



**KENTUCKY  
POWER**

A unit of American Electric Power

Kentucky Power  
P O Box 5190  
101A Enterprise Drive  
Frankfort, KY 40602  
KentuckyPower.com

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

February 15, 2007

Dear Ms. O'Donnell:

Re:

Case No. 2007-00075

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-second 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 5, 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 three quarters position (see Exhibit C, Column 5, Line 2) and dividing by the adjusted estimated sector KWH sales for the remaining three quarters (see Exhibit C, Column 5, Line 11). The ceiling was calculated by taking the Collaborative's projected remaining three quarters position (see Exhibit C, Column 5, Line 4) and dividing by the adjusted estimated sector KWH sales for the remaining three quarters (see Exhibit C, Column 5, Line 11).

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Elizabeth O'Donnell  
February 15, 2007  
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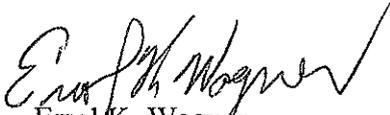
The Joint Applicants request the Commission to approve the following:

- (1) The Experimental DSM Electric Tariff to become effective March 29, 2007. This will allow the Company to utilize the new residential factor with the first billing cycle in April 2007.

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			
	RESIDENTIAL (\$ Per Kwh)	COMMERCIAL** (\$ Per KWH)	INDUSTRIAL* (\$ Per KWH)
Floor Factor =	(0.000083)	-0-	- 0 -
Ceiling Factor =	0.000387	-0-	- 0 -

(D)  
(D)

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		
	RESIDENTIAL	COMMERCIAL **	INDUSTRIAL*
DSM (c)	245,105	-0-	- 0 -
S ©	1,611,575,500	-0-	- 0 -
Adjustment Factor \$	0.000152	-0-	- 0 -

(D)  
(I)  
(D)

\*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 February 15, 2007 EFFECTIVE DATE March 29, 2007

ISSUED BY *Errol K. Wagner*  
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

Case No. 2007-00075

**KENTUCKY POWER COMPANY**  
**Demand Side Management**  
**Status Report**

As of December 31, 2006

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## DEFINITIONS

- 1) YTD Costs
  - 2) YTD Impacts
  - 3) PTD Costs
  - 4) PTD Impacts
- Year-to-Date costs recorded January 1, 2006 through December 31, 2006.
  - Estimated in place load impacts for Year-to-Date participants.
  - Costs recorded from the inception of the program through December 31, 2006.
  - Estimated in place load impacts for Program-to-Date participants.

## COMMENTS

Our calculations are based on actual participants and costs as of December 31, 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 (1/196 to 6/30/97). The lost revenue, efficiency incentive and maximizing incentive for the period 1/1/06 to 12/31/06 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 December 31, 2006

DESCRIPTION	YTD	PTD
Total Revenue Collected	<u>\$994,771</u>	<u>\$11,409,885</u>
Total Program Costs	684,151	7,897,680
Total Lost Revenues	185,470	3,026,958
Total Efficiency / Maximizing Incentive	<u>82,662</u>	<u>661,609</u>
Total DSM Costs As of December 31, 2006	<u>\$952,283</u>	<u>\$11,586,247</u>

DESCRIPTION	YTD	PTD
Actual In-Place Energy Savings:	1,236,194 kWh	291,028,315 kWh
w/ T&D Line Losses:	1,359,813 kWh	320,131,146 kWh
Total kW Reductions:		
Winter	1,210	16,581
w/ T&D Line Losses:	1,343	18,405
Summer	167	3,723
w/ T&D Line Losses:	185	4,133



# KENTUCKY POWER COMPANY

<b>PROGRAM INFORMATION</b>	
PROGRAM:	Energy Fitness
PARTICIPANT DEFINITION:	Number of Households
CUSTOMER SECTOR:	Residential
REPORTING PERIOD:	January - December 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	0	0	0	0	0	0	2,812

		Impacts			
		Estimated in Place Energy (kWh) Savings		Anticipated Peak Demand (kW) Reduction	
		YTD		PTD	
		Summer	Winter	Summer	Winter
		0	0	441	1,932
		38,406,797	0	0	0



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# KENTUCKY POWER COMPANY

Energy Fitness	
Reporting Period:	January - December 2006

<b>Costs</b>			
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	960.00
Other Costs:	0.00	0.00	685,113.00
<b>Total Program Costs</b>			
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
<b>Total Costs</b>	0.00	(65,671.00)	1,111,624.00

# KENTUCKY POWER COMPANY



## COMMENTS:

This program was discontinued May 14, 1999.



# KENTUCKY POWER COMPANY

<b>PROGRAM INFORMATION</b>	
PROGRAM:	Targeted Energy Fitness
PARTICIPANT DEFINITION:	Number of Households
CUSTOMER SECTOR:	Residential - Low Income
REPORTING PERIOD:	January - December 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	5	11	26	14	10	21	162	2,029
Non All Electric	2	1	10	0	9	12	8	2	20	3	10	3	80	758

Impacts			
Estimated in Place Energy (kWh) Savings	Anticipated Peak Demand (kW) Reduction		
	YTD	YTD	PTD
		Summer	Winter
186,102	53,800,471	20	85
		Summer	Winter
		532	2,402



# KENTUCKY POWER COMPANY

Targeted Energy Efficiency	
Reporting Period:	January - December 2006

<b>Costs</b>			
Description	Year-To-Date	Retroactive Adjustment	Program-To-Date
Total Evaluation	111.00	0.00	219,447.00
Equipment/Vendor:	179,242.00	0.00	2,103,793.00
Promotional:	0.00	0.00	0.00
Customer Incentives:	0.00	0.00	0.00
Other Costs:	288.00	0.00	9,125.00
<b>Total Program Costs</b>	<b>179,641.00</b>	<b>0.00</b>	<b>2,332,365.00</b>
Lost Revenues:	31,422.00	1,944.00	439,929.00
Efficiency Incentive:	1,579.00	184.00	6,172.00
Maximizing Incentive:	8,645.00	0.00	112,255.00
<b>Total Costs</b>	<b>221,287.00</b>	<b>2,128.00</b>	<b>2,890,721.00</b>

# 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 \$172,503 for all-electric and \$6,739 for non-all-electric homes.

The YTD Estimated in Place Energy (kWh) Savings for all-electric participants and non-all-electric participants is 163,774 and 22,328 respectively.

The YTD Anticipated Peak Demand (kW) Reduction summer/winter for all-electric and non-all-electric participants is 15/76 and 5/9 respectively.

The YTD Lost Revenue for all-electric participants and non-all-electric participants is \$27,234 and \$4,188 respectively.

The YTD Efficiency Incentive for non-all-electric participants is \$1,579 and the Maximizing Incentive for all-electric participants is \$8,645.

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 - December 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	0	0	0	0	0	0	269

Impacts				
Estimated in Place Energy (kWh) Savings		Anticipated Peak Demand (kW) Reduction		
YTD	PTD	YTD	Winter	Summer
0	201,825	0	0	3
			Winter	Summer
				3

# KENTUCKY POWER COMPANY



Compact Fluorescent Bulb	
Reporting Period:	January - December 2006

<b>Costs</b>			
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
<b>Total Program Costs</b>	<b>0.00</b>	<b>0.00</b>	<b>15,081.00</b>
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
<b>Total Costs</b>	<b>0.00</b>	<b>33.00</b>	<b>17,119.00</b>

# KENTUCKY POWER COMPANY



## COMMENTS:

This program was discontinued December 31, 1996.



# KENTUCKY POWER COMPANY

<b>PROGRAM INFORMATION</b>	
PROGRAM:	High Efficiency Heat Pumps - Retrofit
PARTICIPANT DEFINITION:	Number of Units Installed
CUSTOMER SECTOR:	Residential
REPORTING PERIOD:	January - December 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	0	0	0	0	0	0	0	1,367
Non Resistance	0	0	0	0	0	0	0	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	44,860,369	0	0	851	2,995

# KENTUCKY POWER COMPANY



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

<b>Costs</b>			
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
<b>Total Program Costs</b>	<b>0.00</b>	<b>0.00</b>	<b>214,312.00</b>
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
<b>Total Costs</b>	<b>0.00</b>	<b>(2,465.00)</b>	<b>631,294.00</b>



# KENTUCKY POWER COMPANY

## COMMENTS:

This program was discontinued December 31, 2001.



# KENTUCKY POWER COMPANY

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

2006														
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	YTD	PTD
New Participants	6	5	5	10	14	8	6	13	8	8	6	4	93	1,657

Impacts			
Estimated in Place Energy (kWh) Savings	Anticipated Peak Demand (kW) Reduction		
	YTD	YTD	PTD
		Summer	Winter
124,085	42,909,229	8	159
		Summer	Winter
		211	3,048



# KENTUCKY POWER COMPANY

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

Description	Costs		
	Year-To-Date	Retroactive Adjustment	Program-To-Date
Total Evaluation	261.00	0.00	46,374.00
Equipment/Vendor:	4,650.00	0.00	24,705.00
Promotional:	0.00	0.00	0.00
Customer Incentives:	37,200.00	0.00	737,900.00
Other Costs:	0.00	0.00	1,167.00
<b>Total Program Costs</b>	<b>42,111.00</b>	<b>0.00</b>	<b>810,146.00</b>
Lost Revenues:	16,907.00	5,820.00	375,765.00
Efficiency Incentive:	7,366.00	18,331.00	103,970.00
Maximizing Incentive:	0.00	0.00	0.00
<b>Total Costs</b>	<b>66,384.00</b>	<b>24,151.00</b>	<b>1,289,881.00</b>

# 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.



# KENTUCKY POWER COMPANY

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

		2006													
		Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	YTD	PTD
Heat Pump		23	12	12	13	11	19	20	23	13	11	15	12	184	1,324
Air Conditioner		0	0	0	0	0	0	0	0	0	0	0	0	0	2

		Impacts			
		Estimated in Place Energy (kWh) Savings		Anticipated Peak Demand (kW) Reduction	
		PTD		PTD	
YTD		Summer	Winter	Summer	Winter
396,650	46,323,464	24	498	172	3,584



# KENTUCKY POWER COMPANY

Reporting Period:	Mobile Home New Construction January - December 2006
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Costs			
Description	Year-To-Date	Retroactive Adjustment	Program-To-Date
Total Evaluation	259.00	0.00	30,294.00
Equipment/Vendor:	9,200.00	0.00	80,463.00
Promotional:	0.00	0.00	3,939.00
Customer Incentives:	92,000.00	0.00	669,650.00
Other Costs:	200.00	0.00	3,616.00
<b>Total Program Costs</b>	<b>101,659.00</b>	<b>0.00</b>	<b>787,962.00</b>
Lost Revenues:	49,809.00	0.00	355,743.00
Efficiency Incentive:	22,992.00	0.00	69,474.00
Maximizing Incentive:	0.00	0.00	2,580.00
<b>Total Costs</b>	<b>174,460.00</b>	<b>0.00</b>	<b>1,215,759.00</b>

## 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

<b>PROGRAM INFORMATION</b>	
PROGRAM:	Modified Energy Fitness
PARTICIPANT DEFINITION:	Number of Audits
CUSTOMER SECTOR:	Residential
REPORTING PERIOD:	January - December 2006

<b>2006</b>														
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	YTD	PTD
New Participants	83	72	68	61	61	95	81	91	113	113	101	61	1,000	2,989

<b>Impacts</b>					
Estimated in Place Energy (kWh) Savings			Anticipated Peak Demand (kW) Reduction		
YTD	PTD		YTD		PTD
	Summer	Winter	Summer	Winter	Winter
652,976	12,471,254	133	601	398	1,795

# KENTUCKY POWER COMPANY



Modified Energy Fitness	
Reporting Period:	January - December 2006

<b>Costs</b>			
Description	Year-To-Date	Retroactive Adjustment	Program-To-Date
Total Evaluation	0.00	0.00	27,106.00
Equipment/Vendor:	360,740.00	0.00	1,093,286.00
Promotional:	0.00	0.00	0.00
Customer Incentives:	0.00	0.00	0.00
Other Costs:	0.00	0.00	0.00
<b>Total Program Costs</b>	<b>360,740.00</b>	<b>0.00</b>	<b>1,120,392.00</b>
Lost Revenues:	87,332.00	0.00	230,469.00
Efficiency Incentive:	42,080.00	0.00	99,144.00
Maximizing Incentive:	0.00	0.00	0.00
<b>Total Costs</b>	<b>490,152.00</b>	<b>0.00</b>	<b>1,450,005.00</b>

# 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.



# KENTUCKY POWER COMPANY

<b>PROGRAM INFORMATION</b>	
PROGRAM:	Smart Audit - Commercial
PARTICIPANT DEFINITION:	Number of Audits
CUSTOMER SECTOR:	Commercial
REPORTING PERIOD:	January - December 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	0	0	0	0	0	0	0	1,952
Class II	0	0	0	0	0	0	0	0	0	0	0	0	0	0	194

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



# KENTUCKY POWER COMPANY

Reporting Period:	Smart Audit - Commercial January - December 2006
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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	(8,156.00)
Other Costs:	0.00	0.00	1,290,681.00
<b>Total Program Costs</b>	<b>0.00</b>	<b>0.00</b>	<b>1,355,214.00</b>
Lost Revenues:	0.00	0.00	0.00
Efficiency Incentive:	0.00	0.00	64,533.00
Maximizing Incentive:	0.00	0.00	1,355,214.00
<b>Total Costs</b>	<b>0.00</b>	<b>0.00</b>	<b>1,355,214.00</b>



# KENTUCKY POWER COMPANY

## COMMENTS:

This program was discontinued December 31, 2002.



