RECEIVED

SEP 06 2007

PUBLIC SERVICE COMMISSION Kentucky Power P 0 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

September 06, 2007

Dear Ms. O'Donnell:

Re:

Case No. Case No. 2007-00371

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.

The Demand-Side Management (DSM) Adjustment Clause tariff has been revised to reflect the issues raised in the data requests Item Nos. 1 and 2. The proposed DSM factor has been revised to \$0.000637 from \$0.000765. Also, attached to this letter are the revised Schedule C pages 1, 13A, 13B and 13C of 15 which support the \$0.000637 proposed DSM factor.

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

Sincerely,

Wagner

Errol K. Wagner Director of Regulatory Services Enclosure



P.S.C. ELECTRIC NO. 8

					NT ADJUSTMENT CLAUSE (C iff D.S.M.C.)	,	
<u>F</u>	RATE.	(Cont'd.)					
	5.	with all the nece	ssary su		ify the amount of the adjustment	e it is scheduled to go into effect, along s, which shall include data, and	
	6.		lic inspe			egulation shall be open and made pursuant to the provisions of KRS	
	7.	The resulting rang Management Pla			per KWH during the three-year I	Experimental Demand-Side	
				CUS	TOMER SECTOR		
				RESIDENTIAL (\$ Per Kwh)	<u>COMMERCIAL**</u> (\$ Per KWH)	INDUSTRIAL* (\$ Per KWH)	
		Floor Facto Ceiling Facto		0.000441 0.000832	-0- -0-	- 0 - - 0 -	
	8	7 above is a				hich fall within the range defined in Iter	
			RES	IDENTIAL	CUSTOMER SECTOR COMMERCIAL **	INDUSTRIAL*	
		<u>DSM (c)</u> S ©		88,566 13000	-0- -0-	- 0 - - 0 -	
		Adjustment F	actor \$	0.000637	-0-	- 0 -	
					mission's Order dated Septemb		
The Con	nmercia	Il Sector has been	discontir	nued pursuant to the	Commission's Order dated Nov	vember 21, 2005	

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

Issued by authority of an Order of the Public Service Commission in Case No. 2007-00371 dated

