

| KENTUCKY POWER COMPANY                                |  | Exhibit C                  |                |                |                | PAGE 1 of 23 |  |
|---|--|----------------------------|----------------|----------------|----------------|--------------|--|
| DERIVATION OF 3 SECTOR SURCHARGES FOR 3 YR EXPERIMENT |  |                            |                |                |                |              |  |
| RESIDENTIAL SECTOR                                    |  | TOTAL YEARS                | YEAR 19 (2014) | YEAR 19 (2014) | YEAR 20 (2015) | TOTAL        |  |
|   |  | 1 thru year 18<br>2nd HALF | 1st<br>HALF    | 2nd<br>HALF    | 1st<br>HALF    |              |  |
|   |  | (1)                        | (2)            | (3)            | (4)            | (5)          |  |
| 1   | CURRENT PERIOD AMOUNT TO BE RECOVERED        | \$22,530,314               | \$1,541,081    | \$1,851,592    | \$1,969,024    | \$27,892,011 |  |
| 2   | CUMULATIVE (OVER)/UNDER COLLECTION           | 0                          | 675,462        | (672,714)      | (371,591)      | \$0          |  |
| 3   | 18 MOS. RETROACTIVE(OVER)/UNDER ADJUSTMENT   | (41,824)                   | 0              | 0              | 0              | (\$41,824)   |  |
| 4   | TOTAL TO BE RECOVERED                        | 22,488,490                 | 2,216,543      | 1,178,879      | 1,597,433      | 27,850,187   |  |
| 5   | TOTAL AMOUNT RECOVERED                       | 21,812,682                 | 2,889,257      | 0              | 0              | \$24,701,939 |  |
| 6   | EXPECTED FUTURE RECOVERIES                   | 0                          | 0              | 1,550,470      | 456,727        | \$2,007,197  |  |
| 7   | TRANSFER PORTION OF BALANCE FROM INDUSTRIAL  | (9,833)                    | 0              | 0              | 0              | (\$9,833)    |  |
| 8   | TRANSFER PORTION OF BALANCE FROM COMMERCIAL  | 9,487                      | 0              | 0              | 0              | \$9,487      |  |
| 9   | (OVER)/UNDER COLLECTION TO BE REFUNDED       | \$675,462                  | (\$672,714)    | (\$371,591)    | \$1,140,706    | \$1,140,706  |  |
| 10  | AMOUNT TO BE RECOVERED                       |                            |                |                | \$1,597,433    |              |  |
| 11  | ADJ. ESTIMATED SECTOR KWH - YEAR 20          |                            |                | 1,071,506,700  | 1,192,498,560  |              |  |
| SURCHARGE RANGE ( \$ PER KWH )                        |  |                            |                |                |                |              |  |
| 12  | FLOOR (CARRYOVER)                            | COL. 4, L 2 / COL. 4, L 11 |                |                | (0.000461)     |              |  |
| 13  | MIDPOINT - proposed rate                     |                            |                | 0.001447       | 0.000383       |              |  |
| 14  | CEILING (TOTAL COST)                         | COL. 4, L 4 / COL. 4, L 11 |                |                | 0.001226       |              |  |
| COMMERCIAL SECTOR                                     |  | TOTAL YEARS                | YEAR 19 (2014) | YEAR 19 (2014) | YEAR 20 (2015) | TOTAL        |  |
|   |  | 1 thru year 18<br>2nd HALF | 1st<br>HALF    | 2nd<br>HALF    | 1st<br>HALF    |              |  |
|   |  | (1)                        | (2)            | (3)            | (4)            | (5)          |  |
| 15  | CURRENT PERIOD AMOUNT TO BE RECOVERED        | \$5,621,215                | \$488,115      | \$1,332,062    | \$740,576      | \$8,181,968  |  |
| 16  | CUMULATIVE (OVER)/UNDER COLLECTION           | 0                          | 215,686        | 128,605        | 798,283        | \$0          |  |
| 17  | 18 MOS. RETROACTIVE(OVER)/UNDER ADJUSTMENT   | 1,520                      | 0              | 0              | 0              | \$1,520      |  |
| 18  | TOTAL TO BE RECOVERED                        | 5,622,735                  | 703,801        | 1,460,667      | 1,538,859      | 8,183,488    |  |
| 19  | TOTAL AMOUNT RECOVERED                       | 5,394,284                  | 575,196        | 0              | 0              | 5,969,480    |  |
| 20  | EXPECTED FUTURE RECOVERIES                   | 0                          | 0              | 662,384        | 973,934        | 1,636,318    |  |
| 21  | TRANSFER PORTION OF BALANCE FROM INDUSTRIAL  | (3,278)                    | 0              | 0              | 0              | (3,278)      |  |
| 22  | TRANSFER BALANCE TO RESIDENTIAL              | (9,487)                    | 0              | 0              | 0              | (9,487)      |  |
| 22  | (OVER)/UNDER COLLECTION TO BE REFUNDED       | \$215,686                  | \$128,605      | \$798,283      | \$564,925      | \$564,925    |  |
| 23  | AMOUNT TO BE RECOVERED                       |                            |                |                | \$1,538,859    |              |  |
| 24  | ADJ. ESTIMATED SECTOR KWH - YEAR 20          |                            |                | 671,789,344    | 661,190,816    |              |  |
| SURCHARGE RANGE ( \$ PER KWH )                        |  |                            |                |                |                |              |  |
| 25  | FLOOR (CARRYOVER)                            |                            |                |                | 0.000695       |              |  |
| 26  | MIDPOINT - proposed rate                     |                            |                | 0.000986       | 0.001473       |              |  |
| 27  | CEILING (TOTAL COST)                         |                            |                |                | 0.002250       |              |  |
| INDUSTRIAL SECTOR                                     |  | TOTAL YEARS                | YEAR 19 (2014) | YEAR 19 (2014) | YEAR 20 (2015) | TOTAL        |  |
|   |  | 1 thru year 18<br>2nd HALF | 1st<br>HALF    | 2nd<br>HALF    | 1st<br>HALF    |              |  |
|   |  | (1)                        | (2)            | (3)            | (4)            | (5)          |  |
| 28  | CURRENT PERIOD AMOUNT TO BE RECOVERED        | \$79,026                   | \$0            | \$0            | \$0            | \$79,026     |  |
| 29  | CUMULATIVE (OVER)/UNDER COLLECTION           | 0                          | 0              | 0              | 0              | 0            |  |
| 30  | 18 MOS. RETROACTIVE(OVER)/UNDER ADJUSTMENT   | 0                          | 0              | 0              | 0              | 0            |  |
| 31  | TOTAL TO BE RECOVERED                        | 79,026                     | 0              | 0              | 0              | 79,026       |  |
| 32  | TOTAL AMOUNT RECOVERED                       | 92,137                     | 0              | 0              | 0              | 92,137       |  |
| 33  | EXPECTED FUTURE RECOVERIES                   | 0                          | 0              | 0              | 0              | 0            |  |
| 34  | TRANSFER BALANCE TO RESIDENTIAL & COMMERCIAL | 13,111                     | 0              | 0              | 0              | 13,111       |  |
| 35  | (OVER)/UNDER COLLECTION TO BE REFUNDED       | \$0                        | \$0            | \$0            | \$0            | \$0          |  |
| 36  | AMOUNT TO BE RECOVERED                       |                            |                |                | \$0            |              |  |
| 37  | ADJ. ESTIMATED SECTOR KWH - YEAR 20          |                            |                | 1,419,983,670  | 1,412,994,856  |              |  |
| SURCHARGE RANGE ( \$ PER KWH )                        |  |                            |                |                |                |              |  |
| 38  | FLOOR (CARRYOVER)                            |                            |                |                | 0.000000       |              |  |
| 39  | MIDPOINT                                     |                            |                | 0.000000       | 0.000000       |              |  |
| 40  | CEILING (TOTAL COST) - proposed rate         |                            |                |                | 0.000000       |              |  |

| 1996   |                            |                                   |   |                              |                                  |                                 |                               |                          |   |   |                            |                                       |
|--|----------------------------|-----------------------------------|---|------------------------------|----------------------------------|---------------------------------|-------------------------------|--------------------------|---|---|----------------------------|---------------------------------------|
| KENTUCKY POWER COMPANY<br>ESTIMATED SECTOR SURCHARGES FOR 3 YR PROGRAM                             |                            |                                   |   |                              |                                  |                                 |                               |                          |   |   |                            |                                       |
| YEAR 1   | NEW PARTICIPANT NUMBER (1) | CUMULATIVE PARTICIPANT NUMBER (2) | TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3) | TOTAL ACT. PROGRAM COSTS (4) | NET LOST REV/YR (KWH/PARTIC) (5) | TOTAL ENERGY SAVINGS KWH/YR (6) | NET LOST REVENUE (\$/KWH) (7) | TOTAL NET * REVENUES (8) | EFFICIENCY INCENTIVE (EX. C. PG. 21C) (9) | MAXIMIZING INCENTIVE (5% OF COSTS) (10) | TOTAL * INCENTIVE (9)+(10) | TOTAL EST. COSTS TO BE RECOVERED (12) |
| RESIDENTIAL PROGRAMS   |                            |                                   |   |                              |                                  |                                 |                               |                          |   |   |                            |                                       |
| Energy Fitness   | 552                        | 148                               | \$221.65  | \$122,351                    | 2,690                            | 398,120                         | \$0.03                        | \$12,397                 | \$43,177                                  |   | \$43,177                   | \$177,925                             |
| Targeted Energy Efficiency - All Electric  | 223                        | 101                               | \$1,026.88  | \$228,994                    | 5,570                            | 562,570                         | \$0.03                        | \$17,513                 | \$0                                       | \$11,450                                | \$11,450                   | \$257,957                             |
| - Non-All Electric   | 74                         | 35                                | \$372.19  | \$27,542                     | 680                              | 23,800                          | \$0.03                        | \$744                    | \$719                                     |   | \$719                      | \$29,005                              |
| Compact Fluorescent Bulb   | 269                        | 73                                | \$56.06   | \$15,081                     | 62                               | 4,526                           | \$0.03                        | \$140                    | \$425                                     |   | \$425                      | \$15,646                              |
| High - Efficiency Heat Pump - Resistance Heat  | 539                        | 216                               | \$73.49   | \$39,611                     | 2,275                            | 491,400                         | \$0.03                        | \$15,292                 | \$10,634                                  |   | \$10,634                   | \$65,537                              |
| - Non Resistance Heat  | 527                        | 206                               | \$61.31   | \$32,310                     | 813                              | 167,478                         | \$0.03                        | \$5,215                  | \$8,796                                   |   | \$8,796                    | \$46,321                              |
| High - Efficiency Heat Pump - Mobile Home  | 356                        | 158                               | \$496.95  | \$176,914                    | 2,160                            | 341,280                         | \$0.03                        | \$10,617                 | \$13,834                                  |   | \$13,834                   | \$201,365                             |
| Mobile Home New Construction   | 70                         | 22                                | \$292.69  | \$20,488                     | 0                                | 0                               |                               |                          |   | \$1,024                                 | \$1,024                    | \$21,512                              |
| TOTAL RESIDENTIAL PROGRAMS   | 2,610                      | 959                               |   | \$663,291                    |                                  | 1,989,174                       |                               | \$61,918                 | \$77,585                                  | \$12,474                                | \$90,059                   | \$815,268                             |
| COMMERCIAL PROGRAMS  |                            |                                   |   |                              |                                  |                                 |                               |                          |   |   |                            |                                       |
| Smart Audit - Class 1  | 91                         | 19                                | \$1,258.51  | \$114,524                    | 0                                | 0                               |                               |                          | \$0                                       | \$5,726                                 | \$5,726                    | \$120,250                             |
| - Class 2  | 5                          | 1                                 | \$1,875.40  | \$9,377                      | 0                                | 0                               |                               |                          | \$0                                       | \$469                                   | \$469                      | \$9,846                               |
| Smart Financing - Existing Building  | 1                          | 0                                 | \$5,794.00  | \$5,794                      | 22,000                           | 0                               | \$0.04                        | \$0                      | \$506                                     | \$0                                     | \$506                      | \$6,300                               |
| Smart Financing - New Building   | 0                          | 0                                 |   | \$0                          | 30,600                           | 0                               | \$0.04                        | \$0                      | \$0                                       | \$0                                     | \$0                        | \$0                                   |
| TOTAL COMMERCIAL PROGRAMS  | 97                         | 20                                |   | \$129,695                    |                                  | 0                               |                               | \$0                      | \$506                                     | \$6,195                                 | \$6,701                    | \$136,396                             |
| INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)  |                            |                                   |   |                              |                                  |                                 |                               |                          |   |   |                            |                                       |
| Smart Audit - Class 1  | 15                         | 1                                 | \$149.40  | \$2,241                      | 0                                | 0                               |                               |                          | \$0                                       | \$112                                   | \$112                      | \$2,353                               |
| Smart Audit - Class 2  | 2                          | 1                                 | \$8,980.00  | \$17,960                     | 0                                | 0                               |                               |                          | \$0                                       | \$898                                   | \$898                      | \$18,858                              |
| Smart Financing - General  | 0                          | 0                                 |   | \$3,919                      | 28,200                           | 0                               | \$0.04                        | \$0                      | \$0                                       | \$196                                   | \$196                      | \$4,115                               |
| Smart Financing - Compressed Air System  | 0                          | 0                                 |   | \$0                          | 164,800                          | 0                               | \$0.03                        | \$0                      | \$0                                       | \$0                                     | \$0                        | \$0                                   |
| TOTAL INDUSTRIAL PROGRAMS  | 17                         | 2                                 |   | \$24,120                     |                                  | 0                               |                               | \$0                      | \$0                                       | \$1,206                                 | \$1,206                    | \$25,326                              |
| TOTAL COMPANY  | 2,724                      | 981                               |   | \$817,106                    |                                  | 1,989,174                       |                               | \$61,918                 | \$78,091                                  | \$19,875                                | \$97,966                   | \$976,990                             |
| * Lost revenue and efficiency incentives are based on initial values per the settlement agreement. |                            |                                   |   |                              |                                  |                                 |                               |                          |   |   |                            |                                       |

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| 1997   |                            |                                   |   |                              |                                     |  |                               |                                  |  |   |                                 |                                       |
|--|----------------------------|-----------------------------------|---|------------------------------|-------------------------------------|--|-------------------------------|----------------------------------|--|---|---------------------------------|---------------------------------------|
| KENTUCKY POWER COMPANY<br>ESTIMATED SECTOR SURCHARGES FOR 1997                                     |                            |                                   |   |                              |                                     |  |                               |                                  |  |   |                                 |                                       |
| YEAR 2 ( 1st HALF )  |                            |                                   |   |                              |                                     |  |                               |                                  |  |   |                                 |                                       |
| PROGRAM DESCRIPTIONS   | NEW PARTICIPANT NUMBER (1) | CUMULATIVE PARTICIPANT NUMBER (2) | TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3) | TOTAL ACT. PROGRAM COSTS (4) | NET LOST REV/6 MOS (KWH/PARTIC) (5) | TOTAL ENERGY SAVINGS KWH/6 MOS (2)X(5) (6) | NET LOST REVENUE (\$/KWH) (7) | TOTAL NET * REVENUES (6)X(7) (8) | EFFICIENCY INCENTIVE (EX. C. PG.21C) (9) | MAXIMIZING INCENTIVE (5% of COSTS) (10) | TOTAL * INCENTIVE (9)+(10) (11) | TOTAL EST. COSTS TO BE RECOVERED (12) |
| RESIDENTIAL PROGRAMS   |                            |                                   |   |                              |                                     |  |                               |                                  |  |   |                                 |                                       |
| Energy Fitness   | 273                        | 651                               | \$260.68  | \$71,167                     | 1,345                               | 875,595                                    | \$0.03                        | \$27,266                         | \$21,354                                 | n/a                                     | \$21,354                        | \$119,787                             |
| Targeted Energy Efficiency - All Electric  | 118                        | 279                               | \$818.97  | \$96,638                     | 2,785                               | 777,015                                    | \$0.03                        | \$24,188                         | \$0                                      | \$4,832                                 | \$4,832                         | \$125,658                             |
| - Non-All Electric   | 26                         | 88                                | \$88.23   | \$2,294                      | 340                                 | 29,920                                     | \$0.03                        | \$935                            | \$252                                    | n/a                                     | \$252                           | \$3,481                               |
| Compact Fluorescent Bulb   | 0                          | 269                               |   | \$0                          | 31                                  | 8,339                                      | \$0.03                        | \$258                            | \$0                                      | n/a                                     | \$0                             | \$258                                 |
| High - Efficiency Heat Pump - Resistance Heat  | 123                        | 590                               | \$2.58  | \$317                        | 1,138                               | 671,420                                    | \$0.03                        | \$20,895                         | \$2,427                                  | n/a                                     | \$2,427                         | \$23,639                              |
| - Non Resistance Heat  | 124                        | 581                               | \$2.56  | \$318                        | 407                                 | 236,467                                    | \$0.03                        | \$7,364                          | \$2,070                                  | n/a                                     | \$2,070                         | \$9,752                               |
| High - Efficiency Heat Pump - Mobile Home  | 109                        | 403                               | \$157.87  | \$17,208                     | 1,080                               | 435,240                                    | \$0.03                        | \$13,540                         | \$4,236                                  | n/a                                     | \$4,236                         | \$34,984                              |
| Mobile Home New Construction   | 12                         | 78                                | \$635.17  | \$7,622                      | 0                                   |  | n/a                           | n/a                              | \$0                                      | \$381                                   | \$381                           | \$8,003                               |
| TOTAL RESIDENTIAL PROGRAMS   | 785                        | 2,939                             |   | \$195,564                    |                                     | 3,033,996                                  |                               | \$94,446                         | \$30,339                                 | \$5,213                                 | \$35,552                        | \$325,562                             |
| COMMERCIAL PROGRAMS  |                            |                                   |   |                              |                                     |  |                               |                                  |  |   |                                 |                                       |
| Smart Audit - Class 1  | 243                        | 207                               | \$284.00  | \$64,152                     | 0                                   | 0  | n/a                           | n/a                              | \$0                                      | \$3,208                                 | \$3,208                         | \$67,360                              |
| - Class 2  | 11                         | 9                                 | \$2,705.00  | \$29,755                     | 0                                   | 0  | n/a                           | n/a                              | \$0                                      | \$1,488                                 | \$1,488                         | \$31,243                              |
| Smart Financing - Existing Building  | 0                          | 1                                 | n/a   | \$5,629                      | 11,000                              | 11,000                                     | \$0.04                        | \$469                            | \$0                                      | \$281                                   | \$281                           | \$6,379                               |
| Smart Financing - New Building   | 1                          | 0                                 | \$4,692.00  | \$4,692                      | 15,300                              | 0  | \$0.04                        | \$0                              | \$50                                     | n/a                                     | \$50                            | \$4,742                               |
| TOTAL COMMERCIAL PROGRAMS  | 255                        | 217                               |   | \$104,228                    |                                     | 11,000                                     |                               | \$469                            | \$50                                     | \$4,977                                 | \$5,027                         | \$109,724                             |
| INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)  |                            |                                   |   |                              |                                     |  |                               |                                  |  |   |                                 |                                       |
| Smart Audit - Class 1  | 9                          | 20                                | \$279.56  | \$2,516                      | 0                                   | 0  | n/a                           | n/a                              | \$0                                      | \$126                                   | \$126                           | \$2,642                               |
| Smart Audit - Class 2  | 1                          | 2                                 | \$1,133.00  | \$1,133                      | 0                                   | 0  | n/a                           | n/a                              | \$0                                      | \$57                                    | \$57                            | \$1,190                               |
| Smart Financing - General  | 0                          | 0                                 | n/a   | \$7,840                      | 14,100                              | 0  | \$0.04                        | \$0                              | \$0                                      | \$392                                   | \$392                           | \$8,232                               |
| Smart Financing - Compressed Air System  | 0                          | 0                                 |   | \$0                          | 82,400                              | 0  | \$0.03                        | \$0                              | \$0                                      | \$0                                     | \$0                             | \$0                                   |
| TOTAL INDUSTRIAL PROGRAMS  | 10                         | 22                                |   | \$11,489                     |                                     | 0  |                               | \$0                              | \$0                                      | \$575                                   | \$575                           | \$12,064                              |
| TOTAL COMPANY  | 1,050                      | 3,178                             |   | \$311,281                    |                                     | 3,044,996                                  |                               | \$94,915                         | \$30,389                                 | \$10,765                                | \$41,154                        | \$447,350                             |
| * Lost revenue and efficiency incentives are based on initial values per the settlement agreement. |                            |                                   |   |                              |                                     |  |                               |                                  |  |   |                                 |                                       |

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| 1997  |                            |                                   |                                   |                              |                                   |                            |                               |                          |  |                           |                            |                                       |
|---|----------------------------|-----------------------------------|-----------------------------------|------------------------------|-----------------------------------|----------------------------|-------------------------------|--------------------------|--|---------------------------|----------------------------|---------------------------------------|
| KENTUCKY POWER COMPANY<br>ESTIMATED SECTOR SURCHARGES FOR 3 YR PROGRAM    |                            |                                   |                                   |                              |                                   |                            |                               |                          |  |                           |                            |                                       |
| YEAR 2 (3rd QTR)  |                            |                                   |                                   |                              |                                   |                            |                               |                          |  |                           |                            |                                       |
| PROGRAM DESCRIPTIONS  | NEW PARTICIPANT NUMBER (1) | CUMULATIVE PARTICIPANT NUMBER (2) | TOTAL ESTIMATED PROGRAM COSTS (3) | TOTAL ACT. PROGRAM COSTS (4) | NET LOST REV/QTR (KWH/PARTIC) (5) | ENERGY SAVINGS KWH/QTR (6) | NET LOST REVENUE (\$/KWH) (7) | TOTAL NET * REVENUES (8) | EFFICIENCY INCENTIVE (EX. C. PG.21C) (9) | MAXIMIZING INCENTIVE (10) | TOTAL * INCENTIVE (9)+(10) | TOTAL EST. COSTS TO BE RECOVERED (12) |
|   |                            |                                   |                                   |                              |                                   |                            |                               |                          |  |                           |                            |                                       |
| RESIDENTIAL PROGRAMS  |                            |                                   |                                   |                              |                                   |                            |                               |                          |  |                           |                            |                                       |
| Energy Fitness  | 257                        | 957                               | \$184.99                          | \$47,542                     | 341                               | 326,337                    | \$0.03                        | \$10,156                 | \$5,340                                  | n/a                       | \$5,340                    | \$63,038                              |
| Targeted Energy Efficiency - All Electric                                 | 51                         | 369                               | \$1,090.08                        | \$55,594                     | 1,392                             | 513,648                    | \$0.03                        | \$15,980                 | \$0                                      | \$2,780                   | \$2,780                    | \$74,354                              |
| - Non-All Electric  | 15                         | 108                               | \$193.33                          | \$2,900                      | 170                               | 18,360                     | \$0.03                        | \$574                    | \$25                                     | n/a                       | \$25                       | \$3,489                               |
| Compact Fluorescent Bulb  | 0                          | 269                               | n/a                               | \$0                          | 16                                | 4,304                      | \$0.03                        | \$133                    | \$0                                      | \$0                       | \$0                        | \$133                                 |
| High - Efficiency Heat Pump - Resistance Heat                             | 109                        | 717                               | \$55.05                           | \$6,000                      | 547                               | 392,199                    | \$0.03                        | \$12,213                 | \$787                                    | n/a                       | \$787                      | \$19,000                              |
| - Non Resistance Heat   | 84                         | 695                               | \$66.18                           | \$5,559                      | 221                               | 153,595                    | \$0.03                        | \$4,786                  | \$2,445                                  | n/a                       | \$2,445                    | \$12,790                              |
| High - Efficiency Heat Pump - Mobile Home                                 | 77                         | 509                               | \$689.62                          | \$53,101                     | 625                               | 318,125                    | \$0.03                        | \$9,894                  | \$2,503                                  | n/a                       | \$2,503                    | \$65,498                              |
| Mobile Home New Construction  | 0                          | 82                                | n/a                               | \$6,092                      | 0                                 | 0                          |                               |                          | \$0                                      | \$305                     | \$305                      | \$6,397                               |
| TOTAL RESIDENTIAL PROGRAMS  | 593                        | 3,706                             |                                   | \$176,788                    |                                   | 1,726,568                  |                               | \$53,736                 | \$11,100                                 | \$3,085                   | \$14,185                   | \$244,709                             |
| COMMERCIAL PROGRAMS   |                            |                                   |                                   |                              |                                   |                            |                               |                          |  |                           |                            |                                       |
| Smart Audit - Class 1   | 98                         | 383                               | \$413.13                          | \$40,487                     | 0                                 | 0                          |                               |                          | \$0                                      | \$2,024                   | \$2,024                    | \$42,511                              |
| - Class 2   | 5                          | 19                                | \$2,705.00                        | \$13,525                     | 0                                 | 0                          |                               |                          | \$0                                      | \$676                     | \$676                      | \$14,201                              |
| Smart Financing - Existing Building                                       | 2                          | 2                                 | \$3,067.00                        | \$6,134                      | 11,100                            | 22,200                     | \$0.04                        | \$940                    | \$1,627                                  | n/a                       | \$1,627                    | \$8,701                               |
| Smart Financing - New Building  | 0                          | 1                                 | n/a                               | \$0                          | 7,650                             | 7,650                      | \$0.04                        | \$327                    | \$0                                      | \$0                       | \$0                        | \$327                                 |
| TOTAL COMMERCIAL PROGRAMS   | 105                        | 405                               |                                   | \$60,146                     |                                   | 29,850                     |                               | \$1,267                  | \$1,627                                  | \$2,700                   | \$4,327                    | \$65,740                              |
| INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)                           |                            |                                   |                                   |                              |                                   |                            |                               |                          |  |                           |                            |                                       |
| Smart Audit - Class 1   | 3                          | 26                                | \$666.00                          | \$1,998                      | 0                                 | 0                          |                               |                          | \$0                                      | \$100                     | \$100                      | \$2,098                               |
| Smart Audit - Class 2   | 0                          | 3                                 | n/a                               | \$0                          | 0                                 | 0                          |                               |                          | \$0                                      | \$0                       | \$0                        | \$0                                   |
| Smart Financing - General   | 0                          | 0                                 | n/a                               | \$4,785                      | 14,625                            | 0                          | \$0.04                        | \$0                      | \$0                                      | n/a                       | \$0                        | \$4,785                               |
| Smart Financing - Compressed Air System                                   | 0                          | 0                                 |                                   | \$0                          | 41,200                            | 0                          | \$0.04                        | \$0                      | \$0                                      | \$0                       | \$0                        | \$0                                   |
| TOTAL INDUSTRIAL PROGRAMS   | 3                          | 29                                |                                   | \$6,783                      |                                   | 0                          |                               | \$0                      | \$0                                      | \$100                     | \$100                      | \$6,883                               |
| TOTAL COMPANY   | 701                        | 4,140                             |                                   | \$243,717                    |                                   | 1,756,418                  |                               | \$55,003                 | \$12,727                                 | \$5,885                   | \$18,612                   | \$317,332                             |
| * Lost revenue and efficiency incentives are based on prospective values. |                            |                                   |                                   |                              |                                   |                            |                               |                          |  |                           |                            |                                       |

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| 1997  |                            |                                   |   |                              |                                   |                                  |                               |                              |  |   |                                |                                       |
|---|----------------------------|-----------------------------------|---|------------------------------|-----------------------------------|----------------------------------|-------------------------------|------------------------------|--|---|--------------------------------|---------------------------------------|
| KENTUCKY POWER COMPANY<br>ESTIMATED SECTOR SURCHARGES FOR 3 YR PROGRAM    |                            |                                   |   |                              |                                   |                                  |                               |                              |  |   |                                |                                       |
| YEAR 2 (4th QTR)  | NEW PARTICIPANT NUMBER (1) | CUMULATIVE PARTICIPANT NUMBER (2) | TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3) | TOTAL ACT. PROGRAM COSTS (4) | NET LOST REV/QTR (KWH/PARTIC) (5) | TOTAL ENERGY SAVINGS KWH/QTR (6) | NET LOST REVENUE (\$/KWH) (7) | TOTAL NET* LOST REVENUES (8) | EFFICIENCY INCENTIVE (EX. C. PG.21C) (9) | MAXIMIZING INCENTIVE (5% of COSTS) (10) | TOTAL* INCENTIVE (9)+(10) (11) | TOTAL EST. COSTS TO BE RECOVERED (12) |
| RESIDENTIAL PROGRAMS  |                            |                                   |   |                              |                                   |                                  |                               |                              |  |   |                                |                                       |
| Energy Fitness  | 432                        | 1,287                             | \$259.53  | \$112,115                    | 341                               | 438,867                          | \$0.03                        | \$13,658                     | \$8,977                                  | n/a                                     | \$8,977                        | \$134,750                             |
| Targeted Energy Efficiency - All Electric                                 | 124                        | 443                               | \$924.15  | \$114,595                    | 1,393                             | 617,099                          | \$0.03                        | \$19,198                     | \$0                                      | \$5,730                                 | \$5,730                        | \$139,523                             |
| - Non-All Electric  | 78                         | 146                               | \$103.55  | \$8,077                      | 170                               | 24,820                           | \$0.03                        | \$775                        | \$129                                    | n/a                                     | \$129                          | \$8,981                               |
| Compact Fluorescent Bulb  | 0                          | 269                               | n/a   | \$0                          | 17                                | 4,573                            | \$0.03                        | \$141                        | \$0                                      | \$0                                     | \$0                            | \$141                                 |
| High - Efficiency Heat Pump - Resistance Heat - Non Resistance Heat       | 111                        | 823                               | \$106.90  | \$11,866                     | 547                               | 450,181                          | \$0.03                        | \$14,019                     | \$801                                    | n/a                                     | \$801                          | \$26,686                              |
|   | 102                        | 782                               | \$142.21  | \$14,505                     | 221                               | 172,822                          | \$0.03                        | \$5,385                      | \$2,969                                  | n/a                                     | \$2,969                        | \$22,859                              |
| High - Efficiency Heat Pump - Mobile Home                                 | 50                         | 565                               | \$406.70  | \$20,335                     | 625                               | 353,125                          | \$0.03                        | \$10,982                     | \$1,625                                  | n/a                                     | \$1,625                        | \$32,942                              |
| Mobile Home New Construction  | 0                          | 82                                | n/a   | (\$749)                      | 0                                 | 0                                | 0                             | 0                            | 0  | (\$37)                                  | (\$37)                         | (\$786)                               |
| TOTAL RESIDENTIAL PROGRAMS  | 897                        | 4,397                             |   | \$280,744                    |                                   | 2,061,487                        |                               | \$64,158                     | \$14,501                                 | \$5,693                                 | \$20,194                       | \$365,096                             |
| COMMERCIAL PROGRAMS   |                            |                                   |   |                              |                                   |                                  |                               |                              |  |   |                                |                                       |
| Smart Audit - Class 1   | 71                         | 473                               | \$230.92  | \$16,395                     | 0                                 | 0                                | 0                             | 0                            | \$0                                      | \$820                                   | \$820                          | \$17,215                              |
| - Class 2   | 21                         | 33                                | \$2,705.00  | \$56,805                     | 0                                 | 0                                | 0                             | 0                            | \$0                                      | \$2,840                                 | \$2,840                        | \$59,645                              |
| Smart Financing - Existing Building                                       | 9                          | 8                                 | \$2,282.56  | \$20,543                     | 11,100                            | 88,800                           | \$0.04                        | \$3,761                      | \$7,320                                  | n/a                                     | \$7,320                        | \$31,624                              |
| Smart Financing - New Building  | 0                          | 1                                 | n/a   | \$0                          | 7,650                             | 7,650                            | \$0.04                        | \$327                        | \$0                                      | n/a                                     | \$0                            | \$327                                 |
| TOTAL COMMERCIAL PROGRAMS   | 101                        | 515                               |   | \$93,743                     |                                   | 96,450                           |                               | \$4,088                      | \$7,320                                  | \$3,660                                 | \$10,980                       | \$108,811                             |
| INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)                           |                            |                                   |   |                              |                                   |                                  |                               |                              |  |   |                                |                                       |
| Smart Audit - Class 1   | 18                         | 37                                | \$524.22  | \$9,436                      | 0                                 | 0                                | 0                             | 0                            | \$0                                      | \$472                                   | \$472                          | \$9,908                               |
| Smart Audit - Class 2   | 0                          | 3                                 | n/a   | \$1,094                      | 0                                 | 0                                | 0                             | 0                            | \$0                                      | \$55                                    | \$55                           | \$1,149                               |
| Smart Financing - General   | 0                          | 0                                 | n/a   | \$11,802                     | 14,625                            | 0                                | \$0.04                        | \$0                          | \$0                                      | n/a                                     | \$0                            | \$11,802                              |
| Smart Financing - Compressed Air System                                   | 0                          | 0                                 | n/a   | \$0                          | 41,200                            | 0                                | \$0.04                        | \$0                          | \$0                                      | \$0                                     | \$0                            | \$0                                   |
| TOTAL INDUSTRIAL PROGRAMS   | 18                         | 40                                |   | \$22,332                     |                                   | 0                                |                               | \$0                          | \$0                                      | \$527                                   | \$527                          | \$22,859                              |
| TOTAL COMPANY   | 1,016                      | 4,952                             |   | \$396,819                    |                                   | 2,157,937                        |                               | \$68,246                     | \$21,821                                 | \$9,880                                 | \$31,701                       | \$496,766                             |
| * Lost revenue and efficiency incentives are based on prospective values. |                            |                                   |   |                              |                                   |                                  |                               |                              |  |   |                                |                                       |

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

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| 1998  |                            |                                   |   |                                  |                                   |   |                               |                             |  |  |                           |  |
|---|----------------------------|-----------------------------------|---|----------------------------------|-----------------------------------|---|-------------------------------|-----------------------------|--|--|---------------------------|--|
| KENTUCKY POWER COMPANY<br>ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM  |                            |                                   |   |                                  |                                   |   |                               |                             |  |  |                           |  |
| YEAR (3/2nd HALF)   | NEW PARTICIPANT NUMBER (1) | CUMULATIVE PARTICIPANT NUMBER (2) | TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3) | TOTAL ACT. PROGRAM COSTS (1)X(3) | NET LOST REVENUE (KWH/PARTIC) (5) | NET LOST ENERGY SAVINGS (KWH/6 MOS) (2)X(5) | NET LOST REVENUE (\$/KWH) (7) | TOTAL NET* REVENUES (6)X(7) | EFFICIENCY INCENTIVE (EX. C. PG.21C) (9) | MAXIMIZING INCENTIVE (% of COSTS) (4)X(5%) | TOTAL* INCENTIVE (9)X(10) | TOTAL EST. COSTS TO BE RECOVERED (4)X(8)+(11) (12) |
| <b>RESIDENTIAL PROGRAMS</b>   |                            |                                   |   |                                  |                                   |   |                               |                             |  |  |                           |  |
| Energy Fitness  | 448                        | 2,277                             | \$301.30  | \$134,982                        | 682                               | 1,552,914                                   | \$0.03                        | \$48,327                    | \$9,309                                  | \$0  | \$9,309                   | \$192,618  |
| Targeted Energy Efficiency - All Electric                                 | 131                        | 697                               | \$1,187.51  | \$155,564                        | 2,784                             | 1,940,448                                   | \$0.03                        | \$60,367                    | \$0                                      | \$7,778                                    | \$7,778                   | \$223,709  |
| - Non-All Electric  | 42                         | 238                               | \$139.62  | \$5,864                          | 340                               | 80,920                                      | \$0.03                        | \$2,528                     | \$70                                     | \$0  | \$70                      | \$8,462  |
| Compact Fluorescent Bulb  | 0                          | 269                               | \$0.00  | \$0                              | 32                                | 8,608                                       | \$0.03                        | \$286                       | \$0                                      | \$0  | \$0                       | \$286  |
| High - Efficiency Heat Pump - Resistance Heat                             | 108                        | 940                               | \$147.45  | \$15,925                         | 1,094                             | 1,028,360                                   | \$0.03                        | \$32,023                    | \$780                                    | \$0  | \$780                     | \$48,728   |
| - Non Resistance Heat   | 64                         | 894                               | \$72.27   | \$4,625                          | 442                               | 395,148                                     | \$0.03                        | \$12,313                    | \$1,863                                  | \$0  | \$1,863                   | \$18,801   |
| High - Efficiency Heat Pump - Mobile Home                                 | 173                        | 764                               | \$514.50  | \$89,009                         | 1,250                             | 955,000                                     | \$0.03                        | \$29,701                    | \$5,623                                  | \$0  | \$5,623                   | \$124,333  |
| Mobile Home New Construction  | 33                         | 11                                | \$549.45  | \$18,132                         | 0                                 | 0   | n/a                           |                             | \$907                                    | \$907                                      | \$907                     | \$19,039   |
| <b>TOTAL RESIDENTIAL PROGRAMS</b>   | 999                        | 6,090                             |   | \$424,101                        |                                   | 5,961,398                                   |                               | \$185,525                   | \$17,645                                 | \$8,685                                    | \$26,330                  | \$635,956  |
| <b>COMMERCIAL PROGRAMS</b>  |                            |                                   |   |                                  |                                   |   |                               |                             |  |  |                           |  |
| Smart Audit - Class 1   | 178                        | 795                               | \$534.85  | \$95,203                         | 0                                 | 0   | n/a                           |                             | \$0                                      | \$4,760                                    | \$4,760                   | \$99,963   |
| - Class 2   | 9                          | 73                                | \$2,800.00  | \$25,200                         | 0                                 | 0   | n/a                           |                             | \$0                                      | \$1,260                                    | \$1,260                   | \$26,460   |
| Smart Financing - Existing Building                                       | 29                         | 32                                | \$1,878.86  | \$54,487                         | 22,200                            | 710,400                                     | \$0.04                        | \$90,085                    | \$23,585                                 | \$0  | \$23,585                  | \$108,157  |
| Smart Financing - New Building  | 5                          | 6                                 | \$1,529.20  | \$7,646                          | 15,300                            | 91,800                                      | \$0.04                        | \$3,926                     | \$144                                    | \$0  | \$144                     | \$11,716   |
| <b>TOTAL COMMERCIAL PROGRAMS</b>  | 221                        | 906                               |   | \$182,536                        |                                   | 802,200                                     |                               | \$34,011                    | \$23,729                                 | \$6,020                                    | \$29,749                  | \$246,296  |
| <b>INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)</b>                    |                            |                                   |   |                                  |                                   |   |                               |                             |  |  |                           |  |
| Smart Audit - Class 1   | 3                          | 59                                | \$852.33  | \$2,557                          | 0                                 | 0   | n/a                           |                             | \$0                                      | \$128                                      | \$128                     | \$2,685  |
| Smart Audit - Class 2   | 0                          | 4                                 | \$0.00  | \$0                              | 0                                 | 0   | n/a                           |                             | \$0                                      | \$0  | \$0                       | \$0  |
| Smart Financing - General   | 1                          | 0                                 | \$0.00  | \$2,430                          | 29,250                            | \$0.00                                      | \$0.04                        | \$0                         | \$983                                    | \$0  | \$983                     | \$2,813  |
| Smart Financing - Compressed Air System                                   | 0                          | 0                                 | \$0.00  | \$0                              | 82,400                            | 0   | \$0.04                        | \$0                         | \$0                                      | \$0  | \$0                       | \$0  |
| <b>TOTAL INDUSTRIAL PROGRAMS</b>  | 4                          | 63                                |   | \$4,987                          |                                   | 0   |                               | \$0                         | \$983                                    | \$128                                      | \$511                     | \$5,488  |
| <b>TOTAL COMPANY</b>  | 1,224                      | 7,059                             |   | \$611,624                        |                                   | 6,763,598                                   |                               | \$219,536                   | \$41,757                                 | \$14,833                                   | \$56,590                  | \$887,750  |
| * Lost revenue and efficiency incentives are based on prospective values. |                            |                                   |   |                                  |                                   |   |                               |                             |  |  |                           |  |

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| 1999   |                            |                                      |   |                              |                                    |                                   |                               |                                      |  |   |                                 |                                       |
|--|----------------------------|--------------------------------------|---|------------------------------|------------------------------------|-----------------------------------|-------------------------------|--------------------------------------|--|---|---------------------------------|---------------------------------------|
| KENTUCKY POWER COMPANY<br>ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM                       |                            |                                      |   |                              |                                    |                                   |                               |                                      |  |   |                                 |                                       |
| YEAR 4 ( 1st HALF )  | NEW PARTICIPANT NUMBER (1) | CUMULATIVE PARTICIPANT NUMBER ** (2) | TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3) | TOTAL ACT. PROGRAM COSTS (4) | NET LOST REV/HALF (KWH/PARTIC) (5) | TOTAL ENERGY SAVINGS KWH/HALF (6) | NET LOST REVENUE (\$/KWH) (7) | TOTAL NET* LOST REVENUES (6)X(7) (8) | EFFICIENCY INCENTIVE (EX. C. PG.21C) (9) | MAXIMIZING INCENTIVE (5% of COSTS) (10) | TOTAL * INCENTIVE (9)+(10) (11) | TOTAL EST. COSTS TO BE RECOVERED (12) |
| PROGRAM DESCRIPTIONS   |                            |                                      |   |                              |                                    |                                   |                               |                                      |  | (4)X(5%) (10)                           |                                 | (4)+(8)+(11) (12)                     |
| <b>RESIDENTIAL PROGRAMS</b>  |                            |                                      |   |                              |                                    |                                   |                               |                                      |  |   |                                 |                                       |
| Energy Fitness   | 306                        | 2,694                                | \$312.58  | \$95,650                     | 707                                | 1,904,658                         | \$0.03                        | \$59,273                             | \$10,370                                 | \$0                                     | \$10,370                        | \$165,293                             |
| Targeted Energy Efficiency - All Electric - Non-All Electric                                   | 75                         | 773                                  | \$1,907.41  | \$143,056                    | 630                                | 486,990                           | \$0.03                        | \$15,150                             | \$0                                      | \$7,153                                 | \$7,153                         | \$165,359                             |
|  | 12                         | 249                                  | \$112.00  | \$1,344                      | 306                                | 76,194                            | \$0.03                        | \$2,380                              | \$60                                     | \$0                                     | \$60                            | \$3,784                               |
| Compact Fluorescent Bulb   | 0                          | 269                                  | \$0.00  | \$0                          | 31                                 | 8,339                             | \$0.03                        | \$258                                | \$0                                      | \$0                                     | \$0                             | \$258                                 |
| High - Efficiency Heat Pump - Resistance Heat - Non Resistance Heat                            | 99                         | 1,002                                | \$273.74  | \$27,100                     | 1,200                              | 1,202,400                         | \$0.03                        | \$37,443                             | \$4,375                                  | \$0                                     | \$4,375                         | \$68,918                              |
|  | 2                          | 853                                  | \$50.00   | \$100                        | 442                                | 377,026                           | \$0.03                        | \$11,748                             | \$0                                      | \$5                                     | \$5                             | \$11,853                              |
| High - Efficiency Heat Pump - Mobile Home  | 101                        | 826                                  | \$545.99  | \$55,145                     | 1,475                              | 1,218,350                         | \$0.03                        | \$37,891                             | \$8,505                                  | \$0                                     | \$8,505                         | \$101,541                             |
| Mobile Home New Construction ***   | 98                         | 45                                   | \$587.20  | \$57,546                     | 1,756                              | 79,020                            | \$0.03                        | \$2,458                              | \$4,353                                  | \$0                                     | \$4,353                         | \$64,357                              |
| <b>TOTAL RESIDENTIAL PROGRAMS</b>  | <b>693</b>                 | <b>6,711</b>                         |   | <b>\$379,941</b>             |                                    | <b>5,352,977</b>                  |                               | <b>\$166,601</b>                     | <b>\$27,663</b>                          | <b>\$7,158</b>                          | <b>\$34,821</b>                 | <b>\$581,363</b>                      |
| <b>COMMERCIAL PROGRAMS</b>   |                            |                                      |   |                              |                                    |                                   |                               |                                      |  |   |                                 |                                       |
| Smart Audit - Class 1  | 186                        | 964                                  | \$204.71  | \$38,076                     | 0                                  | 0                                 | n/a                           | 0                                    | \$0                                      | \$1,904                                 | \$1,904                         | \$39,980                              |
| - Class 2  | 16                         | 87                                   | \$2,705.00  | \$43,280                     | 0                                  | 0                                 | n/a                           | 0                                    | \$0                                      | \$2,164                                 | \$2,164                         | \$45,444                              |
| Smart Financing - Existing Building  | 6                          | 51                                   | \$5,109.67  | \$30,658                     | 13,282                             | 677,382                           | \$0.04                        | \$28,687                             | \$1,395                                  | \$0                                     | \$1,395                         | \$60,740                              |
| Smart Financing - New Building   | 3                          | 9                                    | \$0.00  | \$2,350                      | 14,101                             | 126,909                           | \$0.04                        | \$5,428                              | \$787                                    | \$0                                     | \$787                           | \$8,565                               |
| <b>TOTAL COMMERCIAL PROGRAMS</b>   | <b>211</b>                 | <b>1,111</b>                         |   | <b>\$114,364</b>             |                                    | <b>804,291</b>                    |                               | <b>\$34,115</b>                      | <b>\$2,182</b>                           | <b>\$4,068</b>                          | <b>\$6,250</b>                  | <b>\$154,729</b>                      |
| <b>INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)</b>   |                            |                                      |   |                              |                                    |                                   |                               |                                      |  |   |                                 |                                       |
| Smart Audit - Class 1  | 0                          | 60                                   | \$0.00  | \$0                          | 0                                  | 0                                 | n/a                           | 0                                    | \$0                                      | \$0                                     | \$0                             | \$0                                   |
| Smart Audit - Class 2  | 0                          | 4                                    | \$0.00  | \$0                          | 0                                  | 0                                 | n/a                           | 0                                    | \$0                                      | \$0                                     | \$0                             | \$0                                   |
| Smart Financing - General  | 0                          | 1                                    | \$0.00  | \$0                          | 0                                  | 0                                 | \$0.04                        | \$0                                  | \$0                                      | \$0                                     | \$0                             | \$0                                   |
| Smart Financing - Compressed Air System  | 0                          | 0                                    | \$0.00  | \$0                          | 0                                  | 0                                 | \$0.04                        | \$0                                  | \$0                                      | \$0                                     | \$0                             | \$0                                   |
| <b>TOTAL INDUSTRIAL PROGRAMS</b>   | <b>0</b>                   | <b>65</b>                            |   | <b>\$0</b>                   |                                    | <b>0</b>                          |                               | <b>\$0</b>                           | <b>\$0</b>                               | <b>\$0</b>                              | <b>\$0</b>                      | <b>\$0</b>                            |
| <b>TOTAL COMPANY</b>   | <b>904</b>                 | <b>7,920</b>                         |   | <b>\$494,305</b>             |                                    | <b>6,215,216</b>                  |                               | <b>\$200,716</b>                     | <b>\$29,845</b>                          | <b>\$11,226</b>                         | <b>\$41,071</b>                 | <b>\$736,092</b>                      |
| * Lost revenue and efficiency incentives are based on prospective values.                      |                            |                                      |   |                              |                                    |                                   |                               |                                      |  |   |                                 |                                       |
| ** Cumulative participants include a reduction for the cumulative participants as of 06/30/96. |                            |                                      |   |                              |                                    |                                   |                               |                                      |  |   |                                 |                                       |
| *** Participants since 09/01/98.   |                            |                                      |   |                              |                                    |                                   |                               |                                      |  |   |                                 |                                       |