# KENTUCKY POWER COMPANY

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

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

Impacts			
Estimated in Place Energy (kWh) Savings	Anticipated Peak Demand (kW) Reduction		
	YTD	YTD	PTD
		Summer	Winter
0	81,038,498	0	2,640



# KENTUCKY POWER COMPANY

	Smart Incentive - Commercial
Reporting Period:	January - December 2006

<b>Costs</b>			
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
<b>Total Program Costs</b>	<b>0.00</b>	<b>0.00</b>	<b>565,826.00</b>
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
<b>Total Costs</b>	<b>0.00</b>	<b>1,520.00</b>	<b>1,545,604.00</b>

# KENTUCKY POWER COMPANY



## COMMENTS:

This program was discontinued December 31, 2002.



# KENTUCKY POWER COMPANY

<b>PROGRAM INFORMATION</b>	
PROGRAM:	Smart Audit - Industrial
PARTICIPANT DEFINITION:	Number of Audits
CUSTOMER SECTOR:	Industrial
REPORTING PERIOD:	January - December 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	0	0	0	0	0	0	0	60
Class II	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4

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

# KENTUCKY POWER COMPANY



Smart Audit - Industrial	
Reporting Period:	January - December 2006

<b>Costs</b>			
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
<b>Total Program Costs</b>	<b>0.00</b>	<b>0.00</b>	<b>43,688.00</b>
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
<b>Total Costs</b>	<b>0.00</b>	<b>0.00</b>	<b>45,874.00</b>

# 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 - December 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	0	0	0	0	0	0	1
Compressed Air	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Impacts			
Estimated in Place Energy (kWh) Savings	Anticipated Peak Demand (kW) Reduction		
	YTD	Summer	Winter
PTD			
YTD	119,239	0	6

# KENTUCKY POWER COMPANY



Smart Incentive - Industrial	
Reporting Period:	January - December 2006

<b>Costs</b>			
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
<b>Total Program Costs</b>	<b>0.00</b>	<b>0.00</b>	<b>32,114.00</b>
Lost Revenues:	0.00	0.00	0.00
Efficiency Incentive:	0.00	0.00	383.00
Maximizing Incentive:	0.00	0.00	655.00
<b>Total Costs</b>	<b>0.00</b>	<b>0.00</b>	<b>33,152.00</b>

# KENTUCKY POWER COMPANY



## COMMENTS:

This program was discontinued December 31, 1998.

Schedule C

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KENTUCKY POWER COMPANY		Exhibit C					PAGE 1 of 15	
DERIVATION OF 3 SECTOR SURCHARGES FOR 3 YR EXPERIMENT								
RESIDENTIAL SECTOR		TOTAL YEARS 1 thru 10	YEAR 11 (2006) 1st HALF	YEAR 11 (2006) 2nd HALF	YEAR 12 (2007) 1st QTR	YEAR 12 (2007) 2nd, 3rd & 4th QTR(S)	TOTAL	
		(1)	(2)	(3)	(4)	(5)	(6)	
1	CURRENT PERIOD AMOUNT TO BE RECOVERED	\$7,695,944	\$396,663	\$555,620	\$241,533	\$758,630	\$9,648,390	
2	CUMULATIVE (OVER)/UNDER COLLECTION	0	218,850	118,373	176,362	(134,210)	0	
3	18 MOS. RETROACTIVE(OVER)/UNDER ADJUSTMENT	(41,824)	0	0	0	0	(\$41,824)	
4	TOTAL TO BE RECOVERED	7,654,120	615,513	673,993	417,895	624,420	9,606,566	
5	TOTAL AMOUNT RECOVERED	7,434,924	497,140	497,631	0	0	\$8,429,695	
6	EXPECTED FUTURE RECOVERIES	0	0	0	552,105	244,959	\$797,064	
7	TRANSFER PORTION OF BALANCE FROM INDUSTRIAL	(9,833)	0	0	0	0	(\$9,833)	
8	TRANSFER PORTION OF BALANCE FROM COMMERCIAL	9,487	0	0	0	0	\$9,487	
9	(OVER)/UNDER COLLECTION TO BE REFUNDED	\$218,850	\$118,373	\$176,362	(\$134,210)	\$379,461	\$379,461	
10 AMOUNT TO BE RECOVERED						\$624,420		
11 ADJ. ESTIMATED SECTOR KWH - YEAR 12					874,968,300	1,611,575,500		
SURCHARGE RANGE (\$ PER KWH)								
12	FLOOR (CARRYOVER)	COL. 5, L 2 / COL. 5, L 11					(0.000083)	
13	MIDPOINT - proposed rate						0.000631	
14	CEILING (TOTAL COST)	COL. 5, L 4 / COL. 5, L 11					0.000387	
COMMERCIAL SECTOR		TOTAL YEARS 1 thru 10	YEAR 11 (2006) 1st HALF	YEAR 11 (2006) 3rd QTR	YEAR 12 (2007) 1st QTR	YEAR 12 (2007) 2nd, 3rd & 4th QTR(S)	TOTAL	
		(1)	(2)	(3)	(4)	(5)	(6)	
15	CURRENT PERIOD AMOUNT TO BE RECOVERED	\$2,899,298	\$0	\$0	\$0	\$0	\$2,899,298	
16	CUMULATIVE (OVER)/UNDER COLLECTION	0	0	0	0	0	0	
17	18 MOS. RETROACTIVE(OVER)/UNDER ADJUSTMENT	1,520	0	0	0	0	1,520	
18	TOTAL TO BE RECOVERED	2,900,818	0	0	0	0	2,900,818	
19	TOTAL AMOUNT RECOVERED	2,888,053	0	0	0	0	2,888,053	
20	EXPECTED FUTURE RECOVERIES	0	0	0	0	0	0	
21	TRANSFER PORTION OF BALANCE FROM INDUSTRIAL	(3,278)	0	0	0	0	(3,278)	
22	TRANSFER BALANCE TO RESIDENTIAL	(9,487)	0	0	0	0	(9,487)	
22	(OVER)/UNDER COLLECTION TO BE REFUNDED	\$0	\$0	\$0	\$0	\$0	\$0	
23 AMOUNT TO BE RECOVERED						\$0		
24 ADJ. ESTIMATED SECTOR KWH - YEAR 12					377,637,900	1,048,508,700		
SURCHARGE RANGE (\$ PER KWH)								
25	FLOOR (CARRYOVER)						0.000000	
26	MIDPOINT - proposed rate						0.000000	
27	CEILING (TOTAL COST)						0.000000	
INDUSTRIAL SECTOR		TOTAL YEARS 1 thru 10	YEAR 11 (2006) 1st HALF	YEAR 11 (2006) 3rd QTR	YEAR 12 (2007) 1st QTR	YEAR 12 (2007) 2nd, 3rd & 4th QTR(S)	TOTAL	
		(1)	(2)	(3)	(4)	(5)	(6)	
28	CURRENT PERIOD AMOUNT TO BE RECOVERED	\$79,026	\$0	\$0	\$0	\$0	\$79,026	
29	CUMULATIVE (OVER)/UNDER COLLECTION	0	0	0	0	0	0	
30	18 MOS. RETROACTIVE(OVER)/UNDER ADJUSTMENT	0	0	0	0	0	\$0	
31	TOTAL TO BE RECOVERED	79,026	0	0	0	0	79,026	
32	TOTAL AMOUNT RECOVERED	92,137	0	0	0	0	92,137	
33	EXPECTED FUTURE RECOVERIES	0	0	0	0	0	0	
34	TRANSFER BALANCE TO RESIDENTIAL & COMMERCIAL	13,111	0	0	0	0	13,111	
35	(OVER)/UNDER COLLECTION TO BE REFUNDED	\$0	\$0	\$0	\$0	\$0	\$0	
36 AMOUNT TO BE RECOVERED						\$0		
37 ADJ. ESTIMATED SECTOR KWH - YEAR 12					302,958,600	923,419,000		
SURCHARGE RANGE (\$ PER KWH)								
38	FLOOR (CARRYOVER)						0.000000	
39	MIDPOINT						0.000000	
40	CEILING (TOTAL COST) - proposed rate						0.000000	

1996

KENTUCKY POWER COMPANY  
ESTIMATED SECTOR SURCHARGES FOR 3 YR PROGRAM

Exhibit C  
Page 2 of 16

YEAR 1	NEW PARTICIPANT NUMBER	CUMULATIVE PARTICIPANT NUMBER	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT	TOTAL ACT. PROGRAM COSTS	NET LOST REVENUE (KWH/PARTIC)	TOTAL ENERGY SAVINGS KWH/YR	NET LOST REVENUE (\$/KWH)	TOTAL NET * LOST REVENUES	EFFICIENCY INCENTIVE (EX. C, P.G.9B)	MAXIMIZING INCENTIVE (% 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(6)		(3)X(7)		(4)X(5)	(9)+*(10)	(4)+(9)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	552	148	\$221.65	\$122,351	2,690	398,120	\$0.03	\$12,397	\$43,177	\$11,450	\$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	\$719	\$11,450	\$257,957
- Non-All Electric	74	35	\$372.19	\$27,542	690	23,800	\$0.03	\$744	\$719		\$719	\$29,005
Compact Fluorescent Bulb	269	73	\$56.06	\$15,081	62	4,528	\$0.03	\$140	\$425		\$425	\$15,846
High - Efficiency Heat Pump - Resistance Heat	539	216	\$73.48	\$39,611	2,275	491,400	\$0.03	\$15,282	\$10,634		\$10,634	\$65,637
- Non-Resistance Heat	527	206	\$61.31	\$32,310	813	167,478	\$0.03	\$5,215	\$8,796		\$8,796	\$46,321
High - Efficiency Heat Pump - Mobile Home	358	158	\$496.95	\$176,914	2,160	341,280	\$0.03	\$10,617	\$13,834		\$13,834	\$201,365
Mobile Home New Construction	70	22	\$282.69	\$30,488	0				\$1,024		\$1,024	\$21,512
TOTAL RESIDENTIAL PROGRAMS	2,610	959		\$663,291		1,989,174		\$61,918	\$77,585	\$12,474	\$90,059	\$815,268
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	91	19	\$1,258.51	\$114,524	0	0			\$0	\$5,726	\$5,726	\$120,250
- Class 2	5	1	\$1,875.40	\$9,377	0	0			\$0	\$469	\$469	\$9,846
Smart Financing - Existing Building	1	0	\$5,794.00	\$5,794	22,000	0	\$0.04	\$0	\$0	\$0	\$0	\$0
Smart Financing - New Building	0	0		\$0	30,600	0	\$0.04	\$0	\$0	\$0	\$0	\$0
TOTAL COMMERCIAL PROGRAMS	97	20		\$129,695	0	0		\$0	\$5,006	\$6,195	\$6,701	\$136,396
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	15	1	\$149.40	\$2,241	0	0			\$0	\$112	\$112	\$2,353
Smart Audit - Class 2	2	1	\$8,980.00	\$17,960	0	0			\$0	\$898	\$898	\$18,858
Smart Financing - General	0	0		\$3,919	28,200	0	\$0.04	\$0	\$0	\$196	\$196	\$4,115
Smart Financing - Compressed Air System	0	0		\$0	164,800	0	\$0.03	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	17	2		\$24,120	0	0		\$0	\$1,206	\$1,206	\$1,206	\$25,326
TOTAL COMPANY	2,724	987		\$817,106		1,989,174		\$61,918	\$78,091	\$19,875	\$97,966	\$976,990