1	KENTUCKY POWER COMPANY DERIVATION OF 3 SECTOR SURCHARGES FOR 3 YR	Exhibit C				
-	EXPERIMENT				PAGE 1 of	15
-		TOTAL YEARS	YEAR 12	YEAR 12	YEAR 12	
_	RESIDENTIAL SECTOR	1 thru 11	(2007) 1st	(2007) 3rd	(2007) 4th	TOTAL
			HALF	QTR	QTR	
		(1)	(2)	(3)	(4)	(5)
1	CURRENT PERIOD AMOUNT TO BE RECOVERED	\$8,648,227	\$604,487	\$230,464	\$238,598	\$9,721,776
	CUMULATIVE (OVER)/UNDER COLLECTION	0	176,362	124,355	269,267	0
3	18 MOS. RETROACTIVE(OVER)/UNDER ADJUSTMENT	(41,824)		0	0	(\$41,824)
	TOTAL TO BE RECOVERED	8,606,403	780,849	354,819	507,865	9,679,952
	TOTAL AMOUNT RECOVERED EXPECTED FUTURE RECOVERIES	8,429,695	656,494	0 85,552	0 388,706	9,086,189 474,258
7	TRANSFER PORTION OF BALANCE FROM INDUSTRIAL	(9,833)	0	0	0	(9,833)
8	TRANSFER PORTION OF BALANCE FROM COMMERCIAL	9,487	0	0	0	9,487
9	(OVER)/UNDER COLLECTION TO BE REFUNDED	\$176,362	\$124,355	\$269,267	\$119,159	\$119,159
		=========	=========			=======
0	AMOUNT TO BE RECOVERED				\$507,865	
				500 000 000	010 010 000	
1	ADJ. ESTIMATED SECTOR KWH - YEAR 12			562,839,900	610,213,000	
	SURCHARGE RANGE (\$ PER KWH)				0.000711	
2		COL. 4, L 2 / COL.	4, L 11	0.000152	0.000441	
4		COL. 4, L 4 / COL.	4, L 11		0.000832	······
_						
		TOTAL YEARS	YEAR 12	YEAR 12	YEAR 12	
	COMMERCIAL SECTOR	1 thru 11	(2007)	(2007)	(2007)	TOTAL
			1st HALF	3rd QTR	4th QTR	
		(1)	(2)	(3)	(4)	(5)
F		\$2,899,298	\$0	\$0	\$0	\$2,899,298
	CURRENT PERIOD AMOUNT TO BE RECOVERED	\$2,899,298				\$2,099,290
	18 MOS. RETROACTIVE(OVER)/UNDER ADJUSTMENT	1,520	0	0	0	1,520
8	TOTAL TO BE RECOVERED	2,900,818	0	0	0	2,900,818
9	TOTAL AMOUNT RECOVERED	2,888,053	0	0	0	2,888,053
	EXPECTED FUTURE RECOVERIES	0	0	0	0	(3,278)
	TRANSFER PORTION OF BALANCE FROM INDUSTRIAL TRANSFER BALANCE TO RESIDENTIAL	(3,278) (9,487)	0	0	0	(9,487)
				\$0	\$0	\$0
2	(OVER)/UNDER COLLECTION TO BE REFUNDED	\$0	\$0			
23	AMOUNT TO BE RECOVERED	-			\$0	
24	ADJ. ESTIMATED SECTOR KWH - YEAR 12			370,091,100	346,854,900	
	SURCHARGE RANGE (\$ PER KWH)					
25					0.000000	
26				0.000000	0.000000	
27	CEILING (TOTAL COST)				0.000000	
		TOTAL YEARS	YEAR 12	YEAR 12	YEAR 12	
	INDUSTRIAL SECTOR	1 thru 11	(2007)	(2007)	(2007)	TOTAL
			1st	3rd	4th	
~~~		(1)	HALF (2)	QTR (3)	QTR (4)	(5)
	CURRENT PERIOD AMOUNT TO BE RECOVERED	\$79,026	\$0 0	\$0 0	\$0 0	\$79,026
	18 MOS. RETROACTIVE(OVER)/UNDER ADJUSTMENT	0	0	0	0	
			0	0	0	79,026
	TOTAL TO BE RECOVERED TOTAL AMOUNT RECOVERED	79,026	0	0	0	
33	EXPECTED FUTURE RECOVERIES	0	0	0	0	0
34	TRANSFER BALANCE TO RESIDENTIAL & COMMERCIAL	13,111	0	0	0	13,111
	(OVER)/UNDER COLLECTION TO BE REFUNDED	\$0	\$0	\$0	\$0	\$0
35			========			
35					\$0	
	AMOUNT TO BE RECOVERED					
36				207 407 000	224 040 700	
36	AMOUNT TO BE RECOVERED ADJ. ESTIMATED SECTOR KWH - YEAR 12			297,467,800	321,916,700	
36 37	ADJ. ESTIMATED SECTOR KWH - YEAR 12 SURCHARGE RANGE (\$ PER KWH)			297,467,800		
36	ADJ. ESTIMATED SECTOR KWH - YEAR 12 SURCHARGE RANGE (\$ PER KWH ) FLOOR (CARRYOVER)			297,467,800	0.00000	D

Year 2007												
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR											Exhibit C PAGE	46
PROGRAM				19202			NET	TOTAL			10 401	TOTAL
YEAR 12 (1st HALF)	NEW	CUMULATIVE	ESTIMATED PROGRAM	ACTUAL	NET LOST	TOTAL ENERGY SAVINGS	LOST	NET •	EFFICIENCY INCENTIVE	MAXIMIZING	TOTAL *	ESTIMATED COSTS TO BE
PROGRAM DESCRIPTIONS	NUMBER (1)	UMBER ••	PER PARTICIPANT (3)	COSTS (4)	(KWH/ PARTICIPANT) (5)	KWHI QTR (6) (2)X(5)	(\$/KWH) (7)	REVENUES (8) (6)X(7)	(EX. C, PG.11) (9)	(5% of COSTS) (10) (4)X( 5%)	INCENTIVE (11) (9)+(10)	RECOVERED (12) (4)+(8)+(11)
RESIDENTIAL PROGRAMS Energy Fitness	0	0	\$0.00	0\$	207	0	\$0.03112	\$0	ŝ	S0	\$0	\$0
Targeted Energy Efficiency - All Electinc - Non-All Electinc	128	295 115	\$1,022.27 \$86.48	\$130,851 \$2,508	896 277	264,320 31,855	\$0.04346 \$0.04362	\$11,487 \$1,390	\$0 \$572	\$6,543 \$0	\$6,543 \$572	\$148,881 \$4,470
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump - Resistance Heat - Non Resistance Heat	00	00	\$0.00 \$0.00	\$0 \$	1,200	00	\$0.03114 \$0.03116	\$0 \$0	\$0	\$0	\$0 \$	80
High - Efficiency Heat Pump - Mobile Home	50	153	\$450.00	\$22,500	1,145	175,185	\$0.04346	\$7,614	\$3,960	\$0	\$3,960	\$34,074
Mobile Home New Construction *** - Heat Pump - Air Conditioner	84	304 0	\$563.10 \$0.00	\$47,300 \$0	1,810	550,240 0	\$0.04348 \$0.04343	\$23,924 \$0	\$10,497 \$0	\$0 \$	\$10,497 \$0	\$81,721
Modified Energy Filness	515	1,605	\$381.00	\$196,214	613	983,865	\$0.04349	\$42,788	\$21,671	\$0	\$21,671	\$260,673
Case No 2006 - 00373, Dated December 14, 2006:												
- HEAP - Kentucky Power Company's Information Technology Implementation Costs				\$58,968								\$58,968
- HEAP - KACA's Information Technology implementation Costs				\$15,700								\$15,700
TOTAL RESIDENTIAL PROGRAMS	806	2,472		\$474,041		2,005,465		\$87,203	\$36,700	\$6,543	\$43,243	\$604,487
COMMERCIAL PROGRAMS Smart Audit - Class 1	00				00	00			0\$ \$0	s0 S0	\$0 \$0	80
- Class 2 Smart Financing - Existing Building Smart Financing - New Building			\$0.00	00\$	00	00	\$0.00000 \$0.00000	\$0	SS SS		800	80
TOTAL COMMERCIAL PROGRAMS	0	0		\$0		0		\$0	\$0	\$0	\$0	\$0
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												00
Smart Audit - Class 1 Smart Audit - Class 2	00				00				0S S			80
Smart Financing - General Smart Financing - Compressed Air System	00	00	\$0.00	\$0	00	00	\$0.00000	80	80		808	80
TOTAL INDUSTRIAL PROGRAMS	0	0		\$0		0		\$0	80		\$0	
TOTAL COMPANY	806			\$474,041		2,005,465		\$87,203			\$43,2	\$604,487
											FF 15 15 15 15 15 15 15 15 15 15 15 15 15	
Lost revenue and efficiency incentives are based on prospective values.     Cumulative participants include a reduction for the cumulative participants.	n prospective valu umulative particip	as of	06/30/2005.									
*** Participants since 07/01/2005.												

Year 2007											Evhihit C	
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YFAR PROGRAM											PAGE 13B of	15
YEAR 12 (3rd QTR)	NEW	CUMULATIVE	TOTAL ESTIMATED	TOTAL ESTIMATED	NET LOST	TOTAL	NET LOST	TOTAL NET *	EFFICIENCY	MAXIMIZING		TOTAL ESTIMATED
	PARTICIPANT	PARTICIPANT	PROGRAM COSTS	PROGRAM	REV/QTRS	SAVINGS	REVENUE	LOST	INCENTIVE	INCENTIVE	TOTAL *	COSTS TO BE
