

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED
JAN 15 2006
PUBLIC SERVICE
COMMISSION

In the Matter of:

AN INVESTIGATION OF THE)
ENERGY AND REGULATORY ISSUES)
IN SECTION 50 OF KENTUCKY'S 2007) CASE NO. 2007-00477
2007 ENERGY ACT)

* * * * *

PETITION FOR CONFIDENTIAL TREATMENT

Kentucky Power Company ("Kentucky Power") moves the Commission pursuant to 807 KAR 5:001, Section 7, for an Order granting confidential treatment to a portion of Kentucky Power's Responses to Data Request Nos. 17 and 45.

Pursuant to 807 KAR 5:001, an original of those parts of the responses for which confidential treatment is sought is filed as part of Kentucky Power's original filing in response to this data request. In addition, six redacted copies of the subject Response are filed with Petition.

A. The Requests And The Statutory Standard.

Data Request No. 17 directs Kentucky Power to:

Provide the current estimates of KPCo avoided energy and demand costs, as relied upon in cost-benefit analyses. Provide an estimate of such costs as of 2010; 2015; 2020 (or similar periods if more readily available), consistent with IRP studies. Include summary level analysis sufficient to identify quantification of key variables included in estimates.

Data Request No. 45 provides in part:

To the extent possible, disaggregate cost estimates into sub-categories such as capital costs; fixed and variable operations and maintenance costs; fuel costs; etc. Provide expectations of cost of capital or discount rates assumed for new projects.

Kentucky Power does not object to providing to the Commission and its consultant those portions of the information sought in Data Request Nos. 17 and 45 for which confidential treatment is sought. As a result of the competitive nature of the markets, however, the public disclosure of such information will place Kentucky Power at a competitive disadvantage. As a result, Kentucky Power is seeking confidential treatment for such information.

KRS 61.878(1)(c)(1) excludes from the Open Records Act:

"Records confidentially disclosed to an agency, generally recognized as confidential or proprietary, which if openly disclosed would present an unfair commercial advantage to competitors of the entity that disclosed the records, and which are compiled and maintained . . . in conjunction with the regulation of commercial enterprise . . ."

This exception applies to those portions of Kentucky Power's response to Data Request Nos. 17 and 45 for which confidential treatment is sought.

B. Application of the Standard to the Information to Be Protected.

1. Avoided Capacity and Energy Costs.

The advent of energy markets operated by Independent System Operators (ISO) or Regional Transmission Organizations (RTO) such as PJM over large transmission areas has driven traditional Investor Owned Utilities (IOU's) to compete on a regional basis with other IOU's, Independent Power Producers (IPPs) and financial market participants such as investment banks and hedge funds, in the wholesale market. The increase in competition combined with increased fuel cost volatility is bringing about an intense focus not only on cost minimization techniques, but also fuel procurement strategy, power purchase agreements, portfolio maximization strategies, and long-term

generation resource planning. Competitive markets such as PJM reward generation innovation whether it be in the form of reduced heat rates, reduced Operations and Maintenance expenditures or increased operational flexibility. Failure to innovate can result in reduced opportunities to minimize cost and maximize value enhancing opportunities as PJM is managing the transmission system, and to a large extent generation assets, to achieve the lowest possible total production costs across the system footprint while maintaining reliability.

Specifically, the growth of competitive markets such as PJM has placed a premium on generating unit data. AEP may purchase and sell capacity on behalf of Kentucky Power in the PJM market. Public disclosure of forecasted capacity prices could adversely impact ratepayers and shareholders of AEP by providing data that may allow a competitive advantage to be obtained by a direct competitor of AEP, affecting Kentucky Power's ability to minimize costs for its ratepayers. Implicit in capacity costs are capacity factors, commodity price forecasts, and other market intelligence that is typically confidential.

Information concerning avoided capacity and energy costs is treated as confidential and proprietary by AEP and Kentucky Power. Dissemination of such information is restricted by Kentucky Power and AEP each takes all reasonable measures to prevent its disclosure to the public as well as to persons within the respective companies who do not have a need for the information.

2. Disaggregated Cost and Other Estimates Regarding New Generation Technologies.

In response to Data Request No. 45, Kentucky Power is providing disaggregated estimates of capability, installed costs, transmission costs, full load heat rate, fuel costs, fixed operating and maintenance costs, emission rates, capability factors and overall availabilities for new generation technologies. This information is competitively sensitive and a trade secret because competitors may derive economic value by using this projected resource cost and emissions information. The disclosure of the projected resource cost and emissions forecasts would also be of economic value to third parties and adversely affect Kentucky Power and its ratepayers because it would permit competitors to better determine how to price their services and products and provide suppliers with insight regarding the pricing of products and services to meet Kentucky Power's expectations.

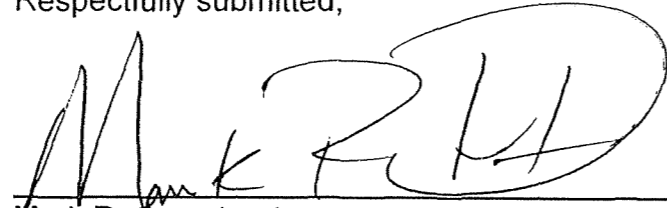
All of the material in Kentucky Power's response to Data Request No. 45 for which confidential treatment is sought is treated as confidential and proprietary by AEP and Kentucky Power. Dissemination of the information for which confidential treatment is being requested is restricted by Kentucky Power and AEP and each takes all reasonable measures to prevent its disclosure to the public as well as to persons within the respective companies who do not have a need for the information.

Wherefore, Kentucky Power Company respectfully requests the Commission to enter an Order:

1. According confidential status to and withholding from public inspection the indicated parts of Kentucky Power's responses to Data Request No. 17 and 45; and

2. Granting Kentucky Power all further relief to which it may be entitled.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mark R. Overstreet", written over a horizontal line.

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COUNSEL FOR KENTUCKY POWER
COMPANY

CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of Kentucky Power Company's Responses were served via United States Postal Service, First Class Mail, postage prepaid, upon:

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Mark R. Overstreet

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PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE

PUBLIC SERVICE COMMISSION OF KENTUCKY

IN THE MATTER OF

**AN INVESTIGATION OF THE ENERGY AND)
REGULATORY ISSUES IN SECTION 50 OF) ADMINISTRATIVE
KENTUCKY'S 2007 ENERGY ACT) CASE NO. 2007-00477**

KENTUCKY POWER COMPANY

RESPONSE TO COMMISSION STAFF'S SECOND SET OF DATA REQUESTS

January 14, 2008

Kentucky Power Company

REQUEST

Referring to Discovery Response, Item 1, page 14 of 15, the schedule shows capital spending for 2007-2012. Specifically, under the heading of "environmental" in the years 2011 and 2012, expenditures of \$82 million and \$221 million, respectively, are indicated. Please describe what projects are anticipated in these expenditures. Provide total cost estimates for these projects, if expenditures extend beyond 2012.

RESPONSE

The environmental capital expenditures are detailed on Page 2 of this response. The majority of the capital expenditures are related to the Big Sandy Unit 2 FGD and associated equipment. There is an additional \$119M of capital expenditures forecasted for 2013 related to this work.

WITNESS: Errol K. Wagner and Timothy C. Mosher

Project Type Level 3	Kentucky Power Company Environmental Projects					
	Project	Plan 2008	Plan 2009	Plan 2010	Plan 2011	Plan 2012
Environmental Blankets	00005506 Unit 1 ESP Upgrade					252
	EROCB Cap Bikt - Env Repl Outage					252
	Sum:	252				
Environmental Blankets	BSPPB0014 Precipitator PPB<100k					9
	EVRCB Cap Bikt - Environmental Repl					9
	BSPBENEW BSP PPB Envir. New					9
	EVNVCB Cap Bikt - Environmental New	448	80	80		703
	BSPBENEV Other Environ Repl <100k	34	329	519	312	1,436
	EVRCB Cap Bikt - Environmental Repl	50	93	305	130	70
	BSPBERO1 PPB Env Repl Out U1<100k					648
	EVRCB Cap Bikt - Env Repl Outage	82	122	122	159	122
	BSPBERO2 PPB Env Repl Outage <100k					607
	EVRCB Cap Bikt - Env Repl Outage	9				9
	BSPBEVR2 CANCELLED					
	EVRCB Cap Bikt - Environmental Repl	121	187	187	145	187
	BSPBS012 SCR Expansion Joint U2					827
	EROCB Cap Bikt - Env Repl Outage					196
	EVRCB Cap Bikt - Env Repl Outage	196				196
	BSPBS039 Repl 6 precip outlet hoppers					101
	EVCNCB Cap Bikt - Environmental New					101
	BSPBS100 Cancelled					410
	EVRCB Cap Bikt - Env Repl Outage	410				151
	BSPBS124 Repl. precipitator rappers U1					207
	EROCB Cap Bikt - Env Repl Outage	107			100	115
BSPBS147 Repl U1 SO3 lances					120	
EVRCB Cap Bikt - Environmental Repl					200	
BSPBS184 Repl storm drain outfalls					230	
EVNVCB Cap Bikt - Environmental New					350	
BSPBS192 Install SCR Access Platforms					180	
EVNVCB Cap Bikt - Environmental New					6,748	
BSPBS193 Install SCR Access Platforms						
EVNVCB Cap Bikt - Environmental New	230					
BSPBS194 Install SCR Access Platforms						
EVNVCB Cap Bikt - Environmental New						
BSPBS195 Bridge Crane for Prec Parts U2						
EVNVCB Cap Bikt - Environmental New	180					
Sum:	1,006	2,223	1,252	1,482	785	
Environmental Standard	00001562 BS Add Catalyst For SCR					3,679
	EROCB Cap Stnd - Env Repl Outage					3,679
	Sum:	-	-	-	-	-
	MPHCS Major Environmental Hardware					8,803
	000009633 BS2 FGD Phase 2					39,949
	MPHCS Major Environmental Hardware					184,912
	Sum:	3,679				
Environmental Standard	00001562 BS Add Catalyst For SCR					3,679
	EROCB Cap Stnd - Env Repl Outage					3,679
	Sum:	4,791	6,664	18,387	82,216	221,528
	MPHCS Major Environmental Hardware					34,557
	00013293 Repl 14 precip inlet hoppers					856
	EROCB Cap Stnd - Env Repl Outage					856
	Sum:	4,791	6,664	18,387	82,216	221,528
	000012964 Repl U1 precip hoppers & casng					640
	EROCB Cap Stnd - Env Repl Outage					640
	MPHCS Major Environmental Hardware					28,054
	000013293 Repl 14 precip inlet hoppers					640
	EROCB Cap Stnd - Env Repl Outage					640
	Sum:	4,791	6,664	18,387	82,216	221,528
	AOD & SCR Year Round Oper Rev					329
	EVNVCB Cap Stnd - Environmental New					329
	Sum:	4,791	6,664	18,387	82,216	221,528
	00013508 AOD & SCR Year Round Oper Rev					329
	EROCB Cap Stnd - Env Repl Outage					329
	Sum:	4,791	6,664	18,387	82,216	221,528
	BS U2 FGD Associated					230
	00012964 Repl U1 precip hoppers & casng					230
	EROCB Cap Stnd - Env Repl Outage					230
	Sum:	4,791	6,664	18,387	82,216	221,528
	00013508 AOD & SCR Year Round Oper Rev					230
	EROCB Cap Stnd - Env Repl Outage					230
	Sum:	4,791	6,664	18,387	82,216	221,528
	BS U2 FGD Associated					230
	00013508 AOD & SCR Year Round Oper Rev					230
	EROCB Cap Stnd - Env Repl Outage					230
	Sum:	4,791	6,664	18,387	82,216	221,528
	Gas Outlet Duct to Prec Inlet					230
	EROCB Cap Stnd - Env Repl Outage					230
	Sum:	4,791	6,664	18,387	82,216	221,528
	BS0 Fly Ash Dam Raising					230
	EVNVCB Cap Stnd - Environmental New					230
	Sum:	4,791	6,664	18,387	82,216	221,528
	Environmental Standard					333,586
	Sum:	4,791	6,664	18,387	82,216	221,528

Project Type Level 3	Plan 2008	Plan 2009	Plan 2010	Plan 2011	Plan 2012	Total
Environmental Standard	4,791	6,664	18,387	82,216	221,528	333,586
Environmental Blankets	1,006	2,223	1,252	1,482	785	6,748
Environmental Standard	3,679					3,679

Kentucky Power Company

REQUEST

Discovery response, Item 3, Attachment A, contains an analysis of potential use of biomass with coal at Big Sandy Units 1 and 2. What is the status of this potential project? What specific conditions precedent would trigger this conversion, if not already planned?

RESPONSE

Discovery response, Item 3, Attachment A (the high-level economic screening). No specific plant evaluation (i.e., physical plant evaluation of boiler modifications, materials handling considerations, detailed biomass resource assessment, etc.) has been made for the Big Sandy Plant. The economic screen is used as one tool (but not the only tool) in evaluating which facilities could be candidates for biomass co-firing.

Specific conditions that could trigger such biomass use and that would be evaluated include, but are not limited to, boiler conditions, biomass fuel availability, environmental permitting requirements, materials handling needs, emissions impacts, implementation of a Renewable Portfolio Standard, CO2 legislation, cost recovery options, renewable credit and tax credit status, and marginal costs.