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

1997

KENTUCKY POWER COMPANY  
ESTIMATED SECTOR SURCHARGES FOR 1997

YEAR 2 ( 1st HALF )	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (4)	NET LOST REV/6 MOS (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/6 MOS (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * LOST REVENUES (8)	EFFICIENCY INCENTIVE (EX. C, P-9.9B) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL * INCENTIVE (11)	TOTAL EST. COSTS TO BE RECOVERED (12)
PROGRAM DESCRIPTIONS			(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
RESIDENTIAL PROGRAMS												
Energy Fitness	273	651	\$260.68	\$71,167	1,345	875,595	\$0.03	\$27,288	\$21,954	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	\$85.23	\$2,294	340	28,920	\$0.03	\$935	\$252	n/a	\$252	\$3,481
Compact Fluorescent Bulb	0	269	\$0	\$0	31	8,338	\$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	236,487	\$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	76	\$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		\$84,446	\$30,339	\$5,213	\$35,552	\$325,562
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	243	207	\$264.00	\$64,152	0	0	n/a	n/a	\$0	\$3,208	\$3,208	\$67,360
Smart Audit - 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	\$6,378
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	\$278.56	\$2,516	0	0	n/a	n/a	\$0	\$126	\$126	\$2,642
Smart Audit - Class 2	1	2	\$1,133.00	\$1,133	0	0	n/a	n/a	\$0	\$57	\$57	\$1,190
Smart Financing - General	0	0	n/a	\$7,840	14,100	0	\$0.04	\$0	\$0	\$382	\$382	\$8,232
Smart Financing - Compressed Air System	0	0		\$0	82,400	0	\$0.03	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	10	22		\$11,469		0		\$0	\$0	\$575	\$575	\$12,054
TOTAL COMPANY	1,050	3,178		\$311,281		3,044,996		\$94,915	\$30,389	\$10,765	\$41,154	\$447,350

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

1997

KENTUCKY POWER COMPANY  
ESTIMATED SECTOR SURCHARGES FOR 3 YR PROGRAM

Exhibit C  
PAGE 3B of 15

PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (4)	NET LOST REV/QTR (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/QTR (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * LOST REVENUES (8)	EFFICIENCY INCENTIVE (EX. C, PG.9B) (9)	MAXIMIZING INCENTIVE (5% OF COSTS) (10)	TOTAL * INCENTIVE (11)	TOTAL EST. COSTS TO BE RECOVERED (12)
				(1)X(3)		(2)X(6)		(8)X(7)	(9)	(4)X(10)	(9)X(10)	(4)X(9)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	257	957	\$184.99	\$47,542	341	328,337	\$0.03	\$10,158	\$5,340	n/a	\$5,340	\$63,038
Targeted Energy Efficiency - All Electric	51	389	\$1,090.08	\$55,594	1,392	513,648	\$0.03	\$15,980	\$0	\$2,780	\$2,780	\$74,354
- Non-All Electric	15	108	\$193.33	\$2,900	170	18,360	\$0.03	\$574	\$25	n/a	\$25	\$3,499
Compact Fluorescent Bulb	0	269	n/a	\$0	16	4,304	\$0.03	\$133	\$0	\$0	\$0	\$133
High - Efficiency Heat Pump - Resistance Heat	109	717	\$55.05	\$6,000	547	392,199	\$0.03	\$12,213	\$787	n/a	\$787	\$19,000
- Non Resistance Heat	84	695	\$66.18	\$5,558	221	159,595	\$0.03	\$4,786	\$2,445	n/a	\$2,445	\$12,790
High - Efficiency Heat Pump - Mobile Home	77	509	\$89.62	\$3,101	625	318,125	\$0.03	\$9,894	\$2,503	n/a	\$2,503	\$66,498
Mobile Home New Construction	0	82	n/a	\$6,092	0	0	0	0	\$0	\$305	\$305	\$6,397
TOTAL RESIDENTIAL PROGRAMS	593	3,708		\$176,788		1,726,568		\$53,736	\$11,100	\$3,085	\$14,185	\$244,709
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	98	383	\$413.13	\$40,487	0	0	0	0	\$0	\$2,024	\$2,024	\$42,511
- Class 2	5	19	\$2,705.00	\$13,525	0	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	\$1,627	n/a	\$1,627	\$8,701
Smart Financing - New Building	0	1	n/a	\$0	7,650	7,650	\$0.04	\$327	\$0	\$0	\$0	\$327
TOTAL COMMERCIAL PROGRAMS	105	405		\$60,146		29,850		\$1,267	\$1,627	\$2,700	\$4,327	\$95,740
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	3	26	\$666.00	\$1,998	0	0	0	0	\$0	\$100	\$100	\$2,098
Smart Audit - Class 2	0	3	n/a	\$0	0	0	0	0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	n/a	\$4,785	14,625	0	\$0.04	\$0	\$0	n/a	\$0	\$4,785
Smart Financing - Compressed Air System	0	0		\$0	41,200	0	\$0.04	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	3	29		\$6,783	0	0		\$0	\$0	\$100	\$100	\$6,883
TOTAL COMPANY	701	4,140		\$243,717		1,756,418		\$55,003	\$12,727	\$5,885	\$18,612	\$317,352

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

1997

KENTUCKY POWER COMPANY  
ESTIMATED SECTOR SURCHARGES FOR 3 YR PROGRAM

Exhibit C  
PAGE 3C of 15

YEAR 2 (4th QTR)	NEW PARTICIPANT NUMBER	CUMULATIVE PARTICIPANT NUMBER	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT	TOTAL ACT. PROGRAM COSTS	NET LOST REV/QTR (KWH/PARTIC)	TOTAL ENERGY SAVINGS KWH/QTR	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(6)		(6)X(7)		(4)X(5)	(9)X(10)	(4)X(9)X(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	432	1,287	\$259.53	\$112,115	341	438,867	\$0.03	\$13,658	\$8,977	n/a	\$8,977	\$134,750
Targeted Energy Efficiency - All Electric	124	443	\$924.15	\$114,595	1,393	617,099	\$0.03	\$19,198	\$0	\$5,730	\$5,730	\$138,523
- Non-All Electric	78	146	\$103.55	\$8,077	170	24,820	\$0.03	\$775	\$129	n/a	\$129	\$6,981
Compact Fluorescent Bulb	0	269	n/a	\$0	17	4,573	\$0.03	\$141	\$0	\$0	\$0	\$141
High - Efficiency Heat Pump - Resistance Heat	111	823	\$106.90	\$11,869	547	450,181	\$0.03	\$14,019	\$801	n/a	\$801	\$26,686
- Non Resistance Heat	102	782	\$142.21	\$14,505	221	172,822	\$0.03	\$5,385	\$2,969	n/a	\$2,969	\$22,859
High - Efficiency Heat Pump - Mobile Home	50	565	\$406.70	\$20,335	625	353,125	\$0.03	\$10,982	\$1,625	n/a	\$1,625	\$32,942
Mobile Home New Construction	0	82	n/a	(\$749)	0	0				(\$37)	(\$37)	(\$786)
TOTAL RESIDENTIAL PROGRAMS	897	4,397		\$280,744		2,061,487		\$64,158	\$14,501	\$5,693	\$20,194	\$365,096
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	71	473	\$230.92	\$16,395	0	0			\$0	\$820	\$820	\$17,215
- Class 2	21	33	\$2,705.00	\$56,805	0	0			\$0	\$2,840	\$2,840	\$9,645
Smart Financing - Existing Building	9	8	\$2,282.56	\$20,543	11,100	88,800	\$0.04	\$3,761	\$7,320	n/a	\$7,320	\$31,624
Smart Financing - New Building	0	1	n/a	\$0	7,850	7,650	\$0.04	\$327	\$0	n/a	\$0	\$327
TOTAL COMMERCIAL PROGRAMS	101	515		\$93,743		96,450		\$4,088	\$7,320	\$3,660	\$10,980	\$108,811
INDUSTRIAL PROGRAMS												
(w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	18	37	\$524.22	\$9,436	0	0			\$0	\$472	\$472	\$9,908
Smart Audit - Class 2	0	3	n/a	\$1,094	0	0			\$0	\$55	\$55	\$1,149
Smart Financing - General	0	0	n/a	\$11,802	14,625	0	\$0.04	\$0	\$0	n/a	\$0	\$11,802
Smart Financing - Compressed Air System	0	0	n/a	\$0	41,200	0	\$0.04	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	18	40		\$22,332		0		\$0	\$0	\$527	\$527	\$22,859
TOTAL COMPANY	1,016	4,952		\$396,819		2,157,937		\$68,246	\$21,821	\$9,880	\$31,701	\$496,765

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

1988	KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM															
YEAR 3 (1st HALF)	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (4)	NET LOST REV/S MOS (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/S MOS (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET* LOST REVENUES (8)	EFFICIENCY INCENTIVE (EX. C. P/G.88) (9)	MAXIMIZING INCENTIVE (5% OF COSTS) (10)	TOTAL* INCENTIVE (11)	TOTAL EST. COSTS TO BE RECOVERED (12)	Exhibit C PAGE 4A of 15			
PROGRAM DESCRIPTIONS	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
RESIDENTIAL PROGRAMS	544	1,768	\$184.44	\$100,334	882	1,205,776	\$0.03	\$37,524	\$11,304	n/a	\$11,304	\$149,162				
Energy Fitness	122	565	\$1,132.92	\$138,216	2,784	1,572,960	\$0.03	\$48,935	\$0	\$6,911	\$6,911	\$194,062				
Targeted Energy Efficiency - All Electric	24	203	\$112.92	\$2,710	340	69,020	\$0.03	\$2,156	\$40	n/a	\$40	\$4,906				
- Non-All Electric																
Compact Fluorescent Bulb	0	289	\$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	1,084	970,378	\$0.03	\$30,218	\$152	n/a	\$152	\$31,842				
- Non Resistance Heat	26	848	\$70.00	\$1,820	442	374,816	\$0.03	\$11,679	\$757	n/a	\$757	\$14,256				
High - Efficiency Heat Pump - Mobile Home	66	616	\$535.30	\$35,330	1,250	770,000	\$0.03	\$23,947	\$2,145	n/a	\$2,145	\$61,422				
Mobile Home New Construction	0	82	n/a	\$0	0	0	n/a	0	\$0	\$0	\$0	\$0				
TOTAL RESIDENTIAL PROGRAMS	803	5,238		\$279,882		4,971,556		\$154,725	\$14,388	\$8,911	\$21,308	\$455,916				
COMMERCIAL PROGRAMS																
Smart Audit - Class 1	204	597	\$194.13	\$39,602	0	0	n/a	0	\$0	\$1,980	\$1,980	\$41,582				
- Class 2	28	60	\$1,600.00	\$44,800	0	0	n/a	0	\$0	\$2,240	\$2,240	\$47,040				
Smart Financing - Existing Building	8	15	\$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	\$0	\$1,148	\$1,148	\$3,101				
Smart Audit - Class 2	1	3	\$1,800.00	\$1,800	0	0	n/a	0	\$0	\$90	\$90	\$1,890				
Smart Financing - General	0	0	\$0.00	\$1,338	26,250	0	\$0.04	\$0	\$0	\$67	\$67	\$1,405				
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	82,400	0	\$0.04	\$0	\$0	\$0	\$0	\$0				
TOTAL INDUSTRIAL PROGRAMS	13	54		\$6,091	0	0		\$0	\$0	\$305	\$305	\$6,396				
TOTAL COMPANY	1,057	5,966		\$419,591		5,342,058		\$170,422	\$20,923	\$11,436	\$32,369	\$622,382				