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| YEAR 4 (2nd HALF)  | NEW PARTICIPANT NUMBER (1) | CUMULATIVE PARTICIPANT NUMBER ** (2) | TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3) | TOTAL ACT. PROGRAM COSTS (4) | NET LOST REV/HALF (KWH/PARTIC) (5) | TOTAL ENERGY SAVINGS KWH/HALF (2)X(5) (6) | NET LOST REVENUE (\$/KWH) (7) | TOTAL NET * REVENUES LOST (6)X(7) (8) | EFFICIENCY INCENTIVE (EX. C. PG.21C) (9) | MAXIMIZING INCENTIVE (5% of COSTS) (10) (4)X(5%) (11) | TOTAL * INCENTIVE (9)+(10) (12) | TOTAL EST. COSTS TO BE RECOVERED (4)+(9)+(11) (13) |
|--|----------------------------|--------------------------------------|---|------------------------------|------------------------------------|---|-------------------------------|---------------------------------------|--|---|---------------------------------|--|
| 1999   |                            |                                      |   |                              |                                    |   |                               |                                       |  |   |                                 |  |
| KENTUCKY POWER COMPANY<br>ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM                       |                            |                                      |   |                              |                                    |   |                               |                                       |  |   |                                 |  |
| RESIDENTIAL PROGRAMS   |                            |                                      |   |                              |                                    |   |                               |                                       |  |   |                                 |  |
| Energy Fitness   | 0                          | 2,519                                | \$0.00  | \$972                        | 707                                | 1,780,933                                 | \$0.03                        | \$55,423                              | \$0                                      | \$0   | \$0                             | \$56,395   |
| Targeted Energy Efficiency - All Electric  | 66                         | 700                                  | \$1,222.76  | \$80,702                     | 630                                | 441,000                                   | \$0.03                        | \$13,720                              | \$0                                      | \$4,035   | \$4,035                         | \$98,457   |
| - Non-All Electric   | 8                          | 220                                  | \$67.50   | \$540                        | 306                                | 67,320                                    | \$0.03                        | \$2,103                               | \$40                                     | \$0   | \$40                            | \$2,683  |
| Compact Fluorescent Bulb   | 0                          | 123                                  | \$0.00  | \$0                          | 31                                 | 3,813                                     | \$0.03                        | \$118                                 | \$0                                      | \$0   | \$0                             | \$118  |
| High - Efficiency Heat Pump - Resistance Heat  | 140                        | 810                                  | \$211.14  | \$29,560                     | 1,200                              | 972,000                                   | \$0.03                        | \$30,268                              | \$6,187                                  | \$0   | \$6,187                         | \$66,015   |
| - Non Resistance Heat  | 0                          | 593                                  | \$0.00  | \$0                          | 447                                | 265,071                                   | \$0.03                        | \$8,260                               | \$0                                      | \$0   | \$0                             | \$8,260  |
| High - Efficiency Heat Pump - Mobile Home  | 134                        | 739                                  | \$539.07  | \$72,236                     | 1,475                              | 1,090,025                                 | \$0.03                        | \$33,900                              | \$11,284                                 | \$0   | \$11,284                        | \$117,420  |
| Mobile Home New Construction ***   | 123                        | 196                                  | \$581.42  | \$71,515                     | 1,755                              | 343,980                                   | \$0.03                        | \$10,698                              | \$5,464                                  | \$0   | \$5,464                         | \$87,677   |
| TOTAL RESIDENTIAL PROGRAMS   | 471                        | 5,900                                |   | \$255,525                    |                                    | 4,964,142                                 |                               | \$154,490                             | \$22,975                                 | \$4,035   | \$27,010                        | \$437,025  |
| COMMERCIAL PROGRAMS  |                            |                                      |   |                              |                                    |   |                               |                                       |  |   |                                 |  |
| Smart Audit - Class 1  | 188                        | 1,129                                | \$356.11  | \$66,948                     | 0                                  | 0   | n/a                           | \$0                                   | \$3,347                                  | \$3,347   | \$3,347                         | \$70,295   |
| - Class 2  | 21                         | 103                                  | \$2,705.00  | \$56,805                     | 0                                  | 0   | n/a                           | \$0                                   | \$2,840                                  | \$2,840   | \$2,840                         | \$59,645   |
| Smart Financing - Existing Building  | 25                         | 66                                   | \$2,726.04  | \$68,151                     | 13,282                             | 876,612                                   | \$0.04                        | \$37,125                              | \$5,814                                  | \$0   | \$5,814                         | \$111,090  |
| Smart Financing - New Building   | 8                          | 13                                   | \$3,087.00  | \$24,696                     | 14,101                             | 183,313                                   | \$0.04                        | \$7,840                               | \$2,099                                  | \$0   | \$2,099                         | \$34,635   |
| TOTAL COMMERCIAL PROGRAMS  | 242                        | 1,311                                |   | \$216,600                    |                                    | 1,059,925                                 |                               | \$44,965                              | \$7,913                                  | \$6,187   | \$14,100                        | \$275,665  |
| INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)  |                            |                                      |   |                              |                                    |   |                               |                                       |  |   |                                 |  |
| Smart Audit - Class 1  | 0                          | 57                                   | \$0.00  | \$0                          | 0                                  | 0   | n/a                           | \$0                                   | \$0                                      | \$0   | \$0                             | \$0  |
| Smart Audit - Class 2  | 0                          | 4                                    | \$0.00  | \$0                          | 0                                  | 0   | n/a                           | \$0                                   | \$0                                      | \$0   | \$0                             | \$0  |
| Smart Financing - General  | 0                          | 1                                    | \$0.00  | \$0                          | 0                                  | 0   | \$0.04                        | \$0                                   | \$0                                      | \$0   | \$0                             | \$0  |
| Smart Financing - Compressed Air System  | 0                          | 0                                    | \$0.00  | \$0                          | 0                                  | 0   | \$0.04                        | \$0                                   | \$0                                      | \$0   | \$0                             | \$0  |
| TOTAL INDUSTRIAL PROGRAMS  | 0                          | 62                                   |   | \$0                          |                                    | 0   |                               | \$0                                   | \$0                                      | \$0   | \$0                             | \$0  |
| TOTAL COMPANY  | 713                        | 7,273                                |   | \$472,125                    |                                    | 6,024,067                                 |                               | \$199,455                             | \$30,888                                 | \$10,222  | \$41,110                        | \$712,690  |
| * Lost revenue and efficiency incentives are based on prospective values.                      |                            |                                      |   |                              |                                    |   |                               |                                       |  |   |                                 |  |
| ** Cumulative participants include a reduction for the cumulative participants as of 12/31/96. |                            |                                      |   |                              |                                    |   |                               |                                       |  |   |                                 |  |
| *** Participants since 09/01/98.   |                            |                                      |   |                              |                                    |   |                               |                                       |  |   |                                 |  |

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| Year 2000  |                            |                                      |   |                              |                                    |   |                               |                                       |  |   |                                 |  |
|--|----------------------------|--------------------------------------|---|------------------------------|------------------------------------|---|-------------------------------|---------------------------------------|--|---|---------------------------------|--|
| KENTUCKY POWER COMPANY<br>ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM |                            |                                      |   |                              |                                    |   |                               |                                       |  |   |                                 |  |
| PROGRAM DESCRIPTIONS   | NEW PARTICIPANT NUMBER (1) | CUMULATIVE PARTICIPANT NUMBER ** (2) | TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3) | TOTAL ACT. PROGRAM COSTS (4) | NET LOST REV/HALF (KWH/PARTIC) (5) | TOTAL ENERGY SAVINGS KWH/HALF (2)X(5) (6) | NET LOST REVENUE (\$/KWH) (7) | TOTAL NET * REVENUES LOST (6)X(7) (8) | EFFICIENCY INCENTIVE (EX. C. PG.21C) (9) | MAXIMIZING INCENTIVE (5% of COSTS) (10) (4)X(5%) (11) | TOTAL * INCENTIVE (9)+(10) (12) | TOTAL EST. COSTS TO BE RECOVERED (4)+(9)+(11) (13) |
| RESIDENTIAL PROGRAMS   |                            |                                      |   |                              |                                    |   |                               |                                       |  |   |                                 |  |
| Energy Fitness   | 0                          | 2,161                                | \$0.00  | \$0                          | 707                                | 1,527,827                                 | \$0.03                        | \$47,546                              | \$0                                      | \$0   | \$0                             | \$47,546   |
| Targeted Energy Efficiency - All Electric                                | 66                         | 659                                  | \$1,272.61  | \$83,992                     | 630                                | 415,170                                   | \$0.03                        | \$12,916                              | \$0                                      | \$4,200   | \$4,200                         | \$101,108  |
| - Non-All Electric   | 28                         | 202                                  | \$90.82   | \$2,543                      | 306                                | 61,812                                    | \$0.03                        | \$1,931                               | \$141                                    | \$0   | \$141                           | \$4,615  |
| Compact Fluorescent Bulb   | 0                          | 0                                    | \$0.00  | \$0                          | 0                                  | 0   | \$0.00                        | \$0                                   | \$0                                      | \$0   | \$0                             | \$0  |
| High - Efficiency Heat Pump - Resistance Heat                            | 38                         | 683                                  | \$200.00  | \$7,600                      | 1,200                              | 819,600                                   | \$0.03                        | \$25,522                              | \$1,679                                  | \$0   | \$1,679                         | \$34,801   |
| - Non Resistance Heat  | 0                          | 348                                  | \$0.00  | \$0                          | 447                                | 155,556                                   | \$0.03                        | \$4,847                               | \$0                                      | \$0   | \$0                             | \$4,847  |
| High - Efficiency Heat Pump - Mobile Home                                | 45                         | 683                                  | \$500.00  | \$22,500                     | 1,475                              | 1,007,425                                 | \$0.03                        | \$31,331                              | \$3,789                                  | \$0   | \$3,789                         | \$57,620   |
| Mobile Home New Construction ***   | 101                        | 302                                  | \$530.20  | \$53,550                     | 1,755                              | 530,010                                   | \$0.03                        | \$16,483                              | \$4,486                                  | \$0   | \$4,486                         | \$74,519   |
| TOTAL RESIDENTIAL PROGRAMS   | 278                        | 5,038                                |   | \$170,185                    |                                    | 4,517,400                                 |                               | \$140,576                             | \$10,095                                 | \$4,200   | \$14,295                        | \$325,056  |
| COMMERCIAL PROGRAMS  |                            |                                      |   |                              |                                    |   |                               |                                       |  |   |                                 |  |
| Smart Audit - Class 1  | 144                        | 1,126                                | \$397.19  | \$57,195                     | 0                                  | 0   | n/a                           | \$0                                   | \$2,860                                  | \$2,860   | \$2,860                         | \$60,055   |
| - Class 2  | 8                          | 112                                  | \$2,705.00  | \$21,640                     | 0                                  | 0   | n/a                           | \$0                                   | \$1,082                                  | \$1,082   | \$1,082                         | \$22,722   |
| Smart Financing - Existing Building                                      | 16                         | 86                                   | \$1,307.31  | \$20,917                     | 13,282                             | 1,142,252                                 | \$0.04                        | \$48,374                              | \$3,721                                  | \$0   | \$3,721                         | \$73,012   |
| Smart Financing - New Building   | 4                          | 20                                   | \$6,298.75  | \$25,195                     | 14,101                             | 282,020                                   | \$0.04                        | \$12,062                              | \$1,049                                  | \$0   | \$1,049                         | \$38,306   |
| TOTAL COMMERCIAL PROGRAMS  | 172                        | 1,344                                |   | \$124,947                    |                                    | 1,424,272                                 |                               | \$60,436                              | \$4,770                                  | \$3,942   | \$8,712                         | \$194,095  |
| INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)                          |                            |                                      |   |                              |                                    |   |                               |                                       |  |   |                                 |  |
| Smart Audit - Class 1  | 0                          | 0                                    | \$0.00  | \$0                          | 0                                  | 0   | n/a                           | \$0                                   | \$0                                      | \$0   | \$0                             | \$0  |
| Smart Audit - Class 2  | 0                          | 0                                    | \$0.00  | \$0                          | 0                                  | 0   | n/a                           | \$0                                   | \$0                                      | \$0   | \$0                             | \$0  |
| Smart Financing - General  | 0                          | 0                                    | \$0.00  | \$0                          | 0                                  | 0   | \$0.00                        | \$0                                   | \$0                                      | \$0   | \$0                             | \$0  |
| Smart Financing - Compressed Air System                                  | 0                          | 0                                    | \$0.00  | \$0                          | 0                                  | 0   | \$0.00                        | \$0                                   | \$0                                      | \$0   | \$0                             | \$0  |
| TOTAL INDUSTRIAL PROGRAMS  | 0                          | 0                                    |   | \$0                          |                                    |   |                               | \$0                                   | \$0                                      | \$0   | \$0                             | \$0  |
| TOTAL COMPANY  | 450                        | 6,382                                |   | \$295,132                    |                                    | 5,941,672                                 |                               | \$201,012                             | \$14,865                                 | \$8,142   | \$23,007                        | \$519,151  |

\* Lost revenue and efficiency incentives are based on prospective values.  
 \*\* Cumulative participants include a reduction for the cumulative participants as of 06/30/97.  
 \*\*\* Participants since 09/01/98

| Year 2000   |                            |                                      |   |                              |                                    |                                   |                               |                                       |  |  |                                 |                                       |
|---|----------------------------|--------------------------------------|---|------------------------------|------------------------------------|-----------------------------------|-------------------------------|---------------------------------------|--|--|---------------------------------|---------------------------------------|
| KENTUCKY POWER COMPANY<br>ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM                      |                            |                                      |   |                              |                                    |                                   |                               |                                       |  |  |                                 |                                       |
| PROGRAM DESCRIPTIONS  | NEW PARTICIPANT NUMBER (1) | CUMULATIVE PARTICIPANT NUMBER ** (2) | TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3) | TOTAL ACT. PROGRAM COSTS (4) | NET LOST REV/HALF (KWH/PARTIC) (5) | TOTAL ENERGY SAVINGS KWH/HALF (6) | NET LOST REVENUE (\$/KWH) (7) | TOTAL NET * LOST REVENUES (6)X(7) (8) | EFFICIENCY INCENTIVE (EX. C. PG.21C) (9) | MAXIMIZING INCENTIVE (5% of COSTS) (4)X(5%) (10) | TOTAL * INCENTIVE (9)+(10) (11) | TOTAL EST. COSTS TO BE RECOVERED (12) |
| RESIDENTIAL PROGRAMS  |                            |                                      |   |                              |                                    |                                   |                               |                                       |  |  |                                 |                                       |
| Energy Fitness  | 0                          | 1,525                                | \$0.00  | \$0                          | 706                                | 1,076,650                         | \$0.03                        | \$33,505                              | \$0                                      | \$0  | \$0                             | \$33,505                              |
| Targeted Energy Efficiency - All Electric   | 99                         | 583                                  | \$1,115.41  | \$110,426                    | 630                                | 367,290                           | \$0.03                        | \$11,426                              | \$0                                      | \$5,521  | \$5,521                         | \$127,373                             |
| - Non-All Electric  | 21                         | 170                                  | \$94.67   | \$1,988                      | 306                                | 52,020                            | \$0.03                        | \$1,625                               | \$105                                    | \$0  | \$105                           | \$3,718                               |
| Compact Fluorescent Bulb  | 0                          | 0                                    | \$0.00  | \$0                          | 0                                  | 0                                 | \$0.00                        | \$0                                   | \$0                                      | \$0  | \$0                             | \$0                                   |
| High - Efficiency Heat Pump - Resistance Heat   | 25                         | 481                                  | \$200.00  | \$5,000                      | 1,200                              | 577,200                           | \$0.03                        | \$17,974                              | \$1,105                                  | \$0  | \$1,105                         | \$24,079                              |
| - Non Resistance Heat   | 0                          | 147                                  | \$0.00  | \$0                          | 446                                | 65,562                            | \$0.03                        | \$2,043                               | \$0                                      | \$0  | \$0                             | \$2,043                               |
| High - Efficiency Heat Pump - Mobile Home   | 43                         | 572                                  | \$495.35  | \$21,300                     | 1,476                              | 844,272                           | \$0.03                        | \$26,257                              | \$3,621                                  | \$0  | \$3,621                         | \$51,178                              |
| Mobile Home New Construction ***  | 94                         | 403                                  | \$575.00  | \$54,050                     | 1,755                              | 707,265                           | \$0.03                        | \$21,936                              | \$4,175                                  | \$0  | \$4,175                         | \$80,221                              |
| TOTAL RESIDENTIAL PROGRAMS  | 282                        | 3,881                                |   | \$192,764                    |                                    | 3,690,259                         |                               | \$114,826                             | \$9,006                                  | \$5,521  | \$14,527                        | \$322,117                             |
| COMMERCIAL PROGRAMS   |                            |                                      |   |                              |                                    |                                   |                               |                                       |  |  |                                 |                                       |
| Smart Audit - Class 1   | 159                        | 1,026                                | \$165.24  | \$26,273                     | 0                                  | 0                                 | n/a                           | 0                                     | \$0                                      | \$1,314  | \$1,314                         | \$27,587                              |
| - Class 2   | 29                         | 98                                   | \$2,705.00  | \$78,445                     | 0                                  | 0                                 | n/a                           | 0                                     | \$0                                      | \$3,922  | \$3,922                         | \$82,367                              |
| Smart Financing - Existing Building   | 24                         | 97                                   | \$914.54  | \$21,949                     | 13,282                             | 1,288,354                         | \$0.04                        | \$54,562                              | \$5,581                                  | \$0  | \$5,581                         | \$82,092                              |
| Smart Financing - New Building  | 0                          | 21                                   | \$0.00  | \$7,269                      | 14,102                             | 296,142                           | \$0.04                        | \$12,666                              | \$0                                      | \$0  | \$0                             | \$19,935                              |
| TOTAL COMMERCIAL PROGRAMS   | 212                        | 1,242                                |   | \$133,936                    |                                    | 1,584,496                         |                               | \$67,228                              | \$5,581                                  | \$5,236  | \$10,817                        | \$211,981                             |
| INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)   |                            |                                      |   |                              |                                    |                                   |                               |                                       |  |  |                                 |                                       |
| Smart Audit - Class 1   | 0                          | 0                                    | \$0.00  | \$0                          | 0                                  | 0                                 | n/a                           | 0                                     | 0  | \$0  | 0                               | 0                                     |
| Smart Audit - Class 2   | 0                          | 0                                    | \$0.00  | \$0                          | 0                                  | 0                                 | n/a                           | 0                                     | \$0                                      | \$0  | \$0                             | \$0                                   |
| Smart Financing - General   | 0                          | 0                                    | \$0.00  | \$0                          | 0                                  | 0                                 | \$0.00                        | \$0                                   | \$0                                      | \$0  | \$0                             | \$0                                   |
| Smart Financing - Compressed Air System   | 0                          | 0                                    | \$0.00  | \$0                          | 0                                  | 0                                 | \$0.00                        | \$0                                   | \$0                                      | \$0  | \$0                             | \$0                                   |
| TOTAL INDUSTRIAL PROGRAMS   | 0                          | 0                                    |   | \$0                          |                                    | 0                                 |                               | \$0                                   | 0  | \$0  | 0                               | 0                                     |
| TOTAL COMPANY   | 494                        | 5,123                                |   | \$326,700                    |                                    | 5,274,755                         |                               | \$182,054                             | \$14,587                                 | \$10,757   | \$25,344                        | \$534,098                             |
| * Lost revenue and efficiency incentives are based on prospective values.                     |                            |                                      |   |                              |                                    |                                   |                               |                                       |  |  |                                 |                                       |
| ** Cumulative participants include a reduction for the cumulative participants as of 12/31/97 |                            |                                      |   |                              |                                    |                                   |                               |                                       |  |  |                                 |                                       |
| *** Participants since 09/01/98.  |                            |                                      |   |                              |                                    |                                   |                               |                                       |  |  |                                 |                                       |

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| Year 2001  |                            |                                      |   |                              |                                   |                                     |                               |                          |  |   |                            |   |
|--|----------------------------|--------------------------------------|---|------------------------------|-----------------------------------|-------------------------------------|-------------------------------|--------------------------|--|---|----------------------------|---|
| KENTUCKY POWER COMPANY<br>ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM |                            |                                      |   |                              |                                   |                                     |                               |                          |  |   |                            |   |
| YEAR 6 (1st Half)  | NEW PARTICIPANT NUMBER (1) | CUMULATIVE PARTICIPANT NUMBER ** (2) | TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3) | TOTAL ACT. PROGRAM COSTS (4) | NET LOST REVENUE (KWH/PARTIC) (5) | TOTAL ENERGY SAVINGS (KWH/HALF) (6) | NET LOST REVENUE (\$/KWH) (7) | TOTAL NET * REVENUES (8) | EFFICIENCY INCENTIVE (EX. C, PG.21C) (9) | MAXIMIZING INCENTIVE (5% of COSTS) (10) | TOTAL * INCENTIVE (9)+(10) | TOTAL EST. COSTS TO BE RECOVERED (4)+(8)+(11) |
| RESIDENTIAL PROGRAMS   |                            |                                      |   |                              |                                   |                                     |                               |                          |  |   |                            |   |
| Energy Fitness   | 0                          | 1,044                                | \$0.00  | \$0                          | 707                               | 738,108                             | \$0.03112                     | \$22,970                 | \$0                                      | \$0                                     | \$0                        | \$22,970                                      |
| Targeted Energy Efficiency - All Electric                                | 62                         | 535                                  | \$1,276.94  | \$79,170                     | 630                               | 337,050                             | \$0.03111                     | \$10,486                 | \$0                                      | \$3,959                                 | \$3,959                    | \$93,615                                      |
| - Non-All Electric   | 18                         | 137                                  | \$87.89   | \$1,582                      | 306                               | 4,922                               | \$0.03124                     | \$1,310                  | \$90                                     | \$0                                     | \$90                       | \$2,982                                       |
| Compact Fluorescent Bulb   | 0                          | 0                                    | \$0.00  | \$0                          | 0                                 | 0                                   | \$0.00000                     | \$0                      | \$0                                      | \$0                                     | \$0                        | \$0   |
| High - Efficiency Heat Pump - Resistance Heat                            | 23                         | 438                                  | \$201.04  | \$4,624                      | 1200                              | 525,600                             | \$0.03114                     | \$16,367                 | \$1,016                                  | \$0                                     | \$1,016                    | \$22,007                                      |
| - Non Resistance Heat  | 0                          | 81                                   | \$0.00  | \$0                          | 447                               | 36,207                              | \$0.03116                     | \$1,128                  | \$0                                      | \$0                                     | \$0                        | \$1,128                                       |
| High - Efficiency Heat Pump - Mobile Home                                | 53                         | 558                                  | \$472.15  | \$25,024                     | 1475                              | 823,050                             | \$0.03110                     | \$25,597                 | \$4,463                                  | \$0                                     | \$4,463                    | \$55,084                                      |
| Mobile Home New Construction ***   | 83                         | 488                                  | \$537.04  | \$44,574                     | 1755                              | 856,440                             | \$0.03110                     | \$26,635                 | \$3,687                                  | \$0                                     | \$3,687                    | \$74,896                                      |
| TOTAL RESIDENTIAL PROGRAMS   | 239                        | 3,281                                |   | \$154,974                    |                                   | 3,359,377                           |                               | \$104,493                | \$9,256                                  | \$3,959                                 | \$13,215                   | \$272,682                                     |
| COMMERCIAL PROGRAMS  |                            |                                      |   |                              |                                   |                                     |                               |                          |  |   |                            |   |
| Smart Audit - Class 1  | 134                        | 1,017                                | \$321.82  | \$43,124                     | 0                                 | 0                                   | n/a                           | \$0                      | \$0                                      | \$2,156                                 | \$2,156                    | \$45,280                                      |
| - Class 2  | 28                         | 105                                  | \$1,510.00  | \$42,280                     | 0                                 | 0                                   | n/a                           | \$0                      | \$0                                      | \$2,114                                 | \$2,114                    | \$44,394                                      |
| Smart Financing - Existing Building                                      | 15                         | 112                                  | \$2,309.00  | \$34,635                     | 13,282                            | 1,487,584                           | \$0.04235                     | \$62,999                 | \$3,488                                  | \$0                                     | \$3,488                    | \$101,122                                     |
| Smart Financing - New Building   | 8                          | 25                                   | \$4,016.13  | \$32,129                     | 14,101                            | 352,525                             | \$0.04277                     | \$15,077                 | \$2,099                                  | \$0                                     | \$2,099                    | \$49,305                                      |
| TOTAL COMMERCIAL PROGRAMS  | 185                        | 1,259                                |   | \$152,168                    |                                   | 1,840,109                           |                               | \$78,076                 | \$5,587                                  | \$4,270                                 | \$9,857                    | \$240,101                                     |
| INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)                          |                            |                                      |   |                              |                                   |                                     |                               |                          |  |   |                            |   |
| Smart Audit - Class 1  | 0                          | 0                                    | \$0.00  | \$0                          | 0                                 | 0                                   | n/a                           | \$0                      | \$0                                      | \$0                                     | \$0                        | \$0   |
| Smart Audit - Class 2  | 0                          | 0                                    | \$0.00  | \$0                          | 0                                 | 0                                   | n/a                           | \$0                      | \$0                                      | \$0                                     | \$0                        | \$0   |
| Smart Financing - General  | 0                          | 0                                    | \$0.00  | \$0                          | 0                                 | 0                                   | \$0.00000                     | \$0                      | \$0                                      | \$0                                     | \$0                        | \$0   |
| Smart Financing - Compressed Air System                                  | 0                          | 0                                    | \$0.00  | \$0                          | 0                                 | 0                                   | \$0.00000                     | \$0                      | \$0                                      | \$0                                     | \$0                        | \$0   |
| TOTAL INDUSTRIAL PROGRAMS  | 0                          | 0                                    |   | \$0                          |                                   |                                     |                               | \$0                      | \$0                                      | \$0                                     | \$0                        | \$0   |
| TOTAL COMPANY  | 424                        | 4,540                                |   | \$307,142                    |                                   | 5,198,486                           |                               | \$182,569                | \$14,843                                 | \$6,229                                 | \$23,072                   | \$512,783                                     |

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

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| Year 2001   |                            |                                      |   |                              |                                   |                                   |                               |                          |  |   |                            |   |
|---|----------------------------|--------------------------------------|---|------------------------------|-----------------------------------|-----------------------------------|-------------------------------|--------------------------|--|---|----------------------------|---|
| KENTUCKY POWER COMPANY<br>ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM                      |                            |                                      |   |                              |                                   |                                   |                               |                          |  |   |                            |   |
| YEAR 6 (2nd Half)   | NEW PARTICIPANT NUMBER (1) | CUMULATIVE PARTICIPANT NUMBER ** (2) | TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3) | TOTAL ACT. PROGRAM COSTS (4) | NET LOST REVENUE (KWH/PARTIC) (5) | TOTAL ENERGY SAVINGS KWH/HALF (6) | NET LOST REVENUE (\$/KWH) (7) | TOTAL NET * REVENUES (8) | EFFICIENCY INCENTIVE (EX. C, PG.21C) (9) | MAXIMIZING INCENTIVE (5% of COSTS) (10) | TOTAL * INCENTIVE (9)+(10) | TOTAL EST. COSTS TO BE RECOVERED (4)+(8)+(11) |
| RESIDENTIAL PROGRAMS  |                            |                                      |   |                              |                                   |                                   |                               |                          |  |   |                            |   |
| Energy Fitness  | 0                          | 535                                  | \$0.00  | \$0                          | 706                               | 377,710                           | \$0.03112                     | \$11,754                 | \$0                                      | \$0                                     | \$0                        | \$11,754                                      |
| Targeted Energy Efficiency - All Electric   | 88                         | 486                                  | \$1,018.86  | \$89,660                     | 630                               | 306,180                           | \$0.03111                     | \$9,525                  | \$0                                      | \$4,483                                 | \$4,483                    | \$103,668                                     |
| - Non-All Electric  | 46                         | 122                                  | \$81.46   | \$3,747                      | 306                               | 37,332                            | \$0.03124                     | \$1,166                  | \$231                                    | \$0                                     | \$231                      | \$5,144                                       |
| Compact Fluorescent Bulb  | 0                          | 0                                    | \$0.00  | \$0                          | 0                                 | 0                                 | \$0.00000                     | \$0                      | \$0                                      | \$0                                     | \$0                        | \$0   |
| High - Efficiency Heat Pump - Resistance Heat   | 30                         | 412                                  | \$173.33  | \$5,200                      | 1,200                             | 494,400                           | \$0.03114                     | \$15,396                 | \$1,326                                  | \$0                                     | \$1,326                    | \$21,922                                      |
| - Non Resistance Heat   | 0                          | 35                                   | \$0.00  | \$0                          | 446                               | 15,610                            | \$0.03116                     | \$486                    | \$0                                      | \$0                                     | \$0                        | \$486   |
| High - Efficiency Heat Pump - Mobile Home   | 47                         | 469                                  | \$510.64  | \$24,000                     | 1,476                             | 692,244                           | \$0.03110                     | \$21,529                 | \$3,958                                  | \$0                                     | \$3,958                    | \$49,487                                      |
| Mobile Home New Construction ***  | 92                         | 568                                  | \$555.43  | \$51,100                     | 1,755                             | 996,840                           | \$0.03110                     | \$31,002                 | \$4,087                                  | \$0                                     | \$4,087                    | \$86,189                                      |
| TOTAL RESIDENTIAL PROGRAMS  | 303                        | 2,627                                |   | \$173,707                    |                                   | 2,920,316                         |                               | \$90,858                 | \$9,602                                  | \$4,483                                 | \$14,085                   | \$279,650                                     |
| COMMERCIAL PROGRAMS   |                            |                                      |   |                              |                                   |                                   |                               |                          |  |   |                            |   |
| Smart Audit - Class 1   | 131                        | 966                                  | \$454.04  | \$59,479                     | 0                                 | 0                                 | n/a                           | \$0                      | \$0                                      | \$2,974                                 | \$2,974                    | \$62,453                                      |
| - Class 2   | 5                          | 111                                  | \$9,817.20  | \$49,086                     | 0                                 | 0                                 | n/a                           | \$0                      | \$0                                      | \$2,454                                 | \$2,454                    | \$51,540                                      |
| Smart Financing - Existing Building   | 15                         | 109                                  | \$1,664.27  | \$24,964                     | 13,282                            | 1,447,738                         | \$0.04235                     | \$61,312                 | \$3,488                                  | \$0                                     | \$3,488                    | \$89,764                                      |
| Smart Financing - New Building  | 18                         | 34                                   | \$1,799.28  | \$32,387                     | 14,102                            | 479,468                           | \$0.04277                     | \$20,507                 | \$4,722                                  | \$0                                     | \$4,722                    | \$57,616                                      |
| TOTAL COMMERCIAL PROGRAMS   | 169                        | 1,220                                |   | \$165,916                    |                                   | 1,927,206                         |                               | \$81,819                 | \$8,210                                  | \$5,428                                 | \$13,638                   | \$261,373                                     |
| INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)   |                            |                                      |   |                              |                                   |                                   |                               |                          |  |   |                            |   |
| Smart Audit - Class 1   | 0                          | 0                                    | \$0.00  | \$0                          | 0                                 | 0                                 | n/a                           | \$0                      | \$0                                      | \$0                                     | \$0                        | \$0   |
| Smart Audit - Class 2   | 0                          | 0                                    | \$0.00  | \$0                          | 0                                 | 0                                 | n/a                           | \$0                      | \$0                                      | \$0                                     | \$0                        | \$0   |
| Smart Financing - General   | 0                          | 0                                    | \$0.00  | \$0                          | 0                                 | 0                                 | \$0.00000                     | \$0                      | \$0                                      | \$0                                     | \$0                        | \$0   |
| Smart Financing - Compressed Air System   | 0                          | 0                                    | \$0.00  | \$0                          | 0                                 | 0                                 | \$0.00000                     | \$0                      | \$0                                      | \$0                                     | \$0                        | \$0   |
| TOTAL INDUSTRIAL PROGRAMS   | 0                          | 0                                    |   | \$0                          |                                   |                                   |                               | \$0                      | \$0                                      | \$0                                     | \$0                        | \$0   |
| TOTAL COMPANY   | 472                        | 3,847                                |   | \$339,623                    |                                   | 4,847,522                         |                               | \$172,677                | \$17,812                                 | \$9,911                                 | \$27,723                   | \$540,023                                     |
| * Lost revenue and efficiency incentives are based on prospective values.                     |                            |                                      |   |                              |                                   |                                   |                               |                          |  |   |                            |   |
| ** Cumulative participants include a reduction for the cumulative participants as of 12/31/98 |                            |                                      |   |                              |                                   |                                   |                               |                          |  |   |                            |   |
| *** Participants since 07/01/98.  |                            |                                      |   |                              |                                   |                                   |                               |                          |  |   |                            |   |

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| Year 2002  |                            |                                      |   |                                |                                    |                                    |                               |                       |  |   |                                 |   |
|--|----------------------------|--------------------------------------|---|--------------------------------|------------------------------------|------------------------------------|-------------------------------|-----------------------|--|---|---------------------------------|---|
| PROGRAM DESCRIPTIONS   | NEW PARTICIPANT NUMBER (1) | CUMULATIVE PARTICIPANT NUMBER ** (2) | TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3) | TOTAL ACTUAL PROGRAM COSTS (4) | NET LOST REV/HALF (KWH/PARTIC) (5) | TOTAL ENERGY SAVINGS (KWH/HALF (6) | NET LOST REVENUE (\$/KWH) (7) | TOTAL NET* LOSSES (8) | EFFICIENCY INCENTIVE (EX. C. PG.21C) (9) | MAXIMIZING INCENTIVE (5% OF COSTS) (10) | TOTAL* INCENTIVE RECOVERED (11) | TOTAL ACTUAL COSTS TO BE RECOVERED (12) |
|  |                            |                                      |   |                                |                                    |                                    |                               |                       |  |   |                                 |   |
| KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM                            |                            |                                      |   |                                |                                    |                                    |                               |                       |  |   |                                 |   |
| YEAR 7 ( 1st Half )  |                            |                                      |   |                                |                                    |                                    |                               |                       |  |   |                                 |   |
| RESIDENTIAL PROGRAMS   |                            |                                      |   |                                |                                    |                                    |                               |                       |  |   |                                 |   |
| Energy Fitness   | 0                          | 116                                  | \$0.00  | \$0                            | 707                                | 82,012                             | \$0.03112                     | \$2,552               | \$0                                      | \$0                                     | \$0                             | \$2,552                                 |
| Targeted Energy Efficiency - All Electric  | 63                         | 442                                  | \$1,752.40  | \$110,401                      | 1,028                              | 454,376                            | \$0.03111                     | \$14,136              | \$0                                      | \$5,520                                 | \$5,520                         | \$130,057                               |
| - Non-All Electric   | 32                         | 135                                  | \$65.47   | \$2,095                        | 315                                | 42,525                             | \$0.03124                     | \$1,328               | \$137                                    | \$0                                     | \$137                           | \$3,560                                 |
| Compact Fluorescent Bulb   | 0                          | 0                                    | \$0.00  | \$0                            | 0                                  | 0                                  | \$0.00000                     | \$0                   | \$0                                      | \$0                                     | \$0                             | \$0                                     |
| High - Efficiency Heat Pump - Resistance Heat  | 1                          | 314                                  | \$1,152.00  | \$1,152                        | 1,200                              | 376,800                            | \$0.03114                     | \$11,734              | \$44                                     | \$0                                     | \$44                            | \$12,930                                |
| - Non Resistance Heat  | 0                          | 0                                    | \$0.00  | \$0                            | 447                                | 0                                  | \$0.03116                     | \$0                   | \$0                                      | \$0                                     | \$0                             | \$0                                     |
| High - Efficiency Heat Pump - Mobile Home  | 43                         | 414                                  | \$619.77  | \$26,650                       | 1,144                              | 473,616                            | \$0.03110                     | \$14,729              | \$1,244                                  | \$0                                     | \$1,244                         | \$42,623                                |
| Mobile Home New Construction ***   | 57                         | 568                                  | \$641.77  | \$36,581                       | 1,809                              | 1,027,512                          | \$0.03110                     | \$31,956              | \$231                                    | \$0                                     | \$231                           | \$68,768                                |
| TOTAL RESIDENTIAL PROGRAMS   | 196                        | 1,989                                |   | \$176,879                      |                                    | 2,456,841                          |                               | \$76,435              | \$1,656                                  | \$5,520                                 | \$7,176                         | \$260,490                               |
| COMMERCIAL PROGRAMS  |                            |                                      |   |                                |                                    |                                    |                               |                       |  |   |                                 |   |
| Smart Audit - Class 1  | 125                        | 923                                  | \$432.92  | \$54,115                       | 0                                  | 0                                  | n/a                           | \$0                   | \$0                                      | \$2,706                                 | \$2,706                         | \$56,821                                |
| - Class 2  | 8                          | 104                                  | \$3,711.00  | \$29,688                       | 0                                  | 0                                  | n/a                           | \$0                   | \$0                                      | \$1,484                                 | \$1,484                         | \$31,172                                |
| Smart Financing - Existing Building  | 7                          | 101                                  | \$2,552.71  | \$17,869                       | 13,282                             | 1,341,482                          | \$0.04235                     | \$56,812              | \$1,628                                  | \$0                                     | \$1,628                         | \$76,309                                |
| Smart Financing - New Building   | 5                          | 42                                   | \$1,394.60  | \$6,973                        | 14,101                             | 592,242                            | \$0.04277                     | \$25,330              | \$1,312                                  | \$0                                     | \$1,312                         | \$33,615                                |
| TOTAL COMMERCIAL PROGRAMS  | 145                        | 1,170                                |   | \$108,645                      |                                    | 1,933,724                          |                               | \$82,142              | \$2,940                                  | \$4,190                                 | \$7,130                         | \$197,917                               |
| INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)  |                            |                                      |   |                                |                                    |                                    |                               |                       |  |   |                                 |   |
| Smart Audit - Class 1  | 0                          | 0                                    | \$0.00  | \$0                            | 0                                  | 0                                  | n/a                           | \$0                   | \$0                                      | \$0                                     | \$0                             | \$0                                     |
| Smart Audit - Class 2  | 0                          | 0                                    | \$0.00  | \$0                            | 0                                  | 0                                  | n/a                           | \$0                   | \$0                                      | \$0                                     | \$0                             | \$0                                     |
| Smart Financing - General  | 0                          | 0                                    | \$0.00  | \$0                            | 0                                  | 0                                  | \$0.00000                     | \$0                   | \$0                                      | \$0                                     | \$0                             | \$0                                     |
| Smart Financing - Compressed Air System  | 0                          | 0                                    | \$0.00  | \$0                            | 0                                  | 0                                  | \$0.00000                     | \$0                   | \$0                                      | \$0                                     | \$0                             | \$0                                     |
| TOTAL INDUSTRIAL PROGRAMS  | 0                          | 0                                    |   | \$0                            |                                    | 0                                  |                               | \$0                   | \$0                                      | \$0                                     | \$0                             | \$0                                     |
| TOTAL COMPANY  | 341                        | 3,159                                |   | \$285,524                      |                                    | 4,390,565                          |                               | \$158,577             | \$4,596                                  | \$9,710                                 | \$14,306                        | \$458,407                               |
| * Lost revenue and efficiency incentives are based on prospective values.                        |                            |                                      |   |                                |                                    |                                    |                               |                       |  |   |                                 |   |
| ** Cumulative participants include a reduction for the cumulative participants as of 06/30/1999. |                            |                                      |   |                                |                                    |                                    |                               |                       |  |   |                                 |   |
| *** Participants since 01/01/1999.   |                            |                                      |   |                                |                                    |                                    |                               |                       |  |   |                                 |   |

Exhibit C

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| Year 2002  |                            |                                      |   |                                |                                   |                          |                               |                          |                               |   |                        |   |
|--|----------------------------|--------------------------------------|---|--------------------------------|-----------------------------------|--------------------------|-------------------------------|--------------------------|-------------------------------|---|------------------------|---|
| PROGRAM DESCRIPTIONS   | NEW PARTICIPANT NUMBER (1) | CUMULATIVE PARTICIPANT NUMBER ** (2) | TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3) | TOTAL ACTUAL PROGRAM COSTS (4) | NET LOST REV/QTR (KWH/PARTIC) (5) | TOTAL ENERGY SAVINGS (6) | NET LOST REVENUE (\$/KWH) (7) | TOTAL NET * REVENUES (8) | INCENTIVE (EX. C, PG.21C) (9) | MAXIMIZING INCENTIVE (5% OF COSTS) (10) | INCENTIVE TOTAL * (11) | TOTAL ACTUAL COSTS TO BE RECOVERED (12) |
| KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM                            |                            |                                      |   |                                |                                   |                          |                               |                          |                               |   |                        |   |
| YEAR 7 (2nd Half)  |                            |                                      |   |                                |                                   |                          |                               |                          |                               |   |                        |   |
| RESIDENTIAL PROGRAMS   |                            |                                      |   |                                |                                   |                          |                               |                          |                               |   |                        |   |
| Energy Fitness   | 0                          | 0                                    | \$0.00  | \$0                            | 706                               | 0                        | \$0.03112                     | \$0                      | \$0                           | \$0                                     | \$0                    | \$0                                     |
| Targeted Energy Efficiency - All Electric  | 76                         | 457                                  | \$1,039.33  | \$78,989                       | 1,028                             | 469,796                  | \$0.03111                     | \$14,615                 | \$0                           | \$3,949                                 | \$3,949                | \$97,553                                |
| - Non-All Electric   | 13                         | 156                                  | \$85.92   | \$1,117                        | 315                               | 49,140                   | \$0.03124                     | \$1,535                  | \$56                          |   | \$56                   | \$2,708                                 |
| Compact Fluorescent Bulb   | 0                          | 0                                    | \$0.00  | \$0                            | 0                                 | 0                        | \$0.00000                     | \$0                      | \$0                           | \$0                                     | \$0                    | \$0                                     |
| High - Efficiency Heat Pump - Resistance Heat  | 0                          | 177                                  | \$0.00  | (\$352)                        | 1,200                             | 212,400                  | \$0.03114                     | \$6,614                  | \$0                           | \$0                                     | \$0                    | \$6,262                                 |
| - Non Resistance Heat  | 0                          | 0                                    | \$0.00  | \$0                            | 446                               | 0                        | \$0.03116                     | \$0                      | \$0                           | \$0                                     | \$0                    | \$0                                     |
| High - Efficiency Heat Pump - Mobile Home  | 43                         | 308                                  | \$603.84  | \$25,965                       | 1,144                             | 352,352                  | \$0.03110                     | \$10,958                 | \$1,244                       | \$0                                     | \$1,244                | \$38,167                                |
| Mobile Home New Construction ***   | 61                         | 519                                  | \$644.46  | \$39,312                       | 1,809                             | 938,871                  | \$0.03110                     | \$29,199                 | \$248                         | \$0                                     | \$248                  | \$68,759                                |
| TOTAL RESIDENTIAL PROGRAMS   | 193                        | 1,617                                |   | \$145,031                      |                                   | 2,022,559                |                               | \$62,921                 | \$1,548                       | \$3,949                                 | \$5,497                | \$213,449                               |
| COMMERCIAL PROGRAMS  |                            |                                      |   |                                |                                   |                          |                               |                          |                               |   |                        |   |
| Smart Audit - Class 1  | 0                          | 786                                  | \$0.00  | \$74,422                       | 0                                 | 0                        | n/a                           | \$0                      | \$0                           | \$3,721                                 | \$3,721                | \$78,143                                |
| - Class 2  | 0                          | 90                                   | \$0.00  | \$0                            | 0                                 | 0                        | n/a                           | \$0                      | \$0                           | \$0                                     | \$0                    | \$0                                     |
| Smart Financing - Existing Building  | 25                         | 97                                   | \$909.76  | \$22,744                       | 13,282                            | 1,288,354                | \$0.04235                     | \$54,562                 | \$5,814                       | \$0                                     | \$5,814                | \$83,120                                |
| Smart Financing - New Building   | 16                         | 44                                   | \$2,424.94  | \$38,799                       | 14,102                            | 620,488                  | \$0.04277                     | \$26,538                 | \$4,197                       | \$0                                     | \$4,197                | \$69,534                                |
| TOTAL COMMERCIAL PROGRAMS  | 41                         | 1,017                                |   | \$135,965                      |                                   | 1,908,842                |                               | \$81,100                 | \$10,011                      | \$3,721                                 | \$13,732               | \$230,797                               |
| INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)  |                            |                                      |   |                                |                                   |                          |                               |                          |                               |   |                        |   |
| Smart Audit - Class 1  | 0                          | 0                                    | \$0.00  | \$0                            | 0                                 | 0                        | n/a                           | \$0                      | \$0                           | \$0                                     | \$0                    | \$0                                     |
| Smart Audit - Class 2  | 0                          | 0                                    | \$0.00  | \$0                            | 0                                 | 0                        | n/a                           | \$0                      | \$0                           | \$0                                     | \$0                    | \$0                                     |
| Smart Financing - General  | 0                          | 0                                    | \$0.00  | \$0                            | 0                                 | 0                        | \$0.00000                     | \$0                      | \$0                           | \$0                                     | \$0                    | \$0                                     |
| Smart Financing - Compressed Air System  | 0                          | 0                                    | \$0.00  | \$0                            | 0                                 | 0                        | \$0.00000                     | \$0                      | \$0                           | \$0                                     | \$0                    | \$0                                     |
| TOTAL INDUSTRIAL PROGRAMS  | 0                          | 0                                    |   | \$0                            |                                   |                          |                               | \$0                      | \$0                           | \$0                                     | \$0                    | \$0                                     |
| TOTAL COMPANY  | 234                        | 2,634                                |   | \$280,996                      |                                   | 3,931,401                |                               | \$144,021                | \$11,559                      | \$7,670                                 | \$19,229               | \$444,246                               |
| * Lost revenue and efficiency incentives are based on prospective values.                        |                            |                                      |   |                                |                                   |                          |                               |                          |                               |   |                        |   |
| ** Cumulative participants include a reduction for the cumulative participants as of 12/31/1999. |                            |                                      |   |                                |                                   |                          |                               |                          |                               |   |                        |   |
| *** Participants since 07/01/1999.   |                            |                                      |   |                                |                                   |                          |                               |                          |                               |   |                        |   |