WITNESS: Errol K Wagner and Timothy C Mosher

Kentucky Power Company

REQUEST

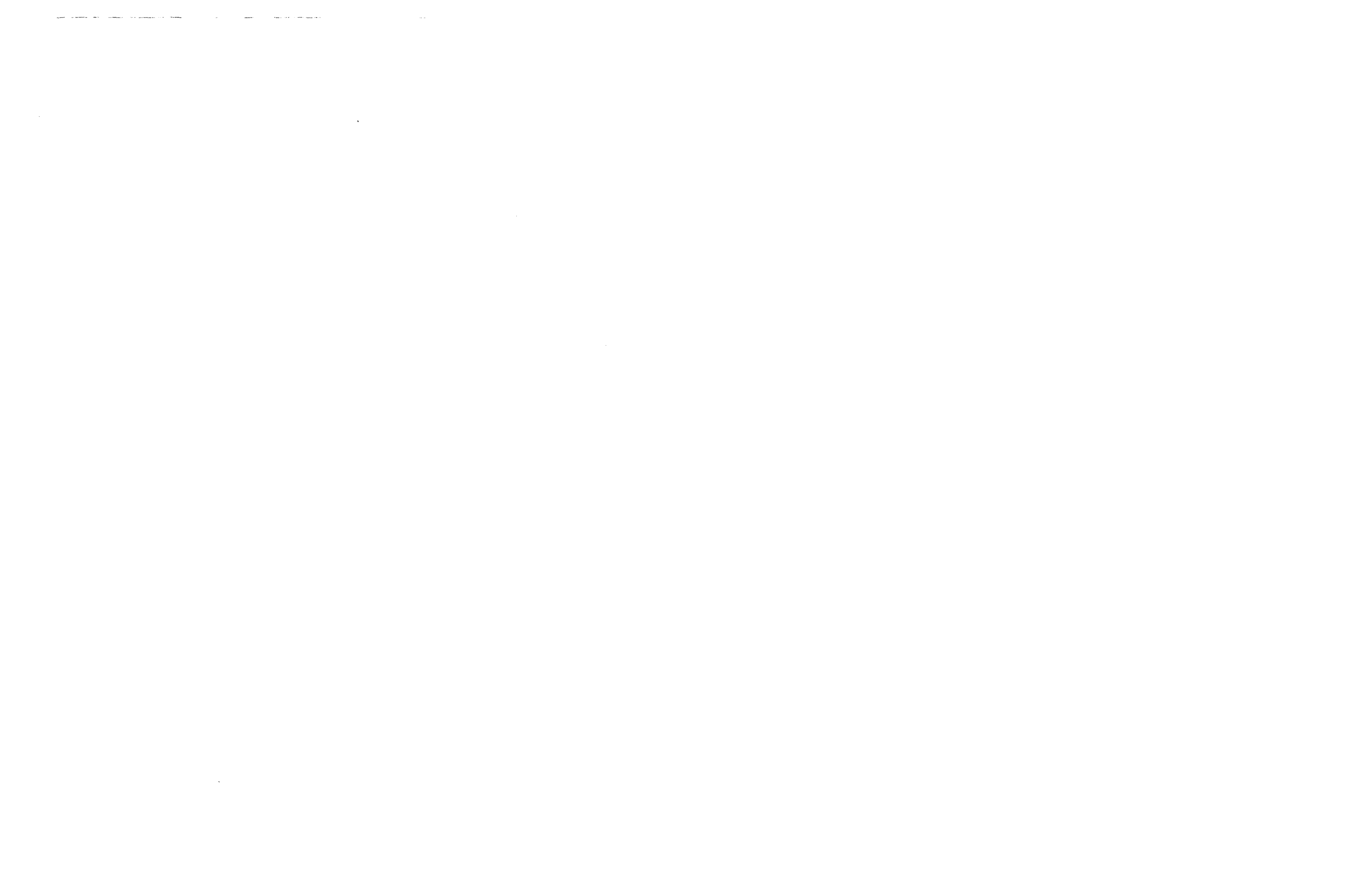
Discovery response, Item 3, Attachment C, contains an analysis of potential landfill sites for electric generation. What is the current status of the Cooksey Brothers site in Ashland? What specific condition(s) precedent would trigger this conversion, if not already planned?

RESPONSE

According to USEPA's Landfill Methane Outreach Program (LMOP) on January 4, 2008, the Cooksey Brothers Disposal Company, Inc. Landfill is a "candidate" site. USEPA "LMOP defines a candidate landfill as one that is accepting waste or has been closed for five years or less and has at least one million tons of waste and does not have an operational or under construction project; or is designated based on actual interest or planning."

Specific conditions that would be evaluated include, but are not limited to, environmental permitting requirements, status of the landfill (closed in 2004 per the LMOP database), existence of a methane collection system, status of any methane flaring operation, implementation of a Renewable Portfolio Standard, CO2 legislation, cost recovery options, renewable credit and tax credit status, marginal costs for electricity production vs. flaring methane for CO2 credits only, as well as methane production evaluation based on LMOP data (as methane production greatly decreases when landfills are closed and capped).

WITNESS: Errol K. Wagner and Timothy C. Mosher



Kentucky Power Company

REQUEST

Discovery response, Item 4, provides information about current DSM programs.

- Please provide a summary schedule providing an estimate of the peak demand (MW) reduction and/or total energy savings (MWh per year) associated with each of these programs.
- Provide the percent of participation currently achieved, and indicate the expected or target participation (penetration) level.
- Provide a summary of the computation and results of the tests currently used by AEP for analyzing the economics for all existing and currently proposed programs. Are there energy and capacity benefits attributed to DSM programs in the test(s)? Are there any avoided capacity margin and transmission loss savings attributed to the program benefits?
- Please explain how these estimates of demand reduction were developed.
- What measurements and verification protocols does the utility employ for operating these programs?

RESPONSE

Bullet No. 1 - Please see Page 4 of this response for the summary schedule of peak demand (MW) reduction and total energy savings (MWh) by year and program.

Bullet No. 2 - Please see Page 5 of this response for the percentage of participation and estimated Year 2008 participants.

Bullet No. 3 - Please see Page 6 of this response for a summary of the results of the evaluation used by AEP for analyzing the existing proposed programs.

a) AEP uses four major tests to identify the cost and benefit components and cost-effectiveness calculation procedures that were developed from the California Standard Practice Manual - Economic Analysis of Demand-Side Programs and Projects. The four tests are the following: the Total Resource Cost Test, the Ratepayer Impact Measure Test, the Utility Cost Test (or Program Administrator Test), and the Participant Test. Each one of these tests is the result of comparing the program benefits with the program costs using a benefit-cost ratio of the DSM program.

The Total Resource Cost (TRC) Test measures the net costs of a DSM program as a resource option based on the total costs of the program, including both the participants' and the utility's costs. The benefits of the TRC Test are the avoided participant costs, avoided supply costs and the reduction in the transmission, distribution, generation and capacity costs valued at marginal costs, which are compared to both the utility program costs and the participant's costs, along with the increase in generation and other capital costs.

The Ratepayer Impact Measure, measures the effects to the customer bills or rates due to changes in the utility revenues and operating costs caused by the DSM program. The benefits are the savings from avoided supply costs and revenue gain, which are compared to the utility program costs, incentives paid to the participants, decreased revenues and increased supply costs.

The Utility Cost or also called the Program Administrator Cost, measures the net costs of a DSM program as a resource option based on the costs of the program, excluding any costs incurred by the participant. The benefits are the same as the TRC test, excluding avoided participant costs, which are compared to the similar costs of the TRC test, excluding the participant costs, but including incentives paid to the participant.

The Participant Test measures quantifiable benefits and costs to the customer due to participation in the DSM program. The benefits include the reduction on the customer's utility bill; any incentive paid to the customer and avoided participant costs, which are compared to the participant's costs incurred from participating in the DSM program.

There are energy and capacity benefits attributed to DSM programs in the test(s). There are capacity margin and transmission loss savings attributed to the program benefits.

Bullet No. 4 - In the initial filing, Case No. 95-427 dated September 27, 1995; the demand (kw) savings were estimated. A summary of the estimated demand (kw) savings can be found on

Page 16 of the Executive Summary of the initial filing. Additional information regarding energy and demand reductions are also listed in Sections III, IV, V and Exhibit "E" of the initial filing. After the initial filing, the savings for each of the programs were based on evaluation results. The initial filing and evaluations are on file at the Commission.

Bullet No. 5 - The measurements and verification protocols used by KPCo are pursuant to KRS 278.285 Demand-side management plans; (1), (c) which states "...utility to encourage implementation of cost-effective demand-side management programs;" KPCo evaluates its Demand-side Management (DSM) programs using the Total Resource Cost (TRC) test. Each of KPCo's residential DSM programs currently have a cost effectiveness ratio of one or greater. These programs are evaluated every three years to insure the programs remain cost-effective. These evaluations are on file at the Commission.

WITNESS: Errol K. Wagner and Timothy C. Mosher

Kentucky Power Company
Percentage of Participation

Program Description:	Total Number of Participants as of December 31, 2007	2008 Estimated Number of Participants
Targeted Energy Efficiency	3,094	210
Mobile Home Heat Pump	1,752	100
Mobile Home New Construction	1,621	150
Modified Energy Fitness	3,989	1000
Total	10,456	1,460
Total Residential Customers	144,208	
Percentage of Participation	7.25%	

**Kentucky Power Company
DSM Programs**

	2005 Benefit Cost Ratios
TEE Program	
Total Resource Cost	2.05
Ratepayer Impact Measure	0.62
Participant	n/a
Utility Cost	2.05
Mobile Home Heat Pump	
Total Resource Cost	5.53
Ratepayer Impact Measure	0.75
Participant	3.49
Utility Cost	4.42
Mobile Home New Construction	
Total Resource Cost	4.14
Ratepayer Impact Measure	0.78
Participant	2.37
Utility Cost	6.60
Modified Energy Fitness Program	
Total Resource Cost	2.92
Ratepayer Impact Measure	0.80
Participant	n/a
Utility Cost	3.40

Kentucky Power Company

REQUEST

In considering a potential DSM program or renewable energy project, is the avoided cost of capacity included in the cost-benefit analysis relied upon? If yes, please explain the methodology and mechanics for computing these avoided costs. If not, please explain the basis for a program evaluation without such an avoided cost estimate.

RESPONSE

Both the avoided cost of capacity and energy are used in cost-benefit analyses.

The avoided capacity costs are derived from the AURORAxmp model which takes demand, energy and commodity forecasts to "build" capacity as it is economically justified to meet planning reserve margin requirements. The model not only builds resources to meet target reserve margins, but it also simultaneously provides estimates of the capacity price payments necessary to support the marginal entrants supplying capacity to the system. The methodology produces a development schedule, which is co-optimized for revenues derived from the hourly energy prices as well as the revenue stream for capacity payments. The result is, in effect, the average cost of the most economical supply portfolio. The AURORAxmp model is proprietary software on license from the EPIS, Inc. Further information about the model can be found at www.epis.com.

The projected avoided energy costs were determined using a production costing computer model known as PROMOD. PROMOD calculates expected monthly generation and energy expense for each generating unit in the AEP-East system and power purchases and sales by Kentucky Power and other AEP-East affiliates by simulating an economic dispatch of the PJM portion of the AEP System.

**KPSC Administrative Case No. 2007-00477 An Investigation of the Energy and
Regulatory Issues in Section 50 of KY's 2007 Energy Act
Commission Staff's Second Set of Data Requests
Order Dated January 3, 2008
Item No. 16
Page 2 of 2**

PROMOD is a proprietary software model licensed by AEPSC from NewEnergy Associates. PROMOD simulates how an electric utility operates and dispatches its generating units. Inputs to PROMOD include forecasted loads; forecasted price of fuel; prices and quantities for capacity and energy purchases and sales; capacities, availabilities and heat rates for generating units; and data that describe rules for committing and dispatching generating units. PROMOD's outputs include generation by unit; fuel consumption and fuel expense by unit; emissions of SO₂, NO_x, CO₂ and mercury by unit; and purchases and sales of energy and their associated costs and revenues. Typical applications for PROMOD include fuel budget preparation, system economic studies, marginal and avoided energy cost analyses, and off-system transactions analyses.

Additional information on PROMOD can be found on www.newenergyassoc.com.

WITNESS: Errol K Wagner and Timothy C Mosher

Kentucky Power Company

REQUEST

Provide the current estimates of KPCo avoided energy and demand costs, as relied upon in cost-benefit analyses. Provide an estimate of such costs as of 2010; 2015; 2020 (or similar periods if more readily available), consistent with IRP studies. Include summary level analysis sufficient to identify quantification of key variables included in estimates.

RESPONSE

Page 2 of this response is the AEP-East Projected Avoided Energy Cost and Projected Avoided Capacity Cost. Confidential treatment in the form of a Petition for Confidentiality is being sought for the market cost in the Projected Avoided Capacity Cost table.

WITNESS: Errol K Wagner and Timothy C Mosher

REDACTED

**AEP System
 Projected Avoided Energy Cost
 (\$/MWh)**

AEP-East Zone (PROMOD)

	<u>ALL HOURS</u>	<u>WEEKDAY</u>	<u>WEEKNITE</u>	<u>WEEKEND</u>
2008	18.4	21.3	15.1	16.3
2009	20.6	23.8	16.9	18.1
2010	26.1	29.1	21.1	24.6
2011	25.6	30.4	18.8	22.6
2012	27.6	30.9	23.0	25.6
2013	28.0	31.9	22.2	25.8
2014	30.4	33.2	25.1	29.5
2015	30.9	34.4	24.4	29.5
2016	31.9	35.4	25.7	30.6

Projected Avoided Capacity Cost

AEP-East Zone (AURORA)

	<u>Market Cost</u>	
	<u>\$/MW-day</u>	<u>\$/kW-year</u>
2008		
2009		
2010		
2011		
2012		
2013		
2014		
2015		
2016		

Kentucky Power Company

REQUEST

Consistent with the previous response regarding estimates of avoided energy and demand costs, provide any sensitivity analyses associated with estimates of:

- Carbon tax and/or cap-and-trade impacts
- IGCC carbon recapture
- Other carbon cost effects

RESPONSE

Sensitivity analyses were not carried out in the evaluations of DSM.

WITNESS: Errol K Wagner and Timothy C Mosher

Kentucky Power Company

REQUEST

Based on comments made in the December 17 interview, AEP has taken carbon costs into account in its planning models and cost-benefit analyses. Please confirm or correct the following information:

·Current estimates for IGCC assume a 30% energy requirement for carbon recapture. The chilled ammonia process has an approximate 10-15% energy requirement.

