$719	\$752	\$154	\$40	\$70	\$68	\$40	\$105	\$50	\$50	\$231	\$137	\$56	\$30	\$285	\$43	\$308	\$1,125	\$513	\$971	\$414	\$385
- Non-All Electric																						
Compact Fluorescent Bulb	\$425	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump	\$10,634	\$2,427	\$1,988	\$152	\$780	\$4,375	\$6,187	\$1,105	\$1,016	\$1,326	\$44	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Resistance Heat	\$8,789	\$2,070	\$5,474	\$757	\$1,883	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Non Resistance Heat																						
High - Efficiency Heat Pump	\$13,834	\$4,236	\$4,128	\$2,145	\$5,623	\$8,505	\$11,284	\$3,789	\$4,463	\$3,958	\$1,244	\$1,244	\$883	\$839	\$1,166	\$1,330	\$2,693	\$3,168	\$3,802	\$2,218	\$1,901	\$1,901
- Mobile Home																						
Mobile Home New Construction	\$0	\$0	\$0	\$0	\$0	\$4,353	\$4,486	\$4,175	\$3,687	\$4,087	\$231	\$248	\$187	\$260	\$278	\$284	\$9,372	\$10,372	\$11,246	\$3,874	\$3,874	\$3,874
- Heat Pump																						
- Air Conditioner																						
Modified Energy Fitness																						
TOTAL RESIDENTIAL PROGRAMS	\$77,585	\$30,339	\$25,801	\$14,388	\$17,645	\$27,663	\$72,975	\$10,095	\$9,256	\$8,802	\$1,656	\$1,548	\$3,227	\$10,681	\$8,539	\$10,156	\$27,802	\$28,823	\$34,234	\$19,635	\$19,635	\$19,635
*** Participants since 09/01/98																						
COMMERCIAL PROGRAMS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Class 2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Smart Financing - Existing Building	\$506	\$0	\$8,049	\$6,506	\$23,585	\$1,095	\$9,814	\$3,721	\$5,581	\$3,488	\$1,628	\$5,914	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- New Building	\$0	\$0	\$0	\$29	\$144	\$787	\$2,089	\$1,049	\$2,089	\$4,722	\$1,312	\$4,187	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL COMMERCIAL PROGRAMS	\$506	\$0	\$8,049	\$6,535	\$23,729	\$2,182	\$11,913	\$4,770	\$5,567	\$8,210	\$2,840	\$10,011	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
INDUSTRIAL PROGRAMS																						
(w/Est. Opt-Outs Removed)																						
Smart Audit - Class 1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Class 2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ANNUAL SHARED SAVINGS (\$)	\$78,091	\$30,389	\$34,547	\$20,633	\$41,757	\$29,845	\$70,888	\$14,895	\$14,587	\$14,843	\$17,812	\$4,586	\$11,559	\$9,327	\$10,681	\$8,539	\$10,156	\$27,802	\$28,823	\$34,234	\$19,635	\$19,635

KENTUCKY POWER COMPANY		Exhibit C		
FORECAST OF 2006 KENTUCKY RETAIL ENERGY SALES IN KWH		PAGE 14 of		14
FOR RESIDENTIAL, COMMERCIAL AND INDUSTRIAL SECTORS				
PROGRAM YR 11 - 2006				
LINE NO.	YEAR	RESIDENTIAL SECTOR	COMMERCIAL SECTOR	INDUSTRIAL SECTOR
1	TOTAL ULTIMATE SALES (KWH)*	2,544,900,000	1,443,600,000	3,297,600,000
2	LESS NON-METERED **	15,269,400	8,661,600	19,785,600
3	TOTAL ESTIMATED RETAIL KWH SALES	2,529,630,600	1,434,938,400	3,277,814,400
4	LESS OPT - OUT CUSTOMERS KWH	0	0	2,059,689,192
5	KWH BEFORE LOST REVENUE IMPACTS	2,529,630,600	1,434,938,400	1,218,125,208
6	LESS LOST REVENUE IMPACTS	11,420,681	1,496,550	0
7	ADJUSTED KWH BY SECTOR	2,518,209,919	1,433,441,850	1,218,125,208
8	LINE 7/LINE 1	99.0%	99.3%	36.9%
PROGRAM YR 11 (3rd QTR)				
9	TOTAL ULTIMATE SALES (KWH)*	573,100,000	371,400,000	795,700,000
10	LINE 8	99.0%	99.3%	36.9%
11	ADJUSTED KWH BY SECTOR	567,369,000	368,800,200	293,613,300
PROGRAM YR 11 (4th QTR)				
12	TOTAL ULTIMATE SALES (KWH)*	637,900,000	352,700,000	869,500,000
13	LINE 8	99.0%	99.3%	36.9%
14	ADJUSTED KWH BY SECTOR	631,521,000	350,231,100	320,845,500
* SOURCE: 2006 LOAD FORECAST COMPILED BY AEP CORPORATE PLANNING AND BUDGETING DEPT.				
** .60% ESTIMATED TO BE NON-METERED (OL) DETERMINED FROM BILLED JURISDICTIONAL TARIFF SUMMARY FOR 12 MOS. ENDED DECEMBER 2005.				