PROGRAM DESCRIPTIONS	NUMBER (1)	NUMBER ** (2)	PER PARTICIPANT (3)	COSTS (4)	(KWH/ PARTICIPANT) (5)	KWH/ QTR(S) (6) (7)X(5)	(\$/KWH) (7)	REVENUES (8) (6)X(7)	(EX. C, PG.11) (9)	(5% of COSTS) (10) (4)X( 5%)	INCENTIVE (11) (9)+(10)	RECOVERED (12) (4)+(8)+(11)
RESIDENTIAL PROGRAMS Energy Fitness	0	0	\$0.00	0\$	353	0	\$0.03112	\$0	0\$	\$0	\$0	\$0
Targeted Energy Efficiency - All Electric - Non-All Electric	32	389 147	\$1,022.00 \$86.00	\$32,704 \$1,978	448 138	174,272 20,286	\$0.04346 \$0.04362	\$7,574 \$885	\$0 \$454	\$1,635 \$0	\$1,635 \$454	\$41,913
Compact Fluorescent Bulb	0	0	\$0.00	\$	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump - Resistance Heat - Non Resistance Heat	00	00	\$0.00 \$0.00	80	600 223	00	\$0.03114 \$0.03116	\$0 \$0	80	0\$ 0	\$0 \$0	80
High - Efficiency Heat Pump - Mobile Home	27	197	\$450.00	\$12,150	572	112,684	\$0.04346	\$4,897	\$2,138	\$0	\$2,138	\$19,185
Mobile Home New Construction *** - Heat Pump - Air Conditioner	43	372	\$427.91 \$0.00	\$18,400 \$0	904 79	336,288 0	\$0.04348 \$0.04343	\$14,622 \$0	\$5.373 \$0	0\$	\$5,373 \$0	\$38,395 \$0
Modified Energy Fitness	240	1,986	\$379.69	\$91,125	306	607,716	\$0.04349	\$26,430	\$10,099		\$10,099	\$127,654
TOTAL RESIDENTIAL PROGRAMS	365	3,091	1 11	\$156,357		1,251,246		\$54,408	\$18,064	\$1,635	\$19,699	\$230,464
COMMERCIAL PROGRAMS Smart Audit - Class 1	0				00			0\$	0\$		\$0 \$0	\$0
- Class 2 Smart Financing - Existing Building			0 \$0.00 \$0.00	09 09			\$0,00000 \$0,00000	0\$	0\$	0\$	0\$ \$0	\$0 \$0
Smart Financing - New Building TOTAL COMMERCIAL PROGRAMS					>			0\$	0\$	0\$	0\$	\$0
			11									
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)								Ę			U¥	
Smart Audit - Class 1 Smart Audit - Class 2		0	0 \$0.00		00			¢ ₽	0\$	809	3 6 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7	0\$
Smart Financing - General Smart Financing - Cemeral		00	0 \$0.00	\$0	00	00	\$0.00000 \$	\$0 \$0			C C C C C C C C C C C C C C C C C C C	
			- 0	0\$		0		\$0		0\$		
			• !! .	EHERER		======================================		======================================	\$18.064	\$1,635	\$19,699	\$230,464
TOTAL COMPANY	365	3,091	_ !!	100'001¢						11		
Lost revenue and efficiency incentives are based on prospective values.	based on prospec	tive values.	- 0000000									
<ul> <li>Cumulative participants include a reduction for the cumulative participants as or Participants since 07/01/2005.     </li> </ul>												

Voor 2007												
1 541 2001											Evhihit C	
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM											PAGE 13C of	15
YEAR 12 (4th QTR)	NEW	CUMULATIVE	TOTAL ESTIMATED PROGRAM COSTS	TOTAL ESTIMATED PROGRAM	NET LOST REV/QTRS	TOTAL ENERGY SAVINGS	NET LOST REVENUE	TOTAL NET * LOST	EFFICIENCY INCENTIVE	MAXIMIZING INCENTIVE	TOTAL *	TOTAL ESTIMATED COSTS TO BE
PROGRAM DESCRIPTIONS	NUMBER (1)	NUMBER ** (2)	PER PARTICIPANT (3)	COSTS (4)	(KWH/ PARTICIPANT) (5)	KWH/ QTR(S) (6)	( <u>\$/KWH)</u>	REVENUES (8)	(EX. C, PG.11) (9)	(5% of COSTS) (10) (4)X( 5%)	INCENTIVE (11) (9)+(10)	RECOVERED (12) (4)+(7))
RESIDENTIAL PROGRAMS Energy Fitness	0	0	\$0.00	0\$ (c)Y(1)	353	0	\$0.03112	0\$	\$0	0\$	0\$ (21)./2/	0\$
Targeted Energy Efficiency - Ail Electric - Non-Ail Electric	23	425	\$1,022.00 \$86.00	\$36,792 \$1,978	448 138	190,400 23,460	\$0.04346 \$0.04362	\$8,275 \$1,023	\$0 \$454	\$1,840 \$0	\$1,840 \$454	\$46,907 \$3,455
Compact Fluorescent Bulb	0	0	\$0.00	0\$	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump - Resistance Heat - Non Resistance Heat	00	00	\$0.00 \$0.00	<b>8</b> <b>9</b>	600 223	00	\$0.03114 \$0.03116	\$0 \$0	\$0 \$0	0\$	80 80	\$0 \$0
High - Efficiency Heat Pump - Mobile Home	23	222	\$450.00	\$10,350	572	126,984	\$0.04346	\$5,519	\$1,822	<b>Q</b>	\$1,822	\$17,691
Mobile Home New Construction *** - Heat Pump - Air Conditioner	43	415	\$422.09 \$0.00	\$18,150 \$0	904 79	375,160 0	\$0.04348 \$0.04343	\$16.312 \$0	\$5,373 \$0	00 80 0 8	\$5,373 \$0	\$39,835
Modified Energy Fitness	245	2,228	\$370.41	\$90,750	306	681,768	\$0.04349	\$29,650	\$10,310	\$0	\$10,310	\$130,710
TOTAL RESIDENTIAL PROGRAMS	370	3,460		\$158,020		1,397,772		\$60,779	\$17,959	\$1,840	\$19,799	\$238,598
COMMERCIAL PROGRAMS Smart Andrit - Class 1					0	0	n/a	\$0	\$0	Q\$	\$0	\$0
- Class 2		0		Q\$	00	00	n/a	0\$	\$0 \$0	0\$	0\$	0\$
Smart Financing - Existing Building Smart Financing - New Building	00		\$0.00		00	0	\$0.0000		0\$ 0\$	₽ ₽	80	80
TOTAL COMMERCIAL PROGRAMS		0		\$0		0		\$0	\$0	\$0	\$0	\$0
INDUSTRIAL PROGRAMS -												
(w/Est. Opt-Outs Removed) Smart Audit - Class 1	0				0	0	n/a	\$0	0\$	\$0	\$0	\$0
Smart Audit - Class 2 Smort Einspeine - General			\$0.00	0 <u>6</u>	oc	00	\$0.00000	\$0 \$0	0\$	0\$	0 <u>8</u> 0 <u>8</u>	\$0
Smart Financing - Compressed Air System	0				0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	0			\$0		0			\$0	0\$	\$0	\$0
	270	2 AGO		\$158 020		1 307 772		\$60.779	<u>\$17 959</u>	 \$1.840	\$19.799	\$238.598
Lost revenue and efficiency incentives are based on prospective values.	based on prospect	live values.										
Cumulative participants include a reduction for the cumulative participants as of Participants since 07/01/2005.	1 for the cumulative	participants as o	06/30/2005									

## **COMMONWEALTH OF KENTUCKY**

## **BEFORE THE**

## PUBLIC SERVICE COMMISSION OF KENTUCKY

## 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	) Case No. 2007-00371
TARIFF TO RECOVER COSTS, NET LOST REVENUES AND	)
<b>RECEIVE INCENTIVES ASSOCIATED WITH THE</b>	)
IMPLEMENTATION OF THE KENTUKCY POWER	)
COMPANY COLLABORATIVE DEMAND-SIDE	)
MANAGEMENT PROGRAMS	)

## KENTUCKY POWER COMPANY

## **RESPONSES TO COMMISSION STAFF FIRST SET OF DATA REQUESTS**

September 6, 2007

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KPSC Case No. 2007-00371 Commission Staff First Set of Data Request Order Dated August 30, 2007 Item No. 1 Page 1 of 9