·The CO2 recapture cost is estimated to be \$40-50/ton. This represents a 60-70% increase over new conventional coal plant costs.

RESPONSE

Current estimates of capacity and energy reductions associated with carbon capture are:

- 15% on an IGCC unit
- 20 to 30% on a pulverized coal unit using an amine system
- a goal of 10 to 15% on a PC unit using chilled ammonia, which is not yet a commercial system

Carbon dioxide capture costs 60 to 70% over the cost of energy from a pulverized coal unit without carbon dioxide capture. These figures exclude potential energy costs impact of CO2 allowances and carbon tax.

WITNESS: Errol K Wagner and Timothy C Mosher

Kentucky Power Company

REQUEST

Please provide a summary statement regarding how expectations of GHG restrictions and potential taxes on carbon emissions have impacted analyses associated with the current IRP process.

RESPONSE

In the most recently completed IRP cycle, GHG restrictions and potential taxes on carbon emissions were represented in the analyses as a carbon tax in the base case. The base case commodity price scenario assumed an allowance cap-and-trade mechanism; allowance allocations to the generation sector based on historical heat input; annual allowance auctions; a 'safety valve' price for allowances; available carbon offsets; and banking of early reduction credits. In addition to the base case, commodity price scenarios were constructed with no, low, and high carbon dioxide allowance prices. These commodity scenarios were used as inputs to the Strategist model to determine their impact on plans and the resulting costs of various plans, to verify that the selected plan was reasonable.

WITNESS: Errol K Wagner and Timothy C Mosher

Kentucky Power Company

REQUEST

Does the Company currently have tariffs that provide for interruption and/or control of customer loads? If yes, please provide the following information (excluding any customers on Time of Day rates).

Identify customer class, and specific tariff.
Number of customers on each tariff.

2006 and 2007 (as available) statistics on load interruptions – hours, amount of load interrupted, etc.
Estimate of maximum peak load that can be interrupted based on current customers.

RESPONSE

The Company currently has three interruptible service tariff offerings, Contract Service - Interruptible Power (Tariff C.S. - I.R.P.), Emergency Curtailable Service (Rider E.C.S.) and Price Curtailable Service (Rider P.C.S.). Tariff C.S. - I.R.P. is available to customers operating at subtransmission voltage or higher and Riders E.C.S. and P.C.S. are available to customers normally taking firm service under the Company's Tariffs Q.P. and C.I.P. - T.O.D. In 2006 and 2007, Kentucky Power had no customers taking service under any of the Company's interruptible service offerings.

WITNESS: Errol K Wagner and Timothy C Mosher

Kentucky Power Company

REQUEST

Does the company have any customers on Time of Day (Use) rates? If yes, please provide the following information.

- Identify customer class, and specific tariff.
- Number of customers on each tariff.
- Estimate of peak load reduction based on current customer base.
- Estimate of annual load reduction based on current customer base.

RESPONSE

Please see the attached page, which contains the number of customers, by class and tariff, taking service under the Company's various time-of-day service offerings for the most recent twelve-month period. No estimates of peak or annual load reduction are available.

WITNESS: Errol K Wagner and Timothy C Mosher

Kentucky Power Company
Time-based Metering Tariff Provisions
Twelve Months Ended November 2007

<u>Tariff/Rider</u>	<u>Description of Service/Provision</u>	<u>Number of Customers</u>
<u>Residential</u>		
Tariff RS	Storage/Load Management water heating	140
Tariff RS-LM-TOD	Load management time-of-day	196
Tariff RS-TOD	Time-of-day	1
<u>Commercial & Industrial</u>		
Tariff SGS	Load management time-of-day	1
Tariff MGS (formerly Tariff G.S.)	Recreational lighting	71
	Load management time-of-day	55
Tariff MGS-TOD	Time-of-day	75
Tariff LGS	Load management time-of-day	9
Tariff QP	Off-peak excess billing demand	91 *
Tariff CIP-TOD	Time-of-day billing demand	16

* All Tariff QP customers are eligible to participate in the off-peak excess provision. The number of customers utilizing this provision is not readily available.

Service Description

Storage/Load Management Water Heating - Available to customers who install a Company approved water heating system which consumes electrical energy during off-peak hours and stores hot water for use during on-peak hours. Customer receives reduced energy charge for fixed block of monthly kWh.

Load Management Time-of-Day Service/Provision - Available to customers who use devices with time-differentiated load characteristics that consume energy only during off-peak hours and store energy for use during on-peak hours. Customer is served under time-of-day energy charges.

Time-of-Day Service - Optional tariff for customers that are capable and willing to consume electrical energy primarily during the Company's designated off-peak period to take advantage of the price differential between on-peak and off-peak energy rates

Recreational/Athletic Field Lighting Service - Available to customers for separately metered lighting of non-profit outdoor recreational facilities

Off-Peak Excess Demand - Available to customers who operate primarily during the off-peak period and request installation of time-of-day metering in order to take service under this provision. A reduced rate is applied to the customer's off-peak demand usage in excess of on-peak demand.

TOD Billing Demand - Monthly billing demands for the Company's largest customer's (Tariff C.I.P - T.O.D.) are determined separately for both the on-peak off-peak billing periods. Off-peak demand rates are lower than on-peak demand rates, thereby encouraging off-peak usage by the customer.

Kentucky Power Company

REQUEST

At the time of the December 17 interview, it was indicated that KPCo currently has an on/off peak option in current rates, but there has been little customer interest, and no one had signed up to date. Please confirm or correct this statement. Please provide the tariff(s) that provide for the on/off peak option. Please address any opinion KPCo management may have regarding what conditions are likely to be required to stimulate customer interest in this tariff option.

RESPONSE

Please see the Company's response to Item No. 22 for the Company's current time-of-day service offerings and number of participating customers. A copy of the Company's tariffs that provide time-of-use options to customers is attached. Customer participation in the Company's time-of-day service offerings may be limited by the current low price level of the Company's rates. The Company believes that most customers have decided that the economic rewards associated with participating in the various time-based programs do not outweigh the inconvenience and cost associated with changing their usage characteristics in order to take advantage of the Company's time-of-day service offerings. Absent a material increase in the Company's costs, the Company does not expect a significant change in customer interest.

WITNESS: Errol K Wagner and Timothy C Mosher

KENTUCKY POWER COMPANY

Original Sheet No. 6-1
Canceling _____ Sheet No. 6-1

P.S.C. ELECTRIC NO. 8

TARIFF R.S.
(Residential Service)

AVAILABILITY OF SERVICE

Available for full domestic electric service through 1 meter to individual residential customers including rural residential customers engaged principally in agricultural pursuits.

RATE (Tariff Codes 015, 017, 022)

Service Charge..... \$5.86 per month
Energy Charge: 6.00¢ per KWH

MINIMUM CHARGE

This tariff is subject to a minimum monthly charge equal to the Service Charge.

FUEL ADJUSTMENT CLAUSE

Bills computed according to the rates set forth herein will be increased or decreased by a Fuel Adjustment Factor per KWH calculated in compliance with the Fuel Adjustment Clause contained in Sheet Nos. 5-1 and 5-2 of this Tariff Schedule.

SYSTEM SALES CLAUSE

Bills computed according to the rates set forth herein will be increased or decreased by a System Sales Factor per KWH calculated in compliance with the System Sales Clause contained in Sheet Nos. 19-1 and 19-2 of this Tariff Schedule.

DEMAND-SIDE MANAGEMENT ADJUSTMENT CLAUSE

Bills computed according to the rates set forth herein will be increased by an Experimental Demand-Side Management Adjustment Clause Factor per KWH calculated in compliance with the Demand-Side Management Adjustment Clause contained in Sheet Nos. 22-1 and 22-2 of this Tariff Schedule.

ENVIRONMENTAL SURCHARGE

Bills computed according to the rates set forth herein will be increased or decreased by an Environmental Surcharge adjustment based on a percent of revenue in compliance with the Environmental Surcharge contained in Sheet Nos. 29-1 through 29-5 of the Tariff Schedule.

NET MERGER SAVINGS CREDIT

Bills computed according to the rates set forth herein will be decreased by a Net Merger Savings Credit Factor per KWH calculated in compliance with the Net Merger Savings Credit contained in Sheet No. 23-1 of this Tariff Schedule.

CAPACITY CHARGE

Bills computed according to the rates set forth herein will be increased by a Capacity Charge Factor per KWH calculated in compliance with the Capacity Charge Tariff contained in Sheet No. 28-1 of this Tariff Schedule.

HOME ENERGY ASSISTANCE PROGRAM (HEAP) CHARGE

Applicable to all residential customers. Bills computed according to the rates set forth herein shall be increased by a HEAP charge of 10¢ per meter per month and shall be shown on the residential customers bill as a separate line item. The Home Energy Assistance Program charge will be applied to all residential electric bills rendered during the billing cycles commencing April 2006 and continue until otherwise directed by the Public Service Commission. The Company will match the residential contributions to the HEAP program for a period of two years effective April 1, 2006 through March 31, 2008.

DELAYED PAYMENT CHARGE

Bills under this tariff are due and payable within fifteen (15) days of the mailing date. On all accounts not paid in full by the next billing date, an additional charge of 5% of the unpaid portion will be made.

(Cont'd. On Sheet 6-2)

DATE OF ISSUE March 20, 2006 DATE EFFECTIVE Service rendered on and after March 30, 2006

ISSUED BY E. 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. 2005-00341 dated March 14, 2006

KENTUCKY POWER COMPANY

Original Sheet No. 6-2
Canceling _____ Sheet No. 6-2

P.S.C. ELECTRIC NO. 8

**TARIFF R.S. (Cont'd)
(Residential Service)**

STORAGE WATER HEATING PROVISION.

This provision is withdrawn except for the present installations of current customers receiving service hereunder at premises served prior to April 1, 1997.

If the customer installs a Company approved storage water heating system which consumes electrical energy only during off-peak hours as specified by the Company and stores hot water for use during on-peak hours, the following shall apply:

Tariff Code

- | | |
|-----|-----------------------------------------------------------------------------------------------------------------------------|
| 012 | (a) For Minimum Capacity of 80 gallons, the last 300 KWH of use in any month shall be billed at 2.664¢per KWH. |
| 013 | (b) For Minimum Capacity of 100 gallons, the last 400 KWH of use in any month shall be billed at 2.664¢per KWH. |
| 014 | (c) For Minimum Capacity of 120 gallons or greater, the last 500 KWH of use in any month shall be billed at 2.664¢ per KWH. |

These provisions, however, shall in no event apply to the first 200 KWH used in any month, which shall be billed in accordance with the "Monthly Rate" as set forth above.

For purpose of this provision, the on-peak billing period is defined as 7:00A.M. to 9:00P.M. for all weekdays, Monday through Friday. The off-peak billing period is defined as 9:00PM to 7:00AM for all weekdays and all hours of Saturday and Sunday.

The Company reserves the right to inspect at all reasonable times the storage water heating system and devices which qualify the residence for service under the storage water heater provision, and to ascertain by any reasonable means that the time-differentiated load characteristics of such devices meet the Company's specifications. If the Company finds that in its sole judgment the availability conditions of this provision are being violated, it may discontinue billing the Customer under this provision and commence billing under the standard monthly rate.

This provision is subject to the Service Charge, the Fuel Adjustment Clause, the System Sales Clause, the Demand-Side Management Clause, the Environmental Surcharge, the Net Merger Savings Credit, the Capacity Charge and the Residential HEAP Charge factors as stated in the above monthly rate.

LOAD MANAGEMENT WATER-HEATING PROVISION. (Tariff Code 011)

For residential customers who install a Company-approved load management water-heating system which consumes electrical energy primarily during off-peak hours specified by the Company and stores hot water for use during on-peak hours, of minimum capacity of 80 gallons, the last 250 KWH of use in any month shall be billed at 2.664¢ per KWH.

This provision, however, shall in no event apply to the first 200 KWH used in any month, which shall be billed in accordance with the "Monthly Rate" as set forth above.

For the purpose of this provision, the on-peak billing period is defined as 7:00 A.M. to 9:00 P.M. for all weekdays, Monday through Friday. The off-peak billing period is defined as 9:00 P.M. to 7:00 A.M. for all weekdays and all hours of Saturday and Sunday.

The Company reserves the right to inspect at all reasonable times the load management water-heating system(s) and devices which qualify the residence for service under the Load Management Water-Heating Provision. If the Company finds that, in its sole judgment, the availability conditions of this provision are being violated, it may discontinue billing the Customer under this provision and commence billing under the standard monthly rate.

This provision is subject to the Service Charge, the Fuel Adjustment Clause, the System Sales Clause, the Demand-Side Management Clause, the Environmental Surcharge, the Net Merger Savings Credit, the Capacity Charge and the Residential HEAP Charge factors as stated in the above monthly rate.

SPECIAL TERMS AND CONDITIONS.

This tariff is subject to the Company's Terms and Conditions of Service.

This service is available to rural domestic customers engaged principally in agricultural pursuits where service is taken through one meter for residential purposes as well as for the usual farm uses outside the home, but it is not extended to operations of a commercial nature or operations such as processing, preparing or distributing products not raised or produced on the farm, unless such operation is incidental to the usual residential and farm uses.

(Cont'd. On Sheet 6-3)

DATE OF ISSUE March 20, 2006 DATE EFFECTIVE Service rendered on and after March 30, 2006

ISSUED BY E. K. WAGNER E. 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. 2005-00341 dated March 14, 2006

KENTUCKY POWER COMPANY

Original Sheet No. 6-3
Canceling _____ Sheet No. 6-3

P.S.C. ELECTRIC NO. 8

TARIFF R.S.(Cont'd)
(Residential Service)

SPECIAL TERMS AND CONDITIONS. (Cont'd)

This tariff is available for single-phase service only. Where 3-phase power service is required and/or where motors or heating equipment are used for commercial or industrial purposes, another applicable tariff will apply to such service.

The Company shall have the option of reading meters monthly or bimonthly and rendering bills accordingly. When bills are rendered bimonthly, the minimum charge and the quantity of KWH in each block of the rates shall be multiplied by two.