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| Year 2003  |                            |                                      |   |                                |  |                                     |                               |                          |  |   |                        |                                  | Exhibit C |
|--|----------------------------|--------------------------------------|---|--------------------------------|--|-------------------------------------|-------------------------------|--------------------------|--|---|------------------------|----------------------------------|-----------|
| KENTUCKY POWER COMPANY<br>ESTIMATED SECTOR SURCHARGES FOR 3<br>YEAR PROGRAM                      |                            |                                      |   |                                |  |                                     |                               |                          |  |   |                        |                                  | PAGE      |
|  |                            |                                      |   |                                |  |                                     |                               |                          |  |   |                        |                                  | 9A of     |
|  |                            |                                      |   |                                |  |                                     |                               |                          |  |   |                        |                                  | 23        |
| PROGRAM DESCRIPTIONS   | NEW PARTICIPANT NUMBER (1) | CUMULATIVE PARTICIPANT NUMBER ** (2) | TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3) | TOTAL ACTUAL PROGRAM COSTS (4) | NET LOST REV/HALF (KWH/ PARTICIPANT) (5) | TOTAL ENERGY SAVINGS (KWH) HALF (6) | NET LOST REVENUE (\$/KWH) (7) | TOTAL NET * REVENUES (8) | EFFICIENCY INCENTIVE (EX. C, PG.21C) (9) | MAXIMIZING INCENTIVE (5% of COSTS) (10) | TOTAL * INCENTIVE (11) | TOTAL COSTS TO BE RECOVERED (12) |           |
|  |                            |                                      |   | (1)X(3)                        |  | (2)X(5)                             |                               | (6)X(7)                  |  | (4)X(5%)                                | (9)+(10)               | (4)+(8)+(11)                     |           |
| RESIDENTIAL PROGRAMS   |                            |                                      |   |                                |  |                                     |                               |                          |  |   |                        |                                  |           |
| Energy Fitness   | 0                          | 0                                    | \$0.00  | \$0                            | 707                                      | 0                                   | \$0.03112                     | \$0                      | \$0                                      | \$0                                     | \$0                    | \$0                              |           |
| Targeted Energy Efficiency   |                            |                                      |   |                                |  |                                     |                               |                          |  |   |                        |                                  |           |
| - All Electric   | 100                        | 467                                  | \$849.84  | \$84,984                       | 1,028                                    | 480,076                             | \$0.03111                     | \$14,935                 | \$0                                      | \$4,249                                 | \$4,249                | \$104,168                        |           |
| - Non-All Electric   | 7                          | 151                                  | \$79.29   | \$555                          | 314                                      | 47,414                              | \$0.03124                     | \$1,481                  | \$30                                     | \$0                                     | \$30                   | \$2,066                          |           |
| Compact Fluorescent Bulb   | 0                          | 0                                    | \$0.00  |                                | 0  | 0                                   | \$0.00000                     | \$0                      | \$0                                      | \$0                                     | \$0                    | \$0                              |           |
| High - Efficiency Heat Pump  |                            |                                      |   |                                |  |                                     |                               |                          |  |   |                        |                                  |           |
| - Resistance Heat  | 0                          | 94                                   | \$0.00  | \$0                            | 1,200                                    | 112,800                             | \$0.03114                     | \$3,513                  | \$0                                      | \$0                                     | \$0                    | \$3,513                          |           |
| - Non Resistance Heat  | 0                          | 0                                    | \$0.00  | \$0                            | 447                                      | 0                                   | \$0.03116                     | \$0                      | \$0                                      | \$0                                     | \$0                    | \$0                              |           |
| High - Efficiency Heat Pump  |                            |                                      |   |                                |  |                                     |                               |                          |  |   |                        |                                  |           |
| - Mobile Home  | 34                         | 268                                  | \$379.41  | \$12,900                       | 1,144                                    | 306,592                             | \$0.03110                     | \$9,535                  | \$983                                    | \$0                                     | \$983                  | \$23,418                         |           |
| Mobile Home New Construction ***   |                            |                                      |   |                                |  |                                     |                               |                          |  |   |                        |                                  |           |
| - Heat Pump  | 46                         | 460                                  | \$482.61  | \$22,200                       | 1,808                                    | 831,680                             | \$0.03110                     | \$25,865                 | \$187                                    | \$0                                     | \$187                  | \$48,252                         |           |
| - Air Conditioner  | 0                          | 0                                    | \$0.00  | \$0                            | 157                                      | 0                                   | \$0.03124                     | \$0                      | \$0                                      | \$0                                     | \$0                    | \$0                              |           |
| Modified Energy Fitness  | 101                        | 23                                   | \$142.72  | \$14,415                       | 1,194                                    | 27,462                              | \$0.03116                     | \$856                    | \$2,127                                  | \$0                                     | \$2,127                | \$17,398                         |           |
| TOTAL RESIDENTIAL PROGRAMS   | 288                        | 1,463                                |   | \$135,054                      |  | 1,806,024                           |                               | \$56,185                 | \$3,327                                  | \$4,249                                 | \$7,576                | \$198,815                        |           |
| COMMERCIAL PROGRAMS  |                            |                                      |   |                                |  |                                     |                               |                          |  |   |                        |                                  |           |
| Smart Audit - Class 1  | 0                          | 620                                  | \$0.00  | \$0                            | 0  | 0                                   | n/a                           | \$0                      | \$0                                      | \$0                                     | \$0                    | \$0                              |           |
| - Class 2  | 0                          | 73                                   | \$0.00  | \$0                            | 0  | 0                                   | n/a                           | \$0                      | \$0                                      | \$0                                     | \$0                    | \$0                              |           |
| Smart Financing - Existing Building  | 0                          | 110                                  | \$0.00  | \$0                            | 13,282                                   | 1,461,020                           | \$0.04235                     | \$61,874                 | \$0                                      | \$0                                     | \$0                    | \$61,874                         |           |
| Smart Financing - New Building   | 0                          | 49                                   | \$0.00  | \$0                            | 14,101                                   | 690,949                             | \$0.04277                     | \$29,552                 | \$0                                      | \$0                                     | \$0                    | \$29,552                         |           |
| TOTAL COMMERCIAL PROGRAMS  | 0                          | 852                                  |   | \$0                            |  | 2,151,969                           |                               | \$91,426                 | \$0                                      | \$0                                     | \$0                    | \$91,426                         |           |
| INDUSTRIAL PROGRAMS -<br>(w/Est. Opt-Outs Removed)   |                            |                                      |   |                                |  |                                     |                               |                          |  |   |                        |                                  |           |
| Smart Audit - Class 1  | 0                          | 0                                    | \$0.00  | \$0                            | 0  | 0                                   | n/a                           | \$0                      | \$0                                      | \$0                                     | \$0                    | \$0                              |           |
| Smart Audit - Class 2  | 0                          | 0                                    | \$0.00  | \$0                            | 0  | 0                                   | n/a                           | \$0                      | \$0                                      | \$0                                     | \$0                    | \$0                              |           |
| Smart Financing - General  | 0                          | 0                                    | \$0.00  | \$0                            | 0  | 0                                   | \$0.00000                     | \$0                      | \$0                                      | \$0                                     | \$0                    | \$0                              |           |
| Smart Financing - Compressed Air System  | 0                          | 0                                    | \$0.00  | \$0                            | 0  | 0                                   | \$0.00000                     | \$0                      | \$0                                      | \$0                                     | \$0                    | \$0                              |           |
| TOTAL INDUSTRIAL PROGRAMS  | 0                          | 0                                    |   | \$0                            |  | 0                                   |                               | \$0                      | \$0                                      | \$0                                     | \$0                    | \$0                              |           |
| TOTAL COMPANY  | 288                        | 2,315                                |   | \$135,054                      |  | 3,957,993                           |                               | \$147,611                | \$3,327                                  | \$4,249                                 | \$7,576                | \$290,241                        |           |
| * Lost revenue and efficiency incentives are based on prospective values.                        |                            |                                      |   |                                |  |                                     |                               |                          |  |   |                        |                                  |           |
| ** Cumulative participants include a reduction for the cumulative participants as of 06/30/2000. |                            |                                      |   |                                |  |                                     |                               |                          |  |   |                        |                                  |           |
| *** Participants since 01/01/2000.   |                            |                                      |   |                                |  |                                     |                               |                          |  |   |                        |                                  |           |

| Year 2003   |                            |                                      |   |                                |   |                                     |                               |                                      |  |   |                                |                                  | Exhibit C     |
|---|----------------------------|--------------------------------------|---|--------------------------------|---|-------------------------------------|-------------------------------|--------------------------------------|--|---|--------------------------------|----------------------------------|---------------|
| KENTUCKY POWER COMPANY<br>ESTIMATED SECTOR SURCHARGES FOR 3<br>YEAR PROGRAM |                            |                                      |   |                                |   |                                     |                               |                                      |  |   |                                |                                  | PAGE<br>9B of |
| YEAR 8 (2nd HALF)   |                            |                                      |   |                                |   |                                     |                               |                                      |  |   |                                |                                  | 23            |
| PROGRAM DESCRIPTIONS  | NEW PARTICIPANT NUMBER (1) | CUMULATIVE PARTICIPANT NUMBER ** (2) | TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3) | TOTAL ACTUAL PROGRAM COSTS (4) | NET LOST REV/HALF (KWH/PARTICIPANT) (5) | TOTAL ENERGY SAVINGS (KWH/HALF) (6) | NET LOST REVENUE (\$/KWH) (7) | TOTAL NET* LOST REVENUES (6)X(7) (8) | EFFICIENCY INCENTIVE (EX. C, PG.21C) (9) | MAXIMIZING INCENTIVE (5% of COSTS) (10) | TOTAL* INCENTIVE (9)+(10) (11) | TOTAL COSTS TO BE RECOVERED (12) |               |
| RESIDENTIAL PROGRAMS  |                            |                                      |   |                                |   |                                     |                               |                                      |  |   |                                |                                  |               |
| Energy Fitness  | 0                          | 0                                    | \$0.00  | \$0                            | 706                                     | 0                                   | \$0.03112                     | \$0                                  | \$0                                      | \$0                                     | \$0                            | \$0                              |               |
| Targeted Energy Efficiency  |                            |                                      |   |                                |   |                                     |                               |                                      |  |   |                                |                                  |               |
| - All Electric  | 69                         | 473                                  | \$974.94  | \$67,271                       | 1,028                                   | 486,244                             | \$0.03111                     | \$15,127                             | \$0                                      | \$3,364                                 | \$3,364                        | \$85,762                         |               |
| - Non-All Electric  | 69                         | 167                                  | \$76.10   | \$5,251                        | 316                                     | 52,772                              | \$0.03124                     | \$1,649                              | \$295                                    | \$0                                     | \$295                          | \$7,195                          |               |
| Compact Fluorescent Bulb  | 0                          | 0                                    | \$0.00  | \$0                            | 0                                       | 0                                   | \$0.00000                     | \$0                                  | \$0                                      | \$0                                     | \$0                            | \$0                              |               |
| High - Efficiency Heat Pump   |                            |                                      |   |                                |   |                                     |                               |                                      |  |   |                                |                                  |               |
| - Resistance Heat   | 0                          | 63                                   | \$0.00  | \$0                            | 1,200                                   | 75,600                              | \$0.03114                     | \$2,354                              | \$0                                      | \$0                                     | \$0                            | \$2,354                          |               |
| - Non Resistance Heat   | 0                          | 0                                    | \$0.00  | \$0                            | 446                                     | 0                                   | \$0.03116                     | \$0                                  | \$0                                      | \$0                                     | \$0                            | \$0                              |               |
| High - Efficiency Heat Pump   |                            |                                      |   |                                |   |                                     |                               |                                      |  |   |                                |                                  |               |
| - Mobile Home   | 29                         | 256                                  | \$453.45  | \$13,150                       | 1,144                                   | 292,864                             | \$0.03110                     | \$9,108                              | \$839                                    | \$0                                     | \$839                          | \$23,097                         |               |
| Mobile Home New Construction ***  |                            |                                      |   |                                |   |                                     |                               |                                      |  |   |                                |                                  |               |
| - Heat Pump   | 64                         | 419                                  | \$649.59  | \$41,574                       | 1,810                                   | 758,390                             | \$0.03110                     | \$23,586                             | \$260                                    | \$0                                     | \$260                          | \$65,420                         |               |
| - Air Conditioner   | 1                          | 0                                    | \$150.00  | \$150                          | 158                                     | 0                                   | \$0.03124                     | \$0                                  | \$0                                      | \$0                                     | \$0                            | \$150                            |               |
| Modified Energy Fitness   | 441                        | 324                                  | \$431.43  | \$190,262                      | 1,194                                   | 386,856                             | \$0.03116                     | \$12,054                             | \$9,287                                  | \$0                                     | \$9,287                        | \$211,603                        |               |
| TOTAL RESIDENTIAL PROGRAMS  | 673                        | 1,702                                |   | \$317,658                      |   | 2,052,726                           |                               | \$63,878                             | \$10,681                                 | \$3,364                                 | \$14,045                       | \$395,581                        |               |
| COMMERCIAL PROGRAMS   |                            |                                      |   |                                |   |                                     |                               |                                      |  |   |                                |                                  |               |
| Smart Audit - Class 1   | 0                          | 453                                  | \$0.00  | \$0                            | 0                                       | 0                                   | n/a                           | \$0                                  | \$0                                      | \$0                                     | \$0                            | \$0                              |               |
| - Class 2   | 0                          | 63                                   | \$0.00  | \$0                            | 0                                       | 0                                   | n/a                           | \$0                                  | \$0                                      | \$0                                     | \$0                            | \$0                              |               |
| Smart Financing - Existing Building   | 0                          | 77                                   | \$0.00  | \$0                            | 13,282                                  | 1,022,714                           | \$0.04235                     | \$43,312                             | \$0                                      | \$0                                     | \$0                            | \$43,312                         |               |
| Smart Financing - New Building  | 0                          | 47                                   | \$0.00  | \$0                            | 14,102                                  | 662,794                             | \$0.04277                     | \$28,348                             | \$0                                      | \$0                                     | \$0                            | \$28,348                         |               |
| TOTAL COMMERCIAL PROGRAMS   | 0                          | 640                                  |   | \$0                            |   | 1,685,508                           |                               | \$71,660                             | \$0                                      | \$0                                     | \$0                            | \$71,660                         |               |
| INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)                             |                            |                                      |   |                                |   |                                     |                               |                                      |  |   |                                |                                  |               |
| Smart Audit - Class 1   | 0                          | 0                                    | \$0.00  | \$0                            | 0                                       | 0                                   | n/a                           | \$0                                  | \$0                                      | \$0                                     | \$0                            | \$0                              |               |
| Smart Audit - Class 2   | 0                          | 0                                    | \$0.00  | \$0                            | 0                                       | 0                                   | n/a                           | \$0                                  | \$0                                      | \$0                                     | \$0                            | \$0                              |               |
| Smart Financing - General   | 0                          | 0                                    | \$0.00  | \$0                            | 0                                       | 0                                   | \$0.00000                     | \$0                                  | \$0                                      | \$0                                     | \$0                            | \$0                              |               |
| Smart Financing - Compressed Air System                                     | 0                          | 0                                    | \$0.00  | \$0                            | 0                                       | 0                                   | \$0.00000                     | \$0                                  | \$0                                      | \$0                                     | \$0                            | \$0                              |               |
| TOTAL INDUSTRIAL PROGRAMS   | 0                          | 0                                    |   | \$0                            |   |                                     |                               | \$0                                  | \$0                                      | \$0                                     | \$0                            | \$0                              |               |
| TOTAL COMPANY   | 673                        | 2,342                                |   | \$317,658                      |   | 3,738,234                           |                               | \$135,538                            | \$10,681                                 | \$3,364                                 | \$14,045                       | \$467,241                        |               |

\* Lost revenue and efficiency incentives are based on prospective values.  
 \*\* Cumulative participants include a reduction for the cumulative participants as of 12/31/2000.  
 \*\*\* Participants since 07/01/2000.

| Year 2004   |                            |                                      |   |                                |                                   |                                    |                               |                        |  |   |                        |   | Exhibit C      |
|---|----------------------------|--------------------------------------|---|--------------------------------|-----------------------------------|------------------------------------|-------------------------------|------------------------|--|---|------------------------|---|----------------|
| KENTUCKY POWER COMPANY<br>ESTIMATED SECTOR SURCHARGES FOR 3<br>YEAR PROGRAM |                            |                                      |   |                                |                                   |                                    |                               |                        |  |   |                        |   | PAGE 10A of 23 |
| PROGRAM DESCRIPTIONS  | NEW PARTICIPANT NUMBER (1) | CUMULATIVE PARTICIPANT NUMBER ** (2) | TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3) | TOTAL ACTUAL PROGRAM COSTS (4) | NET LOST REV/QTR (KWH/PARTIC) (5) | TOTAL ENERGY SAVINGS KWH/ HALF (6) | NET LOST REVENUE (\$/KWH) (7) | TOTAL NET * LOSSES (8) | EFFICIENCY INCENTIVE (EX. C. PG.21C) (9) | MAXIMIZING INCENTIVE (5% of COSTS) (10) | TOTAL * INCENTIVE (11) | TOTAL ACTUAL COSTS TO BE RECOVERED (12) |                |
|   |                            |                                      |   |                                |                                   |                                    |                               |                        |  |   |                        |   |                |
| RESIDENTIAL PROGRAMS  |                            |                                      |   |                                |                                   |                                    |                               |                        |  |   |                        |   |                |
| Energy Fitness  | 0                          | 0                                    | \$0.00  | \$0                            | 707                               | 0                                  | \$0.03112                     | \$0                    | \$0                                      |   | \$0                    | \$0                                     |                |
| Targeted Energy Efficiency  |                            |                                      |   |                                |                                   |                                    |                               |                        |  |   |                        |   |                |
| - All Electric  | 72                         | 463                                  | \$751.54  | \$54,111                       | 1,028                             | 475,964                            | \$0.03111                     | \$14,807               | \$0                                      | \$2,706                                 | \$2,706                | \$71,624                                |                |
| - Non-All Electric  | 10                         | 179                                  | \$78.60   | \$786                          | 314                               | 56,206                             | \$0.03124                     | \$1,756                | \$43                                     | \$0                                     | \$43                   | \$2,585                                 |                |
| Compact Fluorescent Bulb  | 0                          | 0                                    | \$0.00  | \$0                            | 0                                 | 0                                  | \$0.00000                     | \$0                    | \$0                                      |   | \$0                    | \$0                                     |                |
| High - Efficiency Heat Pump   |                            |                                      |   |                                |                                   |                                    |                               |                        |  |   |                        |   |                |
| - Resistance Heat   | 0                          | 42                                   | \$0.00  | \$0                            | 1,200                             | 50,400                             | \$0.03114                     | \$1,569                | \$0                                      |   | \$0                    | \$1,569                                 |                |
| - Non Resistance Heat   | 0                          | 0                                    | \$0.00  | \$0                            | 447                               | 0                                  | \$0.03116                     | \$0                    | \$0                                      |   | \$0                    | \$0                                     |                |
| High - Efficiency Heat Pump   |                            |                                      |   |                                |                                   |                                    |                               |                        |  |   |                        |   |                |
| - Mobile Home   | 41                         | 247                                  | \$428.05  | \$17,550                       | 1,144                             | 282,568                            | \$0.03110                     | \$8,788                | \$1,186                                  |   | \$1,186                | \$27,524                                |                |
| Mobile Home New Construction ***  |                            |                                      |   |                                |                                   |                                    |                               |                        |  |   |                        |   |                |
| - Heat Pump   | 68                         | 394                                  | \$503.68  | \$34,250                       | 1,808                             | 712,352                            | \$0.03110                     | \$22,154               | \$276                                    |   | \$276                  | \$56,680                                |                |
| - Air Conditioner   | 1                          | 1                                    | \$150.00  | \$150                          | 157                               | 157                                | \$0.03124                     | \$5                    | \$0                                      |   | \$0                    | \$155                                   |                |
| Modified Energy Fitness   | 334                        | 735                                  | \$417.76  | \$139,531                      | 1,194                             | 877,590                            | \$0.03116                     | \$27,346               | \$7,034                                  |   | \$7,034                | \$173,911                               |                |
| TOTAL RESIDENTIAL PROGRAMS  | 526                        | 2,061                                |   | \$246,378                      |                                   | 2,455,237                          |                               | \$76,425               | \$8,539                                  | \$2,706                                 | \$11,245               | \$334,048                               |                |
| COMMERCIAL PROGRAMS   |                            |                                      |   |                                |                                   |                                    |                               |                        |  |   |                        |   |                |
| Smart Audit - Class 1   | 0                          | 338                                  | \$0.00  | \$0                            | 0                                 | 0                                  | n/a                           | \$0                    | \$0                                      |   | \$0                    | \$0                                     |                |
| - Class 2   | 0                          | 30                                   | \$0.00  | \$0                            | 0                                 | 0                                  | n/a                           | \$0                    | \$0                                      |   | \$0                    | \$0                                     |                |
| Smart Financing - Existing Building   | 0                          | 54                                   | \$0.00  | \$0                            | 13,282                            | 717,228                            | \$0.04235                     | \$30,375               | \$0                                      |   | \$0                    | \$30,375                                |                |
| Smart Financing - New Building  | 0                          | 43                                   | \$0.00  | \$0                            | 14,101                            | 606,343                            | \$0.04277                     | \$25,933               | \$0                                      |   | \$0                    | \$25,933                                |                |
| TOTAL COMMERCIAL PROGRAMS   | 0                          | 465                                  |   | \$0                            |                                   | 1,323,571                          |                               | \$56,308               | \$0                                      |   | \$0                    | \$56,308                                |                |
| INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)                             |                            |                                      |   |                                |                                   |                                    |                               |                        |  |   |                        |   |                |
| Smart Audit - Class 1   | 0                          | 0                                    | \$0.00  | \$0                            | 0                                 | 0                                  | n/a                           | \$0                    | \$0                                      |   | \$0                    | \$0                                     |                |
| Smart Audit - Class 2   | 0                          | 0                                    | \$0.00  | \$0                            | 0                                 | 0                                  | n/a                           | \$0                    | \$0                                      |   | \$0                    | \$0                                     |                |
| Smart Financing - General   | 0                          | 0                                    | \$0.00  | \$0                            | 0                                 | 0                                  | \$0.00000                     | \$0                    | \$0                                      |   | \$0                    | \$0                                     |                |
| Smart Financing - Compressed Air System                                     | 0                          | 0                                    | \$0.00  | \$0                            | 0                                 | 0                                  | \$0.00000                     | \$0                    | \$0                                      |   | \$0                    | \$0                                     |                |
| TOTAL INDUSTRIAL PROGRAMS   | 0                          | 0                                    |   | \$0                            |                                   | 0                                  |                               | \$0                    | \$0                                      |   | \$0                    | \$0                                     |                |
| TOTAL COMPANY   | 526                        | 2,526                                |   | \$246,378                      |                                   | 3,778,808                          |                               | \$132,733              | \$8,539                                  | \$2,706                                 | \$11,245               | \$390,356                               |                |

\* Lost revenue and efficiency incentives are based on prospective values.  
 \*\* Cumulative participants include a reduction for the cumulative participants as of 06/30/2001.  
 \*\*\* Participants since 01/01/2001.

| Year 2004   |                            |                                      |   |                                |                                   |                                    |                               |                          |  |   |                        |   | Exhibit C      |
|---|----------------------------|--------------------------------------|---|--------------------------------|-----------------------------------|------------------------------------|-------------------------------|--------------------------|--|---|------------------------|---|----------------|
| KENTUCKY POWER COMPANY<br>ESTIMATED SECTOR SURCHARGES FOR 3<br>YEAR PROGRAM |                            |                                      |   |                                |                                   |                                    |                               |                          |  |   |                        |   | PAGE 10B of 23 |
| PROGRAM DESCRIPTIONS  | NEW PARTICIPANT NUMBER (1) | CUMULATIVE PARTICIPANT NUMBER ** (2) | TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3) | TOTAL ACTUAL PROGRAM COSTS (4) | NET LOST REV/QTR (KWH/PARTIC) (5) | TOTAL ENERGY SAVINGS KWH/ HALF (6) | NET LOST REVENUE (\$/KWH) (7) | TOTAL NET * REVENUES (8) | EFFICIENCY INCENTIVE (EX. C. PG.21C) (9) | MAXIMIZING INCENTIVE (5% of COSTS) (10) | TOTAL * INCENTIVE (11) | TOTAL ACTUAL COSTS TO BE RECOVERED (12) |                |
|   |                            |                                      |   |                                |                                   |                                    |                               |                          |  |   |                        | (4)+(8)+(11)                            |                |
| RESIDENTIAL PROGRAMS  |                            |                                      |   |                                |                                   |                                    |                               |                          |  |   |                        |   |                |
| Energy Fitness  | 0                          | 0                                    | \$0.00  | \$0                            | 706                               | 0                                  | \$0.03112                     | \$0                      | \$0                                      | \$0                                     | \$0                    | \$0                                     |                |
| Targeted Energy Efficiency  |                            |                                      |   |                                |                                   |                                    |                               |                          |  |   |                        |   |                |
| - All Electric  | 89                         | 462                                  | \$1,118.43  | \$99,540                       | 1,028                             | 474,936                            | \$0.03111                     | \$14,775                 | \$0                                      | \$4,977                                 | \$4,977                | \$119,292                               |                |
| - Non-All Electric  | 72                         | 205                                  | \$60.60   | \$4,363                        | 316                               | 64,780                             | \$0.03124                     | \$2,024                  | \$308                                    | \$0                                     | \$308                  | \$6,695                                 |                |
| Compact Fluorescent Bulb  | 0                          | 0                                    | \$0.00  | \$0                            | 0                                 | 0                                  | \$0.00000                     | \$0                      | \$0                                      | \$0                                     | \$0                    | \$0                                     |                |
| High - Efficiency Heat Pump   |                            |                                      |   |                                |                                   |                                    |                               |                          |  |   |                        |   |                |
| - Resistance Heat   | 0                          | 15                                   | \$0.00  | \$0                            | 1,200                             | 18,000                             | \$0.03114                     | \$561                    | \$0                                      | \$0                                     | \$0                    | \$561                                   |                |
| - Non Resistance Heat   | 0                          | 0                                    | \$0.00  | \$0                            | 446                               | 0                                  | \$0.03116                     | \$0                      | \$0                                      | \$0                                     | \$0                    | \$0                                     |                |
| High - Efficiency Heat Pump   |                            |                                      |   |                                |                                   |                                    |                               |                          |  |   |                        |   |                |
| - Mobile Home   | 46                         | 239                                  | \$469.57  | \$21,600                       | 1,144                             | 273,416                            | \$0.03110                     | \$8,503                  | \$1,330                                  | \$0                                     | \$1,330                | \$31,433                                |                |
| Mobile Home New Construction ***  |                            |                                      |   |                                |                                   |                                    |                               |                          |  |   |                        |   |                |
| - Heat Pump   | 70                         | 379                                  | \$597.14  | \$41,800                       | 1,810                             | 685,990                            | \$0.03110                     | \$21,334                 | \$284                                    | \$0                                     | \$284                  | \$63,418                                |                |
| - Air Conditioner   | 0                          | 2                                    | #DIV/0!   | \$0                            | 158                               | 316                                | \$0.03124                     | \$10                     | \$0                                      | \$0                                     | \$0                    | \$10                                    |                |
| Modified Energy Fitness   | 391                        | 1,070                                | \$347.20  | \$135,756                      | 1,194                             | 1,277,580                          | \$0.03116                     | \$39,809                 | \$8,234                                  | \$0                                     | \$8,234                | \$183,799                               |                |
| TOTAL RESIDENTIAL PROGRAMS  | 688                        | 2,372                                |   | \$303,059                      |                                   | 2,795,018                          |                               | \$87,016                 | \$10,156                                 | \$4,977                                 | \$15,133               | \$405,208                               |                |
| COMMERCIAL PROGRAMS   |                            |                                      |   |                                |                                   |                                    |                               |                          |  |   |                        |   |                |
| Smart Audit - Class 1   | 0                          | 191                                  | \$0.00  | \$0                            | 0                                 | 0                                  | n/a                           | \$0                      | \$0                                      | \$0                                     | \$0                    | \$0                                     |                |
| - Class 2   | 0                          | 10                                   | \$0.00  | \$0                            | 0                                 | 0                                  | n/a                           | \$0                      | \$0                                      | \$0                                     | \$0                    | \$0                                     |                |
| Smart Financing - Existing Building   | 0                          | 41                                   | \$0.00  | \$0                            | 13,282                            | 544,562                            | \$0.04235                     | \$23,062                 | \$0                                      | \$0                                     | \$0                    | \$23,062                                |                |
| Smart Financing - New Building  | 0                          | 30                                   | \$0.00  | \$0                            | 14,102                            | 423,060                            | \$0.04277                     | \$18,094                 | \$0                                      | \$0                                     | \$0                    | \$18,094                                |                |
| TOTAL COMMERCIAL PROGRAMS   | 0                          | 272                                  |   | \$0                            |                                   | 967,622                            |                               | \$41,156                 | \$0                                      | \$0                                     | \$0                    | \$41,156                                |                |
| INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)                             |                            |                                      |   |                                |                                   |                                    |                               |                          |  |   |                        |   |                |
| Smart Audit - Class 1   | 0                          | 0                                    | \$0.00  | \$0                            | 0                                 | 0                                  | n/a                           | \$0                      | \$0                                      | \$0                                     | \$0                    | \$0                                     |                |
| Smart Audit - Class 2   | 0                          | 0                                    | \$0.00  | \$0                            | 0                                 | 0                                  | n/a                           | \$0                      | \$0                                      | \$0                                     | \$0                    | \$0                                     |                |
| Smart Financing - General   | 0                          | 0                                    | \$0.00  | \$0                            | 0                                 | 0                                  | \$0.00000                     | \$0                      | \$0                                      | \$0                                     | \$0                    | \$0                                     |                |
| Smart Financing - Compressed Air System                                     | 0                          | 0                                    | \$0.00  | \$0                            | 0                                 | 0                                  | \$0.00000                     | \$0                      | \$0                                      | \$0                                     | \$0                    | \$0                                     |                |
| TOTAL INDUSTRIAL PROGRAMS   | 0                          | 0                                    |   | \$0                            |                                   | 0                                  |                               | \$0                      | \$0                                      | \$0                                     | \$0                    | \$0                                     |                |
| TOTAL COMPANY   | 688                        | 2,644                                |   | \$303,059                      |                                   | 3,762,640                          |                               | \$128,172                | \$10,156                                 | \$4,977                                 | \$15,133               | \$446,364                               |                |

\* Lost revenue and efficiency incentives are based on prospective values.  
 \*\* Cumulative participants include a reduction for the cumulative participants as of 12/31/2001.  
 \*\*\* Participants since 07/01/2001.

| Year 2005   |                 |                        |                               |                            |                        |                      |                  |                  |                      |                      |                     |                          |
|---|-----------------|------------------------|-------------------------------|----------------------------|------------------------|----------------------|------------------|------------------|----------------------|----------------------|---------------------|--------------------------|
| KENTUCKY POWER COMPANY<br>ESTIMATED SECTOR SURCHARGES FOR 3<br>YEAR PROGRAM |                 |                        |                               |                            |                        |                      |                  |                  |                      |                      |                     |                          |
| YEAR 10 (1st Half)  | NEW PARTICIPANT | CUMULATIVE PARTICIPANT | TOTAL ESTIMATED PROGRAM COSTS | TOTAL ACTUAL PROGRAM COSTS | NET LOST REV/QTR       | TOTAL ENERGY SAVINGS | NET LOST REVENUE | TOTAL NET * LOSS | EFFICIENCY INCENTIVE | MAXIMIZING INCENTIVE | TOTAL * COSTS TO BE | Exhibit C PAGE 11A of 23 |
| PROGRAM DESCRIPTIONS  | NUMBER (1)      | NUMBER ** (2)          | PER PARTICIPANT COSTS (3)     | PROGRAM COSTS (4)          | (KWH/ PARTICIPANT) (5) | KWH/ HALF (6)        | (\$/KWH) (7)     | REVENUES (8)     | (EX. C, PG.21C) (9)  | (5% of COSTS) (10)   | INCENTIVE (11)      | RECOVERED (12)           |
| RESIDENTIAL PROGRAMS  |                 |                        |                               | (1)X(3)                    |                        | (2)X(5)              | (6)X(7)          |                  | (4)X(5%)             |                      | (9)+(10)            | (4)+(8)+(11)             |
| Energy Fitness  | 0               | 0                      | \$0.00                        | \$0                        | 707                    | 0                    | \$0.03112        | \$0              | \$0                  | \$0                  | \$0                 | \$0                      |
| Targeted Energy Efficiency  |                 |                        |                               |                            |                        |                      |                  |                  |                      |                      |                     |                          |
| - All Electric  | 88              | 477                    | \$1,109.22                    | \$97,611                   | 896                    | 427,392              | \$0.03111        | \$13,296         | \$0                  | \$4,881              | \$4,881             | \$115,788                |
| - Non-All Electric  | 57              | 218                    | \$62.47                       | \$3,561                    | 267                    | 58,206               | \$0.03124        | \$1,818          | \$1,125              | \$0                  | \$1,125             | \$6,504                  |
| Compact Fluorescent Bulb  | 0               | 0                      | \$0.00                        | \$0                        | 0                      | 0                    | \$0.00000        | \$0              | \$0                  | \$0                  | \$0                 | \$0                      |
| High - Efficiency Heat Pump   |                 |                        |                               |                            |                        |                      |                  |                  |                      |                      |                     |                          |
| - Resistance Heat   | 0               | 0                      | \$0.00                        | \$0                        | 1,200                  | 0                    | \$0.03114        | \$0              | \$0                  | \$0                  | \$0                 | \$0                      |
| - Non Resistance Heat   | 0               | 0                      | \$0.00                        | \$0                        | 447                    | 0                    | \$0.03116        | \$0              | \$0                  | \$0                  | \$0                 | \$0                      |
| High - Efficiency Heat Pump   |                 |                        |                               |                            |                        |                      |                  |                  |                      |                      |                     |                          |
| - Mobile Home   | 34              | 231                    | \$560.21                      | \$19,047                   | 1,145                  | 264,495              | \$0.03110        | \$8,226          | \$2,693              | \$0                  | \$2,693             | \$29,966                 |
| Mobile Home New Construction ***  |                 |                        |                               |                            |                        |                      |                  |                  |                      |                      |                     |                          |
| - Heat Pump   | 67              | 371                    | \$614.85                      | \$41,195                   | 1,808                  | 670,768              | \$0.03110        | \$20,861         | \$8,372              | \$0                  | \$8,372             | \$70,428                 |
| - Air Conditioner   | 0               | 2                      | \$0.00                        | \$0                        | 157                    | 314                  | \$0.03124        | \$10             | \$0                  | \$0                  | \$0                 | \$10                     |
| Modified Energy Fitness   |                 |                        |                               |                            |                        |                      |                  |                  |                      |                      |                     |                          |
| -   | 371             | 1,479                  | \$400.87                      | \$148,723                  | 613                    | 906,627              | \$0.03116        | \$28,250         | \$15,612             | \$0                  | \$15,612            | \$192,585                |
| TOTAL RESIDENTIAL PROGRAMS  | 617             | 2,778                  |                               | \$310,137                  |                        | 2,327,802            |                  | \$72,461         | \$27,802             | \$4,881              | \$32,683            | \$415,281                |
| COMMERCIAL PROGRAMS   |                 |                        |                               |                            |                        |                      |                  |                  |                      |                      |                     |                          |
| Smart Audit - Class 1   | 0               | 64                     | \$0.00                        | \$0                        | 0                      | 0                    | n/a              | \$0              | \$0                  | \$0                  | \$0                 | \$0                      |
| - Class 2   | 0               | 3                      | \$0.00                        | \$0                        | 0                      | 0                    | n/a              | \$0              | \$0                  | \$0                  | \$0                 | \$0                      |
| Smart Financing - Existing Building   | 0               | 29                     | \$0.00                        | \$0                        | 13,282                 | 385,178              | \$0.04235        | \$16,312         | \$0                  | \$0                  | \$0                 | \$16,312                 |
| Smart Financing - New Building  | 0               | 18                     | \$0.00                        | \$0                        | 14,101                 | 253,818              | \$0.04277        | \$10,856         | \$0                  | \$0                  | \$0                 | \$10,856                 |
| TOTAL COMMERCIAL PROGRAMS   | 0               | 114                    |                               | \$0                        |                        | 638,996              |                  | \$27,168         | \$0                  | \$0                  | \$0                 | \$27,168                 |
| INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)                             |                 |                        |                               |                            |                        |                      |                  |                  |                      |                      |                     |                          |
| Smart Audit - Class 1   | 0               | 0                      | \$0.00                        | \$0                        | 0                      | 0                    | n/a              | \$0              | \$0                  | \$0                  | \$0                 | \$0                      |
| Smart Audit - Class 2   | 0               | 0                      | \$0.00                        | \$0                        | 0                      | 0                    | n/a              | \$0              | \$0                  | \$0                  | \$0                 | \$0                      |
| Smart Financing - General   | 0               | 0                      | \$0.00                        | \$0                        | 0                      | 0                    | \$0.00000        | \$0              | \$0                  | \$0                  | \$0                 | \$0                      |
| Smart Financing - Compressed Air System                                     | 0               | 0                      | \$0.00                        | \$0                        | 0                      | 0                    | \$0.00000        | \$0              | \$0                  | \$0                  | \$0                 | \$0                      |
| TOTAL INDUSTRIAL PROGRAMS   | 0               | 0                      |                               | \$0                        |                        | 0                    |                  | \$0              | \$0                  | \$0                  | \$0                 | \$0                      |
| TOTAL COMPANY   | 617             | 2,892                  |                               | \$310,137                  |                        | 2,966,798            |                  | \$99,629         | \$27,802             | \$4,881              | \$32,683            | \$442,449                |

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

| Year 2005                                       |                            |                                      |                                   |                                |   |                          |                       |                          |  |   |                |                                  |
|---|----------------------------|--------------------------------------|-----------------------------------|--------------------------------|---|--------------------------|-----------------------|--------------------------|--|---|----------------|----------------------------------|
| KENTUCKY POWER COMPANY                          |                            |                                      |                                   |                                |   |                          |                       |                          |  |   |                |                                  |
| ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM  |                            |                                      |                                   |                                |   |                          |                       |                          |  |   |                |                                  |
| YEAR 10 (2nd HALF)                              |                            |                                      |                                   |                                |   |                          |                       |                          |  |   |                |                                  |
| PROGRAM DESCRIPTIONS                            | NEW PARTICIPANT NUMBER (1) | CUMULATIVE PARTICIPANT NUMBER ** (2) | TOTAL ESTIMATED PROGRAM COSTS (3) | TOTAL ACTUAL PROGRAM COSTS (4) | NET LOST REV/QTRS (KWH/PARTICIPANT) (5) | TOTAL ENERGY SAVINGS (6) | NET REVENUE (KWH) (7) | TOTAL NET * REVENUES (8) | EFFICIENCY INCENTIVE (EX. C. PG.21C) (9) | MAXIMIZING INCENTIVE (5% of COSTS) (10) | INCENTIVE (11) | TOTAL COSTS TO BE RECOVERED (12) |
|   |                            |                                      | PER PARTICIPANT COSTS (3)         | (1)X(3)                        | (KWH/PARTICIPANT) (5)                   | (2)X(5)                  | (6)X(7)               | (9)X(10)                 | (4)X(5%)                                 | (5% of COSTS) (10)                      | (9)X(10)       | (4)X(8)X(11)                     |
| RESIDENTIAL PROGRAMS                            | 0                          | 0                                    | \$0.00                            | \$0                            | 706                                     | 0                        | \$0.03112             | \$0                      | \$0                                      | \$0                                     | \$0            | \$0                              |
| Energy Fitness                                  |                            |                                      |                                   |                                |   |                          |                       |                          |  |   |                |                                  |
| Targeted Energy Efficiency                      |                            |                                      |                                   |                                |   |                          |                       |                          |  |   |                |                                  |
| - All Electric                                  | 85                         | 492                                  | \$1,207.52                        | \$102,639                      | 896                                     | 440,832                  | \$0.03111             | \$13,714                 | \$0                                      | \$5,132                                 | \$5,132        | \$121,485                        |
| - Non-All Electric                              | 26                         | 233                                  | \$65.85                           | \$1,712                        | 266                                     | 61,978                   | \$0.03124             | \$1,936                  | \$513                                    | \$0                                     | \$513          | \$4,161                          |
| Compact Fluorescent Bulb                        | 0                          | 0                                    | \$0.00                            | \$0                            | 0                                       | 0                        | \$0.00000             | \$0                      | \$0                                      | \$0                                     | \$0            | \$0                              |
| High - Efficiency Heat Pump                     |                            |                                      |                                   |                                |   |                          |                       |                          |  |   |                |                                  |
| - Resistance Heat                               | 0                          | 0                                    | \$0.00                            | \$0                            | 1,200                                   | 0                        | \$0.03114             | \$0                      | \$0                                      | \$0                                     | \$0            | \$0                              |
| - Non Resistance Heat                           | 0                          | 0                                    | \$0.00                            | \$0                            | 446                                     | 0                        | \$0.03116             | \$0                      | \$0                                      | \$0                                     | \$0            | \$0                              |
| High - Efficiency Heat Pump                     |                            |                                      |                                   |                                |   |                          |                       |                          |  |   |                |                                  |
| - Mobile Home                                   | 40                         | 225                                  | \$476.78                          | \$19,071                       | 1,144                                   | 257,400                  | \$0.03110             | \$8,005                  | \$3,168                                  | \$0                                     | \$3,168        | \$30,244                         |
| Mobile Home New Construction ***                |                            |                                      |                                   |                                |   |                          |                       |                          |  |   |                |                                  |
| - Heat Pump                                     | 83                         | 385                                  | \$544.23                          | \$45,171                       | 1,810                                   | 696,850                  | \$0.03110             | \$21,672                 | \$10,372                                 | \$0                                     | \$10,372       | \$77,215                         |
| - Air Conditioner                               | 0                          | 2                                    | \$0.00                            | \$0                            | 158                                     | 316                      | \$0.03124             | \$10                     | \$0                                      | \$0                                     | \$0            | \$10                             |
| Modified Energy Fitness                         | 351                        | 1,826                                | \$373.12                          | \$130,965                      | 612                                     | 1,117,512                | \$0.03116             | \$34,822                 | \$14,770                                 | \$0                                     | \$14,770       | \$180,557                        |
| TOTAL RESIDENTIAL PROGRAMS                      | 585                        | 3,163                                |                                   | \$299,558                      |   | 2,574,888                |                       | \$80,159                 | \$28,823                                 | \$5,132                                 | \$33,955       | \$413,672                        |
| COMMERCIAL PROGRAMS                             |                            |                                      |                                   |                                |   |                          |                       |                          |  |   |                |                                  |
| Smart Audit - Class 1                           | 0                          | 0                                    | \$0.00                            | \$0                            | 0                                       | 0                        | n/a                   | \$0                      | \$0                                      | \$0                                     | \$0            | \$0                              |
| - Class 2                                       | 0                          | 0                                    | \$0.00                            | \$0                            | 0                                       | 0                        | n/a                   | \$0                      | \$0                                      | \$0                                     | \$0            | \$0                              |
| Smart Financing - Existing Building             | 0                          | 20                                   | \$0.00                            | \$0                            | 13,282                                  | 265,640                  | \$0.04235             | \$11,250                 | \$0                                      | \$0                                     | \$0            | \$11,250                         |
| Smart Financing - New Building                  | 0                          | 11                                   | \$0.00                            | \$0                            | 14,102                                  | 155,122                  | \$0.04277             | \$6,635                  | \$0                                      | \$0                                     | \$0            | \$6,635                          |
| TOTAL COMMERCIAL PROGRAMS                       | 0                          | 31                                   |                                   | \$0                            |   | 420,762                  |                       | \$17,885                 | \$0                                      | \$0                                     | \$0            | \$17,885                         |
| INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed) |                            |                                      |                                   |                                |   |                          |                       |                          |  |   |                |                                  |
| Smart Audit - Class 1                           | 0                          | 0                                    | \$0.00                            | \$0                            | 0                                       | 0                        | n/a                   | \$0                      | \$0                                      | \$0                                     | \$0            | \$0                              |
| Smart Audit - Class 2                           | 0                          | 0                                    | \$0.00                            | \$0                            | 0                                       | 0                        | n/a                   | \$0                      | \$0                                      | \$0                                     | \$0            | \$0                              |
| Smart Financing - General                       | 0                          | 0                                    | \$0.00                            | \$0                            | 0                                       | 0                        | \$0.00000             | \$0                      | \$0                                      | \$0                                     | \$0            | \$0                              |
| Smart Financing - Compressed Air System         | 0                          | 0                                    | \$0.00                            | \$0                            | 0                                       | 0                        | \$0.00000             | \$0                      | \$0                                      | \$0                                     | \$0            | \$0                              |
| TOTAL INDUSTRIAL PROGRAMS                       | 0                          | 0                                    |                                   | \$0                            |   | 0                        |                       | \$0                      | \$0                                      | \$0                                     | \$0            | \$0                              |
| TOTAL COMPANY                                   | 585                        | 3,194                                |                                   | \$299,558                      |   | 2,995,650                |                       | \$98,044                 | \$28,823                                 | \$5,132                                 | \$33,955       | \$431,557                        |