## **Kentucky Power Company**

## REQUEST

The application states that new lost revenue factors are being proposed due to a change in base rates approved by the Commission in Case No. 2005-00341. The application also states this is the first time a change in these factors has been proposed since the inception of the Demand-Side Management ("DSM") Program and the factors were calculated by subtracting the base fuel rate of \$.01651 from the currently approved base rate. For each of the proposed lost revenue factors on page 2 of the application, provide workpapers showing the calculation of the factor.

## RESPONSE

Attached are the schedules, pages 2 to 7 of 9 that calculate the proposed lost revenue factors. Pages 8 and 9 of 9 calculate the applicable energy rate by the various tariff codes. The proposed lost revenue factor calculations methodology is the same as when the DSM programs first began.

There is one change as to the factors presented on page 2 of the application, the Targeted Energy Efficiency - Non All Electric factor has been revised to \$0.04362 from the proposed \$0.04345 in the application. The reason for the slight change is that the annual KWH reduction is 553, not 533 that were used inadvertently. This is footnoted on page 3 of 9.

WITNESS: Errol K Wagner

KPSC Case No. 2007-00371 1st Set Data Requests Order Dated August 30, 2007 Page 2 of 9 Item No. 1

## Demand Side Management Program - Lost Revenue Factor Calculation Kentucky Power Company Twelve Months Ended April 30, 2007

## TARGETED ENERGY EFFICIENCY - ALL ELECTRIC

Tariff	Billed & Accrued <u>KWH</u>	Average No. of Customers	Average Monthly <u>KWH</u>	KWh Excl. Storage WH <u>KWH</u>	Average Monthly Reduction	Applicable Energy <u>Rate</u>	KWH Consumption		Monthly Lost <u>Revenue</u>
Heat									
011 RSW-I MWH 1/	2.008.644	72	2.325	2,075	149.3333	\$0.04351	3/ 149.3333	133	467.82
	492,288	16	2,564	2,264	149.3333	\$0.04351	3/ 149.3333	33	103.96
	143,391	4	2,987	2,587	149.3333	\$0.04351	3/ 149.3333	133	25.99
014 RSW-C 1/	18,408	<b>~</b>	1,534	1,034	149.3333	\$0.04351	3/ 149.3333	333	6.50
	325,459,438	16,811	1,613	1,613	149.3333	\$0.04351	3/ 149.3333	`	109,229.34
017 RS EMP	13,075,385	556	1,960	1,960	149.3333	\$0.04351	3/ 149.3333	333	3,612.61
022 RSW-RS	1,298,895,300	65	1,658	1,658	149.3333	\$0.04351	3/ 149.3333		424,143.28
028 AORH-W ON/OFF 2/	117,853		1,228	1,228	149.3333	\$0.03367	4/ 149.3333	333	40.22
030 RSW-ON/OFF 2/	1,920,153	74	2,162	2,162	149.3333	\$0.03808	4/ 149.3333	333	420.81
-	3,686,478	115	2,671	2,671	149.3333	\$0.03048	4/ 149.3333	333	523.44
034 AORH-ON/OFF 2/	18,276	2	762	762	149.3333	\$0.03289	4/ 149.3333	333	9.82
	56,949	-	4,746	4,746	149.3333	\$0.04569	4/ 149.3333	333	6.82
	1,645,892,563	82,938						\$£	\$538,590.61
Monthly Per Customer Annual Per Customer					1,792 5/				\$6.49 \$77.88
Realization									\$0.04346

1/ Storage Water Heating KWh fixed block

LM - 250 KWh A - 300 KWh B - 400 KWh C - 500 KWh

Rate is weighted average of peak/off peak.

See Page 8 of 9 for Applicable Energy Rate calculation. See Page 9 of 9 for Applicable Energy Rate calculation. Case No. 2005-00333 Demand Side Management Status Report, Tab No. 4, Page 1. 5435

	Monthly Lost <u>Revenue</u>		\$88.22 \$4.01 \$89,663.36 \$33,474.88	\$123,230.48	\$2.01 \$24.12 \$0.04362
	M KWH Consumption <u>R</u> e		46.0833 46.0833 46.0833 \$8 46.0833 \$3	\$12	
	ව		<i>.</i>		
ation	Applicable Energy <u>Rate</u>		\$0.04351 \$0.04351 \$0.04351 \$0.04351		
Calcul					3/
2007 ue Factor (	Average Monthly <u>Reduction</u>		46.0833 46.0833 46.0833 46.0833		553
Kentucky Power Company Twelve Months Ended April 30, 2007 Demand Side Management Program - Lost Revenue Factor Calculation	KWh Excl. Storage WH <u>KWH</u>		1,318 1,099 1,063 1,220		
Kentucky Po /e Months Er nent Progran	Average Monthly <u>KWH</u>		1,568 1,599 1,063 1,220		
Twelv Twelv Side Manager	ECTRIC Average No. of <u>Customers</u>		44 2 44,718 16,695	61,459	
Demand \$	- NON ALL ELE Billed & Accrued <u>KWH</u>		827,839 38,376 570,189,335 244,404,265	815,459,815	
	TARGETED ENERGY EFFICIENCY - NON ALL ELECTRIC Billed & Averaç Accrued No. o <u>Tariff</u> <u>Custom</u>	Non-Heat	011 RSW-LMW 1/ 014 RSW-C 1/ 015 RS 022 RSW-RS	Total	Monthly Per Customer Annual Per Customer Realization

KPSC Case No. 2007-00371 1st Set Data Requests

Order Dated August 30, 2007

Page 3 of 9

Item No. 1

Storage Water Heating KWh fixed block LM - 250 KWh 1

A - 300 KWh B - 400 KWh C - 500 KWh

3 5

See Page 8 of 9 for Applicable Energy Rate calculation. Case No. 2005-00333 Demand Side Management (DSM) Status Report, Tab No. 4, Page 2. The number used in the semi-annual filings is 533, the number in the DSM Status Report is 553.

Page 4 of 9 1st Set Data Requests Item No. 1 Order Dated August 30, 2007 KPSC Case No. 2007-00371

## Demand Side Management Program - Lost Revenue Factor Calculation Twelve Months Ended April 30, 2007 Kentucky Power Company

## HIGH EFFICIENCY HEAT PUMP - MOBILE HOME

Tariff	Billed & Accrued <u>KWH</u>	Average No. of Customers	Average Monthly <u>KWH</u>	KWh Excl. Storage WH <u>KWH</u>	Average Monthly <u>Reduction</u>	Applicable Energy <u>Rate</u>	KWH <u>Consumption</u>	Monthly Lost <u>Revenue</u>
Heat								
011 RSWLIMWH 1/	2 008 644	72	2.325	2.075	190.7500	\$0.04351	3/ 190.7500	597.57
	492.288	16	2,564	2,264	190.7500	\$0.04351	3/ 190.7500	
013 RSW-B 1/	143,391	4	2,987	2,587	190.7500	\$0.04351	3/ 190.7500	33.20
	18.408	<del></del>	1,534	1,034	190.7500	\$0.04351	3/ 190.7500	
015 RS	325,459,438	16.811	1,613	1,613	190.7500	\$0.04351	3/ 190.7500	
	13.075,385		1,960	1,960	190.7500	\$0.04351	3/ 190.7500	
	1.298.895.300	65	1,658	1,658	190.7500	\$0.04351	3/ 190.7500	541,776.88
028 AORH-W ON/OFF 2/	117.853		1.228	1,228	190.7500	\$0.03367	4/ 190.7500	
RSWLON/OFF 2/	1.920,153	74	2,162	2,162	190.7500	\$0.03808	4/ 190.7500	537.52
032 RS I M-ON/OFF 2/	3,686,478	115	2,671	2,671	190.7500	\$0.03048	4/ 190.7500	
	18.276	2	762	762	190.7500	\$0.03289	4/ 190.7500	·
	56,949	<del>~~~</del>	4,746	4,746	190.7500	\$0.04569	4/ 190.7500	8.72
	1,645,892,563	82,938						\$687,965.50
Monthly Per Customer Annual Per Customer					2,289	5/		\$8.29 \$99.48
Realization								\$0.04346
1/ Storage Water Heating KWh fixed block	ed block							

כ

LM - 250 KWh

A - 300 KWh B - 400 KWh C - 500 KWh

2/ Rate is weighted average of peak/off peak.