Pursuant to 807 KAR 5:041, Section 11, paragraph (5), of Public Service Commission Regulations, the Company will make an extension of 1,000 feet or less to its existing distribution line without charge for a prospective permanent residential customer served under this R.S. Tariff.

Customers with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP I or by special agreement.

DATE OF ISSUE March 20, 2006 DATE EFFECTIVE Service rendered on and after March 30, 2006

ISSUED BY E.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. 2005-00341 dated March 14, 2006

KENTUCKY POWER COMPANY

Original Sheet No. 6-4
Canceling _____ Sheet No. 6-4

P.S.C. ELECTRIC NO. 8

TARIFF R.S. - L.M. - T.O.D.
(Residential Service Load Management Time-of-Day)

AVAILABILITY OF SERVICE.

Available to customers eligible for Tariff R.S. (Residential Service) who use energy storage devices with time-differentiated load characteristics approved by the Company which consume electrical energy only during off-peak hours specified by the Company and store energy for use during on-peak hours.

Households eligible to be served under this tariff shall be metered through one single-phase multiple-register meter capable of measuring electrical energy consumption during the on-peak and off-peak billing periods.

RATE. (Tariff Codes 028, 029, 030, 031, 032, 033, 034, 035)

Service Charge.....\$ 8.36 per month

Energy Charge:

All KWH used during on-peak billing period..... 10.177¢ per KWH

All KWH used during off-peak billing period..... 2.664¢ per KWH

For the purpose of this tariff, the on-peak billing period is defined as 7:00 A.M. to 9:00 P.M. for all weekdays, Monday through Friday. The off-peak period is defined as 9:00 P.M. to 7:00 A.M. for all weekdays and all hours of Saturday and Sunday.

CONSERVATION AND LOAD MANAGEMENT CREDIT.

For the combination of an approved electric thermal storage space heating system and water heater, both of which are designed to consume electrical energy only between the hours of 9:00P.M. and 7:00A.M. for all days of the week, each residence will be credited 0.745¢ per KWH for all energy used during the off-peak billing period, for a total of 60 monthly billing periods following the installation and use of these devices in such residence.

MINIMUM CHARGE.

This tariff is subject to a minimum monthly charge equal to the Service Charge.

FUEL ADJUSTMENT CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by a Fuel Adjustment Factor per KWH calculated in compliance with the Fuel Adjustment Clause contained in Sheet Nos. 5-1 and 5-2 of this Tariff Schedule.

SYSTEM SALES CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by a System Sales Factor per KWH calculated in compliance with the System Sales Clause contained in Sheet Nos. 19-1 and 19-2 of this Tariff Schedule.

DEMAND-SIDE MANAGEMENT ADJUSTMENT CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by a Demand-Side Management Adjustment Clause Factor per KWH calculated in compliance with the Demand-Side Management Adjustment Clause contained in Sheet Nos. 22-1 and 22-2 of this Tariff Schedule.

ENVIRONMENTAL SURCHARGE.

Bills computed according to the rates set forth herein will be increased by an Environmental Surcharge adjustment based on a percent of revenue in compliance with the Environmental Surcharge contained in Sheet Nos. 29-1 through 29-5 of this Tariff Schedule.

(Cont'd On Sheet No. 6-5)

DATE OF ISSUE March 20, 2006 DATE EFFECTIVE Service rendered on and after March 30, 2006

ISSUED BY E.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. 2005-00341 dated March 14, 2006

KENTUCKY POWER COMPANY

Original Sheet No. 6-5
Canceling _____ Sheet No. 6-5

P.S.C. ELECTRIC NO. 8

TARIFF R.S.-L.M.-T.O.D. (Cont'd)
(Residential Service Load Management Time-of-Day)

NET MERGER SAVINGS CREDIT.

Bills computed according to the rates set forth herein will be decreased by a Net Merger Savings Credit Factor per KWH calculated in compliance with the Net Merger Savings Credit contained in Sheet No. 23-1 of this Tariff Schedule.

CAPACITY CHARGE

Bills computed according to the rates set forth herein will be increased by a Capacity Charge Factor per KWH calculated in compliance with the Capacity Charge Tariff contained in Sheet No. 28-1 of this Tariff Schedule.

HOME ENERGY ASSISTANCE PROGRAM (HEAP) CHARGE

Applicable to all residential customers. Bills computed according to the rates set forth herein shall be increased by a HEAP charge of 10¢ per meter per month and shall be shown on the residential customers bill as a separate line item. The Home Energy Assistance Program charge will be applied to all residential electric bills rendered during the billing cycles commencing April 2006 and continue until otherwise directed by the Public Service Commission. The Company will match the residential contributions to the HEAP program for a period of two years effective April 1, 2006 through March 31, 2008.

DELAYED PAYMENT CHARGE.

Bills under this tariff are due and payable within fifteen (15) days of the mailing date. On all accounts not paid in full by the next billing date, an additional charge of 5% of the unpaid portion will be made.

SEPARATE METERING PROVISION.

Customers who use electric thermal storage space heating and water heaters which consume energy only during off-peak hours specified by the Company, or other automatically controlled load management devices such as space and/or water heating equipment that use energy only during off-peak hours specified by the Company, shall have the option of having these approved load management devices separately metered. The service charge for the separate meter shall be \$3.00 per month.

SPECIAL TERMS AND CONDITIONS.

This tariff is subject to the Company's Terms and Conditions of Service.

The Company reserves the right to inspect at all reasonable times the energy storage and load management devices which qualify the residence for service and for conservation and load management credits under this tariff, and to ascertain by any reasonable means that the time-differentiated load characteristics of such devices meet the Company's specifications. If the Company finds, that in its sole judgment, the availability conditions of this tariff are being violated, it may discontinue billing the Customer under this tariff and commence billing under the appropriate Residential Service Tariff.

Customers with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP I or by special agreement with the Company.

DATE OF ISSUE March 20, 2006 DATE EFFECTIVE Service rendered on and after March 30, 2006
ISSUED BY E.K. Wagner DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

KENTUCKY POWER COMPANY

Original Sheet No. 6-6
CANCELING _____ Sheet No. 6-6

PSC ELECTRIC NO. 8

TARIFF R.S. - T.O.D.
(Residential Service Time-of-Day)

AVAILABILITY OF SERVICE

Available for residential electric service through one single-phase multiple-register meter capable of measuring electrical energy consumption during the on-peak and off-peak billing periods to individual residential customers, including residential customers engaged principally in agricultural pursuits. Availability is limited to the first 1,000 customers applying for service under this tariff.

RATE (Tariff Codes 036 and 037)

Service Charge.....	\$ 8.36 per month
Energy Charge:	
All KWH used during on-peak billing period.....	10.177¢ per KWH
All KWH used during off-peak billing period.....	2.664¢ per KWH

For the purpose of this tariff, the on-peak billing period is defined as 7:00A.M. to 9:00P.M. for all weekdays, Monday through Friday. The off-peak period is defined as 9:00P.M. to 7:00A.M. for all weekdays and all hours of Saturday and Sunday.

MINIMUM CHARGE

This tariff is subject to a minimum monthly charge equal to the Service Charge.

FUEL ADJUSTMENT CLAUSE

Bills computed according to the rates set forth herein will be increased or decreased by a Fuel Adjustment Factor per KWH calculated in compliance with the Fuel Adjustment Clause contained in Sheet Nos. 5-1 and 5-2 of this Tariff Schedule.

SYSTEM SALES CLAUSE

Bill computed according to the rates set forth herein will be increased or decreased by a System Sales Factor per KWH calculated in compliance with the System Sales Clause contained in Sheet Nos. 19-1 and 19-2 of this Tariff Schedule.

DEMAND-SIDE MANAGEMENT ADJUSTMENT CLAUSE

Bills computed according to the rates set forth herein will be increased or decreased by an Demand-Side Management Adjustment Clause Factor per KWH calculated in compliance with the Demand-Side Management Adjustment Clause contained in Sheet Nos. 22-1 and 22-2 of this Tariff Schedule.

ENVIRONMENTAL SURCHARGE

Bills computed according to the rates set forth herein will be increased or decreased by an Environmental Surcharge Adjustment based on a percent of revenue in compliance with the Environmental Surcharge contained in Sheet Nos. 29-1 through 29-5 of this Tariff Schedule.

NET MERGER SAVINGS CREDIT

Bills computed according to the rates set forth herein will be decreased by a Net Merger Savings Credit Factor per KWH calculated in compliance with the Net Merger Savings Credit contained in Sheet No. 23-1 of this Tariff Schedule.

CAPACITY CHARGE

Bills computed according to the rates set forth herein will be increased by a Capacity Charge Factor per KWH calculated in compliance with the Capacity Charge Tariff contained in Sheet No. 28-1 of this Tariff Schedule.

HOME ENERGY ASSISTANCE PROGRAM (HEAP) CHARGE

Applicable to all residential customers. Bills computed according to the rates set forth herein shall be increased by a HEAP charge of 10¢ per meter per month and shall be shown on the residential customers bill as a separate line item. The Home Energy Assistance Program charge will be applied to all residential electric bills rendered during the billing cycles commencing April 2006 and continue until otherwise directed by the Public Service Commission. The Company will match the residential contributions to the HEAP program for a period of two years effective April 1, 2006 through March 31, 2008.

(Cont'd on Sheet No. 6-7)

DATE OF ISSUE March 20, 2006 DATE EFFECTIVE Service rendered on and after March 30, 2006

ISSUED BY E.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. 2005-00341 dated March 14, 2006.

KENTUCKY POWER COMPANY

Original Sheet No. 6-7
Canceling _____ Sheet No. 6-7

TARIFF R.S. - T.O.D. (Cont'd)
(Residential Service Time-of-Day)

DELAYED PAYMENT CHARGE.

Bills under this tariff are due and payable within fifteen (15) days of the mailing date. On all accounts not paid in full by the next billing date, an additional charge of 5% of the unpaid portion will be made.

SPECIAL TERMS AND CONDITIONS.

This tariff is subject to the Company's Terms and Conditions of Service.

Customers with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP I or by special agreement with the Company.

DATE OF ISSUE March 20, 2006 DATE EFFECTIVE Service rendered on and after March 30, 2006
ISSUED BY E.K. Wagner E.K. WAGNER DIRECTOR OF REGULATORY FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. 2005-00341 dated March 14, 2006

KENTUCKY POWER COMPANY

Original Sheet No. 7-1
Canceling _____ Sheet No. 7-1

PSC ELECTRIC NO. 8

TARIFF S.G.S.
(Small General Service)

AVAILABILITY OF SERVICE

Available for general service to customers with average monthly demands less than 10 KW and maximum monthly demands of less than 15 KW (excluding the demand served by the Load Management Time-of-Day provisions).

RATE (Tariff Code 211, 212)

Service Charge.....\$ 11.50 per month
Energy Charge:
First 500 KWH per month..... 8.824¢ per KWH
All Over 500 KWH per month..... 4.805¢ per KWH

MINIMUM CHARGE

This tariff is subject to a minimum monthly charge equal to the Service Charge.

FUEL ADJUSTMENT CLAUSE

Bills computed according to the rates set forth herein will be increased or decreased by a Fuel Adjustment Factor per KWH calculated in compliance with the Fuel Adjustment Clause contained in Sheet Nos. 5-1 and 5-2 of this Tariff Schedule.

SYSTEM SALES CLAUSE

Bills computed according to the rate set forth herein will be increased or decreased by a System Sales Factor per KWH calculated in compliance with the System Sales Clause contained in Sheet Nos. 19-1 and 19-2 of this Tariff Schedule.

DEMAND-SIDE MANAGEMENT ADJUSTMENT CLAUSE

Bills computed according to the rates set forth herein will be increased or decreased by an Demand-Side Management Adjustment Clause Factor per KWH calculated in compliance with the Demand-Side Management Adjustment Clause contained in Sheet Nos. 22-1 and 22-2 of this Tariff Schedule, unless the customer is an industrial who has elected to opt-out in accordance with the terms pursuant to the Commission's Order in Case No. 95-427.

ENVIRONMENTAL SURCHARGE

Bills computed according to the rates set forth herein will be increased or decreased by an Environmental Surcharge adjustment based on a percent of revenue in compliance with the Environmental Surcharge contained in Sheet Nos. 29-1 through 29-5 of this Tariff Schedule.

NET MERGER SAVINGS CREDIT

Bills computed according to the rates set forth herein will be decreased by a Net Merger Savings Credit Factor per KWH calculated in compliance with the Net Merger Savings Credit contained in Sheet No. 23-1 of this Tariff Schedule.

CAPACITY CHARGE

Bills computed according to the rate set forth herein will be increased by a Capacity Charge Factor per KWH calculated in compliance with the Capacity Charge Tariff contained in Sheet No. 28-1 of this Tariff Schedule.

DELAYED PAYMENT CHARGE

This tariff is net if account is paid in full within 15 days of date of bill. On all accounts not so paid, an additional charge of 5% of the unpaid balance will be made.

(Cont'd on Sheet 7-2)

DATE OF ISSUE March 20, 2006 DATE EFFECTIVE Service rendered on and after March 30, 2006

ISSUED BY E.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. 2005-00341 dated March 14, 2006

KENTUCKY POWER COMPANY

Original Sheet No. 7-2
Canceling _____ Sheet No. 7-2

PSC ELECTRIC NO. 8

**TARIFF S.G.S. (Cont'd.)
(Small General Service)**

LOAD MANAGEMENT TIME-OF-DAY PROVISION.

Available to customers who use energy storage devices with time-differentiated load characteristics approved by the Company which consume electrical energy only during off-peak hours specified by the Company and store energy for use during on-peak hours, and who desire to receive service under this provision for their total requirements.

Customers who desire to separately wire their load management load to a time-of-day meter and their general-use load to a standard meter shall receive service for both under the appropriate provision of this tariff.