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

| Year 2006  |                            |                                      |                                   |                                |  |                                     |                                |                      |  |   |                        |   |
|--|----------------------------|--------------------------------------|-----------------------------------|--------------------------------|--|-------------------------------------|--------------------------------|----------------------|--|---|------------------------|---|
| KENTUCKY POWER COMPANY   |                            |                                      |                                   |                                |  |                                     |                                |                      |  |   |                        |   |
| ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM   |                            |                                      |                                   |                                |  |                                     |                                |                      |  |   |                        |   |
| YEAR 11 (1st HALF)   |                            |                                      |                                   |                                |  |                                     |                                |                      |  |   |                        |   |
| PROGRAM DESCRIPTIONS   | NEW PARTICIPANT NUMBER (1) | CUMULATIVE PARTICIPANT NUMBER ** (2) | TOTAL ESTIMATED PROGRAM COSTS (3) | TOTAL ACTUAL PROGRAM COSTS (4) | NET FLOST REV/QTRS (KWH/PARTICIPANT) (5) | TOTAL ENERGY SAVINGS (KWH/ HALF (6) | NET FLOST REVENUE (\$/KWH) (7) | TOTAL NET * LOSS (8) | EFFICIENCY INCENTIVE (EX. C. PG.21C) (9) | MAXIMIZING INCENTIVE (5% of COSTS) (10) | INCENTIVE TOTAL * (11) | TOTAL ACTUAL COSTS TO BE RECOVERED (12) |
|  |                            |                                      | PER PARTICIPANT COSTS (3)         |                                |  |                                     |                                |                      |  | (4)X(5%)                                | (9)++(10)              | (4)+(8)+(11)                            |
| RESIDENTIAL PROGRAMS   | 0                          | 0                                    | \$0.00                            | \$0                            | 707                                      | 0                                   | \$0.03112                      | \$0                  | \$0                                      | \$0                                     | \$0                    | \$0                                     |
| Energy Fitness   |                            |                                      |                                   |                                |  |                                     |                                |                      |  |   |                        |   |
| Targeted Energy Efficiency   |                            |                                      |                                   |                                |  |                                     |                                |                      |  |   |                        |   |
| - All Electric   | 75                         | 496                                  | \$974.31                          | \$73,073                       | 896                                      | 444,416                             | \$0.03111                      | \$13,826             | \$0                                      | \$3,654                                 | \$3,654                | \$90,553                                |
| - Non-All Electric   | 34                         | 249                                  | \$84.56                           | \$2,875                        | 267                                      | 66,483                              | \$0.03124                      | \$2,077              | \$671                                    | \$0                                     | \$671                  | \$5,623                                 |
| Compact Fluorescent Bulb   | 0                          | 0                                    | \$0.00                            | \$0                            | 0  | 0                                   | \$0.00000                      | \$0                  | \$0                                      | \$0                                     | \$0                    | \$0                                     |
| High - Efficiency Heat Pump  |                            |                                      |                                   |                                |  |                                     |                                |                      |  |   |                        |   |
| - Resistance Heat  | 0                          | 0                                    | \$0.00                            | \$0                            | 1,200                                    | 0                                   | \$0.03114                      | \$0                  | \$0                                      | \$0                                     | \$0                    | \$0                                     |
| - Non Resistance Heat  | 0                          | 0                                    | \$0.00                            | \$0                            | 447                                      | 0                                   | \$0.03116                      | \$0                  | \$0                                      | \$0                                     | \$0                    | \$0                                     |
| High - Efficiency Heat Pump  |                            |                                      |                                   |                                |  |                                     |                                |                      |  |   |                        |   |
| - Mobile Home  | 48                         | 230                                  | \$446.06                          | \$21,411                       | 1,145                                    | 263,350                             | \$0.03110                      | \$8,190              | \$3,802                                  | \$0                                     | \$3,802                | \$33,403                                |
| Mobile Home New Construction ***   |                            |                                      |                                   |                                |  |                                     |                                |                      |  |   |                        |   |
| - Heat Pump  | 90                         | 425                                  | \$561.21                          | \$50,509                       | 1,810                                    | 769,250                             | \$0.03110                      | \$23,924             | \$11,246                                 | \$0                                     | \$11,246               | \$85,679                                |
| - Air Conditioner  | 0                          | 2                                    | \$0.00                            | \$0                            | 157                                      | 314                                 | \$0.03124                      | \$10                 | \$0                                      | \$0                                     | \$0                    | \$10                                    |
| Modified Energy Fitness  | 440                        | 2,185                                | \$275.33                          | \$121,144                      | 613                                      | 1,339,405                           | \$0.03116                      | \$41,736             | \$18,515                                 | \$0                                     | \$18,515               | \$181,395                               |
| TOTAL RESIDENTIAL PROGRAMS   | 687                        | 3,587                                |                                   | \$269,012                      |  | 2,883,218                           |                                | \$69,763             | \$34,234                                 | \$3,654                                 | \$37,888               | \$396,663                               |
| COMMERCIAL PROGRAMS  |                            |                                      |                                   |                                |  |                                     |                                |                      |  |   |                        |   |
| Smart Audit - Class 1  | 0                          | 0                                    | \$0.00                            | \$0                            | 0  | 0                                   | n/a                            | \$0                  | \$0                                      | \$0                                     | \$0                    | \$0                                     |
| - Class 2  | 0                          | 0                                    | \$0.00                            | \$0                            | 0  | 0                                   | n/a                            | \$0                  | \$0                                      | \$0                                     | \$0                    | \$0                                     |
| Smart Financing - Existing Building  | 0                          | 0                                    | \$0.00                            | \$0                            | 0  | 0                                   | \$0.00000                      | \$0                  | \$0                                      | \$0                                     | \$0                    | \$0                                     |
| Smart Financing - New Building   | 0                          | 0                                    | \$0.00                            | \$0                            | 0  | 0                                   | \$0.00000                      | \$0                  | \$0                                      | \$0                                     | \$0                    | \$0                                     |
| TOTAL COMMERCIAL PROGRAMS  | 0                          | 0                                    |                                   | \$0                            |  | 0                                   |                                | \$0                  | \$0                                      | \$0                                     | \$0                    | \$0                                     |
| INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)  |                            |                                      |                                   |                                |  |                                     |                                |                      |  |   |                        |   |
| Smart Audit - Class 1  | 0                          | 0                                    | \$0.00                            | \$0                            | 0  | 0                                   | n/a                            | \$0                  | \$0                                      | \$0                                     | \$0                    | \$0                                     |
| Smart Audit - Class 2  | 0                          | 0                                    | \$0.00                            | \$0                            | 0  | 0                                   | n/a                            | \$0                  | \$0                                      | \$0                                     | \$0                    | \$0                                     |
| Smart Financing - General  | 0                          | 0                                    | \$0.00                            | \$0                            | 0  | 0                                   | \$0.00000                      | \$0                  | \$0                                      | \$0                                     | \$0                    | \$0                                     |
| Smart Financing - Compressed Air System  | 0                          | 0                                    | \$0.00                            | \$0                            | 0  | 0                                   | \$0.00000                      | \$0                  | \$0                                      | \$0                                     | \$0                    | \$0                                     |
| TOTAL INDUSTRIAL PROGRAMS  | 0                          | 0                                    |                                   | \$0                            |  | 0                                   |                                | \$0                  | \$0                                      | \$0                                     | \$0                    | \$0                                     |
| TOTAL COMPANY  | 687                        | 3,587                                |                                   | \$269,012                      |  | 2,883,218                           |                                | \$69,763             | \$34,234                                 | \$3,654                                 | \$37,888               | \$396,663                               |
| * Lost revenue and efficiency incentives are based on prospective values.                        |                            |                                      |                                   |                                |  |                                     |                                |                      |  |   |                        |   |
| ** Cumulative participants include a reduction for the cumulative participants as of 06/30/2003. |                            |                                      |                                   |                                |  |                                     |                                |                      |  |   |                        |   |
| *** Participants since 01/01/2003.   |                            |                                      |                                   |                                |  |                                     |                                |                      |  |   |                        |   |

| Year 2006   |                            |                                      |   |                                |  |                                     |                               |                          |  |   |                        |   | Exhibit C      |
|---|----------------------------|--------------------------------------|---|--------------------------------|--|-------------------------------------|-------------------------------|--------------------------|--|---|------------------------|---|----------------|
| KENTUCKY POWER COMPANY<br>ESTIMATED SECTOR SURCHARGES FOR 3<br>YEAR PROGRAM |                            |                                      |   |                                |  |                                     |                               |                          |  |   |                        |   | PAGE<br>12B of |
| YEAR 11 (2nd HALF)  |                            |                                      |   |                                |  |                                     |                               |                          |  |   |                        |   | 23             |
| PROGRAM DESCRIPTIONS  | NEW PARTICIPANT NUMBER (1) | CUMULATIVE PARTICIPANT NUMBER ** (2) | TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3) | TOTAL ACTUAL PROGRAM COSTS (4) | NET LOST REV/QTTRS (KWH/PARTICIPANT) (5) | TOTAL ENERGY SAVINGS (KWH/ HALF (6) | NET LOST REVENUE (\$/KWH) (7) | TOTAL NET * REVENUES (8) | EFFICIENCY INCENTIVE (EX. C, PG.21C) (9) | MAXIMIZING INCENTIVE (5% of COSTS) (10) | TOTAL * INCENTIVE (11) | TOTAL ACTUAL COSTS TO BE RECOVERED (12) |                |
|   |                            |                                      |   |                                |  |                                     |                               |                          |  |   |                        |   |                |
| RESIDENTIAL PROGRAMS  |                            |                                      |   |                                |  |                                     |                               |                          |  |   |                        |   |                |
| Energy Fitness  | 0                          | 0                                    | \$0.00  | \$0                            | 706                                      | 0                                   | \$0.03112                     | \$0                      | \$0                                      | \$0                                     | \$0                    | \$0                                     |                |
| Targeted Energy Efficiency  |                            |                                      |   |                                |  |                                     |                               |                          |  |   |                        |   |                |
| - All Electric  | 87                         | 481                                  | \$1,147.46  | \$99,829                       | 896                                      | 430,976                             | \$0.03111                     | \$13,408                 | \$0                                      | \$4,991                                 | \$4,991                | \$118,228                               |                |
| - Non-All Electric  | 46                         | 254                                  | \$84.00   | \$3,864                        | 266                                      | 67,564                              | \$0.03124                     | \$2,111                  | \$908                                    | \$0                                     | \$908                  | \$6,883                                 |                |
| Compact Fluorescent Bulb  | 0                          | 0                                    | \$0.00  | \$0                            | 0  | 0                                   | \$0.00000                     | \$0                      | \$0                                      | \$0                                     | \$0                    | \$0                                     |                |
| High - Efficiency Heat Pump   |                            |                                      |   |                                |  |                                     |                               |                          |  |   |                        |   |                |
| - Resistance Heat   | 0                          | 0                                    | \$0.00  | \$0                            | 1,200                                    | 0                                   | \$0.03114                     | \$0                      | \$0                                      | \$0                                     | \$0                    | \$0                                     |                |
| - Non Resistance Heat   | 0                          | 0                                    | \$0.00  | \$0                            | 446                                      | 0                                   | \$0.03116                     | \$0                      | \$0                                      | \$0                                     | \$0                    | \$0                                     |                |
| High - Efficiency Heat Pump   |                            |                                      |   |                                |  |                                     |                               |                          |  |   |                        |   |                |
| - Mobile Home   | 45                         | 245                                  | \$460.00  | \$20,700                       | 1,144                                    | 280,280                             | \$0.03110                     | \$8,717                  | \$3,564                                  | \$0                                     | \$3,564                | \$32,981                                |                |
| Mobile Home New Construction ***  |                            |                                      |   |                                |  |                                     |                               |                          |  |   |                        |   |                |
| - Heat Pump   | 94                         | 460                                  | \$544.15  | \$51,150                       | 1,808                                    | 831,680                             | \$0.03110                     | \$25,865                 | \$11,746                                 | \$0                                     | \$11,746               | \$88,761                                |                |
| - Air Conditioner   | 0                          | 2                                    | \$0.00  | \$0                            | 158                                      | 316                                 | \$0.03124                     | \$10                     | \$0                                      | \$0                                     | \$0                    | \$10                                    |                |
| Modified Energy Fitness   | 560                        | 2,391                                | \$427.85  | \$239,596                      | 612                                      | 1,463,292                           | \$0.03116                     | \$45,596                 | \$23,565                                 | \$0                                     | \$23,565               | \$308,757                               |                |
| TOTAL RESIDENTIAL PROGRAMS  | 832                        | 3,833                                |   | \$415,139                      |  | 3,074,108                           |                               | \$95,707                 | \$39,783                                 | \$4,991                                 | \$44,774               | \$555,620                               |                |
| COMMERCIAL PROGRAMS   |                            |                                      |   |                                |  |                                     |                               |                          |  |   |                        |   |                |
| Smart Audit - Class 1   | 0                          | 0                                    | \$0.00  | \$0                            | 0  | 0                                   | n/a                           | \$0                      | \$0                                      | \$0                                     | \$0                    | \$0                                     |                |
| - Class 2   | 0                          | 0                                    | \$0.00  | \$0                            | 0  | 0                                   | n/a                           | \$0                      | \$0                                      | \$0                                     | \$0                    | \$0                                     |                |
| Smart Financing - Existing Building   | 0                          | 0                                    | \$0.00  | \$0                            | 0  | 0                                   | \$0.00000                     | \$0                      | \$0                                      | \$0                                     | \$0                    | \$0                                     |                |
| Smart Financing - New Building  | 0                          | 0                                    | \$0.00  | \$0                            | 0  | 0                                   | \$0.00000                     | \$0                      | \$0                                      | \$0                                     | \$0                    | \$0                                     |                |
| TOTAL COMMERCIAL PROGRAMS   | 0                          | 0                                    | \$0   | \$0                            | 0  | 0                                   | \$0                           | \$0                      | \$0                                      | \$0                                     | \$0                    | \$0                                     |                |
| INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)                             |                            |                                      |   |                                |  |                                     |                               |                          |  |   |                        |   |                |
| Smart Audit - Class 1   | 0                          | 0                                    | \$0.00  | \$0                            | 0  | 0                                   | n/a                           | \$0                      | \$0                                      | \$0                                     | \$0                    | \$0                                     |                |
| Smart Audit - Class 2   | 0                          | 0                                    | \$0.00  | \$0                            | 0  | 0                                   | n/a                           | \$0                      | \$0                                      | \$0                                     | \$0                    | \$0                                     |                |
| Smart Financing - General   | 0                          | 0                                    | \$0.00  | \$0                            | 0  | 0                                   | \$0.00000                     | \$0                      | \$0                                      | \$0                                     | \$0                    | \$0                                     |                |
| Smart Financing - Compressed Air System                                     | 0                          | 0                                    | \$0.00  | \$0                            | 0  | 0                                   | \$0.00000                     | \$0                      | \$0                                      | \$0                                     | \$0                    | \$0                                     |                |
| TOTAL INDUSTRIAL PROGRAMS   | 0                          | 0                                    | \$0   | \$0                            | 0  | 0                                   | \$0                           | \$0                      | \$0                                      | \$0                                     | \$0                    | \$0                                     |                |
| TOTAL COMPANY   | 832                        | 3,833                                |   | \$415,139                      |  | 3,074,108                           |                               | \$95,707                 | \$39,783                                 | \$4,991                                 | \$44,774               | \$555,620                               |                |

\* Lost revenue and efficiency incentives are based on prospective values.  
 \*\* Cumulative participants include a reduction for the cumulative participants as of 12/31/2003.  
 \*\*\* Participants since 07/01/2003.

| Year 2007   |                            |                                      |   |                                |   |   |                               |                          |   |   |                     |                      | Exhibit C      |
|---|----------------------------|--------------------------------------|---|--------------------------------|---|---|-------------------------------|--------------------------|---|---|---------------------|----------------------|----------------|
| KENTUCKY POWER COMPANY<br>ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM      |                            |                                      |   |                                |   |   |                               |                          |   |   |                     |                      | PAGE<br>13A of |
| YEAR 12 (1st HALF)  |                            |                                      |   |                                |   |   |                               |                          |   |   |                     |                      | 23             |
| PROGRAM DESCRIPTIONS  | NEW PARTICIPANT NUMBER (1) | CUMULATIVE PARTICIPANT NUMBER ** (2) | TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3) | TOTAL ACTUAL PROGRAM COSTS (4) | NET LOST REV/QTRS (KWH/PARTICIPANT) (5) | TOTAL ENERGY SAVINGS (KWH/ HALF (2)X(5) (6) | NET LOST REVENUE (\$/KWH) (7) | TOTAL NET * REVENUES (8) | EFFICIENCY INCENTIVE (E.X. C, PG.21C) (9) | MAXIMIZING INCENTIVE (5% of COSTS) (10) | TOTAL * COSTS TO BE | RECOVERED COSTS (12) |                |
| RESIDENTIAL PROGRAMS  |                            |                                      |   |                                |   |   |                               |                          |   |   |                     |                      |                |
| Energy Fitness  | 0                          | 0                                    | \$0.00  | \$0                            | 707                                     | 0   | \$0.03112                     | \$0                      | \$0                                       | \$0                                     | \$0                 | \$0                  |                |
| Targeted Energy Efficiency  |                            |                                      |   |                                |   |   |                               |                          |   |   |                     |                      |                |
| - All Electric  | 128                        | 295                                  | \$1,022.27  | \$130,851                      | 896                                     | 264,320                                     | \$0.04346                     | \$11,487                 | \$0                                       | \$6,543                                 | \$6,543             | \$148,881            |                |
| - Non-All Electric  | 29                         | 115                                  | \$86.48   | \$2,508                        | 277                                     | 31,855                                      | \$0.04362                     | \$1,390                  | \$572                                     | \$0                                     | \$572               | \$4,470              |                |
| Compact Fluorescent Bulb  | 0                          | 0                                    | \$0.00  | \$0                            | 0                                       | 0   | \$0.00000                     | \$0                      | \$0                                       | \$0                                     | \$0                 | \$0                  |                |
| High - Efficiency Heat Pump   |                            |                                      |   |                                |   |   |                               |                          |   |   |                     |                      |                |
| - Resistance Heat   | 0                          | 0                                    | \$0.00  | \$0                            | 1,200                                   | 0   | \$0.03114                     | \$0                      | \$0                                       | \$0                                     | \$0                 | \$0                  |                |
| - Non Resistance Heat   | 0                          | 0                                    | \$0.00  | \$0                            | 447                                     | 0   | \$0.03116                     | \$0                      | \$0                                       | \$0                                     | \$0                 | \$0                  |                |
| High - Efficiency Heat Pump   |                            |                                      |   |                                |   |   |                               |                          |   |   |                     |                      |                |
| - Mobile Home   | 50                         | 153                                  | \$450.00  | \$22,500                       | 1,145                                   | 175,185                                     | \$0.04346                     | \$7,614                  | \$3,960                                   | \$0                                     | \$3,960             | \$34,074             |                |
| Mobile Home New Construction ***  |                            |                                      |   |                                |   |   |                               |                          |   |   |                     |                      |                |
| - Heat Pump   | 84                         | 304                                  | \$563.10  | \$47,300                       | 1,810                                   | 550,240                                     | \$0.04348                     | \$23,924                 | \$10,497                                  | \$0                                     | \$10,497            | \$81,721             |                |
| - Air Conditioner   | 0                          | 0                                    | \$0.00  | \$0                            | 157                                     | 0   | \$0.04343                     | \$0                      | \$0                                       | \$0                                     | \$0                 | \$0                  |                |
| Modified Energy Fitness   | 515                        | 1,605                                | \$381.00  | \$196,214                      | 613                                     | 983,865                                     | \$0.04349                     | \$42,788                 | \$21,671                                  | \$0                                     | \$21,671            | \$260,673            |                |
| Case No 2006 - 00373, Dated December 14, 2006:                                |                            |                                      |   |                                |   |   |                               |                          |   |   |                     |                      |                |
| - HEAP - Kentucky Power Company's Information Technology Implementation Costs |                            |                                      |   | \$58,968                       |   |   |                               |                          |   |   |                     | \$58,968             |                |
| - HEAP - KACA's Information Technology Implementation Costs                   |                            |                                      |   | \$15,700                       |   |   |                               |                          |   |   |                     | \$15,700             |                |
| TOTAL RESIDENTIAL PROGRAMS  | 806                        | 2,472                                |   | \$474,041                      |   | 2,005,465                                   |                               | \$87,203                 | \$36,700                                  | \$6,543                                 | \$43,243            | \$604,487            |                |
| COMMERCIAL PROGRAMS   |                            |                                      |   |                                |   |   |                               |                          |   |   |                     |                      |                |
| Smart Audit - Class 1   | 0                          | 0                                    | \$0.00  | \$0                            | 0                                       | 0   | n/a                           | \$0                      | \$0                                       | \$0                                     | \$0                 | \$0                  |                |
| - Class 2   | 0                          | 0                                    | \$0.00  | \$0                            | 0                                       | 0   | n/a                           | \$0                      | \$0                                       | \$0                                     | \$0                 | \$0                  |                |
| Smart Financing - Existing Building   | 0                          | 0                                    | \$0.00  | \$0                            | 0                                       | 0   | \$0.00000                     | \$0                      | \$0                                       | \$0                                     | \$0                 | \$0                  |                |
| Smart Financing - New Building  | 0                          | 0                                    | \$0.00  | \$0                            | 0                                       | 0   | \$0.00000                     | \$0                      | \$0                                       | \$0                                     | \$0                 | \$0                  |                |
| TOTAL COMMERCIAL PROGRAMS   | 0                          | 0                                    |   | \$0                            |   | 0   |                               | \$0                      | \$0                                       | \$0                                     | \$0                 | \$0                  |                |
| INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)                               |                            |                                      |   |                                |   |   |                               |                          |   |   |                     |                      |                |
| Smart Audit - Class 1   | 0                          | 0                                    | \$0.00  | \$0                            | 0                                       | 0   | n/a                           | \$0                      | \$0                                       | \$0                                     | \$0                 | \$0                  |                |
| Smart Audit - Class 2   | 0                          | 0                                    | \$0.00  | \$0                            | 0                                       | 0   | n/a                           | \$0                      | \$0                                       | \$0                                     | \$0                 | \$0                  |                |
| Smart Financing - General   | 0                          | 0                                    | \$0.00  | \$0                            | 0                                       | 0   | \$0.00000                     | \$0                      | \$0                                       | \$0                                     | \$0                 | \$0                  |                |
| Smart Financing - Compressed Air System                                       | 0                          | 0                                    | \$0.00  | \$0                            | 0                                       | 0   | \$0.00000                     | \$0                      | \$0                                       | \$0                                     | \$0                 | \$0                  |                |
| TOTAL INDUSTRIAL PROGRAMS   | 0                          | 0                                    |   | \$0                            |   | 0   |                               | \$0                      | \$0                                       | \$0                                     | \$0                 | \$0                  |                |
| TOTAL COMPANY   | 806                        | 2,472                                |   | \$474,041                      |   | 2,005,465                                   |                               | \$87,203                 | \$36,700                                  | \$6,543                                 | \$43,243            | \$604,487            |                |

\* Lost revenue and efficiency incentives are based on prospective values.  
 \*\* Cumulative participants include a reduction for the cumulative participants as of 06/30/2005.  
 \*\*\* Participants since 07/01/2005.

| Year 2007  |                            |                                      |                                   |                                |  |                          |                                |                      |  |   |                            |   |
|--|----------------------------|--------------------------------------|-----------------------------------|--------------------------------|--|--------------------------|--------------------------------|----------------------|--|---|----------------------------|---|
| KENTUCKY POWER COMPANY   |                            |                                      |                                   |                                |  |                          |                                |                      |  |   |                            |   |
| ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM   |                            |                                      |                                   |                                |  |                          |                                |                      |  |   |                            |   |
| YEAR 12 (2nd Half)   |                            |                                      |                                   |                                |  |                          |                                |                      |  |   |                            |   |
| PROGRAM DESCRIPTIONS   | NEW PARTICIPANT NUMBER (1) | CUMULATIVE PARTICIPANT NUMBER ** (2) | TOTAL ESTIMATED PROGRAM COSTS (3) | TOTAL ACTUAL PROGRAM COSTS (4) | NET FLOST REV/QTRS (KWH/PARTICIPANT) (5) | TOTAL ENERGY SAVINGS (6) | NET FLOST REVENUE (\$/KWH) (7) | TOTAL NET * LOSS (8) | EFFICIENCY INCENTIVE (EX. C. PG.21C) (9) | MAXIMIZING INCENTIVE (5% of COSTS) (10) | INCENTIVE TOTAL * (9)+(10) | TOTAL ACTUAL COSTS TO BE RECOVERED (4)+(8)+(11) |
| RESIDENTIAL PROGRAMS   |                            |                                      |                                   |                                |  |                          |                                |                      |  |   |                            |   |
| Energy Fitness   | 0                          | 0                                    | \$0.00                            | \$0                            | 706                                      | 0                        | \$0.03112                      | \$0                  | \$0                                      | \$0                                     | \$0                        | \$0   |
| Targeted Energy Efficiency   |                            |                                      |                                   |                                |  |                          |                                |                      |  |   |                            |   |
| - All Electric   | 100                        | 421                                  | \$879.82                          | \$87,982                       | 896                                      | 377,216                  | \$0.04346                      | \$16,394             | \$0                                      | \$4,399                                 | \$4,399                    | \$108,775                                       |
| - Non-All Electric   | 50                         | 151                                  | \$89.58                           | \$4,479                        | 276                                      | 41,676                   | \$0.04362                      | \$1,818              | \$987                                    | \$0                                     | \$987                      | \$7,284   |
| Compact Fluorescent Bulb   | 0                          | 0                                    | \$0.00                            | \$0                            | 0  | 0                        | \$0.00000                      | \$0                  | \$0                                      | \$0                                     | \$0                        | \$0   |
| High - Efficiency Heat Pump  |                            |                                      |                                   |                                |  |                          |                                |                      |  |   |                            |   |
| - Resistance Heat  | 0                          | 0                                    | \$0.00                            | \$0                            | 1,200                                    | 0                        | \$0.03114                      | \$0                  | \$0                                      | \$0                                     | \$0                        | \$0   |
| - Non Resistance Heat  | 0                          | 0                                    | \$0.00                            | \$0                            | 446                                      | 0                        | \$0.03116                      | \$0                  | \$0                                      | \$0                                     | \$0                        | \$0   |
| High - Efficiency Heat Pump  |                            |                                      |                                   |                                |  |                          |                                |                      |  |   |                            |   |
| - Mobile Home  | 45                         | 209                                  | \$450.00                          | \$20,250                       | 1,144                                    | 239,096                  | \$0.04346                      | \$10,391             | \$3,564                                  | \$0                                     | \$3,564                    | \$34,205  |
| Mobile Home New Construction ***   |                            |                                      |                                   |                                |  |                          |                                |                      |  |   |                            |   |
| - Heat Pump  | 129                        | 426                                  | \$551.94                          | \$71,200                       | 1,808                                    | 770,208                  | \$0.04348                      | \$33,489             | \$16,120                                 | \$0                                     | \$16,120                   | \$120,809                                       |
| - Air Conditioner  | 0                          | 0                                    | \$0.00                            | \$0                            | 158                                      | 0                        | \$0.04343                      | \$0                  | \$0                                      | \$0                                     | \$0                        | \$0   |
| Modified Energy Fitness  | 485                        | 2,113                                | \$353.79                          | \$171,580                      | 612                                      | 1,293,156                | \$0.04349                      | \$56,239             | \$20,409                                 | \$0                                     | \$20,409                   | \$248,238                                       |
| TOTAL RESIDENTIAL PROGRAMS   | 809                        | 3,320                                |                                   | \$355,501                      |  | 2,721,352                |                                | \$118,331            | \$41,080                                 | \$4,399                                 | \$45,479                   | \$519,311                                       |
| COMMERCIAL PROGRAMS  |                            |                                      |                                   |                                |  |                          |                                |                      |  |   |                            |   |
| Smart Audit - Class 1  | 0                          | 0                                    | \$0.00                            | \$0                            | 0  | 0                        | n/a                            | \$0                  | \$0                                      | \$0                                     | \$0                        | \$0   |
| - Class 2  | 0                          | 0                                    | \$0.00                            | \$0                            | 0  | 0                        | n/a                            | \$0                  | \$0                                      | \$0                                     | \$0                        | \$0   |
| Smart Financing - Existing Building  | 0                          | 0                                    | \$0.00                            | \$0                            | 0  | 0                        | \$0.00000                      | \$0                  | \$0                                      | \$0                                     | \$0                        | \$0   |
| Smart Financing - New Building   | 0                          | 0                                    | \$0.00                            | \$0                            | 0  | 0                        | \$0.00000                      | \$0                  | \$0                                      | \$0                                     | \$0                        | \$0   |
| TOTAL COMMERCIAL PROGRAMS  | 0                          | 0                                    |                                   | \$0                            |  | 0                        |                                | \$0                  | \$0                                      | \$0                                     | \$0                        | \$0   |
| INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)  |                            |                                      |                                   |                                |  |                          |                                |                      |  |   |                            |   |
| Smart Audit - Class 1  | 0                          | 0                                    | \$0.00                            | \$0                            | 0  | 0                        | n/a                            | \$0                  | \$0                                      | \$0                                     | \$0                        | \$0   |
| Smart Audit - Class 2  | 0                          | 0                                    | \$0.00                            | \$0                            | 0  | 0                        | n/a                            | \$0                  | \$0                                      | \$0                                     | \$0                        | \$0   |
| Smart Financing - General  | 0                          | 0                                    | \$0.00                            | \$0                            | 0  | 0                        | \$0.00000                      | \$0                  | \$0                                      | \$0                                     | \$0                        | \$0   |
| Smart Financing - Compressed Air System  | 0                          | 0                                    | \$0.00                            | \$0                            | 0  | 0                        | \$0.00000                      | \$0                  | \$0                                      | \$0                                     | \$0                        | \$0   |
| TOTAL INDUSTRIAL PROGRAMS  | 0                          | 0                                    |                                   | \$0                            |  | 0                        |                                | \$0                  | \$0                                      | \$0                                     | \$0                        | \$0   |
| TOTAL COMPANY  | 809                        | 3,320                                |                                   | \$355,501                      |  | 2,721,352                |                                | \$118,331            | \$41,080                                 | \$4,399                                 | \$45,479                   | \$519,311                                       |
| * Lost revenue and efficiency incentives are based on prospective values.                        |                            |                                      |                                   |                                |  |                          |                                |                      |  |   |                            |   |
| ** Cumulative participants include a reduction for the cumulative participants as of 06/30/2005. |                            |                                      |                                   |                                |  |                          |                                |                      |  |   |                            |   |
| *** Participants since 07/01/2005.   |                            |                                      |                                   |                                |  |                          |                                |                      |  |   |                            |   |

| Year 2008  |                            |                                      |   |                                |   |                          |                               |                      |                          |                           |                        |   | Exhibit C            |
|--|----------------------------|--------------------------------------|---|--------------------------------|---|--------------------------|-------------------------------|----------------------|--------------------------|---------------------------|------------------------|---|----------------------|
| KENTUCKY POWER COMPANY<br>ESTIMATED SECTOR SURCHARGES FOR 3<br>YEAR PROGRAM                      |                            |                                      |   |                                |   |                          |                               |                      |                          |                           |                        |   | PAGE<br>14A of<br>23 |
| PROGRAM DESCRIPTIONS   | NEW PARTICIPANT NUMBER (1) | CUMULATIVE PARTICIPANT NUMBER ** (2) | TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3) | TOTAL ACTUAL PROGRAM COSTS (4) | NET LOST REV/QTRS (KWH/PARTICIPANT) (5) | TOTAL ENERGY SAVINGS (6) | NET LOST REVENUE (\$/KWH) (7) | TOTAL NET * LOSS (8) | EFFICIENCY INCENTIVE (9) | MAXIMIZING INCENTIVE (10) | TOTAL * INCENTIVE (11) | TOTAL ACTUAL COSTS TO BE RECOVERED (12) |                      |
|  |                            |                                      |   |                                |   |                          |                               |                      | (EX. C, PG.21C)          | (5% of COSTS)             | (9)+(10)               | (4)+(9)+(11)                            |                      |
| RESIDENTIAL PROGRAMS   |                            |                                      |   |                                |   |                          |                               |                      |                          |                           |                        |   |                      |
| Energy Fitness   | 0                          | 0                                    | \$0.00  | \$0                            | 0                                       | 0                        | \$0.00000                     | \$0                  | \$0                      | \$0                       | \$0                    | \$0                                     |                      |
| Targeted Energy Efficiency   |                            |                                      |   |                                |   |                          |                               |                      |                          |                           |                        |   |                      |
| - All Electric   | 119                        | 521                                  | \$1,358.15  | \$161,620                      | 1,016                                   | 529,336                  | \$0.04346                     | \$23,005             | \$9,189                  | \$0                       | \$9,189                | \$193,814                               |                      |
| - Non-All Electric   | 56                         | 196                                  | \$83.11   | \$4,654                        | 568                                     | 111,328                  | \$0.04345                     | \$4,837              | \$3,454                  | \$0                       | \$3,454                | \$12,945                                |                      |
| Compact Fluorescent Bulb   | 0                          | 0                                    | \$0.00  | \$0                            | 0                                       | 0                        | \$0.00000                     | \$0                  | \$0                      | \$0                       | \$0                    | \$0                                     |                      |
| High - Efficiency Heat Pump  | 0                          | 0                                    | \$0.00  | \$0                            | 0                                       | 0                        | \$0.00000                     | \$0                  | \$0                      | \$0                       | \$0                    | \$0                                     |                      |
| - Resistance Heat  | 0                          | 0                                    | \$0.00  | \$0                            | 0                                       | 0                        | \$0.00000                     | \$0                  | \$0                      | \$0                       | \$0                    | \$0                                     |                      |
| - Non Resistance Heat  | 0                          | 0                                    | \$0.00  | \$0                            | 0                                       | 0                        | \$0.00000                     | \$0                  | \$0                      | \$0                       | \$0                    | \$0                                     |                      |
| High - Efficiency Heat Pump  | 61                         | 252                                  | \$457.38  | \$27,900                       | 875                                     | 220,500                  | \$0.04346                     | \$9,583              | \$8,539                  | \$0                       | \$8,539                | \$46,022                                |                      |
| - Mobile Home  |                            |                                      |   |                                |   |                          |                               |                      |                          |                           |                        |   |                      |
| Mobile Home New Construction ***   |                            |                                      |   |                                |   |                          |                               |                      |                          |                           |                        |   |                      |
| - Heat Pump  | 95                         | 520                                  | \$552.63  | \$52,500                       | 861                                     | 447,720                  | \$0.04348                     | \$19,467             | \$10,597                 | \$0                       | \$10,597               | \$82,564                                |                      |
| - Air Conditioner  | 0                          | 0                                    | \$0.00  | \$0                            | 0                                       | 0                        | \$0.00000                     | \$0                  | \$0                      | \$0                       | \$0                    | \$0                                     |                      |
| Modified Energy Fitness  | 560                        | 2,612                                | \$361.32  | \$202,339                      | 435                                     | 1,136,220                | \$0.04349                     | \$49,414             | \$27,871                 | \$0                       | \$27,871               | \$279,624                               |                      |
| TOTAL RESIDENTIAL PROGRAMS   | 891                        | 4,101                                |   | \$449,013                      |   | 2,445,104                |                               | \$106,306            | \$59,650                 | \$0                       | \$59,650               | \$614,969                               |                      |
| COMMERCIAL PROGRAMS  |                            |                                      |   |                                |   |                          |                               |                      |                          |                           |                        |   |                      |
| Smart Audit - Class 1  | 0                          | 0                                    | \$0.00  | \$0                            | 0                                       | 0                        | n/a                           | \$0                  | \$0                      | \$0                       | \$0                    | \$0                                     |                      |
| - Class 2  | 0                          | 0                                    | \$0.00  | \$0                            | 0                                       | 0                        | n/a                           | \$0                  | \$0                      | \$0                       | \$0                    | \$0                                     |                      |
| Smart Financing - Existing Building  | 0                          | 0                                    | \$0.00  | \$0                            | 0                                       | 0                        | \$0.00000                     | \$0                  | \$0                      | \$0                       | \$0                    | \$0                                     |                      |
| Smart Financing - New Building   | 0                          | 0                                    | \$0.00  | \$0                            | 0                                       | 0                        | \$0.00000                     | \$0                  | \$0                      | \$0                       | \$0                    | \$0                                     |                      |
| TOTAL COMMERCIAL PROGRAMS  | 0                          | 0                                    |   | \$0                            |   | 0                        |                               | \$0                  | \$0                      | \$0                       | \$0                    | \$0                                     |                      |
| INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)  |                            |                                      |   |                                |   |                          |                               |                      |                          |                           |                        |   |                      |
| Smart Audit - Class 1  | 0                          | 0                                    | \$0.00  | \$0                            | 0                                       | 0                        | n/a                           | \$0                  | \$0                      | \$0                       | \$0                    | \$0                                     |                      |
| Smart Audit - Class 2  | 0                          | 0                                    | \$0.00  | \$0                            | 0                                       | 0                        | n/a                           | \$0                  | \$0                      | \$0                       | \$0                    | \$0                                     |                      |
| Smart Financing - General  | 0                          | 0                                    | \$0.00  | \$0                            | 0                                       | 0                        | \$0.00000                     | \$0                  | \$0                      | \$0                       | \$0                    | \$0                                     |                      |
| Smart Financing - Compressed Air System  | 0                          | 0                                    | \$0.00  | \$0                            | 0                                       | 0                        | \$0.00000                     | \$0                  | \$0                      | \$0                       | \$0                    | \$0                                     |                      |
| TOTAL INDUSTRIAL PROGRAMS  | 0                          | 0                                    |   | \$0                            |   | 0                        |                               | \$0                  | \$0                      | \$0                       | \$0                    | \$0                                     |                      |
| TOTAL COMPANY  | 891                        | 4,101                                |   | \$449,013                      |   | 2,445,104                |                               | \$106,306            | \$59,650                 | \$0                       | \$59,650               | \$614,969                               |                      |
| * Lost revenue and efficiency incentives are based on prospective values.                        |                            |                                      |   |                                |   |                          |                               |                      |                          |                           |                        |   |                      |
| ** Cumulative participants include a reduction for the cumulative participants as of 06/30/2005. |                            |                                      |   |                                |   |                          |                               |                      |                          |                           |                        |   |                      |
| *** Participants since 07/01/2005.   |                            |                                      |   |                                |   |                          |                               |                      |                          |                           |                        |   |                      |

| Year 2008   |                            |                                      |   |                                |   |   |                               |              |  |   |                  |  |
|---|----------------------------|--------------------------------------|---|--------------------------------|---|---|-------------------------------|--------------|--|---|------------------|--|
| KENTUCKY POWER COMPANY<br>ESTIMATED SECTOR SURCHARGES FOR 3<br>YEAR PROGRAM |                            |                                      |   |                                |   |   |                               |              |  |   |                  |  |
| YEAR 13 (2nd HALF)  |                            |                                      |   |                                |   |   |                               |              |  |   |                  |  |
| PROGRAM DESCRIPTIONS  | NEW PARTICIPANT NUMBER (1) | CUMULATIVE PARTICIPANT NUMBER ** (2) | TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3) | TOTAL ACTUAL PROGRAM COSTS (4) | NET LOST REV/QTRS (KWH/PARTICIPANT) (5) | TOTAL ENERGY SAVINGS (KWH/ HALF (2)X(5) | NET LOST REVENUE (\$/KWH) (7) | REVENUES (8) | EFFICIENCY INCENTIVE (EX. C, PG.21C) (9) | MAXIMIZING INCENTIVE (5% of COSTS) (10) | TOTAL * (9)+(10) | TOTAL ACTUAL COSTS TO BE RECOVERED (12) (4)+(9)+(11) |
| RESIDENTIAL PROGRAMS  |                            |                                      |   |                                |   |   |                               |              |  |   |                  |  |
| Energy Fitness  | 0                          | 0                                    | \$0.00  | \$0                            | 0                                       | 0                                       | \$0.00000                     | \$0          | \$0                                      | \$0                                     | \$0              | \$0  |
| Targeted Energy Efficiency  |                            |                                      |   |                                |   |   |                               |              |  |   |                  |  |
| - All Electric  | 89                         | 545                                  | \$991.21  | \$88,218                       | 1,016                                   | 553,720                                 | \$0.04346                     | \$24,065     | \$6,873                                  | \$0                                     | \$6,873          | \$119,156  |
| - Non-All Electric  | 20                         | 223                                  | \$87.50   | \$1,750                        | 568                                     | 126,664                                 | \$0.04345                     | \$5,504      | \$1,234                                  | \$0                                     | \$1,234          | \$8,488  |
| Compact Fluorescent Bulb  | 0                          | 0                                    | \$0.00  | \$0                            | 0                                       | 0                                       | \$0.00000                     | \$0          | \$0                                      | \$0                                     | \$0              | \$0  |
| High - Efficiency Heat Pump   |                            |                                      |   |                                |   |   |                               |              |  |   |                  |  |
| - Resistance Heat   | 0                          | 0                                    | \$0.00  | \$0                            | 0                                       | 0                                       | \$0.00000                     | \$0          | \$0                                      | \$0                                     | \$0              | \$0  |
| - Non Resistance Heat   | 0                          | 0                                    | \$0.00  | \$0                            | 0                                       | 0                                       | \$0.00000                     | \$0          | \$0                                      | \$0                                     | \$0              | \$0  |
| High - Efficiency Heat Pump   |                            |                                      |   |                                |   |   |                               |              |  |   |                  |  |
| - Mobile Home   | 74                         | 289                                  | \$442.57  | \$32,750                       | 874                                     | 252,586                                 | \$0.04346                     | \$10,977     | \$10,359                                 | \$0                                     | \$10,359         | \$54,086   |
| Mobile Home New Construction  |                            |                                      |   |                                |   |   |                               |              |  |   |                  |  |
| - Heat Pump   | 108                        | 548                                  | \$550.00  | \$59,400                       | 860                                     | 471,280                                 | \$0.04348                     | \$20,491     | \$12,047                                 | \$0                                     | \$12,047         | \$91,938   |
| - Air Conditioner   | 0                          | 0                                    | \$0.00  | \$0                            | 0                                       | 0                                       | \$0.00000                     | \$0          | \$0                                      | \$0                                     | \$0              | \$0  |
| Modified Energy Fitness   | 440                        | 2,793                                | \$356.35  | \$156,792                      | 435                                     | 1,214,955                               | \$0.04349                     | \$52,838     | \$21,899                                 | \$0                                     | \$21,899         | \$231,529  |
| TOTAL RESIDENTIAL PROGRAMS  | 731                        | 4,398                                |   | \$338,910                      |   | 2,619,205                               |                               | \$113,875    | \$52,412                                 | \$0                                     | \$52,412         | \$506,197  |
| COMMERCIAL PROGRAMS   |                            |                                      |   |                                |   |   |                               |              |  |   |                  |  |
| Smart Audit - Class 1   | 0                          | 0                                    | \$0.00  | \$0                            | 0                                       | 0                                       | n/a                           | \$0          | \$0                                      | \$0                                     | \$0              | \$0  |
| - Class 2   | 0                          | 0                                    | \$0.00  | \$0                            | 0                                       | 0                                       | n/a                           | \$0          | \$0                                      | \$0                                     | \$0              | \$0  |
| Smart Financing - Existing Building   | 0                          | 0                                    | \$0.00  | \$0                            | 0                                       | 0                                       | \$0.00000                     | \$0          | \$0                                      | \$0                                     | \$0              | \$0  |
| Smart Financing - New Building  | 0                          | 0                                    | \$0.00  | \$0                            | 0                                       | 0                                       | \$0.00000                     | \$0          | \$0                                      | \$0                                     | \$0              | \$0  |
| TOTAL COMMERCIAL PROGRAMS   | 0                          | 0                                    |   | \$0                            |   | 0                                       |                               | \$0          | \$0                                      | \$0                                     | \$0              | \$0  |
| INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)                             |                            |                                      |   |                                |   |   |                               |              |  |   |                  |  |
| Smart Audit - Class 1   | 0                          | 0                                    | \$0.00  | \$0                            | 0                                       | 0                                       | n/a                           | \$0          | \$0                                      | \$0                                     | \$0              | \$0  |
| Smart Audit - Class 2   | 0                          | 0                                    | \$0.00  | \$0                            | 0                                       | 0                                       | n/a                           | \$0          | \$0                                      | \$0                                     | \$0              | \$0  |
| Smart Financing - General   | 0                          | 0                                    | \$0.00  | \$0                            | 0                                       | 0                                       | \$0.00000                     | \$0          | \$0                                      | \$0                                     | \$0              | \$0  |
| Smart Financing - Compressed Air System                                     | 0                          | 0                                    | \$0.00  | \$0                            | 0                                       | 0                                       | \$0.00000                     | \$0          | \$0                                      | \$0                                     | \$0              | \$0  |
| TOTAL INDUSTRIAL PROGRAMS   | 0                          | 0                                    |   | \$0                            |   | 0                                       |                               | \$0          | \$0                                      | \$0                                     | \$0              | \$0  |
| TOTAL COMPANY   | 731                        | 4,398                                |   | \$338,910                      |   | 2,619,205                               |                               | \$113,875    | \$52,412                                 | \$0                                     | \$52,412         | \$506,197  |