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

1988

KENTUCKY POWER COMPANY  
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM

Exhibit C  
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PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (4)	NET LOST REV/6 MOS (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/6 MOS (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET* LOST REVENUES (8)	EFFICIENCY INCENTIVE (EX. C, PG.9B) (9)	MAXIMIZING INCENTIVE (% OF COSTS) (10)	TOTAL* INCENTIVE (11)	TOTAL EST. COSTS TO BE RECOVERED (12)
				(1)(X)(9)		(2)(X)(5)		(9)(X)(7)	(9)	(4)(X)(5)(%)	(9)(1)(19)	(4)(H)(8)(11)
RESIDENTIAL PROGRAMS	448	2,277	\$301.30	\$134,982	682	1,652,914	\$0.03	\$48,327	\$9,309	\$0	\$9,309	\$192,618
Energy Fitness	131	697	\$1,187.51	\$155,654	2,784	1,940,446	\$0.03	\$60,387	\$0	\$7,778	\$7,778	\$223,709
Targeted Energy Efficiency - All Electric	42	238	\$139.82	\$5,864	340	80,920	\$0.03	\$2,528	\$70	\$0	\$70	\$8,462
- Non-All Electric	0	269	\$0.00	\$0	32	8,608	\$0.03	\$286	\$0	\$0	\$0	\$266
Compact Fluorescent Bulb	108	940	\$147.45	\$15,925	1,094	1,028,360	\$0.03	\$32,023	\$780	\$0	\$780	\$48,728
High - Efficiency Heat Pump - Resistance Heat	64	894	\$72.27	\$4,625	442	385,148	\$0.03	\$12,313	\$1,853	\$0	\$1,853	\$18,801
- Non Resistance Heat	173	764	\$514.50	\$89,009	1,250	955,000	\$0.03	\$29,701	\$5,623	\$0	\$5,623	\$124,333
High - Efficiency Heat Pump - Mobile Home	33	11	\$549.45	\$18,132	0	0	n/a	0	\$0	\$907	\$907	\$19,039
Mobile Home New Construction	999	6,080		\$424,101		5,961,398		\$185,525	\$17,645	\$8,685	\$26,330	\$635,956
TOTAL RESIDENTIAL PROGRAMS												
COMMERCIAL PROGRAMS	178	795	\$534.85	\$95,203	0	0	n/a	0	\$0	\$4,760	\$4,760	\$99,963
Smart Audit - Class 1	9	73	\$2,800.00	\$25,200	0	0	n/a	0	\$0	\$1,260	\$1,260	\$26,460
- Class 2	29	32	\$1,878.86	\$54,487	22,200	710,400	\$0.04	\$30,085	\$23,585	\$0	\$23,585	\$108,157
Smart Financing - Existing Building	5	6	\$1,529.20	\$7,646	15,300	91,800	\$0.04	\$3,926	\$144	\$0	\$144	\$11,716
Smart Financing - New Building	221	906		\$182,536		802,200		\$34,011	\$23,729	\$6,020	\$29,749	\$246,286
TOTAL COMMERCIAL PROGRAMS												
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)	3	59	\$952.33	\$2,957	0	0	n/a	0	\$0	\$128	\$128	\$2,685
Smart Audit - Class 1	0	4	\$0.00	\$0	0	0	n/a	0	\$0	\$0	\$0	\$0
Smart Audit - Class 2	1	0	\$0.00	\$2,430	29,250	0	\$0.04	\$0	\$383	\$0	\$383	\$2,813
Smart Financing - General	0	0	\$0.00	\$0	82,400	0	\$0.04	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	4	63		\$4,987	0	0		\$0	\$383	\$128	\$511	\$5,498
TOTAL INDUSTRIAL PROGRAMS	1,224	7,059		\$611,624		6,763,598		\$219,536	\$41,757	\$14,933	\$56,590	\$887,750
TOTAL COMPANY												

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

1999

KENTUCKY POWER COMPANY  
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM

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PROGRAM DESCRIPTIONS	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
NEW PARTICIPANT NUMBER	CUMULATIVE PARTICIPANT NUMBER **	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT	TOTAL ACT. PROGRAM COSTS	NET LOST REVENUE (KWH/HALF)	ENERGY SAVINGS KWH/HALF	NET LOST REVENUE (\$/KWH)	TOTAL NET * LOST REVENUES	EFFICIENCY INCENTIVE (EX. C, P.G.9B)	MAXIMIZING INCENTIVE (6% OF COSTS)	TOTAL * INCENTIVE	TOTAL EST. COSTS TO BE RECOVERED	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
RESIDENTIAL PROGRAMS												
Energy Fitness	306	2,694	\$312.58	\$95,650	707	\$0.03	\$59,273	\$10,370	\$0	\$10,370	\$165,293	
Targeled Energy Efficiency - All Electric	75	773	\$1,907.41	\$143,096	630	\$0.03	\$15,150	\$0	\$7,153	\$7,153	\$165,359	
- Non-All Electric	12	249	\$112.00	\$1,344	306	\$0.03	\$2,380	\$30	\$0	\$60	\$3,784	
Compact Fluorescent Bulb	0	269	\$0.00	\$0	31	\$0.03	\$258	\$0	\$0	\$0	\$258	
High - Efficiency Heat Pump - Resistance Heat	99	1,002	\$273.74	\$27,100	1,200	\$0.03	\$37,443	\$4,375	\$0	\$4,375	\$68,918	
- Non Resistance Heat	2	853	\$50.00	\$100	442	\$0.03	\$11,748	\$0	\$5	\$5	\$11,853	
High - Efficiency Heat Pump - Mobile Home	101	826	\$545.99	\$55,145	1,475	\$0.03	\$37,891	\$8,505	\$0	\$8,505	\$101,541	
Mobile Home New Construction ***	98	45	\$587.20	\$57,546	1,756	\$0.03	\$2,458	\$4,353	\$0	\$4,353	\$64,357	
TOTAL RESIDENTIAL PROGRAMS	693	6,711		\$379,941			\$166,601	\$27,663	\$7,158	\$34,821	\$581,363	
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	166	964	\$204.71	\$38,076	0	n/a	0	\$0	\$1,904	\$1,904	\$39,980	
- Class 2	16	87	\$2,705.00	\$43,280	0	n/a	0	\$0	\$2,164	\$2,164	\$45,444	
Smart Financing - Existing Building	6	51	\$5,109.67	\$30,658	13,282	\$0.04	\$28,687	\$1,395	\$0	\$1,395	\$80,740	
Smart Financing - New Building	3	9	\$0.00	\$2,350	14,101	\$0.04	\$5,428	\$787	\$0	\$787	\$8,565	
TOTAL COMMERCIAL PROGRAMS	211	1,111		\$114,364			\$34,115	\$2,182	\$4,068	\$6,250	\$154,729	
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	0	60	\$0.00	\$0	0	n/a	0	\$0	\$0	\$0	\$0	
Smart Audit - Class 2	0	4	\$0.00	\$0	0	n/a	0	\$0	\$0	\$0	\$0	
Smart Financing - General	0	1	\$0.00	\$0	0	\$0.04	\$0	\$0	\$0	\$0	\$0	
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	\$0.04	\$0	\$0	\$0	\$0	\$0	
TOTAL INDUSTRIAL PROGRAMS	0	65		\$0			\$0	\$0	\$0	\$0	\$0	
TOTAL COMPANY	904	7,920		\$484,305			\$200,716	\$29,845	\$11,226	\$41,071	\$736,092	

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

1999

KENTUCKY POWER COMPANY  
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM

Exhibit C  
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PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (4)	NET LOST REV/HALF (KWH/HPARTIC) (5)	ENERGY SAVINGS KWH/HALF (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * LOST REVENUES (8)	EFFICIENCY INCENTIVE (EX. C, PG.99) (9)	MAXIMIZING INCENTIVE (% of COSTS) (10)	TOTAL * INCENTIVE (11)	TOTAL EST. COSTS TO BE RECOVERED (12)
				(1)(X)(3)		(2)(X)(5)	(7)	(8)(X)(7)	(9)	(10)(X)(5%)	(11)(X)(10)	(12)(X)(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	0	2,519	\$0.00	\$972	707	1,780,933	\$0.03	\$55,423	\$0	\$0	\$0	\$56,395
Targeted Energy Efficiency - All Electric	66	700	\$1,222.76	\$80,702	630	441,000	\$0.03	\$13,720	\$0	\$4,035	\$4,035	\$98,457
- Non-All Electric	8	220	\$67.50	\$540	306	87,320	\$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	\$29,580	1,200	972,000	\$0.03	\$30,288	\$6,187	\$0	\$6,187	\$66,015
- Non Resistance Heat	0	593	\$0.00	\$0	447	265,071	\$0.03	\$8,280	\$0	\$0	\$0	\$8,280
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		\$259,525		4,964,142		\$154,490	\$22,975	\$4,035	\$27,010	\$437,025
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	186	1,129	\$356.11	\$66,948	0	0	n/a	0	\$0	\$3,347	\$3,347	\$70,295
- Class 2	21	103	\$2,705.00	\$56,805	0	0	n/a	0	\$0	\$2,840	\$2,840	\$59,645
Smart Financing - Existing Building	25	66	\$2,728.04	\$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
TOTAL COMPANY	713	7,273		\$472,125		6,024,067		\$198,455	\$30,858	\$10,222	\$41,110	\$712,690

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

Year 2000

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

PROGRAM DESCRIPTIONS	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/HALF (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/HALF (2)X(5) (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * LOST REVENUES (8)X(7) (8)	EFFICIENCY INCENTIVE (EX. C, PG.98) (9)	MAXIMIZING INCENTIVE (% of COSTS) (10) (4)X(5%)	TOTAL * INCENTIVE (9)+(10) (11)	TOTAL EST. COSTS TO BE RECOVERED (12) (4)+(8)+(11)
RESIDENTIAL PROGRAMS	0	2,161	\$0.00	\$0	707	1,527,827	\$0.03	\$47,548	\$0	\$0	\$0	\$47,548
Energy Fitness	66	659	\$1,272.61	\$83,992	630	415,170	\$0.03	\$12,916	\$0	\$4,200	\$4,200	\$101,108
Targeted Energy Efficiency - All Electric - Non-All Electric	28	202	\$90.82	\$2,543	306	61,812	\$0.03	\$1,931	\$141	\$0	\$141	\$4,615
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump - Resistance Heat - Non Resistance Heat	38	683	\$200.00	\$7,600	1,200	819,600	\$0.03	\$25,522	\$1,679	\$0	\$1,679	\$34,801
High - Efficiency Heat Pump - Mobile Home	45	683	\$500.00	\$22,500	1,475	1,007,425	\$0.03	\$31,331	\$3,789	\$0	\$3,789	\$57,620
Mobile Home New Construction **	101	302	\$530.20	\$53,550	1,755	530,010	\$0.03	\$16,483	\$4,486	\$0	\$4,486	\$74,519
TOTAL RESIDENTIAL PROGRAMS	278	5,038		\$170,185		4,517,400		\$140,576	\$10,095	\$4,200	\$14,295	\$325,056
COMMERCIAL PROGRAMS	144	1,126	\$397.19	\$57,195	0	0	n/a	0	\$0	\$2,860	\$2,860	\$60,055
Smart Audit - Class 1	8	112	\$2,705.00	\$21,640	0	0	n/a	0	\$0	\$1,082	\$1,082	\$22,722
Smart Audit - Class 2	16	86	\$1,307.31	\$20,917	13,282	1,142,252	\$0.04	\$48,374	\$3,721	\$0	\$3,721	\$73,012
Smart Financing - Existing Building	4	20	\$6,298.75	\$25,195	14,101	282,020	\$0.04	\$12,062	\$1,049	\$0	\$1,049	\$38,306
Smart Financing - New Building	172	1,344		\$124,947		1,424,272		\$60,436	\$4,770	\$3,942	\$6,712	\$194,095
TOTAL COMMERCIAL PROGRAMS												
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)	0	0	\$0.00	\$0	0	0	n/a	0	\$0	\$0	\$0	\$0
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	\$0.00	\$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
TOTAL COMPANY	450	6,382		\$285,132		5,941,672		\$201,012	\$14,865	\$8,142	\$23,007	\$519,151