3/ See Page 8 of 9 for Applicable Energy Rate calculation.
4/ See Page 9 of 9 for Applicable Energy Rate calculation.
5/ Case No. 2005-00333 Demand Side Management Status Report, Tab No. 7, Page 12 (4,401 @ 48% Freeriders = 2,112) (4,401 - 2,112 = 2,289)

Page 5 of 9 1st Set Data Requests Order Dated August 30, 2007 Item No. 1 KPSC Case No. 2007-00371

## Demand Side Management Program - Lost Revenue Factor Calculation Twelve Months Ended April 30, 2007 Kentucky Power Company

MOBILE HOME NEW CONSTRUCTION - HEAT PUMP

Tariff	Billed & Accrued <u>KWH</u>	Average No. of <u>Customers</u>	Average Monthly <u>KWH</u>	KWh Excl. Storage WH <u>KWH</u>	Average Monthly <u>Reduction</u>	Applicable Energy <u>Rate</u>	U,	KWH Consumption	Monthly Lost <u>Revenue</u>
<u>Heat</u>									
011 RSW-LMWH 1/	2.008.644		2,325	2,075	301.5000	\$0.04351	3/	301.5000	944.52
RSW-A 1/	492,288	16	2,564	2,264	301.5000	\$0.04351	3/	301.5000	209.89
RSW-B 1/	143,391		2,987	2,587	301.5000	\$0.04351	3/	301.5000	52.47
RSW-C 1/	18,408	*	1,534	1,034	301.5000	\$0.04351	3/	301.5000	13.12
	325,459,438		1,613	1,613	301.5000	\$0.04351	3/	301.5000	220,531.15
RS EMP	13,075,385	556	1,960	1,960	301.5000	\$0.04351	3/	301.5000	7,293.76
RSW-RS	1,298,895,300		1,658	1,658	301.5000	\$0.04351	З/	301.5000	856,334.10
AORH-W ON/OFF 2/	117,853		1,228	1,228	301.5000	\$0.03367	4/	301.5000	81.21
RSW-ON/OFF 2/	1,920,153		2,162	2,162	301.5000	\$0.03808	4/	301.5000	849.60
RS LM-ON/OFF 2/	3,686,478	115	2,671	2,671	301.5000	\$0.03048	4/	301.5000	1,056.82
AORH-ON/OFF 2/	18,276		762	762	301.5000	\$0.03289	4/	301.5000	19.83
EXP RSTOD-ON/OFF 2/	56,949	<b>~</b>	4,746	4,746	301.5000	\$0.04569	4/	301.5000	13.78
	1,645,892,563	82,938							\$1,087,400.25
Monthly Per Customer Annual Per Customer					3,618	5/			\$13.11 \$157.32
Realization									\$0.04348

Storage Water Heating KWh fixed block LM - 250 KWh 1

A - 300 KWh

B - 400 KWh

C - 500 KWh

Rate is weighted average of peak/off peak.

See Page 8 of 9 for Applicable Energy Rate calculation. See Page 9 of 9 for Applicable Energy Rate calculation. Case No. 2005-00333 Demand Side Management Status Report, Tab No. 8, Exhibit E (4,228 + 131 = 4,359 @ 17% Freeriders = 741) (4,359 - 741 = 3,618) 5435

Page 6 of 9 1st Set Data Requests Item No. 1 Order Dated August 30, 2007 KPSC Case No. 2007-00341

## Demand Side Management Program - Lost Revenue Factor Calculation Twelve Months Ended April 30, 2007 Kentucky Power Company

## MOBILE HOME NEW CONSTRUCTION - AIR CONDITIONER

<u>Tariff</u>	Billed & Accrued <u>KWH</u>	Average No. of <u>Customers</u>	Average Monthly <u>KWH</u>	KWh Excl. Storage WH <u>KWH</u>	Average Monthly <u>Reduction</u>	Applicable Energy <u>Rate</u>	Cons	KWH Consumption	Monthly Lost <u>Revenue</u>
<u>Non-Heat</u>									
011 RSW-LMW 1/	827,839	44	1,568	1,318	26.2500	\$0.04351 \$0.04351	21	26.2500 26.2500	\$50.25 \$7.28
014 KSW-C 1/ 015 RS	38,370 570,189,335	2 44.718	1,099	1,063	26.2500	\$0.04351	5 6		\$51,074.10
022 RSW-RS	244,404,265	16,695	1,220	1,220	26.2500	\$0.04351	2/		\$19,067.99
Total	815,459,815	61,459							\$70,194.63
Monthly Per Customer Annual Per Customer					315 3	3/			\$1.14 \$13.68
Realization									\$0.04343

Storage Water Heating KWh fixed block LM - 250 KWh

A - 300 KWh B - 400 KWh

2/ See Page 8 of 9 for Applicable Energy Rate calculation.
 3/ Case No. 2005-00333 Demand Side Management Status Report, Tab No. 8, Exhibit E (420 @ 25% Freeriders = 105) (420 - 105 = 315)

1st Set Data Requests Order Dated August 30, 2007 Item No. 1 Page 7 of 9 KPSC Case No. 2007-00371

## Kentucky Power Company Twelve Months Ended April 30, 2007 Demand Side Management Program - Lost Revenue Factor Calculation

MODIFIED ENERGY FITNESS

Tariff	Billed & Accrued <u>KWH</u>	Average No. of <u>Customers</u>	Average Monthly <u>KWH</u>	KWh Excl. Storage WH <u>KWH</u>	Average Monthly <u>Reduction</u>	Applicable Energy <u>Rate</u>	01	KWH <u>Consumption</u>	Monthly Lost <u>Revenue</u>
Non-Heat									
011 RSW-I MW 1/	827.839	44	1,568	1,318	102.0833	\$0.04351	3/	102.0833	195.43
	38,376	2	1,599	1,099	102.0833	\$0.04351	3/	102.0833	8.88
	570,189,335	44,718	1,063	1,063	102.0833	\$0.04351	3/	102.0833	198,621.45
022 RSW-RS	244,404,265	16,695	1,220	1,220	102.0833	\$0.04351	3/	102.0833	74,153.25
Heat									
011 RSW-LMWH 1/	2.008.644	72	2,325		102.0833	\$0.04351	3/	102.0833	319.80
	492,288	16	2,564	2,264	102.0833	\$0.04351	3/	102.0833	71.07
013 RSW-B 1/	143,391	4	2,987		102.0833	\$0.04351	3/	102.0833	17.77
014 RSW-C 1/	18,408		1,534		102.0833	\$0.04351	3/	102.0833	4.44
015 RS	325,459,438	16,811	1,613	1,613	102.0833	\$0.04351	3/	102.0833	74,668.48
	13,075,385	556	1,960		102.0833	\$0.04351	3/	102.0833	2,469.55
022 RSW-RS	1,298,895,300	65,278	1,658		102.0833	\$0.04351	3/	102.0833	289,941.66
028 AORH-W ON/OFF 2/	117,853	8	1,228		102.0833	\$0.03367	4/	102.0833	27.50
030 RSW-ON/OFF 2/	1,920,153	74	2,162		102.0833	\$0.03808	4/	102.0833	287.66
032 RS LM-ON/OFF 2/	3,686,478	115	2,671		102.0833	\$0.03048	4/	102.0833	357.82
-	18,276	2	762		102.0833	\$0.03289	4/	102.0833	6.72
036 EXP RSTOD-ON/OFF 2/	56,949	+	4,746		102.0833	\$0.04569	4/	102.0833	4.66
	2,461,352,378	144,397							\$641,156.16
Monthly Per Customer Annual Per Customer					1,225 5/				\$4.44 \$53.28
Realization									\$0.04349

 / Storage Water Heating KWh fixed block LM - 250 KWh A - 300 KWh B - 400 KWh C - 500 KWh 1

Rate is weighted average of peak/off peak. See Page 8 of 9 for Applicable Energy Rate calculation. See Page 9 of 9 for Applicable Energy Rate calculation. Value is based on a 3 year prospective (Years 2006, 2007 & 2008) of 1,000 participants per year, excluding Refrigerator Coil Cleaning Measure. (1.386 @ 11.6% Freerider = 161) (1,386 - 161 = 1,225) 5435

1st Set Data Requests Page 8 of 9 Order Dated August 30, 2007 Item No. 1 KPSC Case No. 2007-00371

> Twelve Months Ended April 30, 2007 **Demand Side Management Program** Lost Revenue Factor Calculation Kentucky Power Company

Applicable Energy Rate Tariff (R. S.) Residential Service Adjustment \$0.01651 Clause Fuel \$0.06002 \$0.06002 \$0.06002 Charge Energy Codes Tariff