\* Lost revenue and efficiency incentives are based on prospective values.  
 \*\* Cumulative participants include a reduction for the cumulative participants as of 01/01/2006.

| Year 2009   |                 |                        |  |                            |                                  |                      |                      |                  |                      |                      |                      |                          |
|---|-----------------|------------------------|--|----------------------------|----------------------------------|----------------------|----------------------|------------------|----------------------|----------------------|----------------------|--------------------------|
| KENTUCKY POWER COMPANY<br>ESTIMATED SECTOR SURCHARGES FOR 3<br>YEAR PROGRAM   |                 |                        |  |                            |                                  |                      |                      |                  |                      |                      |                      |                          |
|   | NEW PARTICIPANT | CUMULATIVE PARTICIPANT | AVERAGE ACTUAL PROGRAM COSTS           | TOTAL ACTUAL PROGRAM COSTS | NET LOST REVENUE                 | NET LOST PARTICIPANT | TOTAL ENERGY SAVINGS | NET LOST REVENUE | TOTAL NET * REVENUES | EFFICIENCY INCENTIVE | MAXIMIZING INCENTIVE | TOTAL ACTUAL COSTS TO BE |
| PROGRAM DESCRIPTIONS  | NUMBER (1)      | NUMBER (2)             | PER PARTICIPANT COSTS (3)<br>(4) / (1) | PROGRAM COSTS (4)          | (KWH/ PARTICIPANT) REVO/QTRS (5) | KWH/ HALF (6)        | (\$/KWH) (7)         | REVENUES (8)     | (EX. C, PG.21C) (9)  | (5% of COSTS) (10)   | INCENTIVE (11)       | RECOVERED (12)           |
| RESIDENTIAL PROGRAMS  | 0               | 0                      | \$0.00                                 | \$0                        | 0                                | (2)X(5)              | \$0                  | \$0              | \$0                  | (4)X(5%) (10)        | (9)+(10)             | (4)+(8)+(11)             |
| Energy Fitness  |                 |                        |  |                            |                                  |                      |                      |                  |                      |                      |                      |                          |
| Targeted Energy Efficiency  |                 |                        |  |                            |                                  |                      |                      |                  |                      |                      |                      |                          |
| - All Electric  | 119             | 575                    | \$1,060.16                             | \$126,159                  | 1,016                            | 584,200              | \$0.04346            | \$25,389         | \$9,189              | \$0                  | \$9,189              | \$160,737                |
| - Non-All Electric  | 22              | 210                    | \$93.27                                | \$2,052                    | 568                              | 119,280              | \$0.04352            | \$5,191          | \$1,357              | \$0                  | \$1,357              | \$8,600                  |
| Compact Fluorescent Bulb  | 0               | 0                      | \$0.00                                 | \$0                        | 0                                | 0                    | \$0.00000            | \$0              | \$0                  | \$0                  | \$0                  | \$0                      |
| High - Efficiency Heat Pump   | 0               | 0                      | \$0.00                                 | \$0                        | 0                                | 0                    | \$0.00000            | \$0              | \$0                  | \$0                  | \$0                  | \$0                      |
| - Resistance Heat   | 0               | 0                      | \$0.00                                 | \$0                        | 0                                | 0                    | \$0.00000            | \$0              | \$0                  | \$0                  | \$0                  | \$0                      |
| - Non Resistance Heat   | 0               | 0                      | \$0.00                                 | \$0                        | 0                                | 0                    | \$0.00000            | \$0              | \$0                  | \$0                  | \$0                  | \$0                      |
| High - Efficiency Heat Pump   | 61              | 299                    | \$449.18                               | \$27,400                   | 875                              | 261,625              | \$0.04350            | \$11,381         | \$8,539              | \$0                  | \$8,539              | \$47,320                 |
| - Mobile Home   |                 |                        |  |                            |                                  |                      |                      |                  |                      |                      |                      |                          |
| Mobile Home New Construction  | 88              | 562                    | \$552.84                               | \$48,650                   | 861                              | 475,272              | \$0.04351            | \$20,679         | \$9,816              | \$0                  | \$9,816              | \$79,145                 |
| - Heat Pump   | 0               | 0                      | \$0.00                                 | \$0                        | 0                                | 0                    | \$0.00000            | \$0              | \$0                  | \$0                  | \$0                  | \$0                      |
| - Air Conditioner   | 425             | 2,775                  | \$383.51                               | \$162,993                  | 435                              | 1,207,125            | \$0.04345            | \$52,450         | \$21,152             | \$0                  | \$21,152             | \$236,595                |
| Modified Energy Fitness   |                 |                        |  |                            |                                  |                      |                      |                  |                      |                      |                      |                          |
| High Efficiency Heat Pump   | 28              | 7                      | \$305.36                               | \$8,550                    | 1,879                            | 13,153               | \$0.04349            | \$572            | \$13,387             | \$0                  | \$13,387             | \$22,509                 |
| - Resistance Heat Replacement   | 61              | 16                     | \$442.62                               | \$27,000                   | 301                              | 4,816                | \$0.04353            | \$210            | \$0                  | \$1,350              | \$1,350              | \$28,560                 |
| - Heat Pump Replacement   |                 |                        |  |                            |                                  |                      |                      |                  |                      |                      |                      |                          |
| Energy Education for Student Program (NEED)   | 0               | 0                      | \$0.00                                 | \$8,139                    | 92                               | 0                    | \$0.04370            | \$0              | \$0                  | \$0                  | \$0                  | \$8,139                  |
| Community Outreach Program (CFL)  | 926             | 149                    | \$5.84                                 | \$5,404                    | 92                               | 13,708               | \$0.04370            | \$599            | \$4,621              | \$0                  | \$4,621              | \$10,624                 |
| TOTAL RESIDENTIAL PROGRAMS  | 1,730           | 4,583                  |  | \$416,347                  |                                  | 2,679,179            |                      | \$116,471        | \$68,061             | \$1,350              | \$69,411             | \$602,229                |
| COMMERCIAL PROGRAMS   |                 |                        |  |                            |                                  |                      |                      |                  |                      |                      |                      |                          |
| Smart Audit - Class 1   | 0               | 0                      | \$0.00                                 | \$0                        | 0                                | 0                    | n/a                  | \$0              | \$0                  | \$0                  | \$0                  | \$0                      |
| - Class 2   | 0               | 0                      | \$0.00                                 | \$0                        | 0                                | 0                    | n/a                  | \$0              | \$0                  | \$0                  | \$0                  | \$0                      |
| Smart Financing - Existing Building   | 0               | 0                      | \$0.00                                 | \$0                        | 0                                | 0                    | \$0.00000            | \$0              | \$0                  | \$0                  | \$0                  | \$0                      |
| Smart Financing - New Building  | 0               | 0                      | \$0.00                                 | \$0                        | 0                                | 0                    | \$0.00000            | \$0              | \$0                  | \$0                  | \$0                  | \$0                      |
| TOTAL COMMERCIAL PROGRAMS   | 0               | 0                      |  | \$0                        |                                  | 0                    |                      | \$0              | \$0                  | \$0                  | \$0                  | \$0                      |
| INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)   |                 |                        |  |                            |                                  |                      |                      |                  |                      |                      |                      |                          |
| Smart Audit - Class 1   | 0               | 0                      | \$0.00                                 | \$0                        | 0                                | 0                    | n/a                  | \$0              | \$0                  | \$0                  | \$0                  | \$0                      |
| - Class 2   | 0               | 0                      | \$0.00                                 | \$0                        | 0                                | 0                    | n/a                  | \$0              | \$0                  | \$0                  | \$0                  | \$0                      |
| Smart Financing - General   | 0               | 0                      | \$0.00                                 | \$0                        | 0                                | 0                    | \$0.00000            | \$0              | \$0                  | \$0                  | \$0                  | \$0                      |
| Smart Financing - Compressed Air System   | 0               | 0                      | \$0.00                                 | \$0                        | 0                                | 0                    | \$0.00000            | \$0              | \$0                  | \$0                  | \$0                  | \$0                      |
| TOTAL INDUSTRIAL PROGRAMS   | 0               | 0                      |  | \$0                        |                                  | 0                    |                      | \$0              | \$0                  | \$0                  | \$0                  | \$0                      |
| TOTAL COMPANY   | 1,730           | 4,583                  |  | \$416,347                  |                                  | 2,679,179            |                      | \$116,471        | \$68,061             | \$1,350              | \$69,411             | \$602,229                |
| * Lost revenue and efficiency incentives are based on prospective values.   |                 |                        |  |                            |                                  |                      |                      |                  |                      |                      |                      |                          |
| ** Cumulative participants include a reduction for the cumulative participants as of 07/01/2006.  |                 |                        |  |                            |                                  |                      |                      |                  |                      |                      |                      |                          |
| *** Cumulative participants include a reduction for the cumulative participants as of 01/01/2009 (High Efficiency Heat Pump, Energy Education for Students and Community Outreach Program (CFL)). |                 |                        |  |                            |                                  |                      |                      |                  |                      |                      |                      |                          |

| Year 2009   |                 |                        |                                     |                                |                                |                                 |                           |                      |                                    |                          |                      |                               |
|---|-----------------|------------------------|-------------------------------------|--------------------------------|--------------------------------|---------------------------------|---------------------------|----------------------|------------------------------------|--------------------------|----------------------|-------------------------------|
| KENTUCKY POWER COMPANY<br>ESTIMATED SECTOR SURCHARGES FOR 3<br>YEAR PROGRAM   |                 |                        |                                     |                                |                                |                                 |                           |                      |                                    |                          |                      |                               |
| YEAR 14 (2nd HALF)  | NEW PARTICIPANT | CUMULATIVE PARTICIPANT | AVERAGE ACTUAL PROGRAM COSTS        | TOTAL ACTUAL PROGRAM COSTS     | NET LOST REVENUE               | TOTAL ENERGY SAVINGS            | NET LOST REVENUE (\$/KWH) | EFFICIENCY INCENTIVE | MAXIMIZING INCENTIVE (5% of COSTS) | EXHIBIT C PAGE 15B of 23 | TOTAL NET * REVENUES | TOTAL * COSTS TO BE RECOVERED |
| PROGRAM DESCRIPTIONS  | NUMBER (1)      | NUMBER (2)             | PER PARTICIPANT COSTS (3) (4) / (1) | TOTAL ACTUAL PROGRAM COSTS (4) | REVENUE (KWH/ PARTICIPANT) (5) | SAVINGS (KWH/ HALF (6) (7) X(5) | REVENUE (\$/KWH) (7)      | (EX. C. PG.21C) (9)  | (5% of COSTS) (10)                 | INCENTIVE (11) (9)+(10)  | REVENUES (8) (6)X(7) | RECOVERED (12) (4)+(8)+(11)   |
| RESIDENTIAL PROGRAMS  |                 |                        |                                     |                                |                                |                                 |                           |                      |                                    |                          |                      |                               |
| Energy Fitness  | 0               | 0                      | \$0.00                              | \$0                            | 0                              | 0                               | \$0.00000                 | \$0                  | \$0                                | \$0                      | \$0                  | \$0                           |
| Targeted Energy Efficiency  |                 |                        |                                     |                                |                                |                                 |                           |                      |                                    |                          |                      |                               |
| - All Electric  | 140             | 620                    | ** \$993.48                         | \$139,087                      | 1,016                          | 629,920                         | \$0.04346                 | \$10,811             | \$0                                | \$10,811                 | \$27,376             | \$177,274                     |
| - Non-All Electric  | 61              | 200                    | ** \$101.34                         | \$6,182                        | 568                            | 113,600                         | \$0.04352                 | \$3,762              | \$0                                | \$3,762                  | \$4,944              | \$14,888                      |
| Compact Fluorescent Bulb  | 0               | 0                      | \$0.00                              | \$0                            | 0                              | 0                               | \$0.00000                 | \$0                  | \$0                                | \$0                      | \$0                  | \$0                           |
| High - Efficiency Heat Pump   |                 |                        |                                     |                                |                                |                                 |                           |                      |                                    |                          |                      |                               |
| - Resistance Heat   | 0               | 0                      | \$0.00                              | \$0                            | 0                              | 0                               | \$0.00000                 | \$0                  | \$0                                | \$0                      | \$0                  | \$0                           |
| - Non Resistance Heat   | 0               | 0                      | \$0.00                              | \$0                            | 0                              | 0                               | \$0.00000                 | \$0                  | \$0                                | \$0                      | \$0                  | \$0                           |
| High - Efficiency Heat Pump   |                 |                        |                                     |                                |                                |                                 |                           |                      |                                    |                          |                      |                               |
| - Mobile Home   | 99              | 342                    | ** \$449.49                         | \$44,500                       | 874                            | 298,908                         | \$0.04350                 | \$13,859             | \$0                                | \$13,859                 | \$13,002             | \$71,361                      |
| Mobile Home New Construction  |                 |                        |                                     |                                |                                |                                 |                           |                      |                                    |                          |                      |                               |
| - Heat Pump   | 103             | 556                    | ** \$544.17                         | \$56,050                       | 860                            | 478,160                         | \$0.04351                 | \$11,490             | \$0                                | \$11,490                 | \$20,805             | \$88,345                      |
| - Air Conditioner   | 0               | 0                      | \$0.00                              | \$0                            | 0                              | 0                               | \$0.00000                 | \$0                  | \$0                                | \$0                      | \$0                  | \$0                           |
| Modified Energy Fitness   |                 |                        |                                     |                                |                                |                                 |                           |                      |                                    |                          |                      |                               |
| High Efficiency Heat Pump   |                 |                        |                                     |                                |                                |                                 |                           |                      |                                    |                          |                      |                               |
| - Resistance Heat Replacement   | 63              | 60                     | *** \$514.29                        | \$32,400                       | 1,879                          | 112,740                         | \$0.04349                 | \$30,120             | \$0                                | \$30,120                 | \$4,903              | \$67,423                      |
| - Heat Pump Replacement   | 156             | 144                    | *** \$451.92                        | \$70,500                       | 300                            | 43,200                          | \$0.04353                 | \$1,880              | \$0                                | \$3,525                  | \$1,880              | \$75,905                      |
| Energy Education for Student Program (NEED)   |                 |                        |                                     |                                |                                |                                 |                           |                      |                                    |                          |                      |                               |
| Community Outreach Program (CFL)  |                 |                        |                                     |                                |                                |                                 |                           |                      |                                    |                          |                      |                               |
| Smart Audit - Class 1   | 1,130           | 558                    | *** \$8.00                          | \$9,045                        | 92                             | 51,336                          | \$0.04370                 | \$5,627              | \$0                                | \$5,627                  | \$2,243              | \$16,915                      |
| Smart Audit - Class 2   | 2,818           | 2,501                  | *** \$10.19                         | \$28,715                       | 92                             | 230,092                         | \$0.04370                 | \$14,062             | \$0                                | \$14,062                 | \$10,055             | \$52,832                      |
| Smart Financing - Existing Building   | 4,945           | 7,612                  | *** \$26.350                        | \$202,441                      | 3,102                          | 3,102,441                       | \$0.04370                 | \$108,395            | \$3,525                            | \$111,920                | \$134,936            | \$73,206                      |
| Smart Financing - New Building  |                 |                        |                                     |                                |                                |                                 |                           |                      |                                    |                          |                      |                               |
| TOTAL COMMERCIAL PROGRAMS   | 0               | 0                      | \$0                                 | \$0                            | 0                              | 0                               | \$0                       | \$0                  | \$0                                | \$0                      | \$0                  | \$0                           |
| INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)   |                 |                        |                                     |                                |                                |                                 |                           |                      |                                    |                          |                      |                               |
| Smart Audit - Class 1   | 0               | 0                      | \$0.00                              | \$0                            | 0                              | n/a                             | n/a                       | \$0                  | \$0                                | \$0                      | \$0                  | \$0                           |
| Smart Audit - Class 2   | 0               | 0                      | \$0.00                              | \$0                            | 0                              | n/a                             | n/a                       | \$0                  | \$0                                | \$0                      | \$0                  | \$0                           |
| Smart Financing - General   | 0               | 0                      | \$0.00                              | \$0                            | 0                              | \$0.00000                       | \$0                       | \$0                  | \$0                                | \$0                      | \$0                  | \$0                           |
| Smart Financing - Compressed Air System   | 0               | 0                      | \$0.00                              | \$0                            | 0                              | \$0.00000                       | \$0                       | \$0                  | \$0                                | \$0                      | \$0                  | \$0                           |
| TOTAL INDUSTRIAL PROGRAMS   | 0               | 0                      | \$0                                 | \$0                            | 0                              | 0                               | \$0                       | \$0                  | \$0                                | \$0                      | \$0                  | \$0                           |
| TOTAL COMPANY   | 4,945           | 7,612                  |                                     | \$526,350                      |                                | 3,102,441                       |                           | \$108,395            | \$3,525                            | \$111,920                | \$134,936            | \$73,206                      |
| * Lost revenue and efficiency incentives are based on prospective values.   |                 |                        |                                     |                                |                                |                                 |                           |                      |                                    |                          |                      |                               |
| ** Cumulative participants include a reduction for the cumulative participants as of 01/01/2009.  |                 |                        |                                     |                                |                                |                                 |                           |                      |                                    |                          |                      |                               |
| *** Cumulative participants include a reduction for the cumulative participants as of 01/01/2009 (High Efficiency Heat Pump, Energy Education for Students and Community Outreach Program (CFL)). |                 |                        |                                     |                                |                                |                                 |                           |                      |                                    |                          |                      |                               |

| Year 2010                                       | KENTUCKY POWER COMPANY<br>ESTIMATED SECTOR SURCHARGES FOR 3<br>YEAR PROGRAM | NEW PARTICIPANT | CUMULATIVE PARTICIPANT    | AVERAGE ACTUAL PROGRAM COSTS   | TOTAL ACTUAL PROGRAM COSTS | NET LOST REVENUE     | TOTAL ENERGY SAVINGS | NET LOST REVENUE     | TOTAL NET * REVENUES | EFFICIENCY INCENTIVE          | MAXIMIZING INCENTIVE         | TOTAL * COSTS TO BE RECOVERED |
|---|---|-----------------|---------------------------|--------------------------------|----------------------------|----------------------|----------------------|----------------------|----------------------|-------------------------------|------------------------------|-------------------------------|
| PROGRAM DESCRIPTIONS                            | NUMBER (1)  | NUMBER (2)      | PER PARTICIPANT COSTS (3) | TOTAL ACTUAL PROGRAM COSTS (4) | REVENUE (5)                | REVENUE (\$/KWH) (7) | KWH/ QTR (6)         | REVENUE (\$/KWH) (7) | REVENUES (8)         | (EX. C. PG.21C) INCENTIVE (9) | (5% of COSTS) INCENTIVE (10) | INCENTIVE (11)                |
| RESIDENTIAL PROGRAMS                            |   |                 | (4) / (1)                 |                                |                            |                      | (2)X(5)              |                      | (6)X(7)              |                               |                              | (9)+(10)                      |
| Energy Fitness                                  | 0   | 0               | \$0.00                    | \$0                            | 0                          | \$0.00000            | 0                    | \$0.00000            | \$0                  | \$0                           | \$0                          | \$0                           |
| Targeted Energy Efficiency                      | 174   | 720             | \$1,161.51                | \$202,103                      | 1,016                      | \$0.04346            | 731,520              | \$0.04346            | \$31,792             | \$13,436                      | \$0                          | \$13,436                      |
| - All Electric                                  | 31  | 237             | \$114.10                  | \$3,537                        | 568                        | \$0.04352            | 134,616              | \$0.04352            | \$5,858              | \$1,912                       | \$0                          | \$1,912                       |
| - Non-All Electric                              | 0   | 0               | \$0.00                    | \$0                            | 0                          | \$0.00000            | 0                    | \$0.00000            | \$0                  | \$0                           | \$0                          | \$0                           |
| Compact Fluorescent Bulb                        | 0   | 0               | \$0.00                    | \$0                            | 0                          | \$0.00000            | 0                    | \$0.00000            | \$0                  | \$0                           | \$0                          | \$0                           |
| High - Efficiency Heat Pump                     | 0   | 0               | \$0.00                    | \$0                            | 0                          | \$0.00000            | 0                    | \$0.00000            | \$0                  | \$0                           | \$0                          | \$0                           |
| - Resistance Heat                               | 0   | 0               | \$0.00                    | \$0                            | 0                          | \$0.00000            | 0                    | \$0.00000            | \$0                  | \$0                           | \$0                          | \$0                           |
| - Non Resistance Heat                           | 0   | 0               | \$0.00                    | \$0                            | 0                          | \$0.00000            | 0                    | \$0.00000            | \$0                  | \$0                           | \$0                          | \$0                           |
| High - Efficiency Heat Pump                     | 97  | 416             | \$422.16                  | \$40,950                       | 875                        | \$0.04350            | 364,000              | \$0.04350            | \$15,834             | \$13,579                      | \$0                          | \$13,579                      |
| - Mobile Home                                   |   |                 |                           |                                |                            |                      |                      |                      |                      |                               |                              | \$70,363                      |
| Mobile Home New Construction                    | 115   | 621             | \$627.83                  | \$60,700                       | 861                        | \$0.04351            | 534,681              | \$0.04351            | \$23,264             | \$4,462                       | \$0                          | \$4,462                       |
| - Heat Pump                                     | 0   | 0               | \$0.00                    | \$0                            | 0                          | \$0.00000            | 0                    | \$0.00000            | \$0                  | \$0                           | \$0                          | \$0                           |
| - Air Conditioner                               | 0   | 0               | \$0.00                    | \$0                            | 0                          | \$0.00000            | 0                    | \$0.00000            | \$0                  | \$0                           | \$0                          | \$0                           |
| Modified Energy Fitness                         | 501   | 2,762           | \$392.89                  | \$198,836                      | 435                        | \$0.04345            | 1,201,470            | \$0.04345            | \$52,204             | \$24,935                      | \$0                          | \$24,935                      |
| High Efficiency Heat Pump                       | 97  | 135             | \$450.00                  | \$43,650                       | 1,879                      | \$0.04349            | 253,665              | \$0.04349            | \$11,032             | \$46,376                      | \$0                          | \$46,376                      |
| - Resistance Heat Replacement                   | 272   | 348             | \$161.73                  | \$113,350                      | 301                        | \$0.04353            | 104,748              | \$0.04353            | \$4,560              | \$0                           | \$5,668                      | \$5,668                       |
| - Heat Pump Replacement                         | 488   | 1,299           | \$50.89                   | \$24,881                       | 73                         | \$0.04327            | 94,827               | \$0.04327            | \$4,103              | \$2,430                       | \$0                          | \$2,430                       |
| Energy Education for Student Program (NEED)     | 2,644   | 4,482           | \$16.10                   | \$42,564                       | 91                         | \$0.04376            | 407,862              | \$0.04376            | \$17,848             | \$13,194                      | \$0                          | \$13,194                      |
| Community Outreach Program (CFL)                | 4,419   | 11,020          | \$28.571                  | \$28,571                       | 3,827                      | \$0.04376            | 3,827,389            | \$0.04376            | \$166,495            | \$120,324                     | \$5,668                      | \$125,992                     |
| TOTAL RESIDENTIAL PROGRAMS                      |   |                 |                           |                                |                            |                      |                      |                      |                      |                               |                              |                               |
| COMMERCIAL PROGRAMS                             |   |                 |                           |                                |                            |                      |                      |                      |                      |                               |                              |                               |
| Smart Audit - Class 1                           | 0   | 0               | \$0.00                    | \$0                            | 0                          | n/a                  | 0                    | n/a                  | \$0                  | \$0                           | \$0                          | \$0                           |
| - Class 2                                       | 0   | 0               | \$0.00                    | \$0                            | 0                          | n/a                  | 0                    | n/a                  | \$0                  | \$0                           | \$0                          | \$0                           |
| Smart Financing - Existing Building             | 0   | 0               | \$0.00                    | \$0                            | 0                          | \$0.00000            | 0                    | \$0.00000            | \$0                  | \$0                           | \$0                          | \$0                           |
| Smart Financing - New Building                  | 0   | 0               | \$0.00                    | \$0                            | 0                          | \$0.00000            | 0                    | \$0.00000            | \$0                  | \$0                           | \$0                          | \$0                           |
| TOTAL COMMERCIAL PROGRAMS                       | 0   | 0               | \$0                       | \$0                            | 0                          | \$0.00000            | 0                    | \$0.00000            | \$0                  | \$0                           | \$0                          | \$0                           |
| INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed) |   |                 |                           |                                |                            |                      |                      |                      |                      |                               |                              |                               |
| Smart Audit - Class 1                           | 0   | 0               | \$0.00                    | \$0                            | 0                          | n/a                  | 0                    | n/a                  | \$0                  | \$0                           | \$0                          | \$0                           |
| Smart Audit - Class 2                           | 0   | 0               | \$0.00                    | \$0                            | 0                          | n/a                  | 0                    | n/a                  | \$0                  | \$0                           | \$0                          | \$0                           |
| Smart Financing - General                       | 0   | 0               | \$0.00                    | \$0                            | 0                          | \$0.00000            | 0                    | \$0.00000            | \$0                  | \$0                           | \$0                          | \$0                           |
| Smart Financing - Compressed Air System         | 0   | 0               | \$0.00                    | \$0                            | 0                          | \$0.00000            | 0                    | \$0.00000            | \$0                  | \$0                           | \$0                          | \$0                           |
| TOTAL INDUSTRIAL PROGRAMS                       | 0   | 0               | \$0                       | \$0                            | 0                          | \$0.00000            | 0                    | \$0.00000            | \$0                  | \$0                           | \$0                          | \$0                           |
| TOTAL COMPANY                                   | 4,419   | 11,020          |                           | \$728,571                      | 3,827,389                  |                      |                      |                      | \$166,495            | \$120,324                     | \$5,668                      | \$125,992                     |
|   |   |                 |                           |                                |                            |                      |                      |                      |                      |                               |                              | \$1,021,058                   |

\* Lost revenue and efficiency incentives are based on prospective values.  
 \*\* Cumulative participants include a reduction for the cumulative participants as of 01/01/2009.  
 \*\*\* Cumulative participants include a reduction for the cumulative participants as of 01/01/2009 (High Efficiency Heat Pump, Energy Education for Students and Community Outreach Program (CFL)).

| Year 2010   |                 |                        |                                |                            |                               |                      |                  |                         |                      |                                |                            |                                |
|---|-----------------|------------------------|--------------------------------|----------------------------|-------------------------------|----------------------|------------------|-------------------------|----------------------|--------------------------------|----------------------------|--------------------------------|
| KENTUCKY POWER COMPANY<br>ESTIMATED SECTOR SURCHARGES FOR 3<br>YEAR PROGRAM |                 |                        |                                |                            |                               |                      |                  |                         |                      |                                |                            |                                |
| YEAR 15 (2nd HALF)  | NEW PARTICIPANT | CUMULATIVE PARTICIPANT | AVERAGE ACTUAL PROGRAM COSTS   | TOTAL ACTUAL PROGRAM COSTS | NET LOST REVENUE              | TOTAL ENERGY SAVINGS | NET LOST REVENUE | TOTAL NET *             | EFFICIENCY INCENTIVE | MAXIMIZING INCENTIVE           | TOTAL * COSTS TO BE        | TOTAL ACTUAL                   |
| PROGRAM DESCRIPTIONS  | NUMBER (1)      | NUMBER (2)             | PER PARTICIPANT (3)<br>(4)/(1) | PROGRAM COSTS (4)          | REVENUE (KWH/PARTICIPANT) (5) | KWH/QTRS (6)         | (\$/KWH) (7)     | REVENUES (8)<br>(6)X(7) | (EX. C, PG.21C) (9)  | (5% of COSTS) (10)<br>(4)X(5%) | INCENTIVE (11)<br>(9)+(10) | RECOVERED (12)<br>(4)+(8)+(11) |
| RESIDENTIAL PROGRAMS  |                 |                        |                                |                            |                               |                      |                  |                         |                      |                                |                            |                                |
| Energy Fitness  | 0               | 0                      | \$0.00                         | \$0                        | 0                             | 0                    | \$0.00000        | \$0                     | \$0                  | \$0                            | \$0                        | \$0                            |
| Targeted Energy Efficiency  |                 |                        |                                |                            |                               |                      |                  |                         |                      |                                |                            |                                |
| - All Electric  | 172             | 787                    | ** \$609.62                    | \$139,264                  | 1,016                         | 799,592              | \$0.05746        | \$45,945                | \$13,282             | \$0                            | \$13,282                   | \$198,481                      |
| - Non-All Electric  | 23              | 242                    | ** \$102.35                    | \$2,354                    | 568                           | 137,466              | \$0.05746        | \$7,898                 | \$1,419              | \$0                            | \$1,419                    | \$11,671                       |
| Compact Fluorescent Bulb  | 0               | 0                      | \$0.00                         | \$0                        | 0                             | 0                    | \$0.00000        | \$0                     | \$0                  | \$0                            | \$0                        | \$0                            |
| High - Efficiency Heat Pump   |                 |                        |                                |                            |                               |                      |                  |                         |                      |                                |                            |                                |
| - Resistance Heat   | 0               | 0                      | \$0.00                         | \$0                        | 0                             | 0                    | \$0.00000        | \$0                     | \$0                  | \$0                            | \$0                        | \$0                            |
| - Non Resistance Heat   | 0               | 0                      | \$0.00                         | \$0                        | 0                             | 0                    | \$0.00000        | \$0                     | \$0                  | \$0                            | \$0                        | \$0                            |
| High - Efficiency Heat Pump   |                 |                        |                                |                            |                               |                      |                  |                         |                      |                                |                            |                                |
| - Mobile Home   | 136             | 496                    | ** \$469.49                    | \$63,850                   | 875                           | 434,000              | \$0.05750        | \$24,955                | \$19,039             | \$0                            | \$19,039                   | \$107,844                      |
| Mobile Home New Construction  |                 |                        |                                |                            |                               |                      |                  |                         |                      |                                |                            |                                |
| - Heat Pump   | 119             | 617                    | ** \$558.82                    | \$66,500                   | 861                           | 531,237              | \$0.05745        | \$30,520                | \$13,274             | \$0                            | \$13,274                   | \$110,294                      |
| - Air Conditioner   | 0               | 0                      | \$0.00                         | \$0                        | 0                             | 0                    | \$0.00000        | \$0                     | \$0                  | \$0                            | \$0                        | \$0                            |
| Modified Energy Fitness   |                 |                        |                                |                            |                               |                      |                  |                         |                      |                                |                            |                                |
| - Heat Pump   | 699             | 2,939                  | ** \$317.39                    | \$221,857                  | 435                           | 1,278,465            | \$0.05752        | \$73,537                | \$34,789             | \$0                            | \$34,789                   | \$330,183                      |
| High Efficiency Heat Pump   |                 |                        |                                |                            |                               |                      |                  |                         |                      |                                |                            |                                |
| - Resistance Heat Replacement   | 155             | 264                    | *** \$326.00                   | \$50,530                   | 1,879                         | 496,056              | \$0.05748        | \$28,513                | \$74,106             | \$0                            | \$74,106                   | \$153,149                      |
| - Heat Pump Replacement   | 237             | 621                    | *** \$559.79                   | \$132,670                  | 301                           | 186,921              | \$0.05750        | \$10,748                | \$0                  | \$6,634                        | \$6,634                    | \$150,052                      |
| Energy Education for Student Program (NEED)                                 |                 |                        |                                |                            |                               |                      |                  |                         |                      |                                |                            |                                |
| - Heat Pump   | 1,059           | 1,220                  | *** \$5.55                     | \$5,880                    | 74                            | 90,280               | \$0.05714        | \$5,159                 | \$5,274              | \$0                            | \$5,274                    | \$16,313                       |
| Community Outreach Program (CFL)  |                 |                        |                                |                            |                               |                      |                  |                         |                      |                                |                            |                                |
| - CFL   | 2,167           | 3,516                  | *** \$6.72                     | \$14,570                   | 91                            | 319,956              | \$0.05768        | \$18,455                | \$10,813             | \$0                            | \$10,813                   | \$43,838                       |
| Residential Efficient Products  |                 |                        |                                |                            |                               |                      |                  |                         |                      |                                |                            |                                |
| - Compact Fluorescent Lamp (CFL)  | 0               | 0                      | \$0.00                         | \$0                        | 0                             | 0                    | \$0.05818        | \$0                     | \$0                  | \$0                            | \$0                        | \$0                            |
| - Specialty Bulbs   | 0               | 0                      | \$0.00                         | \$0                        | 0                             | 0                    | \$0.05793        | \$0                     | \$0                  | \$0                            | \$0                        | \$0                            |
| - LED Lights  | 0               | 0                      | \$0.00                         | \$0                        | 0                             | 0                    | \$0.05854        | \$0                     | \$0                  | \$0                            | \$0                        | \$0                            |
| HVAC Diagnostic & Tune-Up   |                 |                        |                                |                            |                               |                      |                  |                         |                      |                                |                            |                                |
| - Air Conditioner   | 0               | 0                      | \$0.00                         | \$0                        | 0                             | 0                    | \$0.05749        | \$0                     | \$0                  | \$0                            | \$0                        | \$0                            |
| - Heat Pump   | 28              | 3                      | \$101.79                       | \$2,850                    | 371                           | 1,113                | \$0.05749        | \$64                    | \$319                | \$0                            | \$319                      | \$3,233                        |
| Residential Load Management (Pilot Program)                                 |                 |                        |                                |                            |                               |                      |                  |                         |                      |                                |                            |                                |
| - Air Conditioner   | 0               | 0                      | \$0.00                         | \$0                        | 0                             | 0                    | \$0.00000        | \$0                     | \$0                  | \$0                            | \$0                        | \$0                            |
| - Water Heating   | 0               | 0                      | \$0.00                         | \$0                        | 0                             | 0                    | \$0.00000        | \$0                     | \$0                  | \$0                            | \$0                        | \$0                            |
| TOTAL RESIDENTIAL PROGRAMS  | 4,795           | 10,705                 |                                | \$700,315                  |                               | 4,275,076            |                  | \$245,794               | \$172,315            | \$6,634                        | \$178,949                  | \$1,125,058                    |

| Year 2010   |                            |                                   |                                       |                                |                                |                               |                          |                      |  |   |                        |   | Exhibit C              |
|---|----------------------------|-----------------------------------|---------------------------------------|--------------------------------|--------------------------------|-------------------------------|--------------------------|----------------------|--|---|------------------------|---|------------------------|
| KENTUCKY POWER COMPANY<br>ESTIMATED SECTOR SURCHARGES FOR 3<br>YEAR PROGRAM   |                            |                                   |                                       |                                |                                |                               |                          |                      |  |   |                        |   | PAGE<br>16B-2 of<br>23 |
| PROGRAM DESCRIPTIONS  | NEW PARTICIPANT NUMBER (1) | CUMULATIVE PARTICIPANT NUMBER (2) | AVERAGE ACTUAL PROGRAM COSTS (3)      | TOTAL ACTUAL PROGRAM COSTS (4) | NET LOST REVENUE (5)           | NET LOST REVENUE (\$/KWH) (6) | TOTAL ENERGY SAVINGS (7) | NET LOST REVENUE (8) | EFFICIENCY INCENTIVE (EX. C, PG.21C) (9) | MAXIMIZING INCENTIVE (5% of COSTS) (10) | INCENTIVE TOTAL * (11) | TOTAL ACTUAL COSTS TO BE RECOVERED (12) |                        |
|   |                            |                                   | PER PARTICIPANT PROGRAM COSTS (4)/(1) |                                | REVENUES (KWH/PARTICIPANT) (5) | REVENUE (7)                   | KWH/QTRS (2)/(5)         | REVENUES (8)         |  |   | (9)+(10)               | (4)+(8)+(11)                            |                        |
| COMMERCIAL PROGRAMS   |                            |                                   |                                       |                                |                                |                               |                          |                      |  |   |                        |   |                        |
| Smart Audit - Class 1   | 0                          | 0                                 | \$0.00                                | \$0                            | 0                              | n/a                           | 0                        | \$0                  | \$0                                      | \$0                                     | \$0                    | \$0                                     |                        |
| - Class 2   | 0                          | 0                                 | \$0.00                                | \$0                            | 0                              | n/a                           | 0                        | \$0                  | \$0                                      | \$0                                     | \$0                    | \$0                                     |                        |
| Smart Financing - Existing Building   | 0                          | 0                                 | \$0.00                                | \$0                            | 0                              | \$0.00000                     | 0                        | \$0                  | \$0                                      | \$0                                     | \$0                    | \$0                                     |                        |
| Smart Financing - New Building  | 0                          | 0                                 | \$0.00                                | \$0                            | 0                              | \$0.00000                     | 0                        | \$0                  | \$0                                      | \$0                                     | \$0                    | \$0                                     |                        |
| Commercial A/C & Heat Pump Program  |                            |                                   |                                       |                                |                                |                               |                          |                      |  |   |                        |   |                        |
| - Air Conditioner Replacement   | 0                          | 0                                 | \$0.00                                | \$0                            | 0                              | \$0.14803                     | 0                        | \$0                  | \$0                                      | \$0                                     | \$0                    | \$0                                     |                        |
| - Heat Pump Replacement   | 0                          | 0                                 | \$0.00                                | \$0                            | 0                              | \$0.58599                     | 0                        | \$0                  | \$0                                      | \$0                                     | \$0                    | \$0                                     |                        |
| HVAC Diagnostic & Tune-Up   |                            |                                   |                                       |                                |                                |                               |                          |                      |  |   |                        |   |                        |
| - Air Conditioner   | 0                          | 0                                 | \$0.00                                | \$0                            | 0                              | \$0.06480                     | 0                        | \$0                  | \$0                                      | \$0                                     | \$0                    | \$0                                     |                        |
| - Heat Pump   | 1                          | 0                                 | \$125.00                              | \$125                          | 819                            | \$0.06476                     | 0                        | \$0                  | \$30                                     | \$0                                     | \$30                   | \$155                                   |                        |
| Commercial Load Management (Pilot Program)  |                            |                                   |                                       |                                |                                |                               |                          |                      |  |   |                        |   |                        |
| - Air Conditioner   | 0                          | 0                                 | \$0.00                                | \$0                            | 0                              | \$0.00000                     | 0                        | \$0                  | \$0                                      | \$0                                     | \$0                    | \$0                                     |                        |
| - Water Heating   | 0                          | 0                                 | \$0.00                                | \$0                            | 0                              | \$0.00000                     | 0                        | \$0                  | \$0                                      | \$0                                     | \$0                    | \$0                                     |                        |
| Commercial Incentive  | 0                          | 0                                 | \$0.00                                | \$0                            | 0                              | \$0.25657                     | 0                        | \$0                  | \$0                                      | \$0                                     | \$0                    | \$0                                     |                        |
| TOTAL COMMERCIAL PROGRAMS   | 1                          | 0                                 |                                       | \$125                          |                                |                               | 0                        | \$0                  | \$30                                     | \$0                                     | \$30                   | \$155                                   |                        |
| INDUSTRIAL PROGRAMS -<br>(w/Est. Opt-Outs Removed)  |                            |                                   |                                       |                                |                                |                               |                          |                      |  |   |                        |   |                        |
| Smart Audit - Class 1   | 0                          | 0                                 | \$0.00                                | \$0                            | 0                              | n/a                           | 0                        | \$0                  | \$0                                      | \$0                                     | \$0                    | \$0                                     |                        |
| Smart Audit - Class 2   | 0                          | 0                                 | \$0.00                                | \$0                            | 0                              | n/a                           | 0                        | \$0                  | \$0                                      | \$0                                     | \$0                    | \$0                                     |                        |
| Smart Financing - General   | 0                          | 0                                 | \$0.00                                | \$0                            | 0                              | \$0.00000                     | 0                        | \$0                  | \$0                                      | \$0                                     | \$0                    | \$0                                     |                        |
| Smart Financing - Compressed Air System   | 0                          | 0                                 | \$0.00                                | \$0                            | 0                              | \$0.00000                     | 0                        | \$0                  | \$0                                      | \$0                                     | \$0                    | \$0                                     |                        |
| TOTAL INDUSTRIAL PROGRAMS   | 0                          | 0                                 |                                       | \$0                            |                                |                               | 0                        | \$0                  | \$0                                      | \$0                                     | \$0                    | \$0                                     |                        |
| TOTAL COMPANY   | 4,796                      | 10,705                            |                                       | \$700,440                      |                                |                               | 4,275,076                | \$245,794            | \$172,345                                | \$6,634                                 | \$178,979              | \$1,125,213                             |                        |
| * Last revenue and efficiency incentives are based on prospective values.   |                            |                                   |                                       |                                |                                |                               |                          |                      |  |   |                        |   |                        |
| ** Cumulative participants include a reduction for the cumulative participants as of 04/01/2007.  |                            |                                   |                                       |                                |                                |                               |                          |                      |  |   |                        |   |                        |
| *** Cumulative participants include a reduction for the cumulative participants as of 01/01/2009 (High Efficiency Heat Pump, Energy Education for Students and Community Outreach Program (CFL)). |                            |                                   |                                       |                                |                                |                               |                          |                      |  |   |                        |   |                        |