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

Year 2000

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KENTUCKY POWER COMPANY  
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM

PROGRAM DESCRIPTIONS	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/HALF (KWH/PARTIC) (5)	ENERGY SAVINGS KWH/HALF (2)X(5) (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * LOST REVENUES (8)X(7) (8)	EFFICIENCY INCENTIVE (EX. C. PG.9B) (9)	MAXIMIZING INCENTIVE (5% OF COSTS) (10)	TOTAL * INCENTIVE (9)+(10) (11)	TOTAL EST. COSTS TO BE RECOVERED (12)
RESIDENTIAL PROGRAMS	0	1,525	\$0.00	\$0	708	1,076,650	\$0.03	\$33,505	\$0	\$0	\$0	\$33,505
Energy Fitness	99	583	\$1,115.41	\$110,426	630	367,290	\$0.03	\$11,426	\$0	\$5,521	\$5,521	\$17,373
Targeted Energy Efficiency - All Electric - 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 - Non Resistance Heat	25	481	\$200.00	\$5,000	1,200	577,200	\$0.03	\$17,974	\$1,105	\$0	\$1,105	\$24,079
High - Efficiency Heat Pump - Mobile Home	43	572	\$485.35	\$21,300	1,478	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		3,680,259		\$114,626	\$9,006	\$5,521	\$14,527	\$322,117
COMMERCIAL PROGRAMS	159	1,026	\$165.24	\$26,273	0	0	n/a					\$27,587
Smart Audit - Class 1	29	98	\$2,705.00	\$78,445	0	0	n/a					\$82,367
Smart Audit - Class 2	24	97	\$914.54	\$21,949	13,282	1,288,354	\$0.04	\$54,582	\$5,581	\$0	\$5,581	\$82,092
Smart Financing - Existing Building	0	21	\$0.00	\$7,269	14,102	296,142	\$0.04	\$12,666	\$0	\$0	\$0	\$19,935
Smart Financing - New Building	212	1,242		\$133,936		1,584,496		\$67,228	\$5,681	\$5,236	\$10,817	\$211,981
TOTAL COMMERCIAL PROGRAMS	484	5,123		\$326,700		5,274,755		\$182,054	\$14,587	\$10,757	\$25,344	\$534,098
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)	0	0	\$0.00	\$0	0	0	n/a					\$0
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a					\$0
Smart Audit - Class 2	0	0	\$0.00	\$0	0	0	\$0.00	\$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	484	5,123		\$326,700		5,274,755		\$182,054	\$14,587	\$10,757	\$25,344	\$534,098

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

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

\*\*\* Participants since 09/01/98

Year 2001

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

PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (4)	NET LOST REVENUE (KWH/PTIC) (5)	TOTAL ENERGY SAVINGS (KWH/HALF) (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * LOST REVENUES (8)	EFFICIENCY INCENTIVE (EX. C, PG.9B) (9)	MAXIMIZING INCENTIVE (5% OF COSTS) (10)	TOTAL * INCENTIVE (11)	TOTAL EST. COSTS TO BE RECOVERED (12)
			(1)X(3)	(4)	(5)	(2)X(5)	(7)	(8)	(9)	(10)	(9)+(10)	(4)+(9)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	0	1,044	\$0.00	\$0	707	738,108	\$0.03112	\$22,970	\$0	\$0	\$0	\$22,970
Targeted Energy Efficiency - All Electric	52	595	\$1,276.94	\$79,170	630	337,050	\$0.03111	\$10,486	\$0	\$3,959	\$3,959	\$93,615
Targeted Energy Efficiency - Non-All Electric	18	137	\$87.89	\$1,582	305	41,922	\$0.03124	\$1,310	\$0	\$0	\$0	\$2,982
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$1,016	\$0	\$1,016	\$22,007
High - Efficiency Heat Pump - Resistance Heat	23	438	\$201.04	\$4,624	1200	525,600	\$0.03114	\$16,367	\$0	\$0	\$0	\$1,128
High - Efficiency Heat Pump - Non Resistance Heat	0	81	\$0.00	\$0	447	36,207	\$0.03116	\$1,128	\$4,463	\$0	\$4,463	\$95,084
High - Efficiency Heat Pump - Mobile Home	53	558	\$472.15	\$25,024	1475	823,050	\$0.03110	\$25,957	\$3,687	\$0	\$3,687	\$74,896
Mobile Home New Construction ***	83	489	\$537.04	\$44,574	1755	856,440	\$0.03110	\$26,635	\$9,256	\$3,959	\$13,215	\$272,682
TOTAL RESIDENTIAL PROGRAMS	239	3,281		\$154,974		3,355,377		\$104,493				
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	134	1,017	\$321.82	\$43,124	0	0	n/a	\$0	\$0	\$2,166	\$2,166	\$45,280
Smart Audit - Class 2	28	105	\$1,910.00	\$42,280	0	0	n/a	\$0	\$0	\$2,114	\$2,114	\$44,394
Smart Financing - Existing Building	15	112	\$2,309.00	\$34,635	13,282	1,487,584	\$0.04235	\$62,999	\$3,488	\$0	\$3,488	\$101,122
Smart Financing - New Building	8	25	\$4,018.13	\$32,129	14,101	352,525	\$0.04277	\$15,077	\$2,099	\$0	\$2,099	\$49,305
TOTAL COMMERCIAL PROGRAMS	185	1,259		\$152,168		1,840,109		\$78,076		\$4,270	\$9,587	\$240,101
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$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
TOTAL COMPANY	424	4,540		\$307,142		5,198,485		\$182,569		\$14,843	\$8,229	\$512,783

\* Lost revenue and efficiency incentives are based on prospective values.  
 \*\* Cumulative participants include a reduction for the cumulative participants as of 06/30/88.  
 \*\*\* Participants since 07/01/89.

Year 2001

KENTUCKY POWER COMPANY  
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM

Exhibit C  
PAGE 7B of 15

PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (1)(X)(3)	NET LOST REV/QTR (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/HALF (2)(X)(6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * LOST REVENUES (6)(X)(7)	EFFICIENCY INCENTIVE (EX. C, PG.9B) (9)	MAXIMIZING INCENTIVE (6% of COSTS) (10)	TOTAL * INCENTIVE (11)	TOTAL EST. COSTS TO BE RECOVERED (12)
RESIDENTIAL PROGRAMS	0	535	\$0.00	\$0	706	377,710	\$0.03112	\$11,754	\$0	\$0	\$0	\$11,754
Energy Fitness	88	486	\$1,018.86	\$89,660	630	306,180	\$0.03111	\$9,525	\$0	\$4,483	\$4,483	\$103,688
Targeted Energy Efficiency - All Electric	46	122	\$61.46	\$3,747	306	37,332	\$0.03124	\$1,166	\$231	\$0	\$231	\$5,144
- Non-All Electric	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump - Resistance Heat	30	412	\$173.33	\$5,200	1,200	494,400	\$0.03114	\$15,396	\$1,326	\$0	\$1,326	\$21,922
- Non Resistance Heat	0	35	\$0.00	\$0	446	15,610	\$0.03116	\$486	\$0	\$0	\$0	\$486
High - Efficiency Heat Pump - Mobile Home	47	469	\$510.64	\$24,000	1,476	692,244	\$0.03110	\$21,529	\$3,958	\$0	\$3,958	\$49,487
Mobile Home New Construction ***	92	568	\$555.43	\$51,100	1,755	996,840	\$0.03110	\$31,002	\$4,987	\$0	\$4,987	\$96,189
TOTAL RESIDENTIAL PROGRAMS	303	2,627		\$173,707		2,920,316		\$90,858	\$9,602	\$4,483	\$14,085	\$278,650
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	131	966	\$454.04	\$59,479	0	0	n/a	\$0	\$0	\$2,974	\$2,974	\$62,453
- Class 2	5	111	\$9,817.20	\$49,086	0	0	n/a	\$0	\$0	\$2,454	\$2,454	\$51,540
Smart Financing - Existing Building	16	109	\$1,664.27	\$24,954	13,282	1,447,738	\$0.04235	\$61,312	\$3,488	\$0	\$3,488	\$89,764
Smart Financing - New Building	16	34	\$1,799.26	\$32,387	14,102	479,468	\$0.04277	\$20,507	\$4,722	\$0	\$4,722	\$57,616
TOTAL COMMERCIAL PROGRAMS	169	1,220		\$165,916		1,927,206		\$81,819	\$8,210	\$5,428	\$13,638	\$261,373
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$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
TOTAL COMPANY	472	3,847		\$339,623		4,847,522		\$172,677	\$17,812	\$9,911	\$27,723	\$540,023

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

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

\*\*\* Participants since 07/01/99.



Year 2002

KENTUCKY POWER COMPANY  
ESTIMATED SECTOR SURCHARGES  
FOR 3 YEAR PROGRAM

Exhibit C  
PAGE 8B of 15

PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACTUAL PROGRAM COSTS (4)	NET LOST REVENUE (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS (KWH/HALF) (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL ENERGY SAVINGS (EX. C. PG.9B) (9)	EFFICIENCY INCENTIVE (5% OF COSTS) (10)	MAXIMIZING INCENTIVE (4)X(5%) (11)	TOTAL * INCENTIVE (9)+(10) (12)	TOTAL ACTUAL COSTS TO BE RECOVERED (4)+(8)+(11) (13)
RESIDENTIAL PROGRAMS	0	0	\$0.00	\$0	706	0	\$0.03112	\$0	\$0	\$0	\$0	\$0
Energy Fitness	78	457	\$1,039.33	\$78,989	1,028	469,796	\$0.03111	\$0	\$3,949	\$3,949	\$3,949	\$97,553
Targeted Energy Efficiency - All Electric	13	156	\$65.92	\$1,117	315	49,140	\$0.03124	\$56	\$0	\$0	\$56	\$2,708
- Non-All Electric	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump - Resistance Heat	0	177	\$0.00	(\$352)	1,200	212,400	\$0.03114	\$0	\$0	\$0	\$0	\$6,262
- Non Resistance Heat	0	0	\$0.00	\$0	446	0	\$0.03116	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump - Mobile Home	43	308	\$603.84	\$25,965	1,144	352,352	\$0.03110	\$1,244	\$0	\$0	\$1,244	\$38,167
Mobile Home New Construction ***	61	519	\$644.46	\$39,312	1,809	938,871	\$0.03110	\$248	\$0	\$0	\$248	\$68,759
TOTAL RESIDENTIAL PROGRAMS	183	1,617	\$145.031	\$145,031	5,605	2,022,559	\$0.03110	\$62,921	\$3,949	\$3,949	\$6,497	\$213,449
COMMERCIAL PROGRAMS	0	0	\$0.00	\$74,422	0	0	n/a	\$0	\$0	\$0	\$0	\$78,143
Smart Audit - Class 1	0	796	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
- Class 2	25	97	\$908.76	\$22,744	13,282	1,288,354	\$0.04235	\$5,814	\$0	\$0	\$5,814	\$83,120
Smart Financing - Existing Building	16	44	\$2,424.94	\$38,799	14,102	620,488	\$0.04277	\$4,197	\$0	\$0	\$4,197	\$69,534
Smart Financing - New Building	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
TOTAL COMMERCIAL PROGRAMS	41	1,017	\$135.965	\$135,965	14,102	1,908,842	\$0.04277	\$10,011	\$0	\$0	\$10,011	\$230,797
INDUSTRIAL PROGRAMS - (w/Est Opt-Outs Removed)	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
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	\$0.00000	\$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	\$0	\$0	\$0
TOTAL COMPANY	234	2,634	\$280.996	\$280,996	14,402	3,931,401	\$0.03110	\$11,559	\$7,670	\$7,670	\$19,229	\$444,246

\* Lost revenue and efficiency incentives are based on prospective values.  
 \*\* Cumulative participants include a reduction for the cumulative participants as of 12/31/1999.  
 \*\*\* Participants since 07/01/1999.