RATE. (Tariff Code 225, 226)

Service Charge.....\$15.10 per month
Energy Charge:
All KWH used during on-peak billing period..... 12.227¢ per KWH
All KWH used during off-peak billing period 2.664¢ per KWH

For the purpose of this tariff, the on-peak billing period is defined as 7:00 A.M. to 9:00 P.M. for all weekdays, Monday through Friday. The off-peak billing period is defined as 9:00 P.M. to 7:00 A.M. for all weekdays and all hours of Saturday and Sunday.

TERM OF CONTRACT.

The Company shall have the right to require contracts for periods of one year or longer.

OPTIONAL UNMETERED SERVICE PROVISION.

Available to customers who qualify for Tariff SGS and use the Company's service for commercial purposes consisting of small fixed electric loads such as traffic signals and signboards which can be served by a standard service drop from the Company's existing secondary distribution system. This service will be furnished at the option of the Company.

Each separate service delivery point shall be considered a contract location and shall be separately billed under the service contract. In the event one Customer has several accounts for like service, the Company may meter one account to determine the appropriate kilowatt-hour usage applicable for each of the accounts.

The Customer shall furnish switching equipment satisfactory to the Company. The Customer shall notify the Company in advance of every change in connected load, and the Company reserves the right to inspect the customer's equipment at any time to verify the actual load. In the event of the customer's failure to notify the Company of an increase in load, the Company reserves the right to refuse to serve the contract location thereafter under this provision, and shall be entitled to bill the customer retroactively on the basis of the increased load for the full period such load was connected or the earliest date allowed by Kentucky statute whichever is applicable.

Calculated energy use per month shall be equal to the contract capacity specified at the contract location times the number of days in the billing period times the specified hours of operation. Such calculated energy shall then be billed at the following rates:

RATE. (Tariff Code 204 (Mtrd), 213 (Umr))

Customer Charge.....\$ 7.50 per month
Energy Charge:
First 500 KWH per month..... 8.824¢ per KWH
All Over 500 KWH per month..... 4.805¢ per KWH

SPECIAL TERMS AND CONDITIONS.

This tariff is subject to the Company's Terms and Conditions of Service.

Customer with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP I or by special agreement with the Company.

DATE OF ISSUE March 20, 2006 DATE EFFECTIVE Service rendered on and after March 30, 2006
ISSUED BY E. K. Wagner DIRECTOR OF REGULATORY SERVICES FRANKFORT KENTUCKY
NAME TITLE ADDRESS

KENTUCKY POWER COMPANY

Original Sheet No. 8-1
 Canceling _____ Sheet No. 8-1

P.S.C. ELECTRIC NO. 8

TARIFF M.G.S.
 (Medium General Service)

AVAILABILITY OF SERVICE.

Available for general service to customers with average monthly demands greater than 10 KW or maximum monthly demands greater than 15 KW, but not more than 100 KW (excluding the demand served by the Load Management Time-of-Day provision).

Existing customers not meeting the above criteria will be permitted to continue service under present conditions only for continuous service at the premises occupied on or prior to December 5, 1984.

RATE.

	Secondary	Service Voltage Primary	Subtransmission
Tariff Code	215, 216, 218	217, 220	236
Service Charge per Month	\$ 13.50	\$ 21.00	\$ 153.00
Demand Charge per KW	\$ 1.31	\$1.28	\$1.25
Energy Charge:			
KWH equal to 200 times KW of monthly billing demand	6.988¢	6.318¢	5.744¢
KWH in excess of 200 times KW of monthly billing demand	5.826¢	5.526¢	5.321¢

RECREATIONAL LIGHTING SERVICE PROVISION.

Available for service to customers with demands of 5 KW or greater and who own and maintain outdoor lighting facilities and associated equipment utilized at baseball diamonds, football stadiums, parks and other similar recreational areas. This service is available only during the hours between sunset and sunrise. Daytime use of energy under this rate is strictly forbidden except for the sole purpose of testing and maintaining the lighting system. All Terms and Conditions of Service applicable to Tariff M.G.S. customers will also apply to recreational lighting customers except for the Availability of Service.

RATE. (Tariff Code 214)

Service Charge\$13.50 per month
 Energy Charge 6.519¢ per KWH

MINIMUM CHARGE.

This tariff is subject to a minimum charge equal to the sum of the service charge plus the demand charge multiplied by 6 KW.

The minimum monthly charge for industrial and coal mining customers contracting for 3-phase service after October 1, 1959 shall be \$5.46 per KW of monthly billing demand, subject to adjustment as determined under the fuel adjustment clause, system sales clause, demand-side management clause, the environmental surcharge, the net merger savings credit, the capacity charges, plus the service charge.

FUEL ADJUSTMENT CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by a Fuel Adjustment Factor per KWH calculated in compliance with the Fuel Adjustment Clause contained in Sheet Nos. 5-1 and 5-2 of this Tariff Schedule.

SYSTEM SALES CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by a System Sales Factor per KWH calculated in compliance with the System Sales Clause contained in Sheet Nos. 19-1 and 19-2 of this Tariff Schedule.

DEMAND-SIDE MANAGEMENT ADJUSTMENT CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by an Demand-Side Management Adjustment Clause Factor per KWH calculated in compliance with the Demand-Side Management Adjustment Clause contained in Sheet Nos. 22-1 and 22-2 of this Tariff Schedule, unless the customer is an industrial who has elected to opt-out in accordance with the terms pursuant to the Commission's Order in Case No. 95-427.

(Cont'd. On Sheet No. 8-2)

DATE OF ISSUE March 20, 2006 DATE OF EFFECTIVE Service rendered on and after March 30, 2006

ISSUED BY E.K. Wagner DIRECTOR REGULATORY AFFAIRS FRANKFORT, KENTUCKY
 NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. 2005-00341 dated March 14, 2006

KENTUCKY POWER COMPANY

Original Sheet No. 8-2
Canceling _____ Sheet No. 8-2

PSC ELECTRIC NO. 8

TARIFF M.G.S. (Cont'd.)
(Medium General Service)

ENVIRONMENTAL SURCHARGE.

Bills computed according to the rates set forth herein will be increased or decreased by an Environmental Surcharge Adjustment based on a percent of revenue in compliance with the Environmental Surcharge contained in Sheet Nos. 29-1 through 29-5 of this Tariff Schedule.

NET MERGER SAVINGS CREDIT.

Bills computed according to the rates set forth herein will be decreased by a Net Merger Savings Credit Factor per KWH calculated in compliance with the Net Merger Savings Credit contained in Sheet No. 23-1 of this Tariff Schedule.

CAPACITY CHARGE.

Bills computed according to the rate set forth herein will be increased by a Capacity Charge Factor per KWH calculated in compliance with the Capacity Charge Tariff contained in Sheet No. 28-1 of this Tariff Schedule.

DELAYED PAYMENT CHARGE.

This tariff is net if account is paid in full within 15 days of date of bill. On all accounts not so paid, an additional charge of 5% of the unpaid balance will be made.

METERED VOLTAGE.

The rates set forth in this tariff are based upon the delivery and measurements of energy at the same voltage, thus measurement will be made at or compensated to the delivery voltage. At the sole discretion of the Company, such compensation may be achieved through the use of loss compensating equipment, the use of formulas to calculate losses or the application of multipliers to the metered quantities. In such cases, the metered KWH and KW values will be adjusted for billing purposes. If the Company elects to adjust KWH and KW based on multipliers, the adjustment shall be in accordance with the following:

- (1) Measurements taken at the low-side of a customer-owned transformer will be multiplied by 1.01.
- (2) Measurements taken at the high-side of a Company-owned transformer will be multiplied by 0.98.

MONTHLY BILLING DEMAND.

Energy supplied hereunder will be delivered through not more than one single phase and/or polyphase meter. Customer's demand will be taken monthly to be the highest registration of a 15-minute integrating demand meter or indicator, or the highest registration of a thermal type demand meter. The minimum monthly billing demand shall not be less than (a) the minimum billing demand of 6 KW, or (b) 60% of the greater of (1) the customer's contract capacity in excess of 100 KW or (2) the customer's highest previously established monthly billing demand during the past 11 months in excess of 100 KW.

LOAD MANAGEMENT TIME-OF-DAY PROVISION. (Tariff Codes 223, 224)

Available to customers who use energy storage devices with time-differentiated load characteristics approved by the Company which consume electrical energy only during off-peak hours specified by the Company and store energy for use during on-peak hours, and who desire to receive service under this provision for their total requirements.

Customers who desire to separately wire their load management load to a time-of-day meter and their general-use load to a standard meter shall receive service for both under the appropriate provision of this tariff.

(Cont'd. On Sheet 8-3)

DATE OF ISSUE March 20, 2006 DATE EFFECTIVE Service rendered on and after March 30, 2006

ISSUED BY E.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. 2005-00341 dated March 14, 2006

KENTUCKY POWER COMPANY.

Original Sheet No. 8-3
Canceling _____ Sheet No. 8-3

P.S.C. ELECTRIC NO. 8

TARIFF M.G.S (Cont'd)
(Medium General Service)

RATE.

Service Charge \$ 3.00 per month
Energy Charge:
All KWH used during on-peak billing period 11.391¢ per KWH
All KWH used during off-peak billing period 2.781¢ per KWH

For the purpose of this tariff, the on-peak billing period is defined as 7:00 A.M. to 9:00 P.M. for all weekdays, Monday through Friday. The off-peak billing period is defined as 9:00 P.M. to 7:00 A.M. for all weekdays and all hours of Saturday and Sunday.

TERM OF CONTRACT.

Contracts under this tariff will be required of customers with normal maximum demands of 500 KW or greater. Contracts under this tariff will be made for an initial period of not less than 1 year and shall remain in effect thereafter until either party shall give at least 6 months' written notice to the other of the intention to terminate the contract. The Company will have the right to make contracts for periods of longer than 1 year and to require contracts for Customers with normal maximum demands of less than 500 KW.

SPECIAL TERMS AND CONDITIONS.

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff is also available to Customers having other source of energy supply but who desire to purchase standby or back-up electric service from the Company. Where such conditions exist the Customer shall contract for the maximum demand in KW which the Company might be required to furnish, but no less than 10 KW. The Company shall not be obligated to supply demands in excess of that contracted for. Where service is supplied under the provisions of this paragraph, the billing demand each month shall be the highest determined for the current and previous two billing periods, and the minimum charge shall be as set forth under paragraph "Minimum Charge" above.

This tariff is available for resale service to mining and industrial customers who furnish service to customer-owned camps or villages where living quarters are rented to employees and where the Customer purchases power at a single point of both their power and camp requirements.

Customers with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP I or II or by special agreement with the Company.

(Cont'd on Sheet 8-4)

DATE OF ISSUE March 20, 2006 DATE EFFECTIVE Service rendered on and after March 30, 2006

ISSUED BY E.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. 2005-00341 dated March 14, 2006

KENTUCKY POWER COMPANY

Original Sheet No. 8-4
Canceling _____ Sheet No. 8-4

P.S.C. ELECTRIC NO. 8

TARIFF M.G.S.-T.O.D.
(Medium General Service Time-of-Day)

AVAILABILITY OF SERVICE

Available for general service to customers with normal maximum demands greater than 10 KW but not more than 100 KW. Availability is limited to the first 500 customers applying for service under this tariff.

RATE, (Tariff Code 229, 230)

Service Charge \$ 14.30 per month
Energy Charge:
All KWH used during on-peak billing period 11.391¢ per KWH
All KWH used during off-peak billing period 2.781¢ per KWH

For the purpose of this tariff, the on-peak billing period is defined as 7:00 A.M. to 9:00 P.M. for all weekdays, Monday through Friday. The off-peak billing period is defined as 9:00 P.M. to 7:00 A.M. for all weekdays and all hours of Saturday and Sunday.

MINIMUM CHARGE

This tariff is subject to a minimum monthly charge equal to the Service Charge.

FUEL ADJUSTMENT CLAUSE

Bills computed according to the rates set forth herein will be increased or decreased by a Fuel Adjustment Factor per KWH calculated in compliance with the Fuel Adjustment Clause contained in Sheet Nos. 5-1 and 5-2 of this Tariff Schedule.

SYSTEM SALES CLAUSE

Bills computed according to the rates set forth herein will be increased or decreased by a System Sales Factor per KWH calculated in compliance with the System Sales Clause contained in Sheet Nos. 19-1 and 19-2 of this Tariff Schedule.

DEMAND-SIDE MANAGEMENT ADJUSTMENT CLAUSE

Bills computed according to the rates set forth herein will be increased by a Demand-Side Management Adjustment Clause Factor per KWH calculated in compliance with the Demand-Side Management Adjustment Clause contained in Sheet Nos. 22-1 and 22-2 of this Tariff Schedule, unless the customer is an industrial who has elected to opt-out in accordance with the terms pursuant to the Commission's Order in Case No. 95-427.

ENVIRONMENTAL SURCHARGE

Bills computed according to the rates set forth herein will be increased or decreased by an Environmental Surcharge Adjustment based on a percent of revenue in compliance with the Environmental Surcharge contained in Sheet Nos. 29-1 through 29-5 of this Tariff Schedule.

NET MERGER SAVINGS CREDIT

Bills computed according to the rates set forth herein will be decreased by a Net Merger Savings Credit Factor per KWH calculated in compliance with the Net Merger Savings Credit contained in Sheet No. 23-1 of this Tariff Schedule.

CAPACITY CHARGE

Bills computed according to the rates set forth herein will be increased by a Capacity Charge Factor per KWH calculated in compliance with the Capacity Charge Tariff contained in Sheet No. 28-1 of this Tariff Schedule.

(Cont'd on Sheet 8-5)

DATE OF ISSUE March 20, 2006 DATE EFFECTIVE Service rendered on and after March 30, 2006

ISSUED BY E. 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. 2005-00341 dated March 14, 2006

KENTUCKY POWER COMPANY

Original Sheet No. 8-5
Canceling Sheet No. 8-5

P.S.C. ELECTRIC NO. 8

TARIFF M.G.S.-T.O.D. (Cont'd)
(Medium General Service Time-of-Day)

DELAYED PAYMENT CHARGE

This tariff is net if account is paid in full within 15 days of date of bill. On all accounts not so paid, an additional charge of 5% of the unpaid balance will be made.