| Year 2011   |                            |                                   |   |                                |   |   |                               |                                   |  |  |                                    |  |                            |
|---|----------------------------|-----------------------------------|---|--------------------------------|---|---|-------------------------------|-----------------------------------|--|--|------------------------------------|--|----------------------------|
| KENTUCKY POWER COMPANY<br>ESTIMATED SECTOR SURCHARGES FOR 3<br>YEAR PROGRAM |                            |                                   |   |                                |   |   |                               |                                   |  |  |                                    |  |                            |
| YEAR 16 (1st HALF)  |                            |                                   |   |                                |   |   |                               |                                   |  |  |                                    |  |                            |
| PROGRAM DESCRIPTIONS  | NEW PARTICIPANT NUMBER (1) | CUMULATIVE PARTICIPANT NUMBER (2) | AVERAGE ACTUAL PROGRAM COSTS (3)<br>(4)/(1) | TOTAL ACTUAL PROGRAM COSTS (4) | NET LOST REV/QTRS (KWH/PARTICIPANT) (5) | TOTAL ENERGY SAVINGS (6)<br>KWH/QTR (2)/(5) | NET LOST REVENUE (\$/KWH) (7) | TOTAL NET * LOSSES (8)<br>(6)/(7) | EFFICIENCY INCENTIVE (EX. C, PG.21C) (9) | MAXIMIZING INCENTIVE (5% of COSTS) (10)<br>(4)/(9) | TOTAL * INCENTIVE (11)<br>(9)+(10) | RECOVERED COSTS TO BE (12)<br>(4)+(8)+(11) | Exhibit C PAGE 17A-1 of 23 |
| RESIDENTIAL PROGRAMS  |                            |                                   |   |                                |   |   |                               |                                   |  |  |                                    |  |                            |
| Energy Fitness  | 0                          | 0                                 | \$0.00                                      | \$0.00                         | 0                                       | 0   | \$0.00000                     | \$0                               | \$0                                      | \$0  | \$0                                | \$0  |                            |
| Targeted Energy Efficiency  |                            |                                   |   |                                |   |   |                               |                                   |  |  |                                    |  |                            |
| - All Electric  | 110                        | 814                               | \$692.04                                    | \$76,124                       | 1,050                                   | 854,700                                     | \$0.05746                     | \$49,111                          | \$16,253                                 | \$0  | \$16,253                           | \$141,488                                  |                            |
| - Non-All Electric  | 6                          | 208                               | \$140.17                                    | \$841                          | 448                                     | 93,184                                      | \$0.05746                     | \$5,354                           | \$0                                      | \$42   | \$42                               | \$6,237                                    |                            |
| Compact Fluorescent Bulb  | 0                          | 0                                 | \$0.00                                      | \$0                            | 0                                       | 0   | \$0.00000                     | \$0                               | \$0                                      | \$0  | \$0                                | \$0  |                            |
| High - Efficiency Heat Pump   | 0                          | 0                                 | \$0.00                                      | \$0                            | 0                                       | 0   | \$0.00000                     | \$0                               | \$0                                      | \$0  | \$0                                | \$0  |                            |
| - Resistance Heat   | 0                          | 0                                 | \$0.00                                      | \$0                            | 0                                       | 0   | \$0.00000                     | \$0                               | \$0                                      | \$0  | \$0                                | \$0  |                            |
| - Non Resistance Heat   | 0                          | 0                                 | \$0.00                                      | \$0                            | 0                                       | 0   | \$0.00000                     | \$0                               | \$0                                      | \$0  | \$0                                | \$0  |                            |
| High - Efficiency Heat Pump   |                            |                                   |   |                                |   |   |                               |                                   |  |  |                                    |  |                            |
| - Mobile Home   | 94                         | 442                               | \$502.11                                    | \$47,198                       | 1,403                                   | 620,126                                     | \$0.05750                     | \$35,657                          | \$27,615                                 | \$0  | \$27,615                           | \$110,470                                  |                            |
| Mobile Home New Construction  |                            |                                   |   |                                |   |   |                               |                                   |  |  |                                    |  |                            |
| - Heat Pump   | 68                         | 624                               | \$680.15                                    | \$46,250                       | 731                                     | 456,144                                     | \$0.05745                     | \$26,205                          | \$6,393                                  | \$0  | \$6,393                            | \$78,848                                   |                            |
| - Air Conditioner   | 0                          | 0                                 | \$0.00                                      | \$0                            | 0                                       | 0   | \$0.00000                     | \$0                               | \$0                                      | \$0  | \$0                                | \$0  |                            |
| Modified Energy Fitness   | 645                        | 3,039                             | \$346.52                                    | \$223,503                      | 283                                     | 860,037                                     | \$0.05752                     | \$49,469                          | \$9,456                                  | \$0  | \$9,456                            | \$282,428                                  |                            |
| High Efficiency Heat Pump   |                            |                                   |   |                                |   |   |                               |                                   |  |  |                                    |  |                            |
| - Resistance Heat Replacement   | 154                        | 328                               | \$452.59                                    | \$69,699                       | 728                                     | 238,784                                     | \$0.05748                     | \$13,725                          | \$12,030                                 | \$0  | \$12,030                           | \$95,454                                   |                            |
| - Heat Pump Replacement   | 212                        | 608                               | \$429.25                                    | \$91,000                       | 923                                     | 561,184                                     | \$0.05750                     | \$32,268                          | \$25,033                                 | \$0  | \$25,033                           | \$148,301                                  |                            |
| Energy Education for Student Program (NEED)                                 | 938                        | 2,034                             | \$12.40                                     | \$11,635                       | 48                                      | 97,632                                      | \$0.05714                     | \$5,579                           | \$1,613                                  | \$0  | \$1,613                            | \$18,827                                   |                            |
| Community Outreach Program (CFL)  | 2,518                      | 5,442                             | \$19.93                                     | \$50,179                       | 50                                      | 272,100                                     | \$0.05768                     | \$15,695                          | \$9,871                                  | \$0  | \$9,871                            | \$75,745                                   |                            |
| Residential Efficient Products  |                            |                                   |   |                                |   |   |                               |                                   |  |  |                                    |  |                            |
| - Compact Fluorescent Lamp (CFL)  | 77,764                     | 20,801                            | \$1.82                                      | \$141,810                      | 17                                      | 353,617                                     | \$0.05818                     | \$20,573                          | \$24,107                                 | \$0  | \$24,107                           | \$186,490                                  |                            |
| - Specialty Bulbs   | 0                          | 0                                 | \$0.00                                      | \$0                            | 15                                      | 0   | \$0.05793                     | \$0                               | \$0                                      | \$0  | \$0                                | \$0  |                            |
| - LED Lights  | 0                          | 0                                 | \$0.00                                      | \$259                          | 21                                      | 0   | \$0.05854                     | \$0                               | \$0                                      | \$0  | \$0                                | \$259                                      |                            |
| HVAC Diagnostic & Tune-Up   |                            |                                   |   |                                |   |   |                               |                                   |  |  |                                    |  |                            |
| - Air Conditioner   | 64                         | 19                                | \$50.00                                     | \$3,200                        | 155                                     | 2,945                                       | \$0.05749                     | \$169                             | \$84                                     | \$0  | \$84                               | \$3,453                                    |                            |
| - Heat Pump   | 290                        | 148                               | \$72.24                                     | \$20,950                       | 371                                     | 54,908                                      | \$0.05749                     | \$3,157                           | \$3,300                                  | \$0  | \$3,300                            | \$27,407                                   |                            |
| Residential Load Management (Pilot Program)                                 |                            |                                   |   |                                |   |   |                               |                                   |  |  |                                    |  |                            |
| - Air Conditioner   | 0                          | 0                                 | \$0.00                                      | \$0                            | 0                                       | 0   | \$0.00000                     | \$0                               | \$0                                      | \$0  | \$0                                | \$0  |                            |
| - Water Heating   | 0                          | 0                                 | \$0.00                                      | \$0                            | 0                                       | 0   | \$0.00000                     | \$0                               | \$0                                      | \$0  | \$0                                | \$0  |                            |
| TOTAL RESIDENTIAL PROGRAMS  | 82,863                     | 34,507                            |   | \$782,656                      |   | 4,465,361                                   |                               | \$256,982                         | \$135,755                                | \$42   | \$135,797                          | \$1,175,415                                |                            |

| Year 2011  |               | NEW PARTICIPANT |                                   | CUMULATIVE PARTICIPANT |                                | AVERAGE ACTUAL PROGRAM COSTS |                  | TOTAL ACTUAL PROGRAM COSTS |              | NET LOST REVENUE              |                                       | TOTAL ENERGY SAVINGS    |                             | NET LOST REVENUE |  | TOTAL NET * REVENUES |  | EFFICIENCY INCENTIVE |  | MAXIMIZING INCENTIVE |  | TOTAL * INCENTIVE |  | TOTAL ACTUAL COSTS TO BE RECOVERED |  |
|--|---------------|-----------------|-----------------------------------|------------------------|--------------------------------|------------------------------|------------------|----------------------------|--------------|-------------------------------|---------------------------------------|-------------------------|-----------------------------|------------------|--|----------------------|--|----------------------|--|----------------------|--|-------------------|--|------------------------------------|--|
| PROGRAM DESCRIPTIONS   | NUMBER (1)    | NUMBER (2)      | PER PARTICIPANT COSTS (3) (4)/(1) | PROGRAM COSTS (4)      | REV/QTRS (KWH/PARTICIPANT) (5) | REVENUE (\$/KWH) (7)         | LOSS (6)X(5)     | REVENUES (8)               | LOSS (6)X(7) | INCENTIVE (EX. C. PG.210) (9) | INCENTIVE (5% of COSTS) (10) (4)X(5%) | INCENTIVE (11) (9)+(10) | RECOVERED (12) (4)+(8)+(11) |                  |  |                      |  |                      |  |                      |  |                   |  |                                    |  |
| <b>COMMERCIAL PROGRAMS</b>   |               |                 |                                   |                        |                                |                              |                  |                            |              |                               |                                       |                         |                             |                  |  |                      |  |                      |  |                      |  |                   |  |                                    |  |
| Smart Audit - Class 1  | 0             | 0               | \$0.00                            | \$0                    | 0                              | n/a                          | 0                | \$0                        | \$0          | \$0                           | \$0                                   | \$0                     | \$0                         |                  |  |                      |  |                      |  |                      |  |                   |  |                                    |  |
| - Class 2  | 0             | 0               | \$0.00                            | \$0                    | 0                              | n/a                          | 0                | \$0                        | \$0          | \$0                           | \$0                                   | \$0                     | \$0                         |                  |  |                      |  |                      |  |                      |  |                   |  |                                    |  |
| Smart Financing - Existing Building  | 0             | 0               | \$0.00                            | \$0                    | 0                              | \$0.00000                    | 0                | \$0                        | \$0          | \$0                           | \$0                                   | \$0                     | \$0                         |                  |  |                      |  |                      |  |                      |  |                   |  |                                    |  |
| Smart Financing - New Building   | 0             | 0               | \$0.00                            | \$0                    | 0                              | \$0.00000                    | 0                | \$0                        | \$0          | \$0                           | \$0                                   | \$0                     | \$0                         |                  |  |                      |  |                      |  |                      |  |                   |  |                                    |  |
| <b>Commercial A/C &amp; Heat Pump Program</b>  |               |                 |                                   |                        |                                |                              |                  |                            |              |                               |                                       |                         |                             |                  |  |                      |  |                      |  |                      |  |                   |  |                                    |  |
| - Air Conditioner Replacement  | 1             | 0               | \$300.00                          | \$300                  | 140                            | \$0.06482                    | 0                | \$0                        | \$0.06482    | \$1                           | \$0                                   | \$1                     | \$301                       |                  |  |                      |  |                      |  |                      |  |                   |  |                                    |  |
| - Heat Pump Replacement  | 15            | 4               | \$256.67                          | \$3,850                | 558                            | \$0.06482                    | 2,232            | \$145                      | \$0.06482    | \$872                         | \$0                                   | \$872                   | \$4,867                     |                  |  |                      |  |                      |  |                      |  |                   |  |                                    |  |
| <b>HVAC Diagnostic &amp; Tune-Up</b>   |               |                 |                                   |                        |                                |                              |                  |                            |              |                               |                                       |                         |                             |                  |  |                      |  |                      |  |                      |  |                   |  |                                    |  |
| - Air Conditioner  | 1             | 0               | \$0.00                            | \$0                    | 343                            | \$0.06480                    | 0                | \$0                        | \$0.06480    | \$7                           | \$0                                   | \$7                     | \$7                         |                  |  |                      |  |                      |  |                      |  |                   |  |                                    |  |
| - Heat Pump  | 18            | 8               | \$72.22                           | \$1,300                | 818                            | \$0.06476                    | 6,544            | \$424                      | \$0.06476    | \$532                         | \$0                                   | \$532                   | \$2,256                     |                  |  |                      |  |                      |  |                      |  |                   |  |                                    |  |
| <b>Commercial Load Management (Pilot Program)</b>  |               |                 |                                   |                        |                                |                              |                  |                            |              |                               |                                       |                         |                             |                  |  |                      |  |                      |  |                      |  |                   |  |                                    |  |
| - Air Conditioner  | 0             | 0               | \$0.00                            | \$0                    | 0                              | \$0.00000                    | 0                | \$0                        | \$0.00000    | \$0                           | \$0                                   | \$0                     | \$0                         |                  |  |                      |  |                      |  |                      |  |                   |  |                                    |  |
| - Water Heating  | 0             | 0               | \$0.00                            | \$0                    | 0                              | \$0.00000                    | 0                | \$0                        | \$0.00000    | \$0                           | \$0                                   | \$0                     | \$0                         |                  |  |                      |  |                      |  |                      |  |                   |  |                                    |  |
| <b>Commercial Incentive</b>  |               |                 |                                   |                        |                                |                              |                  |                            |              |                               |                                       |                         |                             |                  |  |                      |  |                      |  |                      |  |                   |  |                                    |  |
|  | 0             | 0               | \$0.00                            | \$0                    | 0                              | \$0.06603                    | 0                | \$0                        | \$0.06603    | \$0                           | \$0                                   | \$0                     | \$0                         |                  |  |                      |  |                      |  |                      |  |                   |  |                                    |  |
| <b>TOTAL COMMERCIAL PROGRAMS</b>   | <b>35</b>     | <b>12</b>       |                                   | <b>\$5,450</b>         |                                |                              | <b>8,776</b>     | <b>\$569</b>               |              | <b>\$1,412</b>                | <b>\$0</b>                            | <b>\$1,412</b>          | <b>\$7,431</b>              |                  |  |                      |  |                      |  |                      |  |                   |  |                                    |  |
| <b>INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)</b>   |               |                 |                                   |                        |                                |                              |                  |                            |              |                               |                                       |                         |                             |                  |  |                      |  |                      |  |                      |  |                   |  |                                    |  |
| Smart Audit - Class 1  | 0             | 0               | \$0.00                            | \$0                    | 0                              | n/a                          | 0                | \$0                        | \$0          | \$0                           | \$0                                   | \$0                     | \$0                         |                  |  |                      |  |                      |  |                      |  |                   |  |                                    |  |
| Smart Audit - Class 2  | 0             | 0               | \$0.00                            | \$0                    | 0                              | n/a                          | 0                | \$0                        | \$0          | \$0                           | \$0                                   | \$0                     | \$0                         |                  |  |                      |  |                      |  |                      |  |                   |  |                                    |  |
| Smart Financing - General  | 0             | 0               | \$0.00                            | \$0                    | 0                              | \$0.00000                    | 0                | \$0                        | \$0.00000    | \$0                           | \$0                                   | \$0                     | \$0                         |                  |  |                      |  |                      |  |                      |  |                   |  |                                    |  |
| Smart Financing - Compressed Air System  | 0             | 0               | \$0.00                            | \$0                    | 0                              | \$0.00000                    | 0                | \$0                        | \$0.00000    | \$0                           | \$0                                   | \$0                     | \$0                         |                  |  |                      |  |                      |  |                      |  |                   |  |                                    |  |
| <b>TOTAL INDUSTRIAL PROGRAMS</b>   | <b>0</b>      | <b>0</b>        |                                   | <b>\$0</b>             |                                |                              | <b>0</b>         | <b>\$0</b>                 |              | <b>\$0</b>                    | <b>\$0</b>                            | <b>\$0</b>              | <b>\$0</b>                  |                  |  |                      |  |                      |  |                      |  |                   |  |                                    |  |
| <b>TOTAL COMPANY</b>   | <b>82,898</b> | <b>34,519</b>   |                                   | <b>\$788,106</b>       |                                |                              | <b>4,474,137</b> | <b>\$257,531</b>           |              | <b>\$137,167</b>              | <b>\$42</b>                           | <b>\$137,209</b>        | <b>\$1,182,846</b>          |                  |  |                      |  |                      |  |                      |  |                   |  |                                    |  |
| * Lost revenue and efficiency incentives are based on prospective values.  |               |                 |                                   |                        |                                |                              |                  |                            |              |                               |                                       |                         |                             |                  |  |                      |  |                      |  |                      |  |                   |  |                                    |  |
| ** Cumulative participants include a reduction for the cumulative participants as of 01/01/2009 (High Efficiency Heat Pump, Energy Education for Students and Community Outreach Program (CFL)). |               |                 |                                   |                        |                                |                              |                  |                            |              |                               |                                       |                         |                             |                  |  |                      |  |                      |  |                      |  |                   |  |                                    |  |

| Year 2011   |                            |                                   |   |                                |   |                                     |                               |   |  |   |                                    |   |                            |
|---|----------------------------|-----------------------------------|---|--------------------------------|---|-------------------------------------|-------------------------------|---|--|---|------------------------------------|---|----------------------------|
| KENTUCKY POWER COMPANY<br>ESTIMATED SECTOR SURCHARGES FOR 3<br>YEAR PROGRAM |                            |                                   |   |                                |   |                                     |                               |   |  |   |                                    |   |                            |
| YEAR 16 (2nd HALF)  |                            |                                   |   |                                |   |                                     |                               |   |  |   |                                    |   |                            |
| PROGRAM DESCRIPTIONS  | NEW PARTICIPANT NUMBER (1) | CUMULATIVE PARTICIPANT NUMBER (2) | AVERAGE ACTUAL PROGRAM COSTS (3)<br>(4)/(1) | TOTAL ACTUAL PROGRAM COSTS (4) | NET LOST REV/QTRS (KWH/PARTICIPANT) (5) | TOTAL ENERGY SAVINGS (KWH/QTRS) (6) | NET LOST REVENUE (\$/KWH) (7) | TOTAL NET * LOSST REVENUES (8)<br>(6)X(7) | EFFICIENCY INCENTIVE (EX. C, PG.21C) (9) | MAXIMIZING INCENTIVE (5% of COSTS) (10)<br>(4)X(5%) | TOTAL * INCENTIVE (11)<br>(9)+(10) | TOTAL ACTUAL COSTS TO BE RECOVERED (12)<br>(4)+(8)+(11) | Exhibit C PAGE 17B-1 of 23 |
|   |                            |                                   |   |                                |   |                                     |                               |   |  |   |                                    |   |                            |
| RESIDENTIAL PROGRAMS  |                            |                                   |   |                                |   |                                     |                               |   |  |   |                                    |   |                            |
| Energy Fitness  | 0                          | 0                                 | \$0.00                                      | \$0                            | 0                                       | 0                                   | \$0.00000                     | \$0                                       | \$0                                      | \$0   | \$0                                | \$0   | \$0                        |
| Targeted Energy Efficiency  |                            |                                   |   |                                |   |                                     |                               |   |  |   |                                    |   |                            |
| - All Electric  | 141                        | 769                               | \$1,428.37                                  | \$201,400                      | 526                                     | 404,494                             | \$0.05749                     | \$23,254                                  | \$20,833                                 | \$0   | \$20,833                           | \$245,487   |                            |
| - Non-All Electric  | 23                         | 195                               | \$114.30                                    | \$2,629                        | 224                                     | 43,680                              | \$0.05746                     | \$2,510                                   | \$0                                      | \$131   | \$131                              | \$5,270   |                            |
| Compact Fluorescent Bulb  | 0                          | 0                                 | \$0.00                                      | \$0                            | 0                                       | 0                                   | \$0.00000                     | \$0                                       | \$0                                      | \$0   | \$0                                | \$0   | \$0                        |
| High - Efficiency Heat Pump   | 0                          | 0                                 | \$0.00                                      | \$0                            | 0                                       | 0                                   | \$0.00000                     | \$0                                       | \$0                                      | \$0   | \$0                                | \$0   | \$0                        |
| - Resistance Heat   | 0                          | 0                                 | \$0.00                                      | \$0                            | 0                                       | 0                                   | \$0.00000                     | \$0                                       | \$0                                      | \$0   | \$0                                | \$0   | \$0                        |
| - Non Resistance Heat   | 0                          | 0                                 | \$0.00                                      | \$0                            | 0                                       | 0                                   | \$0.00000                     | \$0                                       | \$0                                      | \$0   | \$0                                | \$0   | \$0                        |
| High - Efficiency Heat Pump   |                            |                                   |   |                                |   |                                     |                               |   |  |   |                                    |   |                            |
| - Mobile Home   | 114                        | 552                               | \$417.85                                    | \$47,635                       | 702                                     | 387,504                             | \$0.05750                     | \$22,281                                  | \$33,491                                 | \$0   | \$33,491                           | \$103,407   |                            |
| Mobile Home New Construction  |                            |                                   |   |                                |   |                                     |                               |   |  |   |                                    |   |                            |
| - Heat Pump   | 92                         | 603                               | \$500.38                                    | \$46,035                       | 365                                     | 220,095                             | \$0.05749                     | \$12,653                                  | \$8,649                                  | \$0   | \$8,649                            | \$67,337  |                            |
| - Air Conditioner   | 0                          | 0                                 | \$0.00                                      | \$0                            | 0                                       | 0                                   | \$0.00000                     | \$0                                       | \$0                                      | \$0   | \$0                                | \$0   | \$0                        |
| Modified Energy Fitness   | 556                        | 3,354                             | \$397.49                                    | \$221,004                      | 142                                     | 476,268                             | \$0.05757                     | \$27,419                                  | \$8,151                                  | \$0   | \$8,151                            | \$256,574   |                            |
| High Efficiency Heat Pump   |                            |                                   |   |                                |   |                                     |                               |   |  |   |                                    |   |                            |
| - Resistance Heat Replacement   | 121                        | 483                               | \$480.50                                    | \$58,140                       | 365                                     | 176,295                             | \$0.05745                     | \$10,128                                  | \$9,453                                  | \$0   | \$9,453                            | \$77,721  |                            |
| - Heat Pump Replacement   | 194                        | 678                               | \$466.22                                    | \$90,446                       | 461                                     | 312,558                             | \$0.05750                     | \$17,972                                  | \$22,908                                 | \$0   | \$22,908                           | \$131,326   |                            |
| Energy Education for Student Program (NEED)                                 | 958                        | 3,383                             | \$12.90                                     | \$12,361                       | 24                                      | 81,192                              | \$0.05750                     | \$4,669                                   | \$1,648                                  | \$0   | \$1,648                            | \$18,678  |                            |
| Community Outreach Program (CFL)  | 2,397                      | 3,845                             | \$3.89                                      | \$9,335                        | 26                                      | 99,970                              | \$0.05765                     | \$5,763                                   | \$9,396                                  | \$0   | \$9,396                            | \$24,494  |                            |
| Residential Efficient Products  |                            |                                   |   |                                |   |                                     |                               |   |  |   |                                    |   |                            |
| - Compact Fluorescent Lamp (CFL)  | 55,928                     | 28,215                            | \$3.06                                      | \$170,927                      | 8                                       | 225,720                             | \$0.05818                     | \$13,132                                  | \$17,338                                 | \$0   | \$17,338                           | \$201,397   |                            |
| - Specialty Bulbs   | 0                          | 0                                 | \$0.00                                      | \$26                           | 7                                       | 0                                   | \$0.05793                     | \$0                                       | \$0                                      | \$0   | \$0                                | \$26  |                            |
| - LED Lights  | 0                          | 0                                 | \$0.00                                      | \$1,125                        | 10                                      | 0                                   | \$0.05854                     | \$0                                       | \$0                                      | \$0   | \$0                                | \$1,125   |                            |
| HVAC Diagnostic & Tune-Up   |                            |                                   |   |                                |   |                                     |                               |   |  |   |                                    |   |                            |
| - Air Conditioner   | 168                        | 101                               | \$142.19                                    | \$23,888                       | 78                                      | 7,878                               | \$0.05749                     | \$453                                     | \$220                                    | \$0   | \$220                              | \$24,561  |                            |
| - Heat Pump   | 440                        | 178                               | \$118.61                                    | \$52,188                       | 185                                     | 32,930                              | \$0.05749                     | \$1,893                                   | \$5,007                                  | \$0   | \$5,007                            | \$59,098  |                            |
| Residential Load Management (Pilot Program)                                 |                            |                                   |   |                                |   |                                     |                               |   |  |   |                                    |   |                            |
| - Air Conditioner   | 6                          | 1                                 | \$8,624.83                                  | \$51,749                       | 0                                       | 0                                   | \$0.00000                     | \$0                                       | \$0                                      | \$0   | \$0                                | \$51,749  |                            |
| - Water Heating   | 4                          | 1                                 | \$12,937.25                                 | \$51,749                       | 0                                       | 0                                   | \$0.00000                     | \$0                                       | \$0                                      | \$0   | \$0                                | \$51,749  |                            |
| TOTAL RESIDENTIAL PROGRAMS  | 61,142                     | 42,358                            |   | \$1,040,637                    |   | 2,468,584                           |                               | \$142,127                                 | \$137,094                                | \$131   | \$137,225                          | \$1,319,989   |                            |

| Year 2011  |                            |                                   |  |                                |   |   |                               |                                  |  |  |                                 |   |
|--|----------------------------|-----------------------------------|--|--------------------------------|---|---|-------------------------------|----------------------------------|--|--|---------------------------------|---|
| KENTUCKY POWER COMPANY                                 |                            |                                   |  |                                |   |   |                               |                                  |  |  |                                 |   |
| ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM         |                            |                                   |  |                                |   |   |                               |                                  |  |  |                                 |   |
| YEAR 16 (2nd HALF)                                     |                            |                                   |  |                                |   |   |                               |                                  |  |  |                                 |   |
| PROGRAM DESCRIPTIONS                                   | NEW PARTICIPANT NUMBER (1) | CUMULATIVE PARTICIPANT NUMBER (2) | AVERAGE ACTUAL PROGRAM COSTS PER PARTICIPANT (3) / (4) / (1) | TOTAL ACTUAL PROGRAM COSTS (4) | NET LOST REV/QTRS (KWH/PARTICIPANT) (5) | TOTAL ENERGY SAVINGS KWH/QTRS (2)X(5) (6) | NET LOST REVENUE (\$/KWH) (7) | TOTAL NET * REVENUES (8) (6)X(7) | EFFICIENCY INCENTIVE (EX. C. PG.210) (9) | MAXIMIZING INCENTIVE (5% of COSTS) (10) (4)X(5%) | INCENTIVE TOTAL * (11) (9)+(10) | TOTAL ESTIMATED COSTS TO BE RECOVERED (12) (4)+(8)+(11) |
| <b>COMMERCIAL PROGRAMS</b>                             |                            |                                   |  |                                |   |   |                               |                                  |  |  |                                 |   |
| Smart Audit - Class 1                                  | 0                          | 0                                 | \$0.00   | \$0                            | 0                                       | 0   | n/a                           | \$0                              | \$0                                      | \$0  | \$0                             | \$0   |
| - Class 2  | 0                          | 0                                 | \$0.00   | \$0                            | 0                                       | 0   | n/a                           | \$0                              | \$0                                      | \$0  | \$0                             | \$0   |
| Smart Financing - Existing Building                    | 0                          | 0                                 | \$0.00   | \$0                            | 0                                       | 0   | \$0.000000                    | \$0                              | \$0                                      | \$0  | \$0                             | \$0   |
| Smart Financing - New Building                         | 0                          | 0                                 | \$0.00   | \$0                            | 0                                       | 0   | \$0.000000                    | \$0                              | \$0                                      | \$0  | \$0                             | \$0   |
| Commercial A/C & Heat Pump Program                     | 2                          | 1                                 | \$4,053.00   | \$8,106                        | 71                                      | 71  | \$0.07447                     | \$5                              | \$2                                      | \$0  | \$2                             | \$8,113   |
| - Air Conditioner Replacement                          | 6                          | 2                                 | \$1,876.33   | \$11,258                       | 279                                     | 568                                       | \$0.07430                     | \$41                             | \$349                                    | \$0  | \$349                           | \$11,648  |
| - Heat Pump Replacement                                |                            |                                   |  |                                |   |   |                               |                                  |  |  |                                 |   |
| HVAC Diagnostic & Tune-Up                              | 45                         | 30                                | \$223.56   | \$10,060                       | 172                                     | 5,160                                     | \$0.07424                     | \$383                            | \$326                                    | \$0  | \$326                           | \$10,769  |
| - Air Conditioner                                      | 88                         | 47                                | \$778.81   | \$15,735                       | 410                                     | 19,270                                    | \$0.07429                     | \$1,432                          | \$2,601                                  | \$0  | \$2,601                         | \$19,768  |
| - Heat Pump  |                            |                                   |  |                                |   |   |                               |                                  |  |  |                                 |   |
| Commercial Load Management (Pilot Program)             | 0                          | 0                                 | \$0.00   | \$7,157                        | 0                                       | 0   | \$0.000000                    | \$0                              | \$0                                      | \$0  | \$0                             | \$7,157   |
| - Air Conditioner                                      | 0                          | 0                                 | \$0.00   | \$7,157                        | 0                                       | 0   | \$0.000000                    | \$0                              | \$0                                      | \$0  | \$0                             | \$7,157   |
| - Water Heating  |                            |                                   |  |                                |   |   |                               |                                  |  |  |                                 |   |
| Commercial Incentive                                   | 18                         | 2                                 | \$14,017.44  | \$252,314                      | 3,739                                   | 7,478                                     | \$0.07512                     | \$562                            | \$42,852                                 | \$0  | \$42,852                        | \$295,728   |
| TOTAL COMMERCIAL PROGRAMS                              | 159                        | 82                                | \$311,787  | \$311,787                      |   | 32,537                                    | \$2,423                       | \$2,423                          | \$46,130                                 | \$0  | \$46,130                        | \$360,340   |
| <b>INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)</b> |                            |                                   |  |                                |   |   |                               |                                  |  |  |                                 |   |
| Smart Audit - Class 1                                  | 0                          | 0                                 | \$0.00   | \$0                            | 0                                       | 0   | n/a                           | \$0                              | \$0                                      | \$0  | \$0                             | \$0   |
| Smart Audit - Class 2                                  | 0                          | 0                                 | \$0.00   | \$0                            | 0                                       | 0   | n/a                           | \$0                              | \$0                                      | \$0  | \$0                             | \$0   |
| Smart Financing - General                              | 0                          | 0                                 | \$0.00   | \$0                            | 0                                       | 0   | \$0.000000                    | \$0                              | \$0                                      | \$0  | \$0                             | \$0   |
| Smart Financing - Compressed Air System                | 0                          | 0                                 | \$0.00   | \$0                            | 0                                       | 0   | \$0.000000                    | \$0                              | \$0                                      | \$0  | \$0                             | \$0   |
| TOTAL INDUSTRIAL PROGRAMS                              | 0                          | 0                                 | \$0  | \$0                            | 0                                       | 0   | \$0                           | \$0                              | \$0                                      | \$0  | \$0                             | \$0   |
| TOTAL COMPANY  | 61,301                     | 42,440                            | \$1,352,424  | \$1,352,424                    |   | 2,501,121                                 | \$144,550                     | \$183,224                        | \$131                                    | \$183,355  | \$1,680,329                     |   |

\* Last revenue and efficiency incentives are based on prospective values.  
 \*\* Cumulative participants include a reduction for the cumulative participants as of 01/01/2009 (High Efficiency Heat Pump, Energy Education for Students and Community Outreach Program (CFL)).

| Year 2012   |                        |                              |                            |                        |                      |                  |                              |                      |                      |                      |                      |     |     | Exhibit C<br>PAGE<br>18A-1 of 23 |  |
|---|------------------------|------------------------------|----------------------------|------------------------|----------------------|------------------|------------------------------|----------------------|----------------------|----------------------|----------------------|-----|-----|----------------------------------|--|
| KENTUCKY POWER COMPANY<br>ESTIMATED SECTOR SURCHARGES FOR 3<br>YEAR PROGRAM |                        |                              |                            |                        |                      |                  |                              |                      |                      |                      |                      |     |     |                                  |  |
| YEAR 17 (1st HALF)  |                        |                              |                            |                        |                      |                  |                              |                      |                      |                      |                      |     |     |                                  |  |
| PROGRAM DESCRIPTIONS  |                        |                              |                            |                        |                      |                  |                              |                      |                      |                      |                      |     |     |                                  |  |
| RESIDENTIAL PROGRAMS  |                        |                              |                            |                        |                      |                  |                              |                      |                      |                      |                      |     |     |                                  |  |
| NEW PARTICIPANT   | CUMULATIVE PARTICIPANT | AVERAGE ACTUAL PROGRAM COSTS | TOTAL ACTUAL PROGRAM COSTS | NET LOST REV/QTRS      | TOTAL ENERGY SAVINGS | NET LOST REVENUE | TOTAL NET *<br>LOST REVENUES | EFFICIENCY INCENTIVE | MAXIMIZING INCENTIVE | TOTAL *<br>INCENTIVE | TOTAL COSTS TO BE    |     |     |                                  |  |
| NUMBER (1)  | NUMBER (2)             | PER PARTICIPANT (3)          | PROGRAM COSTS (4)          | (KWH/ PARTICIPANT) (5) | (KWH/ QTRS) (6)      | (\$/KWH) (7)     | (6)X(7) (8)                  | (EX. C, PG.21C) (9)  | (5% of COSTS) (10)   | (11)<br>(9)X(10)     | (12)<br>(4)+(8)+(11) |     |     |                                  |  |
|   |                        | (4)/(1)                      |                            |                        |                      |                  |                              |                      |                      |                      |                      |     |     |                                  |  |
| Energy Fitness  | 0                      | \$0.00                       | \$0                        | 0                      | 0                    | \$0.00000        | \$0                          | \$0                  | \$0                  | \$0                  | \$0                  | \$0 | \$0 | \$0                              |  |
| Targeted Energy Efficiency  |                        |                              |                            |                        |                      |                  |                              |                      |                      |                      |                      |     |     |                                  |  |
| - All Electric  | 142                    | \$1,210.97                   | \$171,958                  | 981                    | 837,774              | \$0.05749        | \$48,164                     | \$15,221             | \$0                  | \$15,221             | \$235,343            |     |     |                                  |  |
| - Non-All Electric  | 16                     | \$82.06                      | \$1,313                    | 437                    | 72,105               | \$0.05746        | \$4,143                      | \$0                  | \$66                 | \$66                 | \$5,522              |     |     |                                  |  |
| Compact Fluorescent Bulb  | 0                      | \$0.00                       | \$0                        | 0                      | 0                    | \$0.00000        | \$0                          | \$0                  | \$0                  | \$0                  | \$0                  |     |     |                                  |  |
| High - Efficiency Heat Pump   | 0                      | \$0.00                       | \$0                        | 0                      | 0                    | \$0.00000        | \$0                          | \$0                  | \$0                  | \$0                  | \$0                  |     |     |                                  |  |
| - Resistance Heat   | 0                      | \$0.00                       | \$0                        | 0                      | 0                    | \$0.00000        | \$0                          | \$0                  | \$0                  | \$0                  | \$0                  |     |     |                                  |  |
| - Non Resistance Heat   | 0                      | \$0.00                       | \$0                        | 0                      | 0                    | \$0.00000        | \$0                          | \$0                  | \$0                  | \$0                  | \$0                  |     |     |                                  |  |
| High - Efficiency Heat Pump   |                        |                              |                            |                        |                      |                  |                              |                      |                      |                      |                      |     |     |                                  |  |
| - Mobile Home   | 110                    | \$478.64                     | \$52,650                   | 1,291                  | 566,749              | \$0.05750        | \$32,588                     | \$26,043             | \$0                  | \$26,043             | \$111,281            |     |     |                                  |  |
| Mobile Home New Construction  |                        |                              |                            |                        |                      |                  |                              |                      |                      |                      |                      |     |     |                                  |  |
| - Heat Pump   | 79                     | \$550.00                     | \$43,450                   | 841                    | 483,575              | \$0.05749        | \$27,801                     | \$6,554              | \$0                  | \$6,554              | \$77,805             |     |     |                                  |  |
| - Air Conditioner   | 0                      | \$0.00                       | \$0                        | 0                      | 0                    | \$0.00000        | \$0                          | \$0                  | \$0                  | \$0                  | \$0                  |     |     |                                  |  |
| Modified Energy Fitness   | 646                    | \$322.61                     | \$208,408                  | 325                    | 1,072,825            | \$0.05757        | \$61,763                     | \$4,115              | \$0                  | \$4,115              | \$274,286            |     |     |                                  |  |
| High Efficiency Heat Pump   |                        |                              |                            |                        |                      |                  |                              |                      |                      |                      |                      |     |     |                                  |  |
| - Resistance Heat Replacement   | 88                     | \$455.11                     | \$40,050                   | 671                    | 139,568              | \$0.05745        | \$8,018                      | \$3,458              | \$0                  | \$3,458              | \$51,526             |     |     |                                  |  |
| - Non Resistance Heat Pump Replacement                                      | 217                    | \$466.59                     | \$101,250                  | 849                    | 320,922              | \$0.05750        | \$18,453                     | \$19,218             | \$0                  | \$19,218             | \$138,921            |     |     |                                  |  |
| Energy Education for Student Program (NEED)                                 | 525                    | \$17.61                      | \$9,245                    | 111                    | 297,147              | \$0.05750        | \$17,086                     | \$1,664              | \$0                  | \$1,664              | \$27,995             |     |     |                                  |  |
| Community Outreach Program (CFL)  | 2,335                  | \$9.68                       | \$22,614                   | 124                    | 735,816              | \$0.05765        | \$42,420                     | \$11,138             | \$0                  | \$11,138             | \$76,172             |     |     |                                  |  |
| Residential Efficient Products  |                        |                              |                            |                        |                      |                  |                              |                      |                      |                      |                      |     |     |                                  |  |
| - Compact Fluorescent Lamp (CFL)  | 51,481                 | \$3.27                       | \$168,572                  | 23                     | 741,175              | \$0.05818        | \$43,122                     | \$43,759             | \$0                  | \$43,759             | \$255,453            |     |     |                                  |  |
| - Specialty CFL's   | 0                      | \$0.00                       | \$19                       | 15                     | 0                    | \$0.05793        | \$0                          | \$0                  | \$1                  | \$1                  | \$20                 |     |     |                                  |  |
| - LED Lights  | 0                      | \$0.00                       | \$584                      | 21                     | 0                    | \$0.05854        | \$0                          | \$0                  | \$29                 | \$29                 | \$613                |     |     |                                  |  |
| HVAC Diagnostic & Tune-Up   |                        |                              |                            |                        |                      |                  |                              |                      |                      |                      |                      |     |     |                                  |  |
| - Air Conditioner   | 147                    | \$121.90                     | \$17,919                   | 62                     | 4,278                | \$0.05749        | \$246                        | \$0                  | \$896                | \$896                | \$19,061             |     |     |                                  |  |
| - Heat Pump   | 324                    | \$109.32                     | \$35,419                   | 234                    | 59,670               | \$0.05749        | \$3,430                      | \$0                  | \$1,771              | \$1,771              | \$40,620             |     |     |                                  |  |
| Residential Load Management (Pilot Program)                                 |                        |                              |                            |                        |                      |                  |                              |                      |                      |                      |                      |     |     |                                  |  |
| - Air Conditioner   | 36                     | \$1,441.58                   | \$51,897                   | 0                      | 0                    | \$0.00000        | \$0                          | \$0                  | \$0                  | \$0                  | \$51,897             |     |     |                                  |  |
| - Water Heating   | 32                     | \$1,621.78                   | \$51,897                   | 0                      | 0                    | \$0.00000        | \$0                          | \$0                  | \$0                  | \$0                  | \$51,897             |     |     |                                  |  |
| TOTAL RESIDENTIAL PROGRAMS  | 56,178                 |                              | \$977,245                  | 47,112                 | 5,331,804            |                  | \$307,234                    | \$131,170            | \$2,763              | \$133,933            | \$1,418,412          |     |     |                                  |  |

| Year 2012  |            | NEW PARTICIPANT |                                       | CUMULATIVE PARTICIPANT |                                | AVERAGE ACTUAL PROGRAM COSTS |                      | TOTAL ACTUAL PROGRAM COSTS    |                                       | NET LOST                |                             | TOTAL ENERGY SAVINGS |               | NET LOST REVENUE             |                | TOTAL NET *    |             | EFFICIENCY INCENTIVE |                              | MAXIMIZING INCENTIVE |                | TOTAL * COSTS TO BE |               |                              |                |                |   |
|--|------------|-----------------|---------------------------------------|------------------------|--------------------------------|------------------------------|----------------------|-------------------------------|---------------------------------------|-------------------------|-----------------------------|----------------------|---------------|------------------------------|----------------|----------------|-------------|----------------------|------------------------------|----------------------|----------------|---------------------|---------------|------------------------------|----------------|----------------|---|
| PROGRAM DESCRIPTIONS   | NUMBER (1) | NUMBER (2)      | PER PARTICIPANT COSTS (3) / (4) / (1) | PROGRAM COSTS (4)      | REV/QTRS (KWH/PARTICIPANT) (5) | REVENUE (\$/KWH) (7)         | REVENUES (8) (6)X(7) | INCENTIVE (EX. C, PG.210) (9) | INCENTIVE (5% of COSTS) (10) (4)X(5%) | INCENTIVE (11) (9)+(10) | RECOVERED (12) (4)+(8)+(11) | REVENUE (6)X(7)      | INCENTIVE (9) | INCENTIVE (5% of COSTS) (10) | INCENTIVE (11) | RECOVERED (12) | REVENUE (8) | INCENTIVE (9)+(10)   | INCENTIVE (5% of COSTS) (10) | INCENTIVE (11)       | RECOVERED (12) | REVENUE (6)X(7)     | INCENTIVE (9) | INCENTIVE (5% of COSTS) (10) | INCENTIVE (11) | RECOVERED (12) |   |
| <b>KENTUCKY POWER COMPANY</b>  |            |                 |                                       |                        |                                |                              |                      |                               |                                       |                         |                             |                      |               |                              |                |                |             |                      |                              |                      |                |                     |               |                              |                |                |   |
| <b>ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM</b>  |            |                 |                                       |                        |                                |                              |                      |                               |                                       |                         |                             |                      |               |                              |                |                |             |                      |                              |                      |                |                     |               |                              |                |                |   |
| YEAR 17 (1st HALF)   |            |                 |                                       |                        |                                |                              |                      |                               |                                       |                         |                             |                      |               |                              |                |                |             |                      |                              |                      |                |                     |               |                              |                |                |   |
| <b>COMMERCIAL PROGRAMS</b>   |            |                 |                                       |                        |                                |                              |                      |                               |                                       |                         |                             |                      |               |                              |                |                |             |                      |                              |                      |                |                     |               |                              |                |                |   |
| Smart Audit - Class 1  | 0          | 0               | \$0.00                                | \$0                    | 0                              | n/a                          | \$0                  | 0                             | 0                                     | 0                       | \$0                         | 0                    | 0             | 0                            | 0              | 0              | 0           | 0                    | 0                            | 0                    | 0              | 0                   | 0             | 0                            | 0              | 0              | 0 |
| - Class 2  | 0          | 0               | \$0.00                                | \$0                    | 0                              | n/a                          | \$0                  | 0                             | 0                                     | 0                       | 0                           | 0                    | 0             | 0                            | 0              | 0              | 0           | 0                    | 0                            | 0                    | 0              | 0                   | 0             | 0                            | 0              | 0              | 0 |
| Smart Financing - Existing Building  | 0          | 0               | \$0.00                                | \$0                    | 0                              | \$0.00000                    | \$0                  | 0                             | 0                                     | 0                       | \$0.00000                   | \$0                  | 0             | 0                            | 0              | 0              | 0           | 0                    | 0                            | 0                    | 0              | 0                   | 0             | 0                            | 0              | 0              | 0 |
| Smart Financing - New Building   | 0          | 0               | \$0.00                                | \$0                    | 0                              | \$0.00000                    | \$0                  | 0                             | 0                                     | 0                       | \$0.00000                   | \$0                  | 0             | 0                            | 0              | 0              | 0           | 0                    | 0                            | 0                    | 0              | 0                   | 0             | 0                            | 0              | 0              | 0 |
| Commercial A/C & Heat Pump Program   | 1          | 0               | \$6,342.00                            | \$6,342                | 121                            | 0                            | \$0.07447            | \$0                           | 0                                     | 0                       | \$0.07447                   | \$0                  | 0             | 0                            | 0              | 0              | 0           | 0                    | 0                            | 0                    | 0              | 0                   | 0             | 0                            | 0              | 0              | 0 |
| - Air Conditioner Replacement  | 10         | 2               | \$1,044.10                            | \$10,441               | 570                            | 1,140                        | \$0.07430            | \$85                          | 0                                     | 0                       | \$0.07430                   | \$85                 | 0             | 0                            | 0              | 0              | 0           | 0                    | 0                            | 0                    | 0              | 0                   | 0             | 0                            | 0              | 0              | 0 |
| - Heat Pump Replacement  |            |                 |                                       |                        |                                |                              |                      |                               |                                       |                         |                             |                      |               |                              |                |                |             |                      |                              |                      |                |                     |               |                              |                |                |   |
| HVAC Diagnostic & Tune-Up  | 24         | 11              | \$310.46                              | \$7,451                | 115                            | 1,265                        | \$0.07424            | \$94                          | 0                                     | 0                       | \$0.07424                   | \$94                 | 0             | 0                            | 0              | 0              | 0           | 0                    | 0                            | 0                    | 0              | 0                   | 0             | 0                            | 0              | 0              | 0 |
| - Air Conditioner  | 56         | 22              | \$222.34                              | \$12,451               | 349                            | 7,678                        | \$0.07429            | \$570                         | 0                                     | 0                       | \$0.07429                   | \$570                | 0             | 0                            | 0              | 0              | 0           | 0                    | 0                            | 0                    | 0              | 0                   | 0             | 0                            | 0              | 0              | 0 |
| - Heat Pump  |            |                 |                                       |                        |                                |                              |                      |                               |                                       |                         |                             |                      |               |                              |                |                |             |                      |                              |                      |                |                     |               |                              |                |                |   |
| Commercial Load Management (Pilot Program)   | 0          | 0               | \$0.00                                | \$7,630                | 0                              | 0                            | \$0.00000            | \$0                           | 0                                     | 0                       | \$0.00000                   | \$0                  | 0             | 0                            | 0              | 0              | 0           | 0                    | 0                            | 0                    | 0              | 0                   | 0             | 0                            | 0              | 0              | 0 |
| - Air Conditioner  | 0          | 0               | \$0.00                                | \$7,631                | 0                              | 0                            | \$0.00000            | \$0                           | 0                                     | 0                       | \$0.00000                   | \$0                  | 0             | 0                            | 0              | 0              | 0           | 0                    | 0                            | 0                    | 0              | 0                   | 0             | 0                            | 0              | 0              | 0 |
| - Water Heating  |            |                 |                                       |                        |                                |                              |                      |                               |                                       |                         |                             |                      |               |                              |                |                |             |                      |                              |                      |                |                     |               |                              |                |                |   |
| Commercial Incentive   | 24         | 6               | \$13,772.13                           | \$330,531              | 8,788                          | 52,728                       | \$0.07512            | \$3,961                       | 0                                     | 0                       | \$0.07512                   | \$3,961              | 0             | 0                            | 0              | 0              | 0           | 0                    | 0                            | 0                    | 0              | 0                   | 0             | 0                            | 0              | 0              | 0 |
| TOTAL COMMERCIAL PROGRAMS  | 115        | 41              |                                       | \$382,477              |                                | 62,811                       | \$4,710              |                               |                                       |                         |                             |                      |               |                              |                |                |             |                      |                              |                      |                |                     |               |                              |                |                |   |
| <b>INDUSTRIAL PROGRAMS</b>   |            |                 |                                       |                        |                                |                              |                      |                               |                                       |                         |                             |                      |               |                              |                |                |             |                      |                              |                      |                |                     |               |                              |                |                |   |
| <b>(w/Est. Opt-Outs Removed)</b>   |            |                 |                                       |                        |                                |                              |                      |                               |                                       |                         |                             |                      |               |                              |                |                |             |                      |                              |                      |                |                     |               |                              |                |                |   |
| Smart Audit - Class 1  | 0          | 0               | \$0.00                                | \$0                    | 0                              | n/a                          | \$0                  | 0                             | 0                                     | 0                       | \$0                         | 0                    | 0             | 0                            | 0              | 0              | 0           | 0                    | 0                            | 0                    | 0              | 0                   | 0             | 0                            | 0              | 0              | 0 |
| Smart Audit - Class 2  | 0          | 0               | \$0.00                                | \$0                    | 0                              | n/a                          | \$0                  | 0                             | 0                                     | 0                       | \$0                         | 0                    | 0             | 0                            | 0              | 0              | 0           | 0                    | 0                            | 0                    | 0              | 0                   | 0             | 0                            | 0              | 0              | 0 |
| Smart Financing - General  | 0          | 0               | \$0.00                                | \$0                    | 0                              | \$0.00000                    | \$0                  | 0                             | 0                                     | 0                       | \$0.00000                   | \$0                  | 0             | 0                            | 0              | 0              | 0           | 0                    | 0                            | 0                    | 0              | 0                   | 0             | 0                            | 0              | 0              | 0 |
| Smart Financing - Compressed Air System  | 0          | 0               | \$0.00                                | \$0                    | 0                              | \$0.00000                    | \$0                  | 0                             | 0                                     | 0                       | \$0.00000                   | \$0                  | 0             | 0                            | 0              | 0              | 0           | 0                    | 0                            | 0                    | 0              | 0                   | 0             | 0                            | 0              | 0              | 0 |
| TOTAL INDUSTRIAL PROGRAMS  | 0          | 0               |                                       | \$0                    |                                | 0                            | \$0                  |                               |                                       |                         |                             |                      |               |                              |                |                |             |                      |                              |                      |                |                     |               |                              |                |                |   |
| TOTAL COMPANY  | 56,293     | 47,153          |                                       | \$1,359,722            |                                | 5,394,415                    | \$311,944            |                               |                                       |                         |                             |                      |               |                              |                |                |             |                      |                              |                      |                |                     |               |                              |                |                |   |
| * Lost revenue and efficiency incentives are based on prospective values.  |            |                 |                                       |                        |                                |                              |                      |                               |                                       |                         |                             |                      |               |                              |                |                |             |                      |                              |                      |                |                     |               |                              |                |                |   |
| ** Cumulative participants include a reduction for the cumulative participants as of 01/01/2009 (High Efficiency Heat Pump, Energy Education for Students and Community Outreach Program (CFL)). |            |                 |                                       |                        |                                |                              |                      |                               |                                       |                         |                             |                      |               |                              |                |                |             |                      |                              |                      |                |                     |               |                              |                |                |   |