\$0.04351 \$0.04351 \$0.04351 \$0.04351 \$0.04351 \$0.04351 \$0.04351 \$0.01651 \$0.01651 \$0.01651 \$0.01651 \$0.01651 \$0.01651 \$0.06002 \$0.06002 \$0.06002 \$0.06002 011 012 013 014 015 017 022 022

Page 9 of 9 KPSC Case No. 2007-00371 1st Set Data Requests Order Dated August 30, 2007 Item No. 1

# Kentucky Power Company Twelve Months Ended April 30, 2007 Demand Side Management Program - Lost Revenue Factor Calculation

## Calculation of Average Peak/Off-Peak Energy Rate

Applicable Energy Rate		\$0.03367	\$0.03808	\$0.03048	\$0.03289		\$0.04569
Revenue	Jay)	\$3,148.65 \$819.75 \$3,968.40	\$60,896.87 \$12,215.81 \$73,112.68	\$85,138.68 \$27,228.44 \$112,367.12	\$472.08 \$129.05 \$601.13		\$2,298.10 \$303.85 \$2,601.95
НМА	nent Time of D	36,930 80,923 117,853	714,249 1,205,904 1,920,153	998,577 2,687,901 3,686,478	5,537 12,739 18,276		26,954 29,995 56,949
Net	oad Managen	\$0.08526 \$0.01013	\$0.08526 \$0.01013	\$0.08526 \$0.01013	\$0.08526 \$0.01013	of Day)	\$0.08526 \$0.01013
Cost per KWH Used as the Base Cost in the Standard Fuel Adj. Clause	Tariff R. S L. M T. O. D. (Residential Service Load Management Time of Day)	\$0.01651 \$0.01651	\$0.01651 \$0.01651	\$0.01651 \$0.01651	\$0.01651 \$0.01651	Tariff R. S T. O. D. (Time of Day)	\$0.01651 \$0.01651
All KWH Used During Off-Peak Billing Period	1 T, O, D. (Res	\$0.02664	\$0.02664	\$0.02664	\$0.02664	Tariff R. S	\$0.02664
All KWH Used During On-Peak Billing Period	Tariff R. S L. N	\$0.10177	\$0.10177	\$0.10177	\$0.10177		\$0.10177
Tariff Codes		028 AORH-W 029 AORH-W Total	030 RSW-ONP 031 RSW-OFP Total	032 RS LM-O 033 RS LM-O Total	034 AORH-ON 035 AORH-OF Total		036 RS-TOD- 037 RS-TD-O Total

Source: Tariff Summary - Billed & Accrued - By Revenue Class, 12 Months Ended April 30, 2007.

KPSC Case No. 2007-00371 Commission Staff First Set of Data Request Order Dated August 30, 2007 Item No. 2 Page 1 of 6

## **Kentucky Power Company**

## REQUEST

Kentucky Power's initial DSM filing in Case No. 1995-00427, Tab No. 7, page 93, states as follows:

If, in fact, KPCo files a base rate case and begins collecting new base rates that recognize the revenues lost as a result of DSM programs, then the lost kWh associated with these DSM programs would theoretically be reflected in the billing determinants used to establish those new base rates. Under those circumstances, continued surcharge recovery of net lost revenues would result in double collection. Therefore, coincident with the implementation of new base rates, net lost revenues for the existing participants of KPCo's DSM programs will cease to be collected through the surcharge

## RESPONSE

The Company failed to remove all active participants prior to June 30, 2005. The cumulative participants were recalculated using participants beginning July 2005 and going forward. The lost revenues for Year 2007 decreased \$84,743, page 6 of 6 details this decrease. The proposed DSM factor decreased to \$0.000637 from \$0.000765.

A revised tariff is attached to the cover letter reflecting the revised factor of \$0.000637.

Also attached are revised Schedule Cs page 1, page 13A (Year 12 - 1st Half), page 13B (Year 12 - 3rd Qtr) and page 13C (Year 12 - 4th Qtr) to support the \$0.000637 proposed DSM factor.

WITNESS: Errol K Wagner

	KENTUCKY POWER COMPANY	Exhibit C				
	DERIVATION OF 3 SECTOR SURCHARGES FOR 3 YR	1				45
	EXPERIMENT	1	······		PAGE 1 of	15
-1		TOTAL YEARS	YEAR 12	YEAR 12	YEAR 12	
	RESIDENTIAL SECTOR	1 thru 11	(2007)	(2007)	(2007)	TOTAL
1			1st HALF	3rd QTR	4th QTR	
+	ومستعلم وجمعه والمراجع والمراجع والمستعلم والمراجع	(1)	(2)	(3)	(4)	(5)
1						
	CURRENT PERIOD AMOUNT TO BE RECOVERED	\$8,648,227	\$604,487	\$230,464	\$238,598	\$9,721.776
	CUMULATIVE (OVER/UNDER COLLECTION 18 MOS. RETROACTIVE(OVER)/UNDER ADJUSTMENT	(41,824)	176,362 0	124.355 D	269,267 0	(\$41,824)
1	18 MOS. RETROACTIVE OVER / BROEK ADJOSTIMENT	(41,024)				10-11,0-11
Ī	TOTAL TO BE RECOVERED	8,606,403	780,849	354,819	507,865	9,679,952
	TOTAL AMOUNT RECOVERED	8,429.695	656,494	0	0	9,086,189
	EXPECTED FUTURE RECOVERIES TRANSFER PORTION OF BALANCE FROM INDUSTRIAL	(9,833)	0	85.552 0	388,706	474,258 (9,833)
	TRANSFER PORTION OF BALANCE FROM INDUSTRIAL	9,487	0	0	ŏ	9,487
1		i				
9	OVERVUNDER COLLECTION TO BE REFUNDED	\$176,362	\$124,355	\$269,267	\$119,159	\$119,159
-	· · · · · · · · · · · · · · · · · · ·				0000002770	
-	AMOUNT TO BE RECOVERED	<u> </u>			\$507,865	
1	AMOUNT TO BE RECOVERED					
ij	ADJ. ESTIMATED SECTOR KWH - YEAR 12			562,839,900	610,213,000	
1		<u> </u>				
21	SURCHARGE RANGE ( \$ PER KWH ) FLOOR (CARRYOVER)	COL 4, L 2/COL.	4. L 11		0.000441	<u> </u>
3				0.000152	0.000637	
4		COL 4, L4/COL	4, L 11		0,000832	
ļ		<u> </u>				
_						
	CONMERCIAL SECTOR	TOTAL YEARS	YEAR 12 (2007)	YEAR 12 (2007)	YEAR 12 (2007)	TOTAL
-	COMMERCIAL SECTOR		1st	3rd	41h	10174
			HALF	QTR	QTR	
		(1)	(2)	(3)	(4)	(5)
						<b>60 000 000</b>
	CURRENT PERIOD AMOUNT TO BE RECOVERED CUMULATIVE (OVER)/UNDER COLLECTION	\$2,899,298	50 0	<u>\$0  </u>	\$0 0	\$2,899,298
	18 MOS, RETROACTIVE(OVER)/UNDER ADJUSTMENT	1,520	<u>0</u>	0		1,520
÷						
	TOTAL TO BE RECOVERED	2,900,818	0	0	•	2,900,818
	TOTAL AMOUNT RECOVERED	2,888,053	0	0	0	2,888.053
	EXPECTED FUTURE RECOVERIES TRANSFER PORTION OF BALANCE FROM INDUSTRIAL	0 (3,27B)	0	0	0	(3,278)
	TRANSFER BALANCE TO RESIDENTIAL	(9,487)	0	0	ŏ	(9,487)
i		1				
2	(OVER)/UNDER COLLECTION TO BE REFUNDED	50	\$0	\$0	\$0	\$0
-					Dezet BRAS	
3	AMOUNT TO BE RECOVERED	++			\$0	
1						
4	ADJ. ESTIMATED SECTOR KWH - YEAR 12			370,091,100	346,854,900	······································
-	SURCHARGE RANGE ( \$ PER KWH )	+				
5	FLOOR (CARRYOVER)	++	1		0.000000	
6	MIDPOINT - proposed rate	T		0.000000	0.000000	
7	CEILING (TOTAL COST)				0.000000	
4		<u> </u>	<u> </u>			
-+		TOTAL YEARS	YEAR 12	YEAR 12	YEAR 12	
	INDUSTRIAL SECTOR	1 thru 11	(2007)	(2007)	(2007)	TOTAL
T			151	3rd	4th	
-		(1)	(2)	QTR (3)	QTR (4)	(5)
+		(1)	<u></u>		(4)	(5)
	CURRENT PERIOD AMOUNT TO BE RECOVERED	\$79,026	\$0	\$0	\$0 1	\$79,026
	CUMULATIVE (OVER)/UNDER COLLECTION	0	0	0	01	0
4	18 MOS. RETROACTIVE(OVER)/UNDER ADJUSTMENT	0	0	0	0]	0
	TOTAL TO BE RECOVERED	79,026	0	0	0	79,026
	TOTAL AMOUNT RECOVERED	92,137	0	0	ō	92,137