SPECIAL TERMS AND CONDITIONS

This tariff is subject to the Company's Terms and Conditions of Service

Customers with PURPA Section 210 qualifying cogeneration and/or small power productions facilities shall take service under Tariff COGEN/SPP I or by special agreement with the Company.

DATE OF ISSUE March 20, 2006 DATE EFFECTIVE Service rendered on and after March 30, 2006

ISSUED BY E.K. Wagner DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service commission I Case No. 2005-00341 dated March 14, 2006

KENTUCKY POWER COMPANY

Original Sheet No. 9-1
Canceling _____ Sheet No. 9-1

PSC ELECTRIC NO. 8

TARIFF L.G.S.
(Large General Service)

AVAILABILITY OF SERVICE.

Available for general service to customers with normal maximum demands greater than 100 KW but not more than 1,000 KW (excluding the demand served by the Load Management Time-of-Day provision).

Existing customers not meeting the above criteria will be permitted to continue service under present conditions only for continuous service at the premises occupied on or prior to December 5, 1984.

RATE.

Tariff Code	Service Voltage			
	Secondary 240, 242	Primary 244, 246	Subtransmission 248	Transmission 250
Service Charge per Month	\$ 85.00	\$127.50	\$535.50	\$535.50
Demand Charge per KW	\$3.45	\$3.36	\$3.30	\$3.24
Excess Reactive Charge per KVA	\$ 2.97	\$ 2.97	\$ 2.97	\$2.97
Energy Charge per KWH	5.120¢	4.415¢	3.350¢	2.965¢

MINIMUM CHARGE.

Bills computed under the above rate are subject to a monthly minimum charge comprised of the sum of the service charge and the minimum demand charge. The minimum demand charge is the product of the demand charge per KW and the monthly billing demand.

FUEL ADJUSTMENT CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by a Fuel Adjustment Factor per KWH calculated in compliance with the Fuel Adjustment Clause contained in Sheet Nos. 5-1 and 5-2 of this Tariff Schedule.

SYSTEM SALES CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by a System Sales Factor per KWH calculated in compliance with the System Sales Clause contained in Sheet Nos. 19-1 and 19-2 of this Tariff Schedule.

DEMAND-SIDE MANAGEMENT ADJUSTMENT CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by an Demand-Side Management Adjustment Clause Factor per KWH calculated in compliance with the Demand-Side Management Adjustment Clause contained in Sheet Nos. 22-1 and 22-2 of this Tariff Schedule, unless the customer is an industrial who has elected to opt-out in accordance with the terms pursuant to the Commission's Order in Case No. 95-427.

ENVIRONMENTAL SURCHARGE.

Bills computed according to the rates set forth herein will be increased or decreased by an Environmental Surcharge Adjustment based on a percent of revenue in compliance with the Environmental Surcharge contained in Sheet Nos. 29-1 through 29-5 of this Tariff Schedule.

NET MERGER SAVINGS CREDIT.

Bills computed according to the rates set forth herein will be decreased by a Net Merger Savings Credit Factor per KWH calculated in compliance with the Net Merger Savings Credit contained in Sheet No. 23-1 of this Tariff Schedule.

CAPACITY CHARGE.

Bills computed according to the rates set forth herein will be increased by a Capacity Charge Factor per KWH calculated in compliance with the Capacity Charge Tariff contained in Sheet No. 28-1 of this Tariff Schedule.

(Cont'd. On Sheet No. 9-2)

DATE OF ISSUE March 20, 2006 DATE EFFECTIVE Service rendered on and after March 30, 2006

ISSUED BY E.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. 2005-00341 dated March 14, 2006

KENTUCKY POWER COMPANY

Original Sheet No. 9-2
Canceling Sheet No. 9-2

PSC ELECTRIC NO. 8

TARIFF L.G.S. (Cont'd.)
(Large General Service)

DELAYED PAYMENT CHARGE.

This tariff is net if account is paid in full within 15 days of date of bill. On all accounts not so paid, an additional charge of 5% of the unpaid balance will be made.

METERED VOLTAGE.

The rates set forth in this tariff are based upon the delivery and measurement of energy at the same voltage, thus measurement will be made at or compensated to the delivery voltage. At the sole discretion of the Company, such compensation may be achieved through the use of loss compensating equipment, the use of formulas to calculate losses or the application of multipliers to the metered quantities. In such cases, the metered KWH and KW values will be adjusted for billing purposes. If the Company elects to adjust KWH and KW based on multipliers, the adjustment shall be in accordance with the following:

- (1) Measurements taken at the low-side of a customer-owned transformer will be multiplied by 1.01.
- (2) Measurements taken at the high-side of a Company-owned transformer will be multiplied by 0.98.

MONTHLY BILLING DEMAND.

Billing demand in KW shall be taken each month as the highest 15-minute integrated peak in kilowatts as registered during the month by a 15-minute integrating demand meter or indicator, or at the Company's option as the highest registration of a thermal type demand meter or indicator. The monthly billing demand so established shall in no event be less than 60% of the greater of (a) the customer's contract capacity or (b) the customer's highest previously established monthly billing demand during the past 11 months.

DETERMINATION OF EXCESS KILOVOLT-AMPERE (KVA) DEMAND

The maximum KVA demand shall be determined by the use of a multiplier equal to the reciprocal of the average power factor recorded during the billing month, leading or lagging, applied to the metered demand. The excess KVA demand, if any, shall be the amount by which the maximum KVA demand established during the billing period exceeds 115% of the kilowatts of metered demand.

LOAD MANAGEMENT TIME-OF-DAY PROVISION.

Available to customers who use energy storage devices with time-differentiated load characteristics approved by the Company which consume electrical energy only during off-peak hours specified by the Company and store energy for use during on-peak hours, and who desire to receive service under this provision for their total requirements.

Customers who desire to separately wire their load management load to a time-of-day meter and their general-use load to a standard meter shall receive service for both under the appropriate provision of this tariff.

RATE. (Tariff Code 251)

Service Charge	\$81.80 per month
Energy Charge:	
All KWH used during on-peak billing period	9.592¢ per KWH
All KWH used during off-peak billing period	2.753¢ per KWH

For the purpose of this tariff, the on-peak billing period is defined as 7:00 A.M. to 9:00 P.M. for all weekdays, Monday through Friday. The off-peak billing period is defined as 9:00 P.M. to 7:00 A.M. for all weekdays and all hours of Saturday and Sunday.

(Cont'd. On Sheet No. 9-3)

DATE OF ISSUE March 20, 2006 DATE EFFECTIVE Service rendered on and after March 30, 2006

ISSUED BY	<u>E.K. Wagner</u>	DIRECTOR OF REGULATORY SERVICES	FRANKFORT, KENTUCKY
	NAME	TITLE	ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. 2005-00341 dated March 14, 2006

KENTUCKY POWER COMPANY

Original Sheet No. 9-3
Canceling _____ Sheet No. 9-3

P.S.C. ELECTRIC NO. 8

TARIFF L.G.S. (Cont'd)
(Large General Service)

TERM OF CONTRACT.

Contracts under this tariff will be made for customers requiring a normal maximum monthly demand between 500 KW and 1,000 KW and be made for an initial period of not less than 1 year and shall remain in effect thereafter until either party shall give at least 6 months written notice to the other of the intention to terminate the contract. The Company reserves the right to require initial contracts or periods greater than 1 year. For customers with demands less than 500 KW, a contract may, at the Company's option, be required.

Where new Company facilities are required, the Company reserves the right to require initial contracts for periods greater than one year for all customers served under this tariff.

A new initial contract period will not be required for existing customers who change their contract requirements after the original initial period unless new or additional facilities are required.

CONTRACT CAPACITY.

The Customer shall set forth the amount of capacity contracted for (the "contract capacity") in an amount up to 1,000 KW. Contracts will be made in multiples of 25 KW. The Company is not required to supply capacity in excess of such contract capacity except with express written consent of the Company.

SPECIAL TERMS AND CONDITIONS.

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff is also available to Customers having other sources of energy supply but who desire to purchase standby or back-up electric service from the Company. Where such conditions exist the customer shall contract for the maximum amount of demand in KW, which the Company might be required to furnish, but not less than 100 KW nor more than 1,000 KW. The Company shall not be obligated to supply demands in excess of the contract capacity. Where service is supplied under the provisions of this paragraph, the billing demand each month shall be the highest determined for the current and previous two billings periods, and the minimum charge shall be as set forth under paragraph "Minimum Charge" above.

This tariff is available for resale service to mining and industrial customers who furnish service to customer-owned camps or villages where living quarters are rented to employees and where the customer purchases power at a single point for both his power and camp requirements.

Customers with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP I or II or by special agreement with the Company.

DATE OF ISSUE March 20, 2006 DATE EFFECTIVE Service rendered on and after March 30, 2006

ISSUED BY E.K. Wagner DIRECTOR REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

KENTUCKY POWER COMPANY

Original Sheet No. 10-1
 Canceling _____ Sheet No. 10-1

P.S.C. ELECTRIC NO. 8

TARIFF Q.P.
 (Quantity Power)

AVAILABILITY OF SERVICE.

Available for commercial and industrial customers with demands less than 7,500 KW. Customers shall contract for a definite amount of electrical capacity in kilowatts, which shall be sufficient to meet normal maximum requirements, but in no case shall the contract capacity be less than 1,000 KW.

RATE.

	Secondary	Primary	Service Voltage Subtransmission	Transmission
Tariff Code	356	358	359	360
Service Charge per month	\$ 276.00	\$ 276.00	\$ 662.00	\$1,353.00
Demand Charge per KW				
Of monthly on-peak billing demand	\$13.28	\$11.53	\$8.81	\$7.47
Of monthly off-peak excess billing demand	\$4.79	\$3.31	\$0.88	\$0.77
Energy Charge per KWH	2.096¢	2.044¢	2.012¢	1.987¢

Reactive Demand Charge for each kilovar of maximum leading or lagging reactive demand in excess of 50 percent of the KW of monthly metered demand \$0.67/ KVAR

MINIMUM CHARGE.

This tariff is subject to a minimum charge equal to the Service Charge plus the Demand Charge per KW multiplied by the billing demand.

FUEL ADJUSTMENT CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by a Fuel Adjustment Factor per KWH calculated in compliance with the Fuel Adjustment Clause contained in Sheet Nos. 5-1 and 5-2 of this Tariff Schedule.

SYSTEM SALES CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by a System Sales Factor per KWH calculated in compliance with the System Sales Clause contained in Sheet Nos. 19-1 and 19-2 of this Tariff Schedule.

DEMAND-SIDE MANAGEMENT ADJUSTMENT CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by a Demand-Side Management Adjustment Clause Factor per KWH calculated in compliance with the Demand-Side Management Adjustment Clause contained in Sheet Nos. 22-1 and 22-2 of this Tariff Schedule, unless the customer is an industrial who has elected to opt-out in accordance with the terms pursuant to the Commission's Order in Case No. 95-427.

ENVIRONMENTAL SURCHARGE.

Bills computed according to the rates set forth herein will be increased or decreased by a Surcharge Adjustment based on a percent of revenue in compliance with the Surcharge contained in Sheet Nos. 29-1 through 29-5 of this Tariff Schedule.

NET MERGER SAVINGS CREDIT.

Bills computed according to the rates set forth herein will be decreased by a Net Merger Savings Credit Factor per KWH calculated in compliance with the Net Merger Savings Credit contained in Sheet No. 23-1 of this Tariff Schedule.

CAPACITY CHARGE.

Bills computed according to the rates set forth herein will be increased by a Capacity Charge Factor per KWH calculated in compliance with the Capacity Charge Tariff contained in Sheet No. 28-1 of this Tariff Schedule.

(Cont'd. On Sheet No. 10-2)

DATE OF ISSUE March 20, 2006 DATE EFFECTIVE Service rendered on and after March 30, 2006
 ISSUED BY E.K. Wagner DIRECTOR OF REGULATORY SERVICES FRANKFORT KENTUCKY
 NAME TITLE ADDRESS

KENTUCKY POWER COMPANY

Original Sheet No. 10-2
Canceling Sheet No. 10-2

P.S.C. ELECTRIC NO. 8

TARIFF Q.P. (Cont'd.)
(Quantity Power)

DELAYED PAYMENT CHARGE.

This tariff is net if account is paid in full within 15 days of date of bill. On all accounts not so paid, an additional charge of 5% of the unpaid balance will be made.

METERED VOLTAGE.

The rates set forth in this tariff are based upon the delivery and measurement of energy at the same voltage, thus measurement will be made at or compensated to the delivery voltage. At the sole discretion of the Company, such compensation may be achieved through the use of loss compensating equipment, the use of formulas to calculate losses or the application of multipliers to the metered quantities. In such cases, the metered KWH and KVA values will be adjusted for billing purposes. If the Company elects to adjust KWH and KW based on multipliers, the adjustment shall be in accordance with the following:

- (1) Measurements taken at the low-side of a customer-owned transformer will be multiplied by 1.01.
- (2) Measurements taken at the high-side of a Company-owned transformer will be multiplied by 0.98.

MONTHLY BILLING DEMAND.

The on-peak billing demand in KW shall be taken each month as the single highest 15-minute integrated peak in KW as registered during the month by a demand meter or indicator, or, at the Company's option, as the highest registration of a thermal type demand meter or indicator, but the monthly on-peak billing demand so established shall in no event be less than 60% of the greater of (a) the Customer's contract capacity set forth on the contract for electric service or (b) the customer's highest previously established monthly billing demand during the past 11 months.

Off-peak excess billing demand in any month shall be the amount of KW by which the off-peak billing demand exceeds the on-peak billing demand for the month.

The reactive demand in KVARs shall be taken each month as the highest single 15-minute integrated peak in KVARs as registered during the month by a demand meter or indicator, or, at the Company's option, as the highest registration of a thermal type demand meter or indicator.