| Year 2012   |                        |                              |                            |                        |                      |                  |                  |                      |                      |                   |                     |  |  | Exhibit C<br>PAGE<br>18B-1 of 23 |  |
|---|------------------------|------------------------------|----------------------------|------------------------|----------------------|------------------|------------------|----------------------|----------------------|-------------------|---------------------|--|--|----------------------------------|--|
| KENTUCKY POWER COMPANY<br>ESTIMATED SECTOR SURCHARGES FOR 3<br>YEAR PROGRAM |                        |                              |                            |                        |                      |                  |                  |                      |                      |                   |                     |  |  |                                  |  |
| YEAR 17 (2nd HALF)  |                        |                              |                            |                        |                      |                  |                  |                      |                      |                   |                     |  |  |                                  |  |
| PROGRAM DESCRIPTIONS  |                        |                              |                            |                        |                      |                  |                  |                      |                      |                   |                     |  |  |                                  |  |
| RESIDENTIAL PROGRAMS  |                        |                              |                            |                        |                      |                  |                  |                      |                      |                   |                     |  |  |                                  |  |
| NEW PARTICIPANT   | CUMULATIVE PARTICIPANT | AVERAGE ACTUAL PROGRAM COSTS | TOTAL ACTUAL PROGRAM COSTS | NET LOST REV/QTRS      | TOTAL ENERGY SAVINGS | NET LOST REVENUE | TOTAL NET * LOSS | EFFICIENCY INCENTIVE | MAXIMIZING INCENTIVE | TOTAL * INCENTIVE | TOTAL * COSTS TO BE |  |  |                                  |  |
| NUMBER (1)  | NUMBER (2)             | PER PARTICIPANT (3)          | PROGRAM COSTS (4)          | (KWH/ PARTICIPANT) (5) | (KWH/ QTRS) (6)      | (\$/KWH) (7)     | REVENUES (8)     | (EX. C, PG.21C) (9)  | (5% of COSTS) (10)   | (11) (9)+(10)     | RECOVERED (12)      |  |  |                                  |  |
|   |                        | (4)/(1)                      |                            |                        | (2)/(5)              |                  | (6)/(7)          |                      | (4)/(5)              |                   | (4)+(8)+(11)        |  |  |                                  |  |
| Energy Fitness  | 0                      | \$0.00                       | \$0                        | 0                      | 0                    | \$0.00000        | \$0              | \$0                  | \$0                  | \$0               | \$0                 |  |  |                                  |  |
| Targeted Energy Efficiency  |                        |                              |                            |                        |                      |                  |                  |                      |                      |                   |                     |  |  |                                  |  |
| - All Electric  | 43                     | \$2,093.67                   | \$90,028                   | 981                    | 617,049              | \$0.05749        | \$35,474         | \$4,609              | \$0                  | \$4,609           | \$130,111           |  |  |                                  |  |
| - Non-All Electric  | 4                      | \$340.25                     | \$1,361                    | 436                    | 42,292               | \$0.05746        | \$2,430          | \$0                  | \$68                 | \$68              | \$3,859             |  |  |                                  |  |
| Compact Fluorescent Bulb  | 0                      | \$0.00                       | \$0                        | 0                      | 0                    | \$0.00000        | \$0              | \$0                  | \$0                  | \$0               | \$0                 |  |  |                                  |  |
| High - Efficiency Heat Pump   | 0                      | \$0.00                       | \$0                        | 0                      | 0                    | \$0.00000        | \$0              | \$0                  | \$0                  | \$0               | \$0                 |  |  |                                  |  |
| - Resistance Heat   | 0                      | \$0.00                       | \$0                        | 0                      | 0                    | \$0.00000        | \$0              | \$0                  | \$0                  | \$0               | \$0                 |  |  |                                  |  |
| - Non Resistance Heat   | 0                      | \$0.00                       | \$0                        | 0                      | 0                    | \$0.00000        | \$0              | \$0                  | \$0                  | \$0               | \$0                 |  |  |                                  |  |
| High - Efficiency Heat Pump   | 112                    | \$445.98                     | \$49,950                   | 1,292                  | 760,988              | \$0.05747        | \$43,734         | \$26,516             | \$0                  | \$26,516          | \$120,200           |  |  |                                  |  |
| - Mobile Home   |                        |                              |                            |                        |                      |                  |                  |                      |                      |                   |                     |  |  |                                  |  |
| Mobile Home New Construction  |                        |                              |                            |                        |                      |                  |                  |                      |                      |                   |                     |  |  |                                  |  |
| - Heat Pump   | 76                     | \$553.29                     | \$42,050                   | 840                    | 436,800              | \$0.05747        | \$25,103         | \$6,305              | \$0                  | \$6,305           | \$73,458            |  |  |                                  |  |
| - Air Conditioner   | 0                      | \$0.00                       | \$0                        | 0                      | 0                    | \$0.00000        | \$0              | \$0                  | \$0                  | \$0               | \$0                 |  |  |                                  |  |
| Modified Energy Fitness   | 554                    | \$404.00                     | \$223,816                  | 326                    | 1,016,794            | \$0.05751        | \$58,476         | \$3,529              | \$0                  | \$3,529           | \$285,821           |  |  |                                  |  |
| High Efficiency Heat Pump   |                        |                              |                            |                        |                      |                  |                  |                      |                      |                   |                     |  |  |                                  |  |
| - Resistance Heat Replacement   | 73                     | \$431.51                     | \$31,500                   | 671                    | 325,435              | \$0.05750        | \$18,713         | \$2,869              | \$0                  | \$2,869           | \$53,082            |  |  |                                  |  |
| - Non Resistance Heat Pump Replacement                                      | 209                    | \$439.23                     | \$91,800                   | 849                    | 590,904              | \$0.05746        | \$33,953         | \$18,509             | \$0                  | \$18,509          | \$144,262           |  |  |                                  |  |
| Energy Education for Student Program (NEED)                                 | 1,562                  | \$12.15                      | \$18,983                   | 111                    | 355,311              | \$0.05730        | \$20,359         | \$4,952              | \$0                  | \$4,952           | \$44,294            |  |  |                                  |  |
| Community Outreach Program (CFL)  | 3,306                  | \$9.93                       | \$32,817                   | 124                    | 675,428              | \$0.05758        | \$38,891         | \$15,770             | \$0                  | \$15,770          | \$87,478            |  |  |                                  |  |
| Residential Efficient Products  |                        |                              |                            |                        |                      |                  |                  |                      |                      |                   |                     |  |  |                                  |  |
| - Compact Fluorescent Lamp (CFL)  | 84,738                 | \$2.19                       | \$185,235                  | 22                     | 795,212              | \$0.05739        | \$45,637         | \$72,027             | \$0                  | \$72,027          | \$302,899           |  |  |                                  |  |
| - Specialty CFL's   | 0                      | \$0.00                       | \$18                       | 14                     | 0                    | \$0.05793        | \$0              | \$0                  | \$0                  | \$0               | \$18                |  |  |                                  |  |
| - LED Lights  | 12                     | \$48.25                      | \$579                      | 20                     | 140                  | \$0.05854        | \$8              | \$0                  | \$29                 | \$29              | \$616               |  |  |                                  |  |
| HVAC Diagnostic & Tune-Up   |                        |                              |                            |                        |                      |                  |                  |                      |                      |                   |                     |  |  |                                  |  |
| - Air Conditioner   | 75                     | \$172.67                     | \$12,950                   | 63                     | 7,245                | \$0.05714        | \$414            | \$0                  | \$648                | \$648             | \$14,012            |  |  |                                  |  |
| - Heat Pump   | 458                    | \$102.95                     | \$47,150                   | 233                    | 129,315              | \$0.05744        | \$7,428          | \$0                  | \$2,358              | \$2,358           | \$56,936            |  |  |                                  |  |
| Residential Load Management (Pilot Program)                                 |                        |                              |                            |                        |                      |                  |                  |                      |                      |                   |                     |  |  |                                  |  |
| - Air Conditioner   | 23                     | \$2,450.09                   | \$56,352                   | 0                      | 0                    | \$0.00000        | \$0              | \$0                  | \$0                  | \$0               | \$56,352            |  |  |                                  |  |
| - Water Heating   | 16                     | \$3,390.50                   | \$54,248                   | 0                      | 0                    | \$0.00000        | \$0              | \$0                  | \$0                  | \$0               | \$54,248            |  |  |                                  |  |
| TOTAL RESIDENTIAL PROGRAMS  | 91,261                 |                              | \$938,837                  |                        | 5,752,913            |                  | \$330,620        | \$155,086            | \$3,103              | \$158,189         | \$1,427,646         |  |  |                                  |  |

| Year 2012   |            | NEW PARTICIPANT |                                     | CUMULATIVE PARTICIPANT         |                                 | AVERAGE ACTUAL PROGRAM COSTS |                        | TOTAL ACTUAL PROGRAM COSTS |                               | NET LOST                  |                                 | TOTAL ENERGY SAVINGS |            | NET LOST REVENUE |            | TOTAL NET * LOSS |            | EFFICIENCY INCENTIVE |            | MAXIMIZING INCENTIVE |            | TOTAL * INCENTIVE |            | TOTAL ESTIMATED COSTS TO BE RECOVERED |            |             |
|---|------------|-----------------|-------------------------------------|--------------------------------|---------------------------------|------------------------------|------------------------|----------------------------|-------------------------------|---------------------------|---------------------------------|----------------------|------------|------------------|------------|------------------|------------|----------------------|------------|----------------------|------------|-------------------|------------|---------------------------------------|------------|-------------|
| PROGRAM DESCRIPTIONS  | NUMBER (1) | NUMBER (2)      | PER PARTICIPANT COSTS (3) (4) / (1) | TOTAL ACTUAL PROGRAM COSTS (4) | REV/QTRS (KWH/ PARTICIPANT) (5) | REVENUE (\$/KWH) (7)         | REVENUES (8) (6) X (7) | EX. C. PG. 210C (9)        | (5% of COSTS) (10) (4) X (5%) | INCENTIVE (11) (9) + (10) | INCENTIVE (12) (4) + (8) + (11) | REVENUES (8)         | LOSSES (9) | LOSSES (9)       | LOSSES (9) | LOSSES (9)       | LOSSES (9) | LOSSES (9)           | LOSSES (9) | LOSSES (9)           | LOSSES (9) | LOSSES (9)        | LOSSES (9) | LOSSES (9)                            | LOSSES (9) | LOSSES (9)  |
| KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM   |            |                 |                                     |                                |                                 |                              |                        |                            |                               |                           |                                 |                      |            |                  |            |                  |            |                      |            |                      |            |                   |            |                                       |            |             |
| YEAR 17 (2nd HALF)  |            |                 |                                     |                                |                                 |                              |                        |                            |                               |                           |                                 |                      |            |                  |            |                  |            |                      |            |                      |            |                   |            |                                       |            |             |
| COMMERCIAL PROGRAMS   |            |                 |                                     |                                |                                 |                              |                        |                            |                               |                           |                                 |                      |            |                  |            |                  |            |                      |            |                      |            |                   |            |                                       |            |             |
| Smart Audit - Class 1   | 0          | 0               | \$0.00                              | \$0.00                         | 0                               | n/a                          | \$0                    | 0                          | 0                             | 0                         | \$0                             | 0                    | 0          | 0                | 0          | 0                | 0          | 0                    | 0          | 0                    | 0          | 0                 | 0          | 0                                     | 0          | 0           |
| - Class 2   | 0          | 0               | \$0.00                              | \$0.00                         | 0                               | n/a                          | \$0                    | 0                          | 0                             | 0                         | 0                               | 0                    | 0          | 0                | 0          | 0                | 0          | 0                    | 0          | 0                    | 0          | 0                 | 0          | 0                                     | 0          | 0           |
| Smart Financing - Existing Building   | 0          | 0               | \$0.00                              | \$0.00                         | 0                               | \$0.00000                    | \$0                    | 0                          | 0                             | 0                         | \$0.00000                       | \$0                  | 0          | 0                | 0          | 0                | 0          | 0                    | 0          | 0                    | 0          | 0                 | 0          | 0                                     | 0          | 0           |
| Smart Financing - New Building  | 0          | 0               | \$0.00                              | \$0.00                         | 0                               | \$0.00000                    | \$0                    | 0                          | 0                             | 0                         | \$0.00000                       | \$0                  | 0          | 0                | 0          | 0                | 0          | 0                    | 0          | 0                    | 0          | 0                 | 0          | 0                                     | 0          | 0           |
| Commercial A/C & Heat Pump Program  |            |                 |                                     |                                |                                 |                              |                        |                            |                               |                           |                                 |                      |            |                  |            |                  |            |                      |            |                      |            |                   |            |                                       |            |             |
| - Air Conditioner Replacement   | 0          | 0               | \$0.00                              | \$5,264                        | 121                             | \$0.07419                    | \$0                    | 0                          | 0                             | 0                         | \$0.07419                       | \$0                  | 0          | 0                | 0          | 0                | 0          | 0                    | 0          | 0                    | 0          | 0                 | 0          | 0                                     | 0          | \$5,527     |
| - Heat Pump Replacement   | 10         | 6               | \$536.40                            | \$9,364                        | 570                             | \$0.07438                    | \$254                  | 0                          | 0                             | 0                         | \$0.07438                       | \$254                | 0          | 0                | 0          | 0                | 0          | 0                    | 0          | 0                    | 0          | 0                 | 0          | 0                                     | 0          | \$10,086    |
| HVAC Diagnostic & Tune-Up   |            |                 |                                     |                                |                                 |                              |                        |                            |                               |                           |                                 |                      |            |                  |            |                  |            |                      |            |                      |            |                   |            |                                       |            |             |
| - Air Conditioner   | 14         | 6               | \$367.86                            | \$5,150                        | 114                             | \$0.07461                    | \$51                   | 0                          | 0                             | 0                         | \$0.07461                       | \$51                 | 0          | 0                | 0          | 0                | 0          | 0                    | 0          | 0                    | 0          | 0                 | 0          | 0                                     | 0          | \$5,459     |
| - Heat Pump   | 44         | 17              | \$125.57                            | \$5,525                        | 349                             | \$0.07438                    | \$441                  | 0                          | 0                             | 0                         | \$0.07438                       | \$441                | 0          | 0                | 0          | 0                | 0          | 0                    | 0          | 0                    | 0          | 0                 | 0          | 0                                     | 0          | \$6,242     |
| Commercial Load Management (Pilot Program)  |            |                 |                                     |                                |                                 |                              |                        |                            |                               |                           |                                 |                      |            |                  |            |                  |            |                      |            |                      |            |                   |            |                                       |            |             |
| - Air Conditioner   | 0          | 0               | \$0.00                              | \$8,551                        | 0                               | \$0.00000                    | \$0                    | 0                          | 0                             | 0                         | \$0.00000                       | \$0                  | 0          | 0                | 0          | 0                | 0          | 0                    | 0          | 0                    | 0          | 0                 | 0          | 0                                     | 0          | \$8,551     |
| - Water Heating   | 0          | 0               | \$0.00                              | \$8,551                        | 0                               | \$0.00000                    | \$0                    | 0                          | 0                             | 0                         | \$0.00000                       | \$0                  | 0          | 0                | 0          | 0                | 0          | 0                    | 0          | 0                    | 0          | 0                 | 0          | 0                                     | 0          | \$8,551     |
| Commercial Incentive  |            |                 |                                     |                                |                                 |                              |                        |                            |                               |                           |                                 |                      |            |                  |            |                  |            |                      |            |                      |            |                   |            |                                       |            |             |
|   | 104        | 26              | \$7,324.43                          | \$761,741                      | 8,788                           | \$0.07235                    | \$16,531               | 0                          | 0                             | 0                         | \$0.07235                       | \$16,531             | 0          | 0                | 0          | 0                | 0          | 0                    | 0          | 0                    | 0          | 0                 | 0          | 0                                     | 0          | \$816,359   |
| TOTAL COMMERCIAL PROGRAMS   | 172        | 55              | \$804,146                           | \$804,146                      |                                 |                              | \$17,277               | \$0                        | 0                             | 0                         | \$39,352                        | \$860,775            | 0          | 0                | 0          | 0                | 0          | 0                    | 0          | 0                    | 0          | 0                 | 0          | 0                                     | 0          | \$860,775   |
| INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)   |            |                 |                                     |                                |                                 |                              |                        |                            |                               |                           |                                 |                      |            |                  |            |                  |            |                      |            |                      |            |                   |            |                                       |            |             |
| Smart Audit - Class 1   | 0          | 0               | \$0.00                              | \$0                            | 0                               | n/a                          | \$0                    | 0                          | 0                             | 0                         | \$0                             | 0                    | 0          | 0                | 0          | 0                | 0          | 0                    | 0          | 0                    | 0          | 0                 | 0          | 0                                     | 0          | \$0         |
| Smart Audit - Class 2   | 0          | 0               | \$0.00                              | \$0                            | 0                               | n/a                          | \$0                    | 0                          | 0                             | 0                         | \$0                             | 0                    | 0          | 0                | 0          | 0                | 0          | 0                    | 0          | 0                    | 0          | 0                 | 0          | 0                                     | 0          | \$0         |
| Smart Financing - General   | 0          | 0               | \$0.00                              | \$0                            | 0                               | \$0.00000                    | \$0                    | 0                          | 0                             | 0                         | \$0.00000                       | \$0                  | 0          | 0                | 0          | 0                | 0          | 0                    | 0          | 0                    | 0          | 0                 | 0          | 0                                     | 0          | \$0         |
| Smart Financing - Compressed Air System   | 0          | 0               | \$0.00                              | \$0                            | 0                               | \$0.00000                    | \$0                    | 0                          | 0                             | 0                         | \$0.00000                       | \$0                  | 0          | 0                | 0          | 0                | 0          | 0                    | 0          | 0                    | 0          | 0                 | 0          | 0                                     | 0          | \$0         |
| TOTAL INDUSTRIAL PROGRAMS   | 0          | 0               | \$0                                 | \$0                            | 0                               | 0                            | \$0                    | 0                          | 0                             | 0                         | \$0                             | 0                    | 0          | 0                | 0          | 0                | 0          | 0                    | 0          | 0                    | 0          | 0                 | 0          | 0                                     | 0          | \$0         |
| TOTAL COMPANY   | 91,433     | 51,689          | \$1,742,983                         | \$1,742,983                    |                                 |                              | \$347,897              | \$155,086                  | 0                             | 0                         | \$42,455                        | \$2,288,421          | 0          | 0                | 0          | 0                | 0          | 0                    | 0          | 0                    | 0          | 0                 | 0          | 0                                     | 0          | \$2,288,421 |
| * Lost revenue and efficiency incentives are based on prospective values.   |            |                 |                                     |                                |                                 |                              |                        |                            |                               |                           |                                 |                      |            |                  |            |                  |            |                      |            |                      |            |                   |            |                                       |            |             |
| ** Cumulative participants include a reduction for the cumulative participants as of 01/01/2009 (High Efficiency Heat Pump_Energy_Education for Students and Community_Outreach Program (CFL)). |            |                 |                                     |                                |                                 |                              |                        |                            |                               |                           |                                 |                      |            |                  |            |                  |            |                      |            |                      |            |                   |            |                                       |            |             |

| Year 2013   |                            |                                   |                                  |                                |   |                                     |                               |                          |  |   |                        |                        |                            |
|---|----------------------------|-----------------------------------|----------------------------------|--------------------------------|---|-------------------------------------|-------------------------------|--------------------------|--|---|------------------------|------------------------|----------------------------|
| KENTUCKY POWER COMPANY<br>ACTUAL SECTOR SURCHARGES FOR 3 YEAR PROGRAM |                            |                                   |                                  |                                |   |                                     |                               |                          |  |   |                        |                        |                            |
| YEAR 18 (1st HALF)  | NEW PARTICIPANT NUMBER (1) | CUMULATIVE PARTICIPANT NUMBER (2) | AVERAGE ACTUAL PROGRAM COSTS (3) | TOTAL ACTUAL PROGRAM COSTS (4) | NET LOST REV/OTRS (KWH/PARTICIPANT) (5) | TOTAL ENERGY SAVINGS (KWH/OTRS) (6) | NET LOST REVENUE (\$/KWH) (7) | TOTAL NET * REVENUES (8) | EFFICIENCY INCENTIVE (EX. C, PG.21C) (9) | MAXIMIZING INCENTIVE (5% of COSTS) (10) | TOTAL * INCENTIVE (11) | TOTAL COSTS TO BE (12) | EXHIBIT C PAGE 19A-1 of 23 |
| PROGRAM DESCRIPTIONS  | NUMBER (1)                 | NUMBER (2)                        | PER PARTICIPANT COSTS (4)/(1)    | PROGRAM COSTS (4)              | REV/OTRS (KWH/PARTICIPANT) (5)          | KWH/OTRS (6)                        | (\$/KWH) (7)                  | REVENUES (8)             | (EX. C, PG.21C) (9)                      | (5% of COSTS) (10)                      | INCENTIVE (11)         | RECOVERED COSTS (12)   |                            |
| RESIDENTIAL PROGRAMS  |                            |                                   |                                  |                                |   |                                     |                               |                          |  |   |                        |                        |                            |
| Energy Fitness  | 0                          | 0                                 | \$0.00                           | \$0                            | 0                                       | 0                                   | \$0.00000                     | \$0                      | \$0                                      |   | \$0                    | \$0                    |                            |
| Targeted Energy Efficiency  |                            |                                   |                                  |                                |   |                                     |                               |                          |  |   |                        |                        |                            |
| - All Electric  | 48                         | 580                               | \$1,289.83                       | \$61,912                       | 981                                     | 568,980                             | \$0.05749                     | \$32,711                 | \$5,145                                  |   | \$5,145                | \$99,768               |                            |
| - Non-All Electric  | 11                         | 77                                | \$82.64                          | \$909                          | 437                                     | 33,649                              | \$0.05746                     | \$1,933                  | \$0                                      |   | \$45                   | \$2,887                |                            |
| Compact Fluorescent Bulb  | 0                          | 0                                 | \$0.00                           | \$0                            | 0                                       | 0                                   | \$0.00000                     | \$0                      | \$0                                      |   | \$0                    | \$0                    |                            |
| High - Efficiency Heat Pump   | 0                          | 0                                 | \$0.00                           | \$0                            | 0                                       | 0                                   | \$0.00000                     | \$0                      | \$0                                      |   | \$0                    | \$0                    |                            |
| - Resistance Heat   | 0                          | 0                                 | \$0.00                           | \$0                            | 0                                       | 0                                   | \$0.00000                     | \$0                      | \$0                                      |   | \$0                    | \$0                    |                            |
| - Non Resistance Heat   |                            |                                   |                                  |                                |   |                                     |                               |                          |  |   |                        |                        |                            |
| High - Efficiency Heat Pump   |                            |                                   |                                  |                                |   |                                     |                               |                          |  |   |                        |                        |                            |
| - Mobile Home   | 96                         | 656                               | \$411.98                         | \$39,550                       | 1,292                                   | 847,562                             | \$0.05747                     | \$48,709                 | \$22,728                                 |   | \$22,728               | \$110,987              |                            |
| Mobile Home New Construction  |                            |                                   |                                  |                                |   |                                     |                               |                          |  |   |                        |                        |                            |
| - Heat Pump   | 67                         | 526                               | \$525.37                         | \$35,200                       | 841                                     | 442,366                             | \$0.05747                     | \$25,423                 | \$5,558                                  |   | \$5,558                | \$66,181               |                            |
| - Air Conditioner   | 0                          | 0                                 | \$0.00                           | \$0                            | 0                                       | 0                                   | \$0.00000                     | \$0                      | \$0                                      |   | \$0                    | \$0                    |                            |
| Modified Energy Fitness   | 598                        | 3,693                             | \$336.43                         | \$201,184                      | 326                                     | 1,203,918                           | \$0.05751                     | \$69,237                 | \$3,809                                  |   | \$3,809                | \$274,230              |                            |
| High Efficiency Heat Pump   |                            |                                   |                                  |                                |   |                                     |                               |                          |  |   |                        |                        |                            |
| - Resistance Heat Replacement   | 84                         | 405                               | \$460.12                         | \$38,650                       | 671                                     | 271,755                             | \$0.05750                     | \$15,626                 | \$3,301                                  |   | \$3,301                | \$57,577               |                            |
| - Non Resistance Heat Pump Replacement                                | 207                        | 585                               | \$452.90                         | \$93,750                       | 849                                     | 496,665                             | \$0.05746                     | \$28,538                 | \$18,332                                 |   | \$18,332               | \$140,620              |                            |
| Energy Education for Student Program (NEED)                           | 589                        | 637                               | \$12.86                          | \$7,573                        | 111                                     | 70,707                              | \$0.05730                     | \$4,052                  | \$1,867                                  |   | \$1,867                | \$13,492               |                            |
| Community Outreach Program (CFL)                                      | 2,291                      | 6,324                             | \$15.84                          | \$36,283                       | 124                                     | 784,176                             | \$0.05758                     | \$45,153                 | \$10,928                                 |   | \$10,928               | \$92,364               |                            |
| Residential Efficient Products  |                            |                                   |                                  |                                |   |                                     |                               |                          |  |   |                        |                        |                            |
| - Compact Fluorescent Lamp (CFL)                                      | 100,849                    | 80,891                            | \$2.23                           | \$225,132                      | 23                                      | 1,860,493                           | \$0.05739                     | \$106,774                | \$85,722                                 |   | \$85,722               | \$417,628              |                            |
| - Specialty CFL's   | 12,552                     | 6,395                             | \$2.38                           | \$29,894                       | 30                                      | 191,860                             | \$0.05793                     | \$11,114                 | \$14,560                                 |   | \$14,560               | \$55,568               |                            |
| - LED Lights  | 0                          | 0                                 | \$0.00                           | \$223                          | 0                                       | 0                                   | \$0.05854                     | \$0                      | \$0                                      |   | \$11                   | \$234                  |                            |
| HVAC Diagnostic & Tune-Up   |                            |                                   |                                  |                                |   |                                     |                               |                          |  |   |                        |                        |                            |
| - Air Conditioner   | 0                          | 69                                | \$0.00                           | \$200                          | 63                                      | 4,347                               | \$0.05714                     | \$248                    | \$0                                      |   | \$10                   | \$458                  |                            |
| - Heat Pump   | 69                         | 296                               | \$183.48                         | \$12,660                       | 234                                     | 69,264                              | \$0.05744                     | \$3,979                  | \$0                                      |   | \$633                  | \$17,272               |                            |
| Residential Load Management (Pilot Program)                           |                            |                                   |                                  |                                |   |                                     |                               |                          |  |   |                        |                        |                            |
| - Air Conditioner   | 0                          | 0                                 | \$0.00                           | \$8,658                        | 0                                       | 0                                   | \$0.00000                     | \$0                      | \$0                                      |   | \$0                    | \$8,658                |                            |
| - Water Heating   | 0                          | 0                                 | \$0.00                           | \$8,628                        | 0                                       | 0                                   | \$0.00000                     | \$0                      | \$0                                      |   | \$0                    | \$8,628                |                            |
| TOTAL RESIDENTIAL PROGRAMS  | 117,461                    | 101,134                           |                                  | \$800,406                      |   | 6,845,722                           |                               | \$393,497                | \$171,950                                |   | \$699                  | \$1,366,562            |                            |

| Year 2013   |                            |                                   |  |                                   |   |  |                               |                                     |  |   |                                    |  |
|---|----------------------------|-----------------------------------|--|-----------------------------------|---|--|-------------------------------|-------------------------------------|--|---|------------------------------------|--|
| KENTUCKY POWER COMPANY<br>ESTIMATED SECTOR SURCHARGES FOR 3<br>YEAR PROGRAM |                            |                                   |  |                                   |   |  |                               |                                     |  |   |                                    |  |
| YEAR 18 (1st HALF)  |                            |                                   |  |                                   |   |  |                               |                                     |  |   |                                    |  |
| PROGRAM DESCRIPTIONS  | NEW PARTICIPANT NUMBER (1) | CUMULATIVE PARTICIPANT NUMBER (2) | AVERAGE ESTIMATED PROGRAM COSTS (3)<br>PER PARTICIPANT (4) / (1) | TOTAL ESTIMATED PROGRAM COSTS (4) | NET LOST REV/QTRS (KWH/PARTICIPANT) (5) | TOTAL ENERGY SAVINGS KWH/QTRS (6)<br>(2)X(5) | NET LOST REVENUE (\$/KWH) (7) | TOTAL NET * REVENUES (8)<br>(6)X(7) | EFFICIENCY INCENTIVE (EX. C, PG.210) (9) | MAXIMIZING INCENTIVE (5% of COSTS) (10)<br>(4)X(5%) | INCENTIVE TOTAL * (11)<br>(9)+(10) | TOTAL ESTIMATED COSTS TO BE RECOVERED (12)<br>(4)+(8)+(11) |
| <b>COMMERCIAL PROGRAMS</b>  |                            |                                   |  |                                   |   |  |                               |                                     |  |   |                                    |  |
| Smart Audit - Class 1   | 0                          | 0                                 | \$0.00   | \$0                               | 0                                       | 0  | n/a                           | \$0                                 | \$0                                      | \$0   | \$0                                | \$0  |
| - Class 2   | 0                          | 0                                 | \$0.00   | \$0                               | 0                                       | 0  | n/a                           | \$0                                 | \$0                                      | \$0   | \$0                                | \$0  |
| Smart Financing - Existing Building   | 0                          | 0                                 | \$0.00   | \$0                               | 0                                       | 0  | \$0.00000                     | \$0                                 | \$0                                      | \$0   | \$0                                | \$0  |
| Smart Financing - New Building  | 0                          | 0                                 | \$0.00   | \$0                               | 0                                       | 0  | \$0.00000                     | \$0                                 | \$0                                      | \$0   | \$0                                | \$0  |
| Commercial A/C & Heat Pump Program  | 0                          | 1                                 | \$0.00   | \$0                               | 121                                     | 121  | \$0.07106                     | \$9                                 | \$0                                      | \$0   | \$0                                | \$9  |
| - Air Conditioner Replacement   | 5                          | 15                                | \$540.00   | \$2,700                           | 570                                     | 8,550  | \$0.07108                     | \$608                               | \$0                                      | \$135   | \$135                              | \$3,443  |
| HVAC Diagnostic & Tune-Up   | 0                          | 12                                | \$0.00   | \$125                             | 115                                     | 1,380  | \$0.07109                     | \$98                                | \$0                                      | \$6   | \$6                                | \$229  |
| - Air Conditioner   | 6                          | 27                                | \$263.33   | \$1,580                           | 349                                     | 9,423  | \$0.07114                     | \$670                               | \$0                                      | \$79  | \$79                               | \$2,329  |
| Commercial Incentive  | 53                         | 31                                | \$5,851.98   | \$310,155                         | 8,788                                   | 272,428                                      | \$0.07038                     | \$19,173                            | \$0                                      | \$15,508  | \$15,508                           | \$344,836  |
| Commercial Load Management (Pilot Program)                                  | 0                          | 0                                 | \$0.00   | \$750                             | 0                                       | 0  | \$0.00000                     | \$0                                 | \$0                                      | \$0   | \$0                                | \$750  |
| - Air Conditioner   | 0                          | 0                                 | \$0.00   | \$750                             | 0                                       | 0  | \$0.00000                     | \$0                                 | \$0                                      | \$0   | \$0                                | \$750  |
| - Water Heating   | 64                         | 86                                |  | \$316,060                         |   | 291,902                                      |                               | \$20,558                            | \$0                                      | \$15,728  | \$15,728                           | \$352,346  |
| TOTAL COMMERCIAL PROGRAMS   |                            |                                   |  |                                   |   |  |                               |                                     |  |   |                                    |  |
| <b>INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)</b>                      |                            |                                   |  |                                   |   |  |                               |                                     |  |   |                                    |  |
| Smart Audit - Class 1   | 0                          | 0                                 | \$0.00   | \$0                               | 0                                       | 0  | n/a                           | \$0                                 | \$0                                      | \$0   | \$0                                | \$0  |
| Smart Audit - Class 2   | 0                          | 0                                 | \$0.00   | \$0                               | 0                                       | 0  | n/a                           | \$0                                 | \$0                                      | \$0   | \$0                                | \$0  |
| Smart Financing - General   | 0                          | 0                                 | \$0.00   | \$0                               | 0                                       | 0  | \$0.00000                     | \$0                                 | \$0                                      | \$0   | \$0                                | \$0  |
| Smart Financing - Compressed Air System                                     | 0                          | 0                                 | \$0.00   | \$0                               | 0                                       | 0  | \$0.00000                     | \$0                                 | \$0                                      | \$0   | \$0                                | \$0  |
| TOTAL INDUSTRIAL PROGRAMS   | 0                          | 0                                 |  | \$0                               |   | 0  |                               | \$0                                 | \$0                                      | \$0   | \$0                                | \$0  |
| TOTAL COMPANY   | 117,525                    | 101,220                           |  | \$1,116,466                       |   | 7,137,624                                    |                               | \$414,055                           | \$171,950                                | \$16,427  | \$188,377                          | \$1,718,898  |

\* Lost revenue and efficiency incentives are based on prospective values.  
 \*\* Cumulative participants include a reduction for the cumulative participants as of 01/01/2009 (High Efficiency Heat Pump, Energy Education for Students and Community Outreach Program (CFL)).

| Year 2013   |                            |                                   |   |                                |   |                                     |                               |                        |  |   |                                    |   |
|---|----------------------------|-----------------------------------|---|--------------------------------|---|-------------------------------------|-------------------------------|------------------------|--|---|------------------------------------|---|
| KENTUCKY POWER COMPANY<br>ESTIMATED SECTOR SURCHARGES FOR 3<br>YEAR PROGRAM |                            |                                   |   |                                |   |                                     |                               |                        |  |   |                                    |   |
| YEAR 18 (2nd HALF)  |                            |                                   |   |                                |   |                                     |                               |                        |  |   |                                    |   |
| PROGRAM DESCRIPTIONS  | NEW PARTICIPANT NUMBER (1) | CUMULATIVE PARTICIPANT NUMBER (2) | AVERAGE ACTUAL PROGRAM COSTS (3)<br>(4)/(1) | TOTAL ACTUAL PROGRAM COSTS (4) | NET LOST REV/QTRS (KWH/PARTICIPANT) (5) | TOTAL ENERGY SAVINGS (KWH/QTRS) (6) | NET LOST REVENUE (\$/KWH) (7) | TOTAL NET * LOSSES (8) | EFFICIENCY INCENTIVE (EX. C, PG.21C) (9) | MAXIMIZING INCENTIVE (5% of COSTS) (10) | TOTAL * INCENTIVE (11)<br>(9)+(10) | TOTAL ACTUAL COSTS TO BE RECOVERED (12)<br>(4)+(8)+(11) |
| RESIDENTIAL PROGRAMS  |                            |                                   |   |                                |   |                                     |                               |                        |  |   |                                    |   |
| Energy Fitness  | 0                          | 0                                 | \$0.00                                      | \$0                            | 0                                       | 0                                   | \$0.00000                     | \$0                    | \$0                                      | \$0                                     | \$0                                | \$0   |
| Targeted Energy Efficiency  |                            |                                   |   |                                |   |                                     |                               |                        |  |   |                                    |   |
| - All Electric  | 65                         | 434                               | \$1,191.70                                  | \$77,461                       | 981                                     | 425,754                             | \$0.05749                     | \$24,477               | \$6,967                                  | \$0                                     | \$6,967                            | \$108,905   |
| - Non-All Electric  | 6                          | 73                                | \$227.63                                    | \$1,366                        | 436                                     | 31,828                              | \$0.05746                     | \$1,829                | \$0                                      | \$68                                    | \$68                               | \$3,263   |
| Compact Fluorescent Bulb  | 0                          | 0                                 | \$0.00                                      | \$0                            | 0                                       | 0                                   | \$0.00000                     | \$0                    | \$0                                      | \$0                                     | \$0                                | \$0   |
| High - Efficiency Heat Pump   | 0                          | 0                                 | \$0.00                                      | \$0                            | 0                                       | 0                                   | \$0.00000                     | \$0                    | \$0                                      | \$0                                     | \$0                                | \$0   |
| - Resistance Heat   | 0                          | 0                                 | \$0.00                                      | \$0                            | 0                                       | 0                                   | \$0.00000                     | \$0                    | \$0                                      | \$0                                     | \$0                                | \$0   |
| - Non Resistance Heat   | 0                          | 0                                 | \$0.00                                      | \$0                            | 0                                       | 0                                   | \$0.00000                     | \$0                    | \$0                                      | \$0                                     | \$0                                | \$0   |
| High - Efficiency Heat Pump   | 124                        | 666                               | \$420.45                                    | \$52,136                       | 1,291                                   | 859,806                             | \$0.05747                     | \$49,413               | \$29,357                                 | \$0                                     | \$29,357                           | \$130,906   |
| - Mobile Home   |                            |                                   |   |                                |   |                                     |                               |                        |  |   |                                    |   |
| Mobile Home New Construction  |                            |                                   |   |                                |   |                                     |                               |                        |  |   |                                    |   |
| - Heat Pump   | 88                         | 562                               | \$448.81                                    | \$39,495                       | 840                                     | 472,080                             | \$0.05747                     | \$27,130               | \$7,300                                  | \$0                                     | \$7,300                            | \$73,925  |
| - Air Conditioner   | 0                          | 0                                 | \$0.00                                      | \$0                            | 0                                       | 0                                   | \$0.00000                     | \$0                    | \$0                                      | \$0                                     | \$0                                | \$0   |
| Modified Energy Fitness   | 602                        | 3,613                             | \$440.32                                    | \$265,074                      | 325                                     | 1,174,225                           | \$0.05751                     | \$67,530               | \$3,835                                  | \$0                                     | \$3,835                            | \$336,439   |
| High Efficiency Heat Pump   |                            |                                   |   |                                |   |                                     |                               |                        |  |   |                                    |   |
| - Resistance Heat Replacement   | 81                         | 576                               | \$471.40                                    | \$38,183                       | 671                                     | 386,496                             | \$0.05750                     | \$22,224               | \$3,183                                  | \$0                                     | \$3,183                            | \$63,500  |
| - Non Resistance Heat Pump Replacement                                      | 223                        | 1,040                             | \$359.58                                    | \$80,186                       | 849                                     | 882,960                             | \$0.05746                     | \$50,735               | \$19,749                                 | \$0                                     | \$19,749                           | \$150,670   |
| Energy Education for Student Program (NEED)                                 | 1,611                      | 3,796                             | \$13.52                                     | \$21,778                       | 111                                     | 421,356                             | \$0.05730                     | \$24,144               | \$5,107                                  | \$0                                     | \$5,107                            | \$51,029  |
| Community Outreach Program (CFL)  | 2,709                      | 4,296                             | \$7.94                                      | \$21,520                       | 124                                     | 532,704                             | \$0.05758                     | \$30,673               | \$12,922                                 | \$0                                     | \$12,922                           | \$65,115  |
| Residential Efficient Products  |                            |                                   |   |                                |   |                                     |                               |                        |  |   |                                    |   |
| - Compact Fluorescent Lamp (CFL)  | 66,314                     | 82,455                            | \$2.94                                      | \$194,980                      | 23                                      | 1,896,465                           | \$0.05739                     | \$108,838              | \$56,367                                 | \$0                                     | \$56,367                           | \$360,185   |
| - Specialty CFL's   | 7,748                      | 4,374                             | \$3.44                                      | \$26,636                       | 30                                      | 131,220                             | \$0.05793                     | \$7,602                | \$8,988                                  | \$0                                     | \$8,988                            | \$43,226  |
| - LED Lights  | 500                        | 205                               | \$0.00                                      | \$1,269                        | 0                                       | 0                                   | \$0.05854                     | \$0                    | \$0                                      | \$63                                    | \$63                               | \$1,332   |
| HVAC Diagnostic & Tune-Up   |                            |                                   |   |                                |   |                                     |                               |                        |  |   |                                    |   |
| - Air Conditioner   | 0                          | 148                               | \$0.00                                      | \$0                            | 63                                      | 9,324                               | \$0.05714                     | \$533                  | \$0                                      | \$0                                     | \$0                                | \$533   |
| - Heat Pump   | 111                        | 394                               | \$69.18                                     | \$9,899                        | 234                                     | 92,196                              | \$0.05744                     | \$5,296                | \$0                                      | \$495                                   | \$495                              | \$15,690  |
| Residential Load Management (Pilot Program)                                 |                            |                                   |   |                                |   |                                     |                               |                        |  |   |                                    |   |
| - Air Conditioner   | 0                          | 0                                 | \$0.00                                      | \$1,875                        | 0                                       | 0                                   | \$0.00000                     | \$0                    | \$0                                      | \$0                                     | \$0                                | \$1,875   |
| - Water Heating   | 0                          | 0                                 | \$0.00                                      | \$1,875                        | 0                                       | 0                                   | \$0.00000                     | \$0                    | \$0                                      | \$0                                     | \$0                                | \$1,875   |
| TOTAL RESIDENTIAL PROGRAMS  | 80,182                     | 102,632                           |   | \$833,733                      |   | 7,316,414                           |                               | \$420,424              | \$153,775                                | \$626                                   | \$154,401                          | \$1,408,568   |