Year 2003		Exhibit C	15									
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM		PAGE	TOTAL									
YEAR 8 (1st HALF)		9A of	ACTUAL									
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS (3)	TOTAL ACTUAL PROGRAM COSTS (4)	NET LOST REV/HALF (KWH/ PARTICIPANT) (5)	TOTAL ENERGY SAVINGS (KWH/HALF (6) (2)X(5)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * REVENUES (8) (9)X(7)	EFFICIENCY INCENTIVE (EX. C, PG.11) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10) (4)X(5%)	TOTAL * INCENTIVE (11) (9)+(10)	RECOVERED COSTS TO BE (12) (4)+(9)+(11)
RESIDENTIAL PROGRAMS	0	0	\$0.00	\$0	707	0	\$0.03112	\$0	\$0	\$0	\$0	\$0
Energy Fitness												
Targeted Energy Efficiency	100	487	\$849.84	\$84,984	1,028	480,076	\$0.03111	\$14,935	\$0	\$4,249	\$4,249	\$104,168
- All Electric	7	151	\$79.29	\$555	314	47,414	\$0.03124	\$1,481	\$30	\$0	\$30	\$2,066
- Non-All Electric	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump	0	94	\$0.00	\$0	1,200	112,800	\$0.03114	\$3,513	\$0	\$0	\$0	\$3,513
- Resistance Heat	0	0	\$0.00	\$0	447	0	\$0.03116	\$0	\$0	\$0	\$0	\$0
- Non Resistance Heat	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump	34	268	\$379.41	\$12,900	1,144	306,592	\$0.03110	\$9,535	\$983	\$0	\$983	\$23,418
- Mobile Home												
Mobile Home New Construction ***	46	460	\$482.61	\$22,200	1,808	831,680	\$0.03110	\$25,865	\$187	\$0	\$187	\$46,252
- Heat Pump	0	0	\$0.00	\$0	157	0	\$0.03124	\$0	\$0	\$0	\$0	\$0
- Air Conditioner	0	0	\$0.00	\$0	0	0	\$0.03116	\$856	\$2,127	\$0	\$2,127	\$17,398
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	\$135,054		1,806,024		\$56,185	\$3,327	\$4,249	\$7,576	\$198,815
COMMERCIAL PROGRAMS	0	620	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 1	0	73	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
- Class 2	0	110	\$0.00	\$0	13,282	1,461,020	\$0.04235	\$61,874	\$0	\$0	\$0	\$61,874
Smart Financing - Existing Building	0	49	\$0.00	\$0	14,101	690,949	\$0.04277	\$29,552	\$0	\$0	\$0	\$29,552
Smart Financing - New Building	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
TOTAL COMMERCIAL PROGRAMS	0	852	\$0	\$0		2,151,969		\$91,426	\$0	\$0	\$0	\$91,426
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
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	\$0.00000	\$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				\$147,611	\$3,327	\$4,249	\$7,576	\$290,241
TOTAL COMPANY	288	2,315	\$135,054	\$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

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

PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACTUAL PROGRAM COSTS (4)	NET LOSS REVENUE (KWH/ PARTICIPANT) (5)	TOTAL ENERGY SAVINGS (KWH-HALF (2)X(5)) (6)	TOTAL NET* REVENUES (8) (6)X(7)	EFFICIENCY INCENTIVE (EX. C, PG.11) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10) (4)X(5%)	TOTAL* INCENTIVE (9)+(10)	TOTAL ACTUAL COSTS TO BE RECOVERED (12) (4)+(9)+(11)
<b>RESIDENTIAL PROGRAMS</b>											
Energy Fitness	0	0	\$0.00	\$0	706	0	\$0.03112	\$0	\$0	\$0	\$0
Targeted Energy Efficiency	69	473	\$974.94	\$67,271	1,028	486,244	\$0.03111	\$15,127	\$3,364	\$3,364	\$85,762
- All Electric	69	167	\$76.10	\$5,251	316	52,772	\$0.03124	\$1,649	\$0	\$295	\$7,195
- Non-All Electric	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump	0	63	\$0.00	\$0	1,200	75,600	\$0.03114	\$2,354	\$0	\$0	\$2,354
- Resistance Heat	0	0	\$0.00	\$0	446	0	\$0.03116	\$0	\$0	\$0	\$0
- Non Resistance Heat	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump	29	266	\$453.45	\$13,150	1,144	292,864	\$0.03110	\$9,108	\$839	\$839	\$23,097
- Mobile Home	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0
Mobile Home New Construction ***	64	419	\$649.59	\$41,574	1,810	758,390	\$0.03110	\$23,566	\$260	\$260	\$65,420
- Heat Pump	1	0	\$150.00	\$150	158	0	\$0.03124	\$0	\$0	\$0	\$150
- Air Conditioner	441	324	\$431.43	\$190,262	1,194	386,856	\$0.03116	\$12,054	\$9,287	\$9,287	\$211,603
Modified Energy Fitness	673	1,702	\$317.658	\$317,658	2,052,726	2,052,726	\$0.03116	\$63,878	\$3,364	\$14,045	\$395,581
<b>TOTAL RESIDENTIAL PROGRAMS</b>											
<b>COMMERCIAL PROGRAMS</b>											
Smart Audit - Class 1	0	453	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0
- Class 2	0	63	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0
Smart Financing - Existing Building	0	77	\$0.00	\$0	13,282	1,022,714	\$0.04235	\$43,312	\$0	\$0	\$43,312
Smart Financing - New Building	0	47	\$0.00	\$0	14,102	662,794	\$0.04277	\$28,348	\$0	\$0	\$28,348
<b>TOTAL COMMERCIAL PROGRAMS</b>											
<b>INDUSTRIAL PROGRAMS</b>											
(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	\$0.00000	\$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
<b>TOTAL INDUSTRIAL PROGRAMS</b>											
<b>TOTAL COMPANY</b>											
	673	2,342		\$317,658		3,739,234		\$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

PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACTUAL PROGRAM COSTS (4)	NET LOSS REV/QTR (5)	TOTAL ENERGY SAVINGS KWH/ HALF (6)	NET LOSS REVENUE (\$/KWH) (7)	TOTAL NET * LOSS REVENUES (8)	EFFICIENCY INCENTIVE (EX. C, PG.11) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL * INCENTIVE (9)+(10)	TOTAL ACTUAL COSTS TO BE RECOVERED (12)
RESIDENTIAL PROGRAMS	0	0	\$0.00	\$0	707	0	\$0.03112	\$0	\$0	\$0	\$0	\$0
Energy Fitness												
Targeted Energy Efficiency	72	463	\$751.54	\$54,111	1,028	475,964	\$0.03111	\$14,807	\$0	\$2,706	\$2,706	\$71,624
- All Electric	10	179	\$78.60	\$786	314	56,206	\$0.03124	\$1,756	\$43	\$0	\$43	\$2,585
- Non-All Electric	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump	0	42	\$0.00	\$0	1,200	50,400	\$0.03114	\$1,569	\$0	\$0	\$0	\$1,569
- Resistance Heat	0	0	\$0.00	\$0	447	0	\$0.03116	\$0	\$0	\$0	\$0	\$0
- Non Resistance Heat	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump	41	247	\$428.05	\$17,550	1,144	262,568	\$0.03110	\$8,788	\$1,186	\$0	\$1,186	\$27,524
- Mobile Home												
Mobile Home New Construction ***	68	394	\$503.68	\$34,250	1,808	712,352	\$0.03110	\$22,154	\$276	\$0	\$276	\$56,680
- Heat Pump	1	1	\$150.00	\$150	157	157	\$0.03124	\$5	\$0	\$0	\$0	\$155
- Air Conditioner	334	735	\$417.76	\$139,531	1,194	877,590	\$0.03116	\$27,346	\$7,034	\$0	\$7,034	\$173,911
Modified Energy Fitness	526	2,061	\$246.378	\$246,378		2,455,237		\$76,425	\$8,539	\$2,706	\$11,245	\$334,048
TOTAL RESIDENTIAL PROGRAMS												
COMMERCIAL PROGRAMS	0	338	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 1	0	30	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$30,375
- Class 2	0	54	\$0.00	\$0	13,282	717,228	\$0.04235	\$30,375	\$0	\$0	\$0	\$25,933
Smart Financing - Existing Building	0	43	\$0.00	\$0	14,101	606,343	\$0.04277	\$25,933	\$0	\$0	\$0	\$56,308
Smart Financing - New Building	0	465	\$0	\$0		1,323,571		\$56,308	\$0	\$0	\$0	\$56,308
TOTAL COMMERCIAL PROGRAMS												
INDUSTRIAL PROGRAMS -	0	2,526	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
(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	\$0.00000	\$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	\$0.03	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS												
TOTAL COMPANY	526	2,526	\$246.378	\$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

Exhibit C

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KENTUCKY POWER COMPANY  
ESTIMATED SECTOR SURCHARGES FOR 3  
YEAR PROGRAM

PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACTUAL PROGRAM COSTS (4)	NET COST REVENUE (5)	NET LOSS REVENUE (6)	TOTAL ENERGY SAVINGS KWH/HALF (7)	REVENUE (8)	LOSS (9)	EX. C, PG.11 (9)	EFFICIENCY INCENTIVE (10)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL * INCENTIVE (11)	TOTAL * COSTS TO BE RECOVERED (12)
RESIDENTIAL PROGRAMS														
Energy Fitness	0	0	\$0.00	\$0	706	0	\$0.03112	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Targeted Energy Efficiency	69	462	\$1,118.43	\$99,540	1,028	474,936	\$0.03111	\$14,775	\$0	\$0	\$4,977	\$4,977	\$4,977	\$119,292
- All Electric	72	205	\$60.60	\$4,363	316	64,780	\$0.03124	\$2,024	\$0	\$0	\$0	\$0	\$0	\$6,695
- Non-All Electric	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump	0	15	\$0.00	\$0	1,200	18,000	\$0.03114	\$561	\$0	\$0	\$0	\$0	\$0	\$561
- Resistance Heat	0	0	\$0.00	\$0	446	0	\$0.03116	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Non-Resistance Heat	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump	46	239	\$469.57	\$21,600	1,144	273,416	\$0.03110	\$8,503	\$1,330	\$1,330	\$0	\$0	\$1,330	\$31,433
- Mobile Home	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Mobile Home New Construction ***	70	379	\$597.14	\$41,800	1,810	685,990	\$0.03110	\$21,334	\$284	\$284	\$0	\$0	\$284	\$63,418
- Heat Pump	0	2	#DIV/0!	\$0	158	316	\$0.03124	\$10	\$0	\$0	\$0	\$0	\$0	\$10
- Air Conditioner	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Modified Energy Fitness	391	1,070	\$347.20	\$135,756	1,194	1,277,580	\$0.03116	\$39,809	\$9,234	\$9,234	\$0	\$0	\$9,234	\$183,799
TOTAL RESIDENTIAL PROGRAMS	668	2,372		\$303,059		2,795,018		\$87,016	\$10,156	\$10,156	\$4,977	\$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	\$0	\$0
- Class 2	0	10	\$0.00	\$0	0	0	n/a	\$0	\$0	\$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	\$0	\$0	\$23,062
Smart Financing - New Building	0	30	\$0.00	\$0	14,102	423,060	\$0.04277	\$18,094	\$0	\$0	\$0	\$0	\$0	\$18,094
TOTAL COMMERCIAL PROGRAMS	0	272		\$0		967,622		\$41,156	\$0	\$0	\$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	\$0	\$0
Smart Audit - Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$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	\$0
TOTAL INDUSTRIAL PROGRAMS	0	0		\$0		0		\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL COMPANY	668	2,644		\$303,059		3,762,640		\$129,172	\$10,156	\$10,156	\$4,977	\$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.