For the purpose of this provision, the on-peak billing period is defined as 7:00 A.M. to 9:00 P.M., Monday through Friday. The off-peak billing period is defined as 9:00 P.M. to 7:00 A.M. for all weekdays and all hours of Saturday and Sunday.

TERM OF CONTRACT.

Contracts under this tariff will be made for an initial period of not less than two years and shall remain in effect thereafter until either party shall give at least 12 months' written notice to the other of the intention to terminate the contract. The Company reserves the right to require initial contracts for periods greater than two years.

A new initial contract period will not be required for existing customers who change their contract requirements after the original initial period unless new or additional facilities are required.

(Cont'd on Sheet No. 10-3)

DATE OF ISSUE March 20, 2006 DATE EFFECTIVE Service rendered on and after March 30, 2006

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

Issued by authority of an Order of the Public Service Commission in Case No. 2005-00341 dated March 14, 2006

KENTUCKY POWER COMPANY

Original Sheet No. 10-3
Canceling _____ Sheet No. 10-3

P.S.C. ELECTRIC NO. 8

TARIFF Q.P. (Cont'd)
(Quantity Power)

CONTRACT CAPACITY

The Customer shall set forth the amount of capacity contracted for ("the contract capacity") in an amount equal to or greater than 1,000 KW but less than 7,500 KW; in multiples of 100 KW. The Company is not required to supply capacity in excess of such contract capacity except with express written consent of the Company.

SPECIAL TERMS AND CONDITIONS.

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff is available for resale service to mining and industrial Customer who furnish service to Customer-owned camps or villages where living quarters are rented to employees and where the Customer purchases power at a single point for both the power and camp requirements.

This tariff is also available to Customer having other sources of energy supply, but who desire to purchase standby or back-up electric service from the Company. Where such conditions exist the Customer shall contract for the maximum amount of demand in KW which the Company might be required to furnish, but not less than 1,000 KW nor more than 7,500 KW. The Company shall not be obligated to supply demands in excess of that contracted capacity. Where service is supplied under the provisions of this paragraph, the billing demand each month shall be the highest determined for the current and previous two billing periods, and the minimum charge shall be as set forth under paragraph "Minimum Charge" above.

A Customer's plant is considered as one or more buildings, which are served by a single electrical distribution system provided and operated by the Customer. When the size of the Customer's load necessitates the delivery of energy to the Customer's plant over more than one circuit, the Company may elect to connect its circuits to different points on the Customer's system irrespective of contrary provisions in Terms and Conditions of Service.

Customer with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP II or by special agreement with the Company.

DATE OF ISSUE March 20, 2006 DATE EFFECTIVE Service rendered on and after March 30, 2006

ISSUED BY E.K. Wagner DIRECTOR REGULATORY SERVICES FRANKFORT, KENTUCKY
E.K. WAGNER NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. 2005-00341 dated March 14, 2006

KENTUCKY POWER COMPANY

Original Sheet No. 11-1
 Canceling _____ Sheet No. 11-1

P.S.C. ELECTRIC NO. 8

TARIFF C.I.P. - T.O.D.
 (Commercial and Industrial Power - Time-of-Day)

AVAILABILITY OF SERVICE

Available for commercial and industrial KWHs with normal maximum demands of 7,500 KW and above. KWHs shall contract for a definite amount of electrical capacity in kilowatts which shall be sufficient to meet normal maximum requirements, but in no case shall the capacity contracted for be less than 7,500 KW.

RATE

	<u>Service Voltage</u>		
	<u>Primary</u>	<u>Subtransmission</u>	<u>Transmission</u>
Tariff Code	370	371	372
Service Charge per Month	\$ 276.00	\$ 662.00	\$ 1,353.00
Demand Charge per KW			
On-peak	\$13.79	\$10.83	\$ 9.35
Off-peak	\$3.68	\$ 0.98	\$ 0.84
Energy Charge per KWH	1.685¢	1.660¢	1.640¢

Reactive Demand Charge for each kilovar of maximum leading or lagging reactive demand in excess of 50 percent of the KW of monthly metered demand\$ 0.67/ KVAR

For the purpose of this tariff, the on-peak billing period is defined as 7:00 AM to 9:00 PM for all weekdays, Monday through Friday. The off-peak billing period is defined as 9:00 PM to 7:00 AM for all weekdays and all hours of Saturday and Sunday.

MINIMUM DEMAND CHARGE

The minimum demand charge shall be equal to the minimum billing demand times the following minimum demand rates:

<u>Primary</u>	<u>Subtransmission</u>	<u>Transmission</u>
\$14.79/KW	\$11.80/KW	\$10.32/KW

The minimum demand shall be the greater of 60% of the contract capacity set forth on the contract for electric service or 60% of the highest billing demand, on-peak or off-peak, recorded during the previous eleven months.

MINIMUM CHARGE

This tariff is subject to a minimum charge equal to the Service Charge plus the Minimum Demand Charge.

FUEL ADJUSTMENT CLAUSE

Bills computed according to the rates set forth herein will be increased or decreased by a Fuel Adjustment Factor per KWH calculated in compliance with the Fuel Adjustment Clause contained in Sheet Nos. 5-1 and 5-2 of this Tariff Schedule.

SYSTEM SALES CLAUSE

Bills computed according to the rates set forth herein will be increased or decreased by a System Sales Factor per KWH calculated in compliance with the System Sales Clause contained in Sheet Nos. 19-1 and 19-2 of this Tariff Schedule.

DEMAND-SIDE MANAGEMENT ADJUSTMENT CLAUSE

Bills computed according to the rates set forth herein will be increased or by a Demand-Side Management Adjustment Clause Factor per KWH calculated in compliance with the Demand-Side Management Adjustment Clause contained in Sheet Nos. 22-1 and 22-2 of this Tariff Schedule, unless the KWH is an industrial who has elected to opt-out in accordance with the terms pursuant to the Commission's Order in Case No. 95-427.

(Cont'd. On Sheet No. 11-2)

DATE OF ISSUE March 20, 2006 DATE EFFECTIVE Service rendered on and after March 30 2006
 ISSUED BY E.K. Wagner DIRECTOR OF REGULATORY SERVICES FRANKFORT KENTUCKY
 NAME TITLE ADDRESS

KENTUCKY POWER COMPANY

Original Sheet No. 11-3
Canceling _____ Sheet No. 11-3

P.S.C. ELECTRIC NO. 8

TARIFF C.I.P. - T.O.D. (Cont'd)
(Commercial and Industrial Power - Time-of-Day)

TERM OF CONTRACT.

Contracts under this tariff will be made for an initial period of not less than two years and shall remain in effect thereafter until either party shall give at least 12 months' written notice to the other of the intention to terminate the contract. The Company reserves the right to require initial contracts for periods greater than two years.

A new initial contract period will not be required for existing customers who change their contract requirements after the original initial period unless new or additional facilities are required.

CONTRACT CAPACITY.

The Customer shall set forth the amount of capacity contracted for (the "contract capacity") in an amount equal to or greater than 7,500 KW, in multiples of 100KW. The Company is not required to supply capacity in excess of such contract capacity except with express written consent of the Company.

SPECIAL TERMS AND CONDITIONS.

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff is also available to customers having other sources of energy supply, but who desire to purchase standby or back-up electric service from the Company. Where such conditions exist the customer shall contract for the maximum amount of demand in KW which the Company might be required to furnish, but not less than 7,500 KW. The Company shall not be obligated to supply demands in excess of the contract for capacity. Where service is supplied under the provisions of this paragraph, the billing demand each month shall be the highest determined for the current and previous two billing periods, and the minimum charge shall be as set forth under paragraph "Minimum Charge" above.

A customer's plant is considered as one or more buildings, which are served by a single electrical distribution system provided and operated by customer. When the size of the customer's load necessitates the delivery of energy to the customer's plant over more than one circuit, the Company may elect to connect its circuits to different points on the customer's system irrespective of contrary provisions in Terms and Conditions of Service.

This tariff is available for resale service to mining and industrial customers who furnish service to customer-owned camps or villages where living quarters are rented to employees and where the customer purchases power at a single point for both his power and camp requirements.

Customers with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP II or by special agreement with the Company.

DATE OF ISSUE March 20, 2006 DATE EFFECTIVE Service rendered on and after March 30, 2006

ISSUED BY E.K. Wagner DIRECTOR OF REGULATORY FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. 2005-00341 dated March 14, 2006

Kentucky Power Company

REQUEST

Provide an analysis for the last 3 years of Environmental Compliance Surcharge Activity (by year) – Detail of costs deferred for collection; customer collections under the surcharge; annual balances; etc.

RESPONSE

Below is a table of environmental surcharge revenues collected by year. Additional monthly environmental surcharge information is on file with the Commission.

Year Collected	Environmental Surcharge Revenues Collected
2005	\$17,259,970
2006	\$7,359,814
2007	\$3,325,409
Total	\$27,945,193

WITNESS: Errol K Wagner and Timothy C Mosher

Kentucky Power Company

REQUEST

Provide an analysis for the last 3 years of DSM surcharge (as provided by 278.285) activity (by year) -- Detail of costs deferred (by program, if available) for collection; customer collections under the surcharge; annual balances; etc.

RESPONSE

Please see Page 2 of this response for three year (Year 2005, 2006 & 2007) DSM surcharge activity.

WITNESS: Errol K Wagner and Timothy C Mosher

Kentucky Power Company
3 Year Analysis of DSM Surcharge Activity
From Year 2005 To Year 2007

	2004	2005	2006	2007
Under / (Over) Collection		\$168,816	\$218,850	\$176,362
Total Program Costs		\$609,695	\$684,151	\$829,542
Total Lost Revenues		\$152,620	\$185,470	\$205,534
Total Efficiency / Maximizing Incentives		\$66,638	\$82,662	\$88,932
Transfer Portion of Balance from Commercial Sector		\$9,487	\$0	\$0
Total DSM Costs		\$838,440	\$952,283	\$1,124,008
Total Revenue Collected		\$788,406	\$994,771	\$1,097,661
Under / (Over) Collection	\$168,816	\$218,850	\$176,362	\$202,709

**KPSC Administrative Case No. 2007-00477 An Investigation of the Energy and
Regulatory Issues in Section 50 of KY's 2007 Energy Act
Commission Staff's Second Set of Data Requests
Order Dated January 3, 2008
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Page 1 of 2**

Kentucky Power Company

REQUEST

In the Discovery response, Item 11, at page 11, the document references an "Appendix G". However, Appendix G was not attached. Please provide a copy of this document.

RESPONSE

Please see Page 2 of this response for Appendix G.

WITNESS: Errol K Wagner and Timothy C Mosher

Kentucky Power Company

REQUEST

Referring to Discovery response, Item 11, at page 12, the document references the theoretical market potential for DSM/EE programs in the AEP East market area. Please provide the MW and MWh potential for KPCo only; also the "Naturally Occurring" MW and MWH at page 14; and finally the "Informational Campaign" effects at page 15. If these breakouts are not directly available, please provide an estimate based on management judgment in allocating from these numbers. Similarly, please provide a KPCo breakout of the data contained at pages 20 and 21.

RESPONSE

While the theoretical numbers were developed for the AEP-East system, these are prorated for Kentucky on the bases of MWh and MWs, respectively. Kentucky Power has the only current energy efficiency programs in the AEP-East System (thus 100% of the Current DSM - Energy). Virtually all of the demand savings represented in the IRP as "current DSM" is interruptible contracts with industrial customers.

These numbers should not be represented as anything but proration of a theoretically derived planning assumption. There are no (incremental) programs in place for Kentucky or the system.

**KPSC Administrative Case No. 2007-00477 An Investigation of the Energy and
 Regulatory Issues in Section 50 of KY's 2007 Energy Act
 Commission Staff's Second Set of Data Requests
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 Page 2 of 2**

Cumulative Energy AEP-East (Kentucky Power Only) (MWh)	2010 2015 2020		
	2010	2015	2020
Total Potential	388,551	388,551	388,551
Naturally Occuring	87,596	87,596	87,596
Informational Campaign	29,169	29,169	29,169
Current DSM	3,824	3,824	3,824
Incremental Utility-Sponsored DSM	874	4,534	11,470

Cumulative Demand AEP-East (Kentucky Power Only) (MW)	2010 2015 2020		
	2010	2015	2020
Total Potential	136	136	136
Naturally Occuring	18	18	18
Informational Campaign	6	6	6
Current DSM	0.1	0.1	0.1
Incremental Utility Sponsored DSM	0	4	16

WITNESS: Errol K. Wagner and Timothy C. Mosher

Kentucky Power Company

REQUEST

Referring to Discovery response, Item 11, at pages 17-18, AEP provides a discussion of the potential impact of incentives, and assumes an optimal participation score of 3.0. Please provide an analysis of the incremental DSM/EE programs and related impacts that would occur based on this criterion for KPCo for the planning period 2007 to 2010.

RESPONSE

No analysis is available on the effects on current programs of targeting a participation score of 3.0.

WITNESS: Errol K. Wagner and Timothy C. Mosher

Kentucky Power Company

REQUEST

Based on the December 17 interview, it is our understanding that KPCo does not currently have a "Green Energy" tariff in Kentucky, but that it will be submitting such a tariff for approval in the near future. Please provide information, including a summary of the program; the status of this filing; and a draft tariff, if currently available. What is the expected premium over the current standard service offering?

RESPONSE

The Company has not yet determined the specific elements of its "Green Energy" tariff offering in Kentucky. It is anticipated that the Company will offer a program under which customers may voluntarily choose to support renewable energy sources through the purchase of "green" blocks at a price premium above their normal energy costs. It is anticipated that customer's voluntary contributions will be used to pay all costs of the program and be held as a regulatory liability until used to purchase Renewable Energy Credits (RECs). Based on the "green" offerings of other utilities, it is expected that the premium over the current standard service offering could be up to \$2.50 per 100 kWh.

WITNESS: Errol K Wagner and Timothy C Mosher

Kentucky Power Company

REQUEST

On a 3 year historic calendar year basis; by year (2004-2006):

Actual and weather adjusted sales by residential, commercial, industrial, other retail and wholesale. Provide a total.