I	EXPECTED FUTURE RECOVERIES	0	0	0	D	0
4	TRANSFER BALANCE TO RESIDENTIAL & COMMERCIAL	13,111	0	0	0	13,111
+	OVERYUNDER COLLECTION TO BE REFUNDED	\$0	\$0	\$0	\$D	\$0
4	CONTRACTORES CONTRACTOR DE CAL DISUED					
-†		<u> </u>				
	AMOUNT TO BE RECOVERED	II			\$0	
6		<u> </u>		207 457 000 1	321,916,700	
1	ADL FOTHATED PEOTOD MANT MEAD 40			297,467,800	321,910,700	
1	ADJ, ESTIMATED SECTOR KWH - YEAR 12	1 1		1	1	
71		<u>i</u> <u>i</u>				
71	ADJ. ESTIMATED SECTOR KWH - YEAR 12 SURCHARGE RANGE (\$ PER KWH) FLOOR (CARRYOVER)				0.000000	
71.	SURCHARGE RANGE ( \$ PER KWH ) FLOOR (CARRYOVER) MIDPOINT		<ul> <li></li></ul>	0.000000	0.000000	

KPSC Case No. 2007-00371 1st Set Data Requests Order Dated August 30, 2007 Item No. 2 Page 3 of 6

Year 2007												
KENTUCKY POWER COMPANY											Exhibit C	
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM											PAGE 13A of	15
YEAR 12 (1si HALF)	NEW	CUMULATIVE	TOTAL	TOTAL	NET LOST	TOTAL	NET LOST	TOTAL NET •	EFFICIENCY	MAXIMIZING		TOTAL ESTIMATED
	PARTICIPANT	PARTICIPANT	PROGRAM COSTS	PROGRAM	REVIQTRS	ENERGY SAVINGS	REVENUE	LOST	INCENTIVE	INCENTIVE	TOTAL .	COSTS TO BE
PROGRAM DESCRIPTIONS	NUMBER (1)	NUMBER **	PER PARTICIPANT (3)	COSTS (4) (1)X(3)	(KWH/ PARTICIPANT) (5)	KWHI QTR (6) (7)X(5)	(j)	REVENUES (0) (0)X(7)	(EX. C. PG. 11) (9)	(5% of COSTS) (10) (4)X(5%)	INCENTIVE (11) (9)+(10)	RECOVERED (12) (4)+(8)+(11)
RESIDENTIAL PROGRAMS Energy Filness	0	O	\$0.00		707	D	<u>\$0,03112</u>	20	<u>so</u>	\$0	<b>\$</b> 0	80
Targelad Energy Efficioncy - Ail Electric - Non-Ail Electric	128	295	\$1,022.27 \$88,48	\$130,851 \$2,508	898 277	264,320	\$0.04346 \$0.04382	S11487 S1,487	50 S672	\$8,643 \$0	\$9,543 \$572	\$148,881 \$4,470
Compact Fluorescent Bulb	D	0	\$0,00	\$0	0	P	\$0.00000	30	\$0	0\$	\$0	<u>\$0</u>
High - Efficiency Heat Pump - Resistance Heat - Non Resistance Heat		00	\$0.00 \$0.00	50	1,200	00	\$0.03114 \$0.03118	<b>8</b> 8	\$0 \$0	\$8	0 <b>\$</b> 0 <b>\$</b>	<b>D\$</b>
High - Efficiency Heal Pump - Mobile Home	20	153	\$450.00	\$22,500	1,145	175,185	\$0.04348	\$7,614	\$3,980	<b>D</b> \$	<b>\$</b> 3,960	\$34,074
Mobile Home New Construction *** - Heat Pump - Air Conditioner	80	304	\$583.10 \$0.00	\$47,300 \$0	1,810 157	550,240 0	\$0.04348 \$0.04343	\$23,924 \$0	\$10,497 \$0	828	\$10,497 \$0	\$81,721 \$0
Modified Energy Filness	515	1,605	\$381.00	\$198,214	<b>B13</b>	683,885	S0.04349	\$42,788	\$21,671	20	\$21,671	\$260,673
Casa No 2000 - 00373, Dated December 14, 2006:												
- HEAP - Kentucky Power Company's Information Technotopy Implementation Costs				899,988								<b>\$58,968</b>
- HEAP - KACA's Information Technology Implementation Costs				S15,700								\$15,700
TOTAL RESIDENTIAL PROGRAMS	808	2,472		\$474.041		2,005,465		\$87,203 	\$38,700	\$8,543	\$43,243	\$604,487 =========
COMMERCIAL PROGRAMS Smart Audit - Class 1			\$0.00		D	O	n/a		20			
- Class 2 Smert Einan-for - Evistim Pulidim		00	\$0.00	88	00	00	50.00000	8 8 8	\$0 \$0	55	202	\$0 \$0
Smart Financing - New Building			50.00		0	0	\$0.0000		S			
TOTAL COMMERCIAL PROGRAMS				50		0		\$0	05	95	\$0	0S
		********										
NDUSTRIAL PROGRAMS.												
Smart Audit - Class 1 Smart Audit - Class 1						00	n/a n/a		200		2005	50
Smart Financing • General Smart Financing • Compressed Alr System		00	\$0.00	88	00	00	\$0.00000 \$0.00000	88	202			
TOTAL INDUSTRIAL PROGRAMS	0			S		0		03		05	0S	
TOTAL COMPANY				S474,041		2,005,465		\$87,203				\$804,487
<ul> <li>Lost revenue and afficiency incentives are based on prospective values.</li> <li>Cumulative participants include a reduction for the cumulative participants as of</li> </ul>	n prospective valu	ies. ents as of 06/30	06/30/2005.									
*** Perticipants since 07/01/2005.				_						-		

Refinition         Refinition         Non-	Var. 2007	-											
NEW         NUML         NUML         NEUT         NUML							T					Exhibit C	
NEW         CUTAN         INCL         INCL <th< td=""><td>KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 VEAD BROCRAM</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>PAGE 13B of</td><td>15</td></th<>	KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 VEAD BROCRAM											PAGE 13B of	15
New         Conductive Frequencies         Conduction Frequencies         Co				TOTAL	TOTAL			NET	TOTAL				TOTAL
Image: constraint in the constratent in the constraint in the constraint in the constraint in the	YEAR 12 (3rd QTR)	NEW	CUMULATIVE	ESTIMATED	ESTIMATED	NET LOST	TOTAL	LOST	NET •	EFFICIENCY	BNIZIWIXW		ES IMAIEU
$ \begin{array}{                                    $			PARTICIPANT	COSTS	PROGRAM	REVIQTRS	SAVINGS	REVENUE	LOST	INCENTIVE	INCENTIVE	TOTAL .	COSTS TO BE
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$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$	RESIDENTIAL PROGRAMS				E)X(I)	764	_ 1 _ 1	\$1110 US	20	\$0	SD	0S	\$0
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$	Energy Fibress	0	0		R	202							
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$	Targeled Energy Efficiency - Ali Electric	32	389		\$32,704	448	174,272	. 1	S7,574	\$0 5454		\$1,635 \$454	\$41,913 \$3,317
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$	- Non-Ail Electric	23	147		a)Ale		2012/02			05		8	\$0
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$	Compact Fluorescent Bulb	D	0		\$0	Þ		su.uuuu	76				
1         197         5405.00         512         112.064         50.04346         54.667         72         52.136         50.04346         54.667         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136         52.136	High - Efficiency Heat Pump - Resistance Heat - Resistance Heat	0			20	600 223			88	<u>50</u>		20 20	\$0 \$0
1         27         107         546.00         312,160         572         112,064         50.0434         51,163         52,136         56         52,136         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55         55	Vasti solingias) liov -												
1         40         312         5477.61         518.400         904         333.200         50.04346         51.4202         55.70         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0         50.0	High - Eificlency Heat Pump - Mobile Home	27	197			572			\$4 [,] 897	32,138		<b>\$2,138</b>	\$19,185