Year 2005										Exhibit C		
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM										PAGE 11A of 15		
YEAR 10 (1st Half)	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACTUAL PROGRAM COSTS (4)	NET LOST REV/QTR (KWH/ PARTICIPANT) (5)	TOTAL ENERGY SAVINGS (KWH/ HALF (6) (2)X(5)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * REVENUES (8) (9)X(7)	EFFICIENCY INCENTIVE (EX. C, PG.11) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10) (4)X(5%)	TOTAL * INCENTIVE (11) (9)+(10)	TOTAL ACTUAL COSTS TO BE RECOVERED (12) (4)+(8)+(11)
RESIDENTIAL PROGRAMS	0	0	\$0.00	\$0	707	0	\$0.03112	\$0	\$0	\$0	\$0	\$0
Energy Fitness												
Targeted Energy Efficiency	88	477	\$1,109.22	\$97,611	896	427,392	\$0.03111	\$13,296	\$0	\$4,881	\$4,881	\$115,788
- All Electric	57	218	\$62.47	\$3,561	267	58,208	\$0.03124	\$1,818	\$1,125	\$0	\$1,125	\$6,504
- Non-All Electric	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump	0	0	\$0.00	\$0	1,200	0	\$0.03114	\$0	\$0	\$0	\$0	\$0
- Resistance Heat	0	0	\$0.00	\$0	447	0	\$0.03116	\$0	\$0	\$0	\$0	\$0
- Non Resistance Heat	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump	34	231	\$560.21	\$19,047	1,145	264,495	\$0.03110	\$8,226	\$2,693	\$0	\$2,693	\$29,966
- Mobile Home												
Mobile Home New Construction ***	67	371	\$614.65	\$41,195	1,808	670,768	\$0.03110	\$20,861	\$8,372	\$0	\$8,372	\$70,428
- Heat Pump	0	2	\$0.00	\$0	157	314	\$0.03124	\$10	\$0	\$0	\$0	\$10
- Air Conditioner	371	1,479	\$400.87	\$148,723	613	906,627	\$0.03116	\$28,250	\$15,612	\$0	\$15,612	\$192,595
Modified Energy Fitness	617	2,778	\$310.137	\$310,137		2,327,802		\$72,461	\$27,802	\$4,881	\$32,683	\$415,281
TOTAL RESIDENTIAL PROGRAMS												
COMMERCIAL PROGRAMS	0	64	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 1	0	3	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
- Class 2	0	29	\$0.00	\$0	13,282	395,178	\$0.04235	\$16,312	\$0	\$0	\$0	\$16,312
Smart Financing - Existing Building	0	18	\$0.00	\$0	14,101	253,818	\$0.04277	\$10,856	\$0	\$0	\$0	\$10,856
Smart Financing - New Building	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
TOTAL COMMERCIAL PROGRAMS	0	114	\$0	\$0	0	638,996		\$27,168	\$0	\$0	\$0	\$27,168
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
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	\$0.00000	\$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	\$0	\$0
TOTAL COMPANY	617	2,892	\$310.137	\$310,137		2,966,798		\$99,629	\$27,802	\$4,881	\$32,683	\$442,449

\* Lost revenue and efficiency incentives are based on prospective values  
\*\* Cumulative participants include a reduction for the cumulative participants as of 06/30/2002.  
\*\*\* Participants since 01/01/2002.

Year 2005		KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM										Exhibit C PAGE 11B of 15	
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS (3)	TOTAL ACTUAL PROGRAM COSTS (4)	PER PARTICIPANT COSTS (5)	NET LOST REV/QTRS (KWH/ PARTICIPANT) (6)	TOTAL ENERGY SAVINGS (KWH/ HALF (7)) (2)X(5)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET* REVENUES (8)	EFFICIENCY INCENTIVE (EX. C. PG.11) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10) (4)X(5%)	TOTAL* INCENTIVE (11) (9)+(10)	TOTAL ACTUAL COSTS TO BE RECOVERED (12) (4)+(9)+(11)
RESIDENTIAL PROGRAMS	0	0	\$0.00	\$0	0	706	0	\$0.03112	\$0	\$0	\$0	\$0	\$0
Energy Fitness													
Targeted Energy Efficiency	85	492	\$1,207.52	\$102,639	\$1,207.52	896	440,832	\$0.03111	\$13,714	\$0	\$5,132	\$5,132	\$121,485
- All Electric	26	233	\$65.85	\$1,712	\$65.85	266	61,978	\$0.03124	\$1,936	\$513	\$0	\$513	\$4,161
- Non-All Electric	0	0	\$0.00	\$0	\$0.00	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Compact Fluorescent Bulb													
High - Efficiency Heat Pump	0	0	\$0.00	\$0	\$0.00	1,200	0	\$0.03114	\$0	\$0	\$0	\$0	\$0
- Resistance Heat	0	0	\$0.00	\$0	\$0.00	446	0	\$0.03116	\$0	\$0	\$0	\$0	\$0
- Non Resistance Heat													
High - Efficiency Heat Pump	40	225	\$476.78	\$19,071	\$476.78	1,144	257,400	\$0.03110	\$8,005	\$3,168	\$0	\$3,168	\$30,244
- Mobile Home													
Mobile Home New Construction ***													
- Heat Pump	83	385	\$544.23	\$45,171	\$544.23	1,810	686,850	\$0.03110	\$21,672	\$10,372	\$0	\$10,372	\$77,215
- Air Conditioner	0	2	\$0.00	\$0	\$0.00	158	316	\$0.03124	\$10	\$0	\$0	\$0	\$10
Modified Energy Fitness	351	1,826	\$373.12	\$130,985	\$373.12	612	1,117,512	\$0.03116	\$34,822	\$14,770	\$0	\$14,770	\$180,557
TOTAL RESIDENTIAL PROGRAMS	585	3,163		\$289,558			2,574,888		\$80,159	\$28,823	\$5,132	\$33,955	\$413,672
COMMERCIAL PROGRAMS													
Smart Audit - Class 1	0	0	\$0.00	\$0	\$0.00	0	0	n/a	\$0	\$0	\$0	\$0	\$0
- Class 2	0	0	\$0.00	\$0	\$0.00	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - Existing Building	0	20	\$0.00	\$0	\$0.00	13,282	265,640	\$0.04235	\$11,250	\$0	\$0	\$0	\$11,250
Smart Financing - New Building	0	11	\$0.00	\$0	\$0.00	14,102	155,122	\$0.04277	\$9,635	\$0	\$0	\$0	\$9,635
TOTAL COMMERCIAL PROGRAMS	0	31		\$0			420,762		\$17,885	\$0	\$0	\$0	\$17,885
INDUSTRIAL PROGRAMS													
(w/Est. Out-Outs Removed)													
Smart Audit - Class 1	0	0	\$0.00	\$0	\$0.00	0	0	n/a	\$0	\$0	\$0	\$0	\$0
- Class 2	0	0	\$0.00	\$0	\$0.00	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0	\$0.00	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	\$0.00	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	0	0		\$0			0		\$0	\$0	\$0	\$0	\$0
TOTAL COMPANY	585	3,194		\$289,558			2,995,650		\$98,044	\$28,823	\$5,132	\$33,955	\$431,557

\* Lost revenue and efficiency incentives are based on prospective values.  
 \*\* Cumulative participants include a reduction for the cumulative participants as of 12/31/2002.  
 \*\*\* Participants since 07/01/2002.

Year 2006													Exhibit C
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM													PAGE 12A of
YEAR 11 (1st HALF)													15
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS	TOTAL ACTUAL PROGRAM COSTS (1)X(3)	NET COST (KWH/ PARTICIPANT) (5)	NET ENERGY SAVINGS (KWH/ HALF (2)X(5))	NET REVENUE (\$/KWH) (7)	TOTAL NET* REVENUES (8)X(7)	EFFICIENCY INCENTIVE (EX. C. Pg.11) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10) (4)X(5%)	TOTAL* INCENTIVE (11) (9)+(10)	TOTAL ACTUAL COSTS TO BE RECOVERED (12) (4)+(9)+(11)	
RESIDENTIAL PROGRAMS	0	0	\$0.00	\$0	707	0	\$0.03112	\$0	\$0	\$0	\$0	\$0	
Energy Fitness													
Targeted Energy Efficiency	75	498	\$974.31	\$73,073	896	444,416	\$0.03111	\$13,926	\$0	\$3,654	\$3,654	\$90,553	
- All Electric	34	249	\$84.36	\$2,875	267	66,483	\$0.03124	\$2,077	\$671	\$0	\$671	\$3,623	
- Non-All Electric	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
Compact Fluorescent Bulb													
High - Efficiency Heat Pump	0	0	\$0.00	\$0	1,200	0	\$0.03114	\$0	\$0	\$0	\$0	\$0	
- Resistance Heat	0	0	\$0.00	\$0	447	0	\$0.03116	\$0	\$0	\$0	\$0	\$0	
- Non Resistance Heat													
High - Efficiency Heat Pump	48	230	\$446.06	\$21,411	1,145	263,350	\$0.03110	\$8,190	\$3,802	\$0	\$3,802	\$33,403	
- Mobile Home													
Mobile Home New Construction ***	90	425	\$561.21	\$50,508	1,810	769,230	\$0.03110	\$23,924	\$11,246	\$0	\$11,246	\$85,679	
- Heat Pump	0	2	\$0.00	\$0	157	314	\$0.03124	\$10	\$0	\$0	\$0	\$10	
- Air Conditioner	440	2,185	\$275.33	\$121,144	613	1,339,405	\$0.03116	\$41,736	\$18,515	\$0	\$18,515	\$181,395	
Modified Energy Fitness	687	3,587	\$269.012	\$269,012		2,883,218		\$89,763	\$34,234	\$3,654	\$37,888	\$396,663	
TOTAL RESIDENTIAL PROGRAMS													
COMMERCIAL PROGRAMS	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	
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	\$0.00000	\$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	\$0	\$0	
INDUSTRIAL PROGRAMS	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	
(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	\$0.00000	\$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	\$0	\$0	
TOTAL COMPANY	687	3,587	\$269,012	\$269,012		2,883,218		\$89,763	\$34,234	\$3,654	\$37,888	\$396,663	

\* Lost revenue and efficiency incentives are based on prospective values.  
 \*\* Cumulative participants include a reduction for the cumulative participants as of 06/30/2003.  
 \*\*\* Participants since 01/01/2003.