Actual and weather adjusted retail peak demand by residential, commercial, industrial, other retail and wholesale. Provide a total.

Year-end customers by residential, commercial, industrial, other retail and wholesale. Provide a total.

RESPONSE

The requested information is attached. Actual and weather adjusted peak demands are not available by sector.

WITNESS: Errol K Wagner and Timothy C Mosher

**Kentucky Power Company
Energy (GWh) by Sector**

Year	Residential	Commerical	Industrial	Other Retail	Sale-For- Resale	Total
2004	2,411	1,373	3,181	11	95	7,072
2005	2,534	1,423	3,343	10	98	7,407
2006	2,409	1,392	3,311	10	97	7,220

**Kentucky Power Company
Weather Normal Energy (GWh) by Sector**

Year	Residential	Commerical	Industrial	Other Retail	Sale-For- Resale	Total
2004	2,447	1,381	3,181	11	96	7,116
2005	2,494	1,404	3,343	10	96	7,348
2006	2,509	1,418	3,311	10	98	7,346

**Kentucky Power Company
Actual and Weather Normal Seasonal Peak Demands (MW)**

Summer	Actual	Weather Normal	Winter	Actual	Weather Normal
2004	1,228	1,291	2003/04	1,478	1,566
2005	1,358	1,285	2004/05	1,685	1,590
2006	1,388	1,335	2005/06	1,665	1,635

**Kentucky Power Company
Customers by Sector**

Year	Residential	Commerical	Industrial	Other Retail	Sale-For- Resale	Total
2004	144,623	28,491	1,456	442	3	175,015
2005	144,641	29,063	1,454	382	3	175,543
2006	144,554	29,355	1,461	380	3	175,753

Kentucky Power Company

REQUEST

Provide a listing of current generation sources: generation plant, by unit indicating date of commercial operation, fuel type, and capacity. Identify any generating facilities that are currently under construction, and provide a brief description of such facilities. Please provide this information for both KPCo and AEP.

RESPONSE

Please see the attached page. The incomplete Dresden natural gas-fired, combined cycle generating facility in Ohio was purchased by AEP in 2007. Commercial operation is anticipated in 2009 or 2010. Its nominal rating is 540MW. It is not expected to be a KPCo facility.

WITNESS: Errol K Wagner and Timothy C Mosher

**AEP SYSTEM - EAST ZONE
AND KENTUCKY POWER COMPANY
GENERATING CAPACITY IN SERVICE (A)**

PLANT	UNITS	NOTES	CAPABILITY-MW				In-Service Year
			AEP SYSTEM		KPCo		
			Winter (B)	Summer (C)	Winter (B)	Summer (C)	
John E. Amos	1-3		2,900	2,900	-	-	1971, 1972, 1973
W. C. Beckjord	6	(D)	52	52	-	-	1969
Big Sandy	1-2		1,060	1,060	1,060	1,060	1963, 1969
Cardinal	1		600	575	-	-	1967
Ceredo (Natural Gas)	1-6		523	450	-	-	2001
Clinch River	1-3		705	690	-	-	1958, 1958, 1961
Conesville	3,5-6		915	915	-	-	1962, 1976, 1978
Conesville	4	(D)	339	339	-	-	1973
Cook Nuclear	1-2		2,191	2,089	-	-	1975, 1978
Darby (Natural Gas)	1-6		507	438	-	-	2002
Gen. J. M. Gavin	1-2		2,630	2,585	-	-	1974, 1975
Glen Lyn	5-6		335	325	-	-	1944, 1957
Kammer	1-3		630	600	-	-	1958, 1958, 1959
Kanawha River	1-2		400	400	-	-	1953
Lawrenceburg (Natural Gas)	1-6		1,146	1,080	-	-	2004
Mitchell	1-2		1,560	1,560	-	-	1971
Mountaineer	1		1,320	1,300	-	-	1980
Muskingum River	1-5		1,425	1,375	-	-	1953, '54, '57, '58, '68
Picway	5		100	95	-	-	1955
Rockport	1-2	(E)	2,620	2,600	393	390	1984, 1989
Smith Mtn. (Pumped Storage)	1-5		585	585	-	-	1965, '65, '80, '66, '66
Sporn	1-5		1,050	1,020	-	-	1950, '50, '51, '52, '60
J. M. Stuart	1-4	(D)	606	602	-	-	1971, '70, '72, '74
J. M. Stuart (Diesel)	1-4	(D)	3	3	-	-	1969
Tanners Creek	1-4		995	990	-	-	1951, '52, '54, '64
Waterford (Natural Gas)	1-4		850	810	-	-	2003
W. H. Zimmer	1	(D)	330	330	-	-	1991
Conventional Hydro		(F)	182	284	-	-	1912-1996
Total			26,559	26,051	1,453	1,450	

NOTES:

- A. Except where stated otherwise, all units are coal fired.
- B. As of Winter 2007/08.
- C. AEP/KPCo System plant capabilities based on PJM planning year 2007/08.
- D. Capacity shown reflects CSP's share of unit owned jointly with CG&E and DP&L.
- E. Capacity listed for the AEP System for Rockport excludes the effect of unit power sale to CP&L.
- F. The winter hydro rating represents the actual winter performance, while the summer hydro rating represents nameplate.

Kentucky Power Company

REQUEST

For the forecast period 2007-2020 (or a similar period most readily available), provide by year:

Expected generation capacity additions and retirements (by year), indicating type of unit, fuel type, and capacity.

Estimate of any generation sources (by year) from distributed generation, cogeneration, or other non-utility sources.

Estimated cumulative annual effect of new DSM programs on sales and peak demand.

Average annual estimated growth rate for:

Total retail customers; sales; and peak demand.

Residential; total retail usage per customer

Total retail number of customers

Inflation rate

Residential, Industrial, and total retail energy cost per kWh

RESPONSE

For expected capacity additions and retirements, see Page 2 of this response.

There is no estimate of generation sources from any non-utility sources.

For the estimated annual effect of new DSM programs on sales and peak demand please see the response to Item No. 27.

For estimated annual growth rates for the items requested above see Page 3 of this response.

WITNESS: Errol K Wagner and Timothy C Mosher

Kentucky Power Company
Average Annual Growth Rate 2007 through 2020

	Peak Demand	Residential Usage Per Customer	Retail Customers	Consumer Price Index	Producer Price Index	Residential Price	Industrial Price	Retail Price
	0.8%	0.2%	0.5%	2.3%	2.0%	4.3%	4.0%	4.2%

Spring 2007 IRP

Year	Number and Type of Units Added	Fuel Type	Capacity (MW)		
			AEP System-East Zone		KPCo
			Capacity Additions (A)	Capacity Retired (B)	Capacity Additions (C)
2008	75MW Wind	Wind	75		
2009	Dresden CC	Natural Gas	540		
	200MW Wind	Wind	40		
2010	300MW Wind	Wind	60	605	
2011	285MW Wind	Wind	57		
2012	1-Integrated Gasification Combined Cycle (IGCC)	Coal	622	709	
	10MW NaS Batteries		10		1
2013	6-Simple Cycle Combustion Turbines (CT)	Natural Gas	486		
2014	no additions				
2015	2-Combined Cycle (CC)	Natural Gas	1,018	1,275	
	10 MW NaS Batteries		10		1
2016	1-Combined Cycle (CC)	Natural Gas	509		509
2017	1-IGCC	Coal	622		
	50MW Wind	Wind	10		
	15MW NaS Batteries		15		1
2018	1-CC	Natural Gas	509	1,315	
	6-CTs		486		
	50MW Wind	Wind	10		
2019	1-IGCC	Coal	622		311
	50MW Wind	Wind	20		
	20MW NaS Batteries		20		1
2020	50MW Wind	Wind	10		

Notes:

- A) The capacity value of wind is expected to be initially 20% of nameplate.
- B) All retired capacity is coal fired. Timing of retirements may depend on unit conditions through time.
- C) The allocation of capacity to KPCo has been determined to balance the pool for planning purposes only.

Kentucky Power Company

REQUEST

Provide statistics maintained on energy and demand impacts of any customers (if any) on net metering tariff. Indicate the technology employed, summarize the basic costs of interconnection and maintenance (e.g., connection charges, costs of backup power), describe any transmission issues of note, etc.

RESPONSE

The Company does not currently have any customers served under its Net Metering Service tariff. Typically, the Company's non-refundable Interconnection Application fee of \$50 would cover the cost of interconnection for a Net Metering Service customer. In addition, the customer is responsible for all expenses for the purchase and installation of any necessary metering and must provide a visibly open, lockable, manual disconnect switch, which is accessible by the Company. Net Metering Service customers are not subject to any additional costs from the Company for backup power.

WITNESS: Errol K Wagner and Timothy C Mosher

Kentucky Power Company

REQUEST

Identify and describe what resources are currently committed to energy planning and energy conservation activities? This response should include both operating company personnel, as well as AEP. For AEP staff, provide an estimate of percent of time spent on KPCo activities.

- Full time employees – department, title, brief job descriptions.
- Educational programs re energy conservation; programs available.
- IRP process.
- Screening and administration of DSM programs.
- Other

RESPONSE

The Resource Planning department at the AEP Service Corporation consists of a Managing Director, a Director of Resource and DSM Planning, and a Director of Integrated Resource Planning. Reporting to the Director of Integrated Resource Planning are 13 Resource Planning professionals including managers of Resource Planning, Resource Planning Modeling, and Production Resource Modeling. These resource planning professionals spend about 50% of their time collecting and analyzing generation and system load data, performing optimization and production cost modeling, and compiling results that becomes the basis for the AEP East and AEP West zone integrated resource plans. For the AEP East zone, this work is performed on an integrated basis for the AEP East Zone companies, of which KPCo is one. Staff time is not tracked to specific companies, however being that Kentucky Power's generation portfolio represents less than 5% of the AEP System generation portfolio, staff time spent developing an IRP that would be allocable to KPCo would be less than 1 FTE.

In addition to the Resource Planning department, numerous AEP Service Corporation departments contribute information that is used as input for the resource planning function. This information may typically be collected as part of the broader function of each department, independent of the resource planning process. Therefore the portion of time these contributing departments devote to solely supporting an IRP process is de minimus.

**KPSC Administrative Case No. 2007-00477 An Investigation of the Energy and
Regulatory Issues in Section 50 of KY's 2007 Energy Act
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Page 2 of 2**

AEP operating companies in 3 jurisdictions currently offer DSM/EE programs. The administration of KPCo programs is managed by one full time employee who spends 100% percent of his time on DSM/EE activities. In addition, there are 3 individuals in Regulatory and Public Policy and 3 in Distribution and Customer Services who spend some portion of their time addressing DSM/EE matters across all of AEP operating companies. Since KPCo has established programs, very little time, if any, of these 6 AEPSC employees is spent on KPCo activities.

WITNESS: Errol K Wagner and Timothy C Mosher

Kentucky Power Company

REQUEST

Does the Company currently provide programs for Energy Assistance Funding? If so, provide program details.

Does the company currently have any low-income or lifeline rates in place? If so, provide a copy of relevant tariffs or tariff provisions. Also indicate if the company provides direct support to its low-income customers. Provide amounts associated with these programs/tariffs, by year, for the three years ending December 31, 2006.

RESPONSE

The Company does currently have a Home Energy Assistance Program (HEA Program), which does provide energy assistance funding for the low-income customers. Details of the HEA Program are attached.

The Company does not currently have any low-income or lifeline rates in place. With the Commission's approval of the HEA Program on March 14, 2006, KPCo provided direct support to its low-income customers in the amount of \$122,652 during the 9 months ending December 31, 2006. The customers provided a like amount during the same time period. Nothing was provided by either the Company or the customers during the calendar years 2004 and 2005.

WITNESS: Errol K Wagner and Timothy C Mosher

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

AUG 03 2006

PUBLIC SERVICE
COMMISSION

In The Matter Of:

JOINT APPLICATION OF KENTUCKY POWER)
COMPANY AND KENTUCKY ASSOCIATION FOR)
COMMUNITY ACTION, INC. FOR THE) CASE NO. 2006-_____
ESTABLISHMENT OF A HOME ENERGY)
ASSISTANCE PROGRAM)

JOINT APPLICATION

Kentucky Power Company ("Kentucky Power" or "KPCo") and Kentucky Association for Community Action, Inc. ("KACA") (collectively "Joint Applicants") petition the Public Service Commission of Kentucky (the "Commission") pursuant to the Commission's Order dated March 14, 2006 in P.S.C. Case No. 2005-000341, *In the Matter of: A General Adjustment In The Rates of Kentucky Power Company and KRS 278.285(2) and (4)* for an order approving the programmatic details of a new Home Energy Assistance ("HEA") Program in Kentucky Power's service territory and recovery of start-up costs through Kentucky Power's demand side management mechanism.

In support of this Application, Joint Applicants state as follows:

Introduction

1. Kentucky Power's post office address is 101A Enterprise Drive, P.O. Box 5190, Frankfort, Kentucky 40602-5190. A certified copy of Kentucky Power's Articles of Incorporation were filed with the Commission in *Joint Application of Kentucky Power Co., American Electric Power Co., Inc. and Central and South West Corporation Regarding a*

Proposed Merger, Case No. 99-149, as Exhibit "1" and is incorporated by reference herein pursuant to 807 KAR 5:001, Section 8(3).

2. KACA's post office address is 101 Burch Court, Frankfort, Kentucky 40601. A certified copy of KACA's Articles of Incorporation was filed with the Commission in Case No. 2004-00303, *In The Matter Of: Joint Application of Kentucky Utilities Company, Kentucky Association for Community Action, Inc. and Community Action Council for Lexington-Fayette, Bourbon, Harrison and Nicholas Counties, Inc. for the Establishment of a Home Energy Assistance Program*, and is incorporated by reference herein pursuant to 807 KAR 5:001, Section 8(3).

3. Communications regarding this Application should be addressed to:

Kentucky Power:

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