0         0         50.0         50         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70         70<		43	372			904			\$14,622			\$5,373	\$38,395 \$0
240         240         310,005         537,406         511,125         300         501,116         50,0030         510,005         50         510,005         50         510,005         50         510,005         50         510,005         50         510,005         50         510,005         50         510,005         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50	- Alr Conditioner	0	o			79			85			200	8
1         361         516,031         1,251,246         554,406         510,044         510,035         519,696         510,035         519,696         510,035         519,696         510,035         519,696         510,035         519,696         510,035         519,696         510,035         519,696         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,035         510,03	Modified Energy Fitness	240			\$91,125	306				\$10,039		\$10,099	\$127,854
Terreter		195	1		\$150.357		1.251,246		\$54,408			\$19,699	\$230,464
1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1	I U AL RESIDEN LAL FRUGINMS		8										
1         1         500         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50 </td <td></td>													
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Image: constraint statement         Co	TOTAL COMMERCIAL PROGRAMS				\$0		0		SO SO				Beenutz:
1     1     1     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50     50				H									
1         0         0         50.00         50         0         70         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50         50 </td <td>INDUSTRIAL PROGRAMS .</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>-</td> <td></td> <td></td> <td></td>	INDUSTRIAL PROGRAMS .									-			
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I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I	Smart Audit - Class 2							1					
Image: Constraint sector         Image:	Smart Financing - General Smart Financing - Combressed Air System												
Als         1         number				10					05				
365         3,081         \$156,357         1,251,248         \$54,408         \$18,064         \$1,033         \$19,094           assesses	TOTAL INDUSTRIAL PROGRAMS			- <u>ii</u>	200	-							
a reduction for the cumulative participants as of 09/30/2005.	TOTAL COMPANY				\$158,357		1,251,246		\$54,40				
aniives are based on prospective values. a reduction for the cumulative participents as of				0									
a reduction for the cumulative participents as of	<ul> <li>Lost revenue and efficiency incentives at</li> </ul>	re based on prospe	clive values.										
	Cumulativa participants include a reducit	on for the cumulativ	e participents es										

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\$39,835 \$0 5239,698 \$0 8888 \$238,598 \$48,907 \$3,455 \$130,710 20000 10 12 12 RECOVERED (12) (4)+(8)+(11) \$17,091 COSTS TO BE TOTAL ESTIMATED 15 8888 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$10,799 \$5,373 \$0 \$10,310 \$19,789 20 \$1,840 \$454 12 33 \$1,822 INCENTIVE Exhibit C PAGE 13C of (11) (9)+(10) TOTAL **S** 50 50 50 50 50 50 51,840 \$1,840 20 88888 51,840 50 5 8 3 39 88 MAXIMIZING INCENTIVE (5% of COSTS) (10) (4)X( 5%) \$0 \$17,959 **51,822** \$5,373 \$0 \$10,310 \$17,959 I S F S S S S 88888 <u>545</u> 2 202 20 EFFICIENCY NCENTIVE (EX C) 96.11) (B) 12222 88888 \$5,519 510,312 SU \$29,650 \$60,779 REVENUES (B) (B)X(7) \$8,275 \$1,023 9 22 55 TOTAL LOST n/a n/a \$0.00000 \$0.00000 n/n S0.00000 S0.00000 \$0.03114 \$0.03118 \$0,04346 50.04348 50.04343 50.04348 \$0.03112 \$0,04348 \$0,04362 \$0,0000 REVENUE (HWH) NET 681,768 375,160 190,400 1,307,772 1,387,772 128,984 TOTAL ENERGY SAVINGS KWH/ GTR(S) (8) (2)X(5) (KWH/ PARTICIPANT) (5) 0 572 B B g olololo oloiolo 353 44B 13B 223 **REV/QTRS** NET LOST TOTAL \$10,350 \$18,150 \$0 \$80,750 \$158,020 8888 \$38,792 \$1,978 ŝ \$0 55 PROGRAM COSTS (4) (1)X(3) PER PARTICIPANT TOTAL ESTIMATED PROGRAM COSTS 8088 8088 8088 20.00 20.00 20.00 \$1,022.00 \$86.00 \$0.00 \$0.00 \$450.00 \$422,09 \$0,00 \$370,41 08/30/2005, \$0.00 \$0.00 Lost revenue and elificancy licentivos are based on prospective valves.
 Comulative participants include a reduction for the cumulative participants as of
 Predicipants since 07/07/2005. 3,460 2,228 NUMBER .. 00 415 0 io 425 0 222 3,460 CUMULATIVE PARTICIPANT 0 0 370 0 370 370 245 38 5 00 PARTICIPANT NUMBER (1) NEW KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM INDUSTRIAL PROGRAMS -(wrest Opt-Outs Removed) (wrest Opt-Outs Removed) Signed Audis - Class 1 Signed Audis - Class 2 Signed Fibancing - General Signed Fibancing - Compressed Air System TOTAL COMMERCIAL PROGRAMS TOTAL RESIDENTIAL PROGRAMS TOTAL INDUSTRIAL PROGRAMS COMMERCIAL PROGRAMS Smart Audit - Class 1 - Class 2 Smart Financing - Existing Building Smart Financing - New Building Mobile Home New Construction *** - Heat Pump - Air Conditioner High - Eflictency Heat Pump - Resistance Heat - Non Resistance Heat Tangeled Energy Elliciency - All Electric - Non-All Electric PROGRAM DESCRIPTIONS High - Efficiency Heat Pump - Mobile Home RESIDENTIAL PROGRAMS Energy Filness Compact Fluorescent Bulb TOTAL COMPANY Modified Energy Fitness YEAR 12 (4Ih QTR)

Year 2007

KPSC Case No. 2007-00371 1st Set Data Requests Order Dated August 30, 2007 Item No. 2 Page 5 of 6

## Kentucky Power Company Net Change in Revised Lost Revenues and Change in Proposed DSM Factor

Year 2007	Revised	Filed	Difference
Lost Revenues			
1st Half	\$87,203	\$140,120	(\$52,917)
3rd Qtr	\$54,408	\$73,230	(\$18,822)
4th Qtr	\$60,779	\$73,783	(\$13,004)
Total	\$202,390	\$287,133	(\$84,743)
KWH			610,213,000
Change in Factor			(\$0.000139)
Proposed DSM Factor	\$0.000637	\$0.000765	(\$0.000128)
Surcharge Range (\$Per KWH) Floor Midpoint Ceiling	\$0.000441 \$0.000637 \$0.000832	\$0.000559 \$0.000765 \$0.000971	(\$0.000118) (\$0.000128) (\$0.000139)