Year 2006		KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM		TOTAL ESTIMATED PROGRAM COSTS		TOTAL ACTUAL PROGRAM COSTS		NET LOSS		TOTAL ENERGY SAVINGS		NET LOSS REVENUE		TOTAL NET * LOSS		EFFICIENCY INCENTIVE		MAXIMIZING INCENTIVE		TOTAL * INCENTIVE		TOTAL ACTUAL COSTS TO BE RECOVERED	
NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	PER PARTICIPANT COSTS (3)	TOTAL PROGRAM COSTS (4)	REVENUE (KWH/ HALF) (5)	REVENUE (\$/KWH) (6)	REVENUE (7)	REVENUES (8)	EX. C. PG.11 (9)	(5% of COSTS) (10)	(9)+(10)	(6)+(7)	(9)+(10)	(4)+(9)+(11)	(11)	(12)								
PROGRAM DESCRIPTIONS																							
RESIDENTIAL PROGRAMS																							
Energy Fitness	0	0	\$0.00	706	0	\$0.03112	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0									
Targeted Energy Efficiency																							
- All Electric	87	481	\$1,147.46	896	430,976	\$0.03111	\$13,408	\$0	\$4,991	\$4,991	\$118,228	\$0	\$0	\$0									
- Non-All Electric	46	254	\$84.00	266	87,564	\$0.03124	\$2,111	\$908	\$0	\$908	\$6,883	\$0	\$0	\$0									
Compact Fluorescent Bulb	0	0	\$0.00	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0									
High - Efficiency Heat Pump	0	0	\$0.00	1,200	0	\$0.03114	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0									
- Resistance Heat	0	0	\$0.00	446	0	\$0.03116	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0									
- Non Resistance Heat	0	0	\$0.00	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0									
High - Efficiency Heat Pump	45	245	\$480.00	1,144	280,280	\$0.03110	\$8,717	\$3,564	\$0	\$3,564	\$32,981	\$0	\$0	\$0									
- Mobile Home																							
COMMERCIAL PROGRAMS																							
Mobile Home New Construction ***																							
- Heat Pump	94	460	\$544.15	1,808	831,680	\$0.03110	\$25,865	\$11,746	\$0	\$11,746	\$88,761	\$0	\$0	\$0									
- Air Conditioner	0	2	\$0.00	158	316	\$0.03124	\$10	\$0	\$0	\$0	\$10	\$0	\$0	\$0									
Modified Energy Fitness	560	2,381	\$427.85	612	1,463,292	\$0.03116	\$45,596	\$23,565	\$0	\$23,565	\$308,757	\$0	\$0	\$0									
TOTAL RESIDENTIAL PROGRAMS	832	3,833	\$415,139	3,074,108	\$95,707	\$39,783	\$44,774	\$0	\$4,991	\$49,765	\$555,620	\$0	\$0	\$0									
COMMERCIAL PROGRAMS																							
Smart Audit - Class 1	0	0	\$0.00	0	0	n/a	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0									
- Class 2	0	0	\$0.00	0	0	n/a	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0									
Smart Financing - Existing Building	0	0	\$0.00	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0									
Smart Financing - New Building	0	0	\$0.00	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0									
TOTAL COMMERCIAL PROGRAMS	0	0	\$0	0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0									
INDUSTRIAL PROGRAMS																							
(w/Est. Opt-Outs Removed)																							
Smart Audit - Class 1	0	0	\$0.00	0	0	n/a	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0									
Smart Audit - Class 2	0	0	\$0.00	0	0	n/a	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0									
Smart Financing - General	0	0	\$0.00	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0									
Smart Financing - Compressed Air System	0	0	\$0.00	0	0	\$0.00000	\$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									
TOTAL COMPANY	832	3,833	\$415,139	3,074,108	\$95,707	\$39,783	\$44,774	\$0	\$4,991	\$49,765	\$555,620	\$0	\$0	\$0									

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

\*\* Cumulative participants include a reduction for the cumulative participants as of 12/31/2003.

\*\*\* Participants since 07/01/2003.

Year 2007															Exhibit C
KENTUCKY POWER COMPANY															PAGE
ESTIMATED SECTOR SURCHARGES FOR 3															13A of
YEAR PROGRAM															15
YEAR 12 (1st QTR)															TOTAL
PROGRAM DESCRIPTIONS															ESTIMATED
															COSTS TO BE
NEW PARTICIPANT	CUMULATIVE PARTICIPANT	TOTAL ESTIMATED PROGRAM COSTS	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT	NET LOST REV./QTRS	TOTAL ENERGY SAVINGS	NET LOST REVENUE	EFFICIENCY INCENTIVE	MAXIMIZING INCENTIVE	TOTAL *	RECOVERED					
NUMBER (1)	NUMBER ** (2)	(3)	(4)	(5)	(6)	(7)	(9)	(10)	(11)	(12)					
				(KWH/ PARTICIPANT)	KWH/ QTR	(\$/KWH)	(EX. C, PG.11)	(5% of COSTS)	(9)+(10)	(4)+(9)+(11)					
					(2)X(5)	(6)X(7)									
<b>RESIDENTIAL PROGRAMS</b>															\$0
Energy Fitness															\$0
	0	\$0.00	\$0	353	0	\$0.03112	\$0	\$0	\$0	\$0					
Targeted Energy Efficiency															\$48,341
- All Electric	35	\$1,125.00	\$39,375	448	224,896	\$0.03111	\$0	\$1,969	\$1,969	\$0	\$48,341				
- Non-All Electric	15	\$125.00	\$1,875	133	33,250	\$0.03124	\$296	\$0	\$296	\$0	\$3,210				
Compact Fluorescent Bulb	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0				
High - Efficiency Heat Pump	0	\$0.00	\$0	600	0	\$0.03114	\$0	\$0	\$0	\$0	\$0				
- Resistance Heat	0	\$0.00	\$0	223	0	\$0.03116	\$0	\$0	\$0	\$0	\$0				
- Non Resistance Heat	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0				
High - Efficiency Heat Pump	15	\$450.00	\$6,750	572	145,860	\$0.03110	\$1,188	\$0	\$1,188	\$0	\$12,474				
- Mobile Home															
<b>Mobile Home New Construction ***</b>															\$43,924
- Heat Pump	45	\$550.00	\$24,750	904	435,728	\$0.03110	\$5,623	\$0	\$5,623	\$0	\$43,924				
- Air Conditioner	0	\$0.00	\$0	79	79	\$0.03124	\$2	\$0	\$0	\$0	\$2				
Modified Energy Fitness	249	\$400.00	\$99,600	306	754,290	\$0.03116	\$10,478	\$0	\$10,478	\$0	\$133,582				
TOTAL RESIDENTIAL PROGRAMS	359	3,955	\$172,350	1,594,103		\$49,629	\$17,585	\$1,969	\$19,554	\$241,533					
<b>COMMERCIAL PROGRAMS</b>															\$0
Smart Audit - Class 1	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0				
- Class 2	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0				
Smart Financing - Existing Building	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0				
Smart Financing - New Building	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	\$0	\$0				
<b>INDUSTRIAL PROGRAMS -</b>															\$0
(West. Opt-Outs Removed)															\$0
Smart Audit - Class 1	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0				
- Class 2	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0				
Smart Financing - General	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0				
Smart Financing - Compressed Air System	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	\$0	\$0				
TOTAL COMPANY	359	3,955	\$172,350	1,594,103		\$49,629	\$17,585	\$1,969	\$19,554	\$241,533					

\* Lost revenue and efficiency incentives are based on prospective values  
 \*\* Cumulative participants include a reduction for the cumulative participants as of 04/30/2004.  
 \*\*\* Participants since 01/01/2004.

Year 2007

KENTUCKY POWER COMPANY  
ESTIMATED SECTOR SURCHARGES FOR 3  
YEAR PROGRAM

PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS (3)	TOTAL ESTIMATED PROGRAM COSTS (4)	NET LOST REV/QTRS (5)	TOTAL ENERGY SAVINGS KWH/ QTRS (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * LOSS REVENUES (8)	EFFICIENCY INCENTIVE (EX. C. PG.11) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	INCENTIVE TOTAL * (11)	TOTAL ESTIMATED COSTS TO BE RECOVERED (12)
RESIDENTIAL PROGRAMS												
Energy Fitness	0	0	\$0.00	\$0	1,060	0	\$0.03112	\$0	\$0	\$0	\$0	\$0
Targeted Energy Efficiency - All Electric	115	495	\$1,231.52	\$141,625	1,344	665,280	\$0.03111	\$20,697	\$0	\$7,081	\$7,081	\$169,403
- Non-All Electric	60	252	\$118.75	\$7,125	400	100,800	\$0.03124	\$3,149	\$1,184	\$0	\$1,184	\$11,458
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump - Resistance Heat	0	0	\$0.00	\$0	1,800	0	\$0.03114	\$0	\$0	\$0	\$0	\$0
- Non Resistance Heat	0	0	\$0.00	\$0	670	0	\$0.03116	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump - Mobile Home	85	257	\$450.00	\$38,250	1,717	441,269	\$0.03110	\$13,723	\$6,732	\$0	\$6,732	\$58,705
Mobile Home New Construction ***												
- Heat Pump	105	466	\$550.00	\$57,750	2,714	1,319,004	\$0.03110	\$41,021	\$13,121	\$0	\$13,121	\$111,892
- Air Conditioner	0	0	\$0.00	\$0	236	0	\$0.03124	\$0	\$0	\$0	\$0	\$0
Modified Energy Fitness	751	2,625	\$400.00	\$300,400	919	2,412,375	\$0.03116	\$75,170	\$31,602	\$0	\$31,602	\$407,172
TOTAL RESIDENTIAL PROGRAMS	1,116	4,115	\$645,150	\$645,150	4,938,728	4,938,728	\$153,760	\$52,639	\$7,081	\$59,720	\$59,720	\$758,630
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	\$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	\$0	\$0	\$0
TOTAL COMPANY	1,116	4,115	\$645,150	\$645,150	4,938,728	4,938,728	\$153,760	\$52,639	\$7,081	\$59,720	\$59,720	\$758,630

\* Lost revenue and efficiency incentives are based on prospective values.  
\*\* Cumulative participants include a reduction for the cumulative participants as of 12/31/2004.  
\*\*\* Participants since 04/01/2004.





KENTUCKY POWER COMPANY		Exhibit C		
FORECAST OF 2007 KENTUCKY RETAIL ENERGY SALES IN KWH FOR RESIDENTIAL, COMMERCIAL AND INDUSTRIAL SECTORS		PAGE 15 of		15
PROGRAM YR 12 - 2007				
LINE NO.	YEAR	RESIDENTIAL SECTOR	COMMERCIAL SECTOR	INDUSTRIAL SECTOR
1	TOTAL ULTIMATE SALES (KWH)*	2,514,200,000	1,436,200,000	3,305,600,000
2	LESS NON-METERED **	15,085,200	8,617,200	19,833,600
3	TOTAL ESTIMATED RETAIL KWH SALES	2,499,114,800	1,427,582,800	3,285,766,400
4	LESS OPT - OUT CUSTOMERS KWH	0	0	2,059,689,192
5	KWH BEFORE LOST REVENUE IMPACTS	2,499,114,800	1,427,582,800	1,226,077,208
6	LESS LOST REVENUE IMPACTS	11,420,681	1,496,550	0
7	ADJUSTED KWH BY SECTOR	2,487,694,119	1,426,086,250	1,226,077,208
8	LINE 7/LINE 1	98.9%	99.3%	37.1%
PROGRAM YR 12 (1st QTR)				
9	TOTAL ULTIMATE SALES (KWH)*	884,700,000	380,300,000	816,600,000
10	LINE 8	98.9%	99.3%	37.1%
11	ADJUSTED KWH BY SECTOR	874,968,300	377,637,900	302,958,600
PROGRAM YR 12 (2nd, 3rd & 4th QTRs)				
12	TOTAL ULTIMATE SALES (KWH)*	1,629,500,000	1,055,900,000	2,489,000,000
13	LINE 8	98.9%	99.3%	37.1%
14	ADJUSTED KWH BY SECTOR	1,611,575,500	1,048,508,700	923,419,000
* SOURCE: 2007 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 2006.				