| Year 2013  |                            |                                   |   |                                |   |                                   |                               |                        |  |  |                                    |  |  |  | Exhibit C |
|--|----------------------------|-----------------------------------|---|--------------------------------|---|-----------------------------------|-------------------------------|------------------------|--|--|------------------------------------|--|--|--|-----------|
| KENTUCKY POWER COMPANY   |                            |                                   |   |                                |   |                                   |                               |                        |  |  |                                    |  |  |  | PAGE      |
| ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM   |                            |                                   |   |                                |   |                                   |                               |                        |  |  |                                    |  |  |  | 19B-2 of  |
| YEAR 18 (2nd HALF)   |                            |                                   |   |                                |   |                                   |                               |                        |  |  |                                    |  |  |  | 23        |
| PROGRAM DESCRIPTIONS   | NEW PARTICIPANT NUMBER (1) | CUMULATIVE PARTICIPANT NUMBER (2) | AVERAGE ACTUAL PROGRAM COSTS (3)<br>(4)/(1) | TOTAL ACTUAL PROGRAM COSTS (4) | NET LOST REV/QTRS (KWH/PARTICIPANT) (5) | TOTAL ENERGY SAVINGS KWH/QTRS (6) | NET LOST REVENUE (\$/KWH) (7) | TOTAL NET * LOSSES (8) | EFFICIENCY INCENTIVE (EX. C, PG.210) (9) | MAXIMIZING INCENTIVE (5% of COSTS) (10)<br>(4)X(.5%) | TOTAL * INCENTIVE (11)<br>(9)+(10) | COSTS TO BE RECOVERED (12)<br>(4)+(8)+(11) |  |  |           |
| <b>COMMERCIAL PROGRAMS</b>   |                            |                                   |   |                                |   |                                   |                               |                        |  |  |                                    |  |  |  |           |
| Smart Audit - Class 1  | 0                          | 0                                 | \$0.00                                      | \$0                            | 0                                       | 0                                 | n/a                           | \$0                    | \$0                                      | \$0  | \$0                                | \$0  |  |  |           |
| - Class 2  | 0                          | 0                                 | \$0.00                                      | \$0                            | 0                                       | 0                                 | n/a                           | \$0                    | \$0                                      | \$0  | \$0                                | \$0  |  |  |           |
| Smart Financing - Existing Building  | 0                          | 0                                 | \$0.00                                      | \$0                            | 0                                       | 0                                 | \$0.00000                     | \$0                    | \$0                                      | \$0  | \$0                                | \$0  |  |  |           |
| Smart Financing - New Building   | 0                          | 0                                 | \$0.00                                      | \$0                            | 0                                       | 0                                 | \$0.00000                     | \$0                    | \$0                                      | \$0  | \$0                                | \$0  |  |  |           |
| Commercial A/C & Heat Pump Program   | 0                          | 1                                 | \$0.00                                      | \$1,990                        | 120                                     | 120                               | \$0.07106                     | \$9                    | \$0                                      | \$100  | \$100                              | \$2,099                                    |  |  |           |
| - Air Conditioner Replacement  | 6                          | 13                                | \$1,030.44                                  | \$6,183                        | 570                                     | 7,410                             | \$0.07108                     | \$527                  | \$0                                      | \$309  | \$309                              | \$7,019                                    |  |  |           |
| HVAC Diagnostic & Tune-Up  | 0                          | 21                                | \$0.00                                      | \$0                            | 115                                     | 2,415                             | \$0.07109                     | \$172                  | \$0                                      | \$0  | \$0                                | \$172                                      |  |  |           |
| - Air Conditioner  | 10                         | 57                                | \$539.70                                    | \$5,397                        | 348                                     | 19,836                            | \$0.07114                     | \$1,411                | \$0                                      | \$270  | \$270                              | \$7,078                                    |  |  |           |
| Commercial Incentive   | 98                         | 79                                | \$6,512.07                                  | \$638,183                      | 8,788                                   | 694,252                           | \$0.07038                     | \$48,861               | \$0                                      | \$31,909   | \$31,909                           | \$718,953                                  |  |  |           |
| Commercial Load Management (Pilot Program)   | 0                          | 0                                 | \$0.00                                      | \$0                            | 0                                       | 0                                 | \$0.00000                     | \$0                    | \$0                                      | \$0  | \$0                                | \$0  |  |  |           |
| - Air Conditioner  | 0                          | 0                                 | \$0.00                                      | \$0                            | 0                                       | 0                                 | \$0.00000                     | \$0                    | \$0                                      | \$0  | \$0                                | \$0  |  |  |           |
| - Water Heating  | 114                        | 171                               |   | \$651,763                      |   | 724,033                           |                               | \$50,980               | \$0                                      | \$32,588   | \$32,588                           | \$735,321                                  |  |  |           |
| <b>TOTAL COMMERCIAL PROGRAMS</b>   |                            |                                   |   |                                |   |                                   |                               |                        |  |  |                                    |  |  |  |           |
| <b>INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)</b>   |                            |                                   |   |                                |   |                                   |                               |                        |  |  |                                    |  |  |  |           |
| Smart Audit - Class 1  | 0                          | 0                                 | \$0.00                                      | \$0                            | 0                                       | 0                                 | n/a                           | \$0                    | \$0                                      | \$0  | \$0                                | \$0  |  |  |           |
| Smart Audit - Class 2  | 0                          | 0                                 | \$0.00                                      | \$0                            | 0                                       | 0                                 | n/a                           | \$0                    | \$0                                      | \$0  | \$0                                | \$0  |  |  |           |
| Smart Financing - General  | 0                          | 0                                 | \$0.00                                      | \$0                            | 0                                       | 0                                 | \$0.00000                     | \$0                    | \$0                                      | \$0  | \$0                                | \$0  |  |  |           |
| Smart Financing - Compressed Air System  | 0                          | 0                                 | \$0.00                                      | \$0                            | 0                                       | 0                                 | \$0.00000                     | \$0                    | \$0                                      | \$0  | \$0                                | \$0  |  |  |           |
| <b>TOTAL INDUSTRIAL PROGRAMS</b>   |                            |                                   |   |                                |   |                                   |                               |                        |  |  |                                    |  |  |  |           |
| <b>TOTAL COMPANY</b>   |                            |                                   |   |                                |   |                                   |                               |                        |  |  |                                    |  |  |  |           |
|  | 80,296                     | 102,803                           |   | \$1,485,485                    |   | 8,040,447                         |                               | \$471,404              | \$153,775                                | \$33,214   | \$186,989                          | \$2,143,878                                |  |  |           |
| * Lost revenue and efficiency incentives are based on prospective values.  |                            |                                   |   |                                |   |                                   |                               |                        |  |  |                                    |  |  |  |           |
| ** Cumulative participants include a reduction for the cumulative participants as of 01/01/2009 (High Efficiency Heat Pump, Energy Education for Students and Community Outreach Program (CFL)). |                            |                                   |   |                                |   |                                   |                               |                        |  |  |                                    |  |  |  |           |

| Year 2014                                      |                            |                                   |   |                                |   |                                   |                               |                 |  |   |                                    |   |
|--|----------------------------|-----------------------------------|---|--------------------------------|---|-----------------------------------|-------------------------------|-----------------|--|---|------------------------------------|---|
| KENTUCKY POWER COMPANY                         |                            |                                   |   |                                |   |                                   |                               |                 |  |   |                                    |   |
| ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM |                            |                                   |   |                                |   |                                   |                               |                 |  |   |                                    |   |
| YEAR 19 (1st HALF)                             |                            |                                   |   |                                |   |                                   |                               |                 |  |   |                                    |   |
| PROGRAM DESCRIPTIONS                           | NEW PARTICIPANT NUMBER (1) | CUMULATIVE PARTICIPANT NUMBER (2) | AVERAGE ACTUAL PROGRAM COSTS PER PARTICIPANT (3)<br>(4) / (1) | TOTAL ACTUAL PROGRAM COSTS (4) | NET LOST REV/QTRS (KWH/PARTICIPANT) (5) | TOTAL ENERGY SAVINGS KWH/QTRS (6) | NET LOST REVENUE (\$/KWH) (7) | TOTAL NET * (8) | EFFICIENCY INCENTIVE (EX. C, PG.21C) (9) | MAXIMIZING INCENTIVE (5% of COSTS) (10)<br>(4)X(5%) | INCENTIVE TOTAL * (11)<br>(9)+(10) | TOTAL ACTUAL COSTS TO BE RECOVERED (12)<br>(4)+(8)+(11) |
| RESIDENTIAL PROGRAMS                           | 0                          | 0                                 | \$0.00  | \$0                            | 0                                       | (2)X(5)                           | \$0.00000                     | \$0             | \$0                                      | \$0   | \$0                                | \$0   |
| Energy Fitness                                 | 0                          | 0                                 | \$0.00  | \$0                            | 0                                       |                                   | \$0.00000                     | \$0             | \$0                                      | \$0   | \$0                                | \$0   |
| Targeted Energy Efficiency                     | 42                         | 387                               | \$1,817.35  | \$76,329                       | 1,131                                   | 437,697                           | \$0.05751                     | \$25,172        | \$6,439                                  | \$0   | \$6,439                            | \$107,940   |
| - All Electric                                 | 1                          | 51                                | \$2,527.93  | \$2,528                        | 217                                     | 11,067                            | \$0.05737                     | \$635           | \$1                                      | \$0   | \$1                                | \$3,164   |
| - Non-All Electric                             | 0                          | 0                                 | \$0.00  | \$0                            | 0                                       | 0                                 | \$0.00000                     | \$0             | \$0                                      | \$0   | \$0                                | \$0   |
| Compact Fluorescent Bulb                       | 104                        | 651                               | \$568.93  | \$59,169                       | 834                                     | 542,934                           | \$0.05748                     | \$31,208        | \$1,539                                  | \$0   | \$1,539                            | \$91,916  |
| High - Efficiency Heat Pump                    | 0                          | 0                                 | \$0.00  | \$0                            | 0                                       | 0                                 | \$0.00000                     | \$0             | \$0                                      | \$0   | \$0                                | \$0   |
| - Resistance Heat                              | 0                          | 0                                 | \$0.00  | \$0                            | 0                                       | 0                                 | \$0.00000                     | \$0             | \$0                                      | \$0   | \$0                                | \$0   |
| - Non Resistance Heat                          | 0                          | 0                                 | \$0.00  | \$0                            | 0                                       | 0                                 | \$0.00000                     | \$0             | \$0                                      | \$0   | \$0                                | \$0   |
| High - Efficiency Heat Pump                    | 56                         | 460                               | \$746.60  | \$41,809                       | 719                                     | 330,740                           | \$0.05750                     | \$19,018        | \$4,960                                  | \$0   | \$4,960                            | \$65,787  |
| - Mobile Home Retrofit                         | 0                          | 0                                 | \$0.00  | \$0                            | 0                                       | 0                                 | \$0.00000                     | \$0             | \$0                                      | \$0   | \$0                                | \$0   |
| Mobile Home New Construction                   | 590                        | 3,561                             | \$436.38  | \$257,463                      | 399                                     | 1,420,839                         | \$0.05744                     | \$81,613        | \$9,198                                  | \$0   | \$9,198                            | \$348,274   |
| - Heat Pump                                    | 0                          | 0                                 | \$0.00  | \$0                            | 0                                       | 0                                 | \$0.00000                     | \$0             | \$0                                      | \$0   | \$0                                | \$0   |
| - Air Conditioner                              | 0                          | 0                                 | \$0.00  | \$0                            | 0                                       | 0                                 | \$0.00000                     | \$0             | \$0                                      | \$0   | \$0                                | \$0   |
| Modified Energy Fitness                        | 82                         | 318                               | \$527.25  | \$43,235                       | 639                                     | 203,202                           | \$0.05746                     | \$11,676        | \$2,130                                  | \$0   | \$2,130                            | \$57,041  |
| High Efficiency Heat Pump                      | 249                        | 556                               | \$462.75  | \$115,225                      | 388                                     | 215,728                           | \$0.05745                     | \$12,394        | \$2,714                                  | \$0   | \$2,714                            | \$130,333   |
| - Resistance Heat Replacement                  | 603                        | 550                               | \$32.16   | \$19,390                       | 39                                      | 21,450                            | \$0.05692                     | \$1,221         | \$850                                    | \$0   | \$850                              | \$21,461  |
| - Non Resistance Heat Pump Replacement         | 1,915                      | 6,327                             | \$23.84   | \$45,656                       | 28                                      | 177,156                           | \$0.05786                     | \$10,250        | \$1,666                                  | \$0   | \$1,666                            | \$57,572  |
| Energy Education for Student Program (NEED)    | 160,760                    | 159,365                           | \$2.20  | \$353,791                      | 12                                      | 1,912,380                         | \$0.05767                     | \$110,287       | \$107,709                                | \$0   | \$107,709                          | \$571,787   |
| Community Outreach Program (CFL)               | 12,519                     | 14,522                            | \$2.81  | \$35,147                       | 17                                      | 246,874                           | \$0.05611                     | \$13,852        | \$11,267                                 | \$0   | \$11,267                           | \$60,266  |
| Residential Efficient Products                 | 248                        | 203                               | \$0.00  | \$5,184                        | 16                                      | 3,248                             | \$0.05675                     | \$184           | \$0                                      | \$259   | \$259                              | \$5,627   |
| - Compact Fluorescent Lamp (CFL)               | 0                          | 96                                | \$0.00  | \$0                            | 0                                       | 0                                 | \$0.00000                     | \$0             | \$0                                      | \$0   | \$0                                | \$0   |
| - Specialty CFL's                              | 52                         | 373                               | \$309.02  | \$16,069                       | 142                                     | 52,966                            | \$0.05744                     | \$3,042         | \$0                                      | \$803   | \$803                              | \$19,914  |
| - LED Lights                                   | 0                          | 0                                 | \$0.00  | \$0                            | 0                                       | 0                                 | \$0.00000                     | \$0             | \$0                                      | \$0   | \$0                                | \$0   |
| HVAC Diagnostic & Tune-Up                      | 0                          | 0                                 | \$0.00  | \$0                            | 0                                       | 0                                 | \$0.00000                     | \$0             | \$0                                      | \$0   | \$0                                | \$0   |
| - Air Conditioner                              | 0                          | 0                                 | \$0.00  | \$0                            | 0                                       | 0                                 | \$0.00000                     | \$0             | \$0                                      | \$0   | \$0                                | \$0   |
| - Heat Pump                                    | 0                          | 0                                 | \$0.00  | \$0                            | 0                                       | 0                                 | \$0.00000                     | \$0             | \$0                                      | \$0   | \$0                                | \$0   |
| Residential Load Management (Pilot Program)    | 177,221                    | 187,420                           | \$1,070.994   | \$1,070,994                    |   | 5,576,281                         |                               | \$320,552       | \$148,473                                | \$1,062   | \$149,535                          | \$1,541,081   |
| - Air Conditioner                              |                            |                                   |   |                                |   |                                   |                               |                 |  |   |                                    |   |
| - Water Heating                                |                            |                                   |   |                                |   |                                   |                               |                 |  |   |                                    |   |
| TOTAL RESIDENTIAL PROGRAMS                     |                            |                                   |   | \$1,070,994                    |   | 5,576,281                         |                               | \$320,552       | \$148,473                                | \$1,062   | \$149,535                          | \$1,541,081   |

| Year 2014  |                            |                                   |  |                                |   |                                   |                               |                               |  |   |                            |   |
|--|----------------------------|-----------------------------------|--|--------------------------------|---|-----------------------------------|-------------------------------|-------------------------------|--|---|----------------------------|---|
| KENTUCKY POWER COMPANY<br>ESTIMATED SECTOR SURCHARGES FOR 3<br>YEAR PROGRAM  |                            |                                   |  |                                |   |                                   |                               |                               |  |   |                            |   |
| Exhibit C<br>PAGE<br>20A-2 of 23   |                            |                                   |  |                                |   |                                   |                               |                               |  |   |                            |   |
| PROGRAM DESCRIPTIONS   | NEW PARTICIPANT NUMBER (1) | CUMULATIVE PARTICIPANT NUMBER (2) | AVERAGE ACTUAL PROGRAM COSTS PER PARTICIPANT (3) | TOTAL ACTUAL PROGRAM COSTS (4) | NET LOST REV/QTRS (KWH/PARTICIPANT) (5) | TOTAL ENERGY SAVINGS KWH/QTRS (6) | NET LOST REVENUE (\$/KWH) (7) | TOTAL NET * LOSS REVENUES (8) | EFFICIENCY INCENTIVE (EX. C, PG.21C) (9) | MAXIMIZING INCENTIVE (5% of COSTS) (10) | TOTAL * INCENTIVE (9)+(10) | TOTAL ACTUAL COSTS TO BE RECOVERED (12) |
|  |                            |                                   | (4) / (1)  |                                |   | (2)X(5)                           |                               | (6)X(7)                       |  | (4)X(5%)                                | (9)+(10)                   | (4)+(8)+(11)                            |
| COMMERCIAL PROGRAMS  |                            |                                   |  |                                |   |                                   |                               |                               |  |   |                            |   |
| Smart Audit - Class 1  | 0                          | 0                                 | \$0.00   | \$0                            | 0                                       | 0                                 | n/a                           | \$0                           | \$0                                      | \$0                                     | \$0                        | \$0                                     |
| - Class 2  | 0                          | 0                                 | \$0.00   | \$0                            | 0                                       | 0                                 | n/a                           | \$0                           | \$0                                      | \$0                                     | \$0                        | \$0                                     |
| Smart Financing - Existing Building  | 0                          | 0                                 | \$0.00   | \$0                            | 0                                       | 0                                 | \$0.00000                     | \$0                           | \$0                                      | \$0                                     | \$0                        | \$0                                     |
| Smart Financing - New Building   | 0                          | 0                                 | \$0.00   | \$0                            | 0                                       | 0                                 | \$0.00000                     | \$0                           | \$0                                      | \$0                                     | \$0                        | \$0                                     |
| Commercial A/C & Heat Pump Program   |                            |                                   |  |                                |   |                                   |                               |                               |  |   |                            |   |
| - Air Conditioner Replacement  | 0                          | 1                                 | \$0.00   | \$3,733                        | 67                                      | 67                                | \$0.07762                     | \$5                           | \$0                                      | \$0                                     | \$0                        | \$3,738                                 |
| - Heat Pump Replacement  | 7                          | 12                                | \$1,409.12                                       | \$9,864                        | 347                                     | 4,164                             | \$0.07758                     | \$323                         | \$0                                      | \$493                                   | \$493                      | \$10,680                                |
| HVAC Diagnostic & Tune-Up  |                            |                                   |  |                                |   |                                   |                               |                               |  |   |                            |   |
| - Air Conditioner  | 0                          | 13                                | \$0.00   | \$0                            | 0                                       | 0                                 | \$0.00000                     | \$0                           | \$0                                      | \$0                                     | \$0                        | \$0                                     |
| - Heat Pump  | 3                          | 45                                | \$3,083.14                                       | \$9,249                        | 334                                     | 15,030                            | \$0.07760                     | \$1,166                       | \$0                                      | \$0                                     | \$0                        | \$10,415                                |
| Commercial Incentive   | 47                         | 59                                | \$8,218.85                                       | \$386,286                      | 9,407                                   | 555,013                           | \$0.07610                     | \$42,236                      | \$34,760                                 | \$0                                     | \$34,760                   | \$463,282                               |
| Commercial Load Management (Pilot Program)   |                            |                                   |  |                                |   |                                   |                               |                               |  |   |                            |   |
| - Air Conditioner  | 0                          | 0                                 | \$0.00   | \$0                            | 0                                       | 0                                 | \$0.00000                     | \$0                           | \$0                                      | \$0                                     | \$0                        | \$0                                     |
| - Water Heating  | 0                          | 0                                 | \$0.00   | \$0                            | 0                                       | 0                                 | \$0.00000                     | \$0                           | \$0                                      | \$0                                     | \$0                        | \$0                                     |
| TOTAL COMMERCIAL PROGRAMS  | 57                         | 130                               | \$409,132  | \$409,132                      | 574,274                                 | \$43,730                          | \$34,760                      | \$35,253                      | \$488,115                                |   |                            |   |
| INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)  |                            |                                   |  |                                |   |                                   |                               |                               |  |   |                            |   |
| Smart Audit - Class 1  | 0                          | 0                                 | \$0.00   | \$0                            | 0                                       | 0                                 | \$0.00000                     | \$0                           | \$0                                      | \$0                                     | \$0                        | \$0                                     |
| Smart Audit - Class 2  | 0                          | 0                                 | \$0.00   | \$0                            | 0                                       | 0                                 | \$0.00000                     | \$0                           | \$0                                      | \$0                                     | \$0                        | \$0                                     |
| Smart Financing - General  | 0                          | 0                                 | \$0.00   | \$0                            | 0                                       | 0                                 | \$0.00000                     | \$0                           | \$0                                      | \$0                                     | \$0                        | \$0                                     |
| Smart Financing - Compressed Air System  | 0                          | 0                                 | \$0.00   | \$0                            | 0                                       | 0                                 | \$0.00000                     | \$0                           | \$0                                      | \$0                                     | \$0                        | \$0                                     |
| TOTAL INDUSTRIAL PROGRAMS  | 0                          | 0                                 | \$0  | \$0                            | 0                                       | 0                                 | \$0                           | \$0                           | \$0                                      | \$0                                     | \$0                        | \$0                                     |
| TOTAL COMPANY  | 177,278                    | 187,550                           | \$1,480,126                                      | \$1,480,126                    | 6,150,555                               | \$364,282                         | \$183,233                     | \$1,555                       | \$184,788                                | \$2,029,196                             |                            |   |
| * Lost revenue and efficiency incentives are based on prospective values.  |                            |                                   |  |                                |   |                                   |                               |                               |  |   |                            |   |
| ** Cumulative participants include a reduction for the cumulative participants as of 01/01/2009 (High Efficiency Heat Pump, Energy Education for Students and Community Outreach Program (CFL)). |                            |                                   |  |                                |   |                                   |                               |                               |  |   |                            |   |

| Year 2014                                   |                            |                                   |   |                                   |  |                                    |                               |                          |  |   |                  |                            |  | Exhibit C |
|---|----------------------------|-----------------------------------|---|-----------------------------------|--|------------------------------------|-------------------------------|--------------------------|--|---|------------------|----------------------------|--|-----------|
| KENTUCKY POWER COMPANY                      |                            |                                   |   |                                   |  |                                    |                               |                          |  |   |                  |                            |  | PAGE      |
| ESTIMATED SECTOR SURCHARGES FOR 3           |                            |                                   |   |                                   |  |                                    |                               |                          |  |   |                  |                            |  | 20B-1 of  |
| YEAR PROGRAM                                |                            |                                   |   |                                   |  |                                    |                               |                          |  |   |                  |                            |  | 23        |
| PROGRAM DESCRIPTIONS                        | NEW PARTICIPANT NUMBER (1) | CUMULATIVE PARTICIPANT NUMBER (2) | AVERAGE ESTIMATED PROGRAM COSTS PER PARTICIPANT (3) / (4) / (1) | TOTAL ESTIMATED PROGRAM COSTS (4) | NET LOST REV/QTRS (KWH/ PARTICIPANT) (5) | TOTAL ENERGY SAVINGS KWH/ QTRs (6) | NET LOSS REVENUE (\$/KWH) (7) | TOTAL NET * REVENUES (8) | EFFICIENCY INCENTIVE (EX. C, PG.21C) (9) | MAXIMIZING INCENTIVE (5% of COSTS) (10) | TOTAL * (9)+(10) | RECOVERED COSTS TO BE (12) | TOTAL ESTIMATED COSTS TO BE (4)+(8)+(11) |           |
| RESIDENTIAL PROGRAMS                        |                            |                                   |   |                                   |  |                                    |                               |                          |  |   |                  |                            |  |           |
| Modified Energy Fitness                     | 1,410                      | 3,988                             | \$412.22  | \$581,226                         | 399                                      | 1,591,212                          | \$0.05744                     | \$91,399                 | \$21,982                                 | \$0                                     | \$21,982         |                            | \$694,607                                |           |
| Targeted Energy Efficiency                  |                            |                                   |   |                                   |  |                                    |                               |                          |  |   |                  |                            |  |           |
| - All Electric                              | 83                         | 296                               | \$1,466.09  | \$121,685                         | 1,131                                    | 334,776                            | \$0.05751                     | \$19,253                 | \$12,726                                 | \$0                                     | \$12,726         |                            | \$153,664                                |           |
| - Non-All Electric                          | 19                         | 35                                | \$207.85  | \$3,949                           | 216                                      | 7,560                              | \$0.05737                     | \$434                    | \$22                                     | \$0                                     | \$22             |                            | \$4,405                                  |           |
| Mobile Home High - Efficiency Heat Pump     |                            |                                   |   |                                   |  |                                    |                               |                          |  |   |                  |                            |  |           |
| - Mobile Home Retrofit                      | 116                        | 654                               | \$473.53  | \$54,929                          | 834                                      | 545,436                            | \$0.05748                     | \$31,352                 | \$1,717                                  | \$0                                     | \$1,717          |                            | \$87,998                                 |           |
| Mobile Home New Construction                |                            |                                   |   |                                   |  |                                    |                               |                          |  |   |                  |                            |  |           |
| - Heat Pump                                 | 99                         | 467                               | \$576.39  | \$57,063                          | 719                                      | 335,773                            | \$0.05750                     | \$19,307                 | \$8,768                                  | \$0                                     | \$8,768          |                            | \$85,138                                 |           |
| - Air Conditioner                           | 0                          | 0                                 | \$0.00  | \$0                               | 0  | 0                                  |                               | \$0                      | \$0                                      | \$0                                     | \$0              |                            | \$0                                      |           |
| High Efficiency Heat Pump                   |                            |                                   |   |                                   |  |                                    |                               |                          |  |   |                  |                            |  |           |
| - Resistance Heat Replacement               | 83                         | 581                               | \$485.61  | \$40,305                          | 639                                      | 371,259                            | \$0.05746                     | \$21,333                 | \$2,156                                  | \$0                                     | \$2,156          |                            | \$63,794                                 |           |
| - Non Resistance Heat Pump Replacement      | 181                        | 933                               | \$536.82  | \$97,165                          | 387                                      | 361,071                            | \$0.05745                     | \$20,744                 | \$1,973                                  | \$0                                     | \$1,973          |                            | \$119,882                                |           |
| Energy Education for Student Program (NEED) | 1,597                      | 3,870                             | \$10.83   | \$17,298                          | 39                                       | 150,930                            | \$0.05692                     | \$8,591                  | \$2,252                                  | \$0                                     | \$2,252          |                            | \$28,141                                 |           |
| Community Outreach Program (CFL)            | 3,085                      | 5,948                             | \$6.44  | \$19,855                          | 28                                       | 166,544                            | \$0.05786                     | \$9,636                  | \$2,684                                  | \$0                                     | \$2,684          |                            | \$32,175                                 |           |
| Residential Efficient Products              |                            |                                   |   |                                   |  |                                    |                               |                          |  |   |                  |                            |  |           |
| - Compact Fluorescent Lamp (CFL)            | 79,240                     | 71,914                            | \$4.31  | \$341,554                         | 13                                       | 934,882                            | \$0.05767                     | \$53,915                 | \$53,091                                 | \$0                                     | \$53,091         |                            | \$448,560                                |           |
| - Specialty CFL's                           | 7,481                      | 7,389                             | \$8.19  | \$61,259                          | 17                                       | 125,613                            | \$0.05611                     | \$7,048                  | \$6,733                                  | \$0                                     | \$6,733          |                            | \$75,040                                 |           |
| - LED Lights                                | 4,252                      | 2,371                             | \$0.00  | \$47,005                          | 16                                       | 37,936                             | \$0.05675                     | \$2,153                  | \$0                                      | \$2,350                                 | \$2,350          |                            | \$51,508                                 |           |
| HVAC Diagnostic & Tune-Up                   |                            |                                   |   |                                   |  |                                    |                               |                          |  |   |                  |                            |  |           |
| - Air Conditioner                           | 0                          | 115                               | \$0.00  | \$0                               | 0  | 0                                  | \$0.00000                     | \$0                      | \$0                                      | \$0                                     | \$0              |                            | \$0                                      |           |
| - Heat Pump                                 | 28                         | 475                               | \$100.19  | \$2,805                           | 142                                      | 67,450                             | \$0.05744                     | \$3,874                  | \$0                                      | \$0                                     | \$0              |                            | \$6,679                                  |           |
| Residential Load Management (Pilot Program) |                            |                                   |   |                                   |  |                                    |                               |                          |  |   |                  |                            |  |           |
| - Air Conditioner                           | 0                          | 0                                 | \$0.00  | \$0                               | 0  | 0                                  | \$0.00000                     | \$0                      | \$0                                      | \$0                                     | \$0              |                            | \$0                                      |           |
| - Water Heating                             | 0                          | 0                                 | \$0.00  | \$0                               | 0  | 0                                  | \$0.00000                     | \$0                      | \$0                                      | \$0                                     | \$0              |                            | \$0                                      |           |
| General Administrative and Promotion        | 0                          | 0                                 | \$0.00  | \$77,022                          | 0  | 0                                  | \$0.00000                     | \$0                      | \$0                                      | \$0                                     | \$0              |                            | \$0                                      |           |
| TOTAL RESIDENTIAL PROGRAMS                  | 97,674                     | 99,036                            |   | \$1,523,121                       |  | 5,030,442                          |                               | \$289,039                | \$114,104                                | \$2,350                                 | \$116,454        |                            | \$1,851,592                              |           |

| Year 2014  |                            |                                   |   |                                   |   |                                      |                               |                       |  |   |                           |  | Exhibit C        |
|--|----------------------------|-----------------------------------|---|-----------------------------------|---|--------------------------------------|-------------------------------|-----------------------|--|---|---------------------------|--|------------------|
| KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM  |                            |                                   |   |                                   |   |                                      |                               |                       |  |   |                           |  | PAGE 20A-2 of 23 |
| PROGRAM DESCRIPTIONS   | NEW PARTICIPANT NUMBER (1) | CUMULATIVE PARTICIPANT NUMBER (2) | AVERAGE ESTIMATED PROGRAM COSTS PER PARTICIPANT (3) | TOTAL ESTIMATED PROGRAM COSTS (4) | NET LOST REV/OTRS (KWH/ QTRS PARTICIPANT) (5) | TOTAL ENERGY SAVINGS (KWH/ QTRS) (6) | NET LOST REVENUE (\$/KWH) (7) | TOTAL NET* LOSSES (8) | EFFICIENCY INCENTIVE (EX. C, PG.21C) (9) | MAXIMIZING INCENTIVE (5% of COSTS) (10) | TOTAL* INCENTIVE (9)+(10) | TOTAL ESTIMATED COSTS TO BE RECOVERED (12) |                  |
|  |                            |                                   |   |                                   |   |                                      |                               |                       |  |   |                           |  | (4)/(1)          |
| <b>COMMERCIAL PROGRAMS</b>   |                            |                                   |   |                                   |   |                                      |                               |                       |  |   |                           |  |                  |
| Smart Audit - Class 1  | 0                          | 0                                 | \$0.00  | \$0                               | 0   | 0                                    | n/a                           | \$0                   | \$0                                      | \$0                                     | \$0                       | \$0  |                  |
| Smart Audit - Class 2  | 0                          | 0                                 | \$0.00  | \$0                               | 0   | 0                                    | n/a                           | \$0                   | \$0                                      | \$0                                     | \$0                       | \$0  |                  |
| Smart Financing - Existing Building  | 0                          | 0                                 | \$0.00  | \$0                               | 0   | 0                                    | \$0.00000                     | \$0                   | \$0                                      | \$0                                     | \$0                       | \$0  |                  |
| Smart Financing - New Building   | 0                          | 0                                 | \$0.00  | \$0                               | 0   | 0                                    | \$0.00000                     | \$0                   | \$0                                      | \$0                                     | \$0                       | \$0  |                  |
| Commercial A/C & Heat Pump Program   |                            |                                   |   |                                   |   |                                      |                               |                       |  |   |                           |  |                  |
| - Air Conditioner Replacement  | 5                          | 7                                 | \$0.00  | \$2,572                           | 68  | 476                                  | \$0.07762                     | \$37                  | \$0                                      | \$129                                   | \$129                     | \$2,738                                    |                  |
| - Heat Pump Replacement  | 3                          | 9                                 | \$741.53  | \$2,225                           | 348   | 3,132                                | \$0.07758                     | \$243                 | \$0                                      | \$111                                   | \$111                     | \$2,579                                    |                  |
| HVAC Diagnostic & Tune-Up  |                            |                                   |   |                                   |   |                                      |                               |                       |  |   |                           |  |                  |
| - Air Conditioner  | 0                          | 9                                 | \$0.00  | \$0                               | 0   | 0                                    | \$0.00000                     | \$0                   | \$0                                      | \$0                                     | \$0                       | \$0  |                  |
| - Heat Pump  | 3                          | 31                                | \$369.03  | \$1,107                           | 334   | 10,354                               | \$0.07760                     | \$803                 | \$0                                      | \$0                                     | \$0                       | \$1,910                                    |                  |
| Commercial Incentive   | 210                        | 248                               | \$4,723.84  | \$992,007                         | 9,406   | 2,332,688                            | \$0.07610                     | \$177,518             | \$155,310                                | \$0                                     | \$155,310                 | \$1,324,834.92                             |                  |
| Commercial Load Management (Pilot Program)   |                            |                                   |   |                                   |   |                                      |                               |                       |  |   |                           |  |                  |
| - Air Conditioner  | 0                          | 0                                 | \$0.00  | \$0                               | 0   | 0                                    | \$0.00000                     | \$0                   | \$0                                      | \$0                                     | \$0                       | \$0  |                  |
| - Water Heating  | 0                          | 0                                 | \$0.00  | \$0                               | 0   | 0                                    | \$0.00000                     | \$0                   | \$0                                      | \$0                                     | \$0                       | \$0  |                  |
| School Energy Management   | 0                          | 0                                 | \$0.00  | \$0                               | 0   | 0                                    | \$0.00000                     | \$0                   | \$0                                      | \$0                                     | \$0                       | \$0  |                  |
| General Administrative and Promotion   | 0                          | 0                                 | \$0.00  | \$77,022                          | 0   | 0                                    | \$0.00000                     | \$0                   | \$0                                      | \$0                                     | \$0                       | \$0  |                  |
| <b>TOTAL COMMERCIAL PROGRAMS</b>   | <b>221</b>                 | <b>304</b>                        |   | <b>\$1,074,933</b>                |   | <b>2,346,650</b>                     |                               | <b>\$178,601</b>      | <b>\$155,310</b>                         | <b>\$240</b>                            | <b>\$155,550</b>          | <b>\$1,332,062</b>                         |                  |
| <b>INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)</b>   |                            |                                   |   |                                   |   |                                      |                               |                       |  |   |                           |  |                  |
| Smart Audit - Class 1  | 0                          | 0                                 | \$0.00  | \$0                               | 0   | 0                                    | \$0.00000                     | \$0                   | \$0                                      | \$0                                     | \$0                       | \$0  |                  |
| Smart Audit - Class 2  | 0                          | 0                                 | \$0.00  | \$0                               | 0   | 0                                    | \$0.00000                     | \$0                   | \$0                                      | \$0                                     | \$0                       | \$0  |                  |
| Smart Financing - General  | 0                          | 0                                 | \$0.00  | \$0                               | 0   | 0                                    | \$0.00000                     | \$0                   | \$0                                      | \$0                                     | \$0                       | \$0  |                  |
| Smart Financing - Compressed Air System  | 0                          | 0                                 | \$0.00  | \$0                               | 0   | 0                                    | \$0.00000                     | \$0                   | \$0                                      | \$0                                     | \$0                       | \$0  |                  |
| <b>TOTAL INDUSTRIAL PROGRAMS</b>   | <b>0</b>                   | <b>0</b>                          |   | <b>\$0</b>                        |   | <b>0</b>                             |                               | <b>\$0</b>            | <b>\$0</b>                               | <b>\$0</b>                              | <b>\$0</b>                | <b>\$0</b>                                 |                  |
| <b>TOTAL COMPANY</b>   | <b>97,895</b>              | <b>99,340</b>                     |   | <b>\$2,598,055</b>                |   | <b>7,377,092</b>                     |                               | <b>\$467,640</b>      | <b>\$269,414</b>                         | <b>\$2,590</b>                          | <b>\$272,004</b>          | <b>\$3,183,655</b>                         |                  |
| * Last revenue and efficiency incentives are based on prospective values.  |                            |                                   |   |                                   |   |                                      |                               |                       |  |   |                           |  |                  |
| ** Cumulative participants include a reduction for the cumulative participants as of 01/01/2009 (High Efficiency Heat Pump, Energy Education for Students and Community Outreach Program (CFL)). |                            |                                   |   |                                   |   |                                      |                               |                       |  |   |                           |  |                  |



| PROGRAM DESCRIPTIONS   | NEW PARTICIPANT NUMBER (1) | CUMULATIVE PARTICIPANT NUMBER (2) | AVERAGE ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)<br>(4)/(1) | TOTAL ESTIMATED PROGRAM COSTS (4) | NET LOST REVENUE (\$/KWH) (7) | TOTAL ENERGY SAVINGS KWH/QTRs (6) | EFFICIENCY (EX. C. Pg.21C) (9) | MAXIMIZING INCENTIVE (5% of COSTS) (10)<br>(4)X(5%) | TOTAL * INCENTIVE (11)<br>(9)X(10) | TOTAL COSTS TO BE RECOVERED (12)<br>(4)+6)+11) |                               |
|--|----------------------------|-----------------------------------|--|-----------------------------------|-------------------------------|-----------------------------------|--------------------------------|---|------------------------------------|--|-------------------------------|
|  |                            |                                   |  |                                   |                               |                                   |                                |   |                                    |  | NET LOST REVENUE (\$/KWH) (7) |
| <b>Year 2015</b>   |                            |                                   |  |                                   |                               |                                   |                                |   |                                    |  |                               |
| KENTUCKY POWER COMPANY   |                            |                                   |  |                                   |                               |                                   |                                |   |                                    |  |                               |
| ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM   |                            |                                   |  |                                   |                               |                                   |                                |   |                                    |  |                               |
| <b>YEAR 20 (1st HALF)</b>  |                            |                                   |  |                                   |                               |                                   |                                |   |                                    |  |                               |
| COMMERCIAL PROGRAMS  |                            |                                   |  |                                   |                               |                                   |                                |   |                                    |  |                               |
| Smart Audit - Class 1  | 0                          | 0                                 | \$0.00   | \$0                               | n/a                           | 0                                 | \$0                            | \$0   | \$0                                | \$0  |                               |
| - Class 2  | 0                          | 0                                 | \$0.00   | \$0                               | n/a                           | 0                                 | \$0                            | \$0   | \$0                                | \$0  |                               |
| Smart Financing - Existing Building  | 0                          | 0                                 | \$0.00   | \$0                               | \$0.00000                     | 0                                 | \$0                            | \$0   | \$0                                | \$0  |                               |
| Smart Financing - New Building   | 0                          | 0                                 | \$0.00   | \$0                               | \$0.00000                     | 0                                 | \$0                            | \$0   | \$0                                | \$0  |                               |
| Commercial A/C & Heat Pump Program   |                            |                                   |  |                                   |                               |                                   |                                |   |                                    |  |                               |
| - Air Conditioner Replacement  | 2                          | 0                                 | \$0.00   | \$1,100                           | \$0.07762                     | 0                                 | \$0                            | \$0   | \$55                               | \$1,155  |                               |
| - Heat Pump Replacement  | 4                          | 7                                 | \$550.00   | \$2,200                           | \$0.07758                     | 2,429                             | \$0                            | \$0   | \$110                              | \$2,498  |                               |
| HVAC Diagnostic & Tune-Up  |                            |                                   |  |                                   |                               |                                   |                                |   |                                    |  |                               |
| - Air Conditioner  | 0                          | 0                                 | \$0.00   | \$0                               | \$0.00000                     | 0                                 | \$0                            | \$0   | \$0                                | \$0  |                               |
| - Heat Pump  | 0                          | 3                                 | \$0.00   | \$0                               | \$0.07760                     | 1,002                             | \$0                            | \$0   | \$0                                | \$78   |                               |
| Commercial Incentive   | 90                         | 84                                | \$6,779.46   | \$610,151                         | \$0.07610                     | 790,188                           | \$66,561                       | \$0   | \$66,561                           | \$736,845                                      |                               |
| Commercial Load Management (Pilot Program)   |                            |                                   |  |                                   |                               |                                   |                                |   |                                    |  |                               |
| - Air Conditioner  | 0                          | 0                                 | \$0.00   | \$0                               | \$0.00000                     | 0                                 | \$0                            | \$0   | \$0                                | \$0  |                               |
| - Water Heating  | 0                          | 0                                 | \$0.00   | \$0                               | \$0.00000                     | 0                                 | \$0                            | \$0   | \$0                                | \$0  |                               |
| School Energy Management   | 0                          | 0                                 | \$0.00   | \$0                               | \$0.00000                     | 0                                 | \$0                            | \$0   | \$0                                | \$0  |                               |
| General Administrative and Promotion   | 0                          | 0                                 | \$0.00   | \$111,546                         | \$0.00000                     | 0                                 | \$0                            | \$0   | \$0                                | \$0  |                               |
| <b>TOTAL COMMERCIAL PROGRAMS</b>   | <b>96</b>                  | <b>94</b>                         | <b>\$724,999</b>   | <b>\$724,999</b>                  | <b>\$60,399</b>               | <b>793,619</b>                    | <b>\$66,561</b>                | <b>\$165</b>  | <b>\$66,726</b>                    | <b>\$740,576</b>                               |                               |
| <b>INDUSTRIAL PROGRAMS -</b>   |                            |                                   |  |                                   |                               |                                   |                                |   |                                    |  |                               |
| <b>(w/Est. Opt-Outs Removed)</b>   |                            |                                   |  |                                   |                               |                                   |                                |   |                                    |  |                               |
| Smart Audit - Class 1  | 0                          | 0                                 | \$0.00   | \$0                               | \$0.00000                     | 0                                 | \$0                            | \$0   | \$0                                | \$0  |                               |
| Smart Audit - Class 2  | 0                          | 0                                 | \$0.00   | \$0                               | \$0.00000                     | 0                                 | \$0                            | \$0   | \$0                                | \$0  |                               |
| Smart Financing - General  | 0                          | 0                                 | \$0.00   | \$0                               | \$0.00000                     | 0                                 | \$0                            | \$0   | \$0                                | \$0  |                               |
| Smart Financing - Compressed Air System  | 0                          | 0                                 | \$0.00   | \$0                               | \$0.00000                     | 0                                 | \$0                            | \$0   | \$0                                | \$0  |                               |
| <b>TOTAL INDUSTRIAL PROGRAMS</b>   | <b>0</b>                   | <b>0</b>                          | <b>\$0</b>   | <b>\$0</b>                        | <b>\$0</b>                    | <b>0</b>                          | <b>\$0</b>                     | <b>\$0</b>  | <b>\$0</b>                         | <b>\$0</b>                                     |                               |
| <b>TOTAL COMPANY</b>   | <b>153,740</b>             | <b>130,528</b>                    | <b>\$2,360,530</b>   | <b>\$2,360,530</b>                | <b>\$958,970</b>              | <b>5,989,177</b>                  | <b>\$205,231</b>               | <b>\$7,965</b>                                      | <b>\$213,196</b>                   | <b>\$2,709,600</b>                             |                               |
| * Lost revenue and efficiency incentives are based on prospective values.  |                            |                                   |  |                                   |                               |                                   |                                |   |                                    |  |                               |
| ** Cumulative participants include a reduction for the cumulative participants as of 01/01/2009 (High Efficiency Heat Pump, Energy Education for Students and Community Outreach Program (CFL)). |                            |                                   |  |                                   |                               |                                   |                                |   |                                    |  |                               |







| KENTUCKY POWER COMPANY  |   | Exhibit C          |                   |                   |
|---|---|--------------------|-------------------|-------------------|
| FORECAST OF 2014 2nd HALF / 2015 1st HALF KENTUCKY RETAIL ENERGY SALES IN KWH |   | PAGE 23 of         |                   | 23                |
| FOR RESIDENTIAL, COMMERCIAL AND INDUSTRIAL SECTORS                            |   |                    |                   |                   |
| <b>PROGRAM YR 19 2014 2nd HALF &amp; YR 20 2015 1st HALF</b>                  |   |                    |                   |                   |
| LINE NO.  | YEAR  | RESIDENTIAL SECTOR | COMMERCIAL SECTOR | INDUSTRIAL SECTOR |
| 1   | TOTAL ULTIMATE SALES (KWH) *  | 2,286,874,000      | 1,343,730,000     | 2,850,079,000     |
| 2   | LESS NON-METERED **   | 13,721,244         | 8,062,380         | 17,100,474        |
| 3   | TOTAL ESTIMATED RETAIL KWH SALES  | 2,273,152,756      | 1,335,667,620     | 2,832,978,526     |
| 4   | LESS OPT - OUT CUSTOMERS KWH  | 0                  | 0                 | 0                 |
| 5   | KWH BEFORE LOST REVENUE IMPACTS   | 2,273,152,756      | 1,335,667,620     | 2,832,978,526     |
| 6   | LESS LOST REVENUE IMPACTS ***   | 10,226,000         | 3,140,269         | 0                 |
| 7   | ADJUSTED KWH BY SECTOR  | 2,262,926,756      | 1,332,527,351     | 2,832,978,526     |
| 8   | LINE 7/LINE 1   | 99.0%              | 99.2%             | 99.4%             |
| <b>PROGRAM YR 19 (2nd HALF)</b>   |   |                    |                   |                   |
| 9   | TOTAL ULTIMATE SALES (KWH) *  | 1,082,330,000      | 677,207,000       | 1,428,555,000     |
| 10  | LINE 8  | 99.0%              | 99.2%             | 99.4%             |
| 11  | ADJUSTED KWH BY SECTOR  | 1,071,506,700      | 671,789,344       | 1,419,983,670     |
| <b>PROGRAM YR 20 (1st HALF)</b>   |   |                    |                   |                   |
| 12  | TOTAL ULTIMATE SALES (KWH) *  | 1,204,544,000      | 666,523,000       | 1,421,524,000     |
| 13  | LINE 8  | 99.0%              | 99.2%             | 99.4%             |
| 14  | ADJUSTED KWH BY SECTOR  | 1,192,498,560      | 661,190,816       | 1,412,994,856     |
| *   | SOURCE: 2014 / 2015 LOAD FORECAST COMPILED BY AEP CORPORATE PLANNING AND BUDGETING DEPT.                                |                    |                   |                   |
| **  | .60% ESTIMATED TO BE NON-METERED (OL) DETERMINED FROM BILLED JURISDICTIONAL TARIFF SUMMARY FOR 12 MOS. ENDED JUNE 2014. |                    |                   |                   |
| ***   | LOST REVENUE IMPACTS  |                    |                   |                   |
|   | Page 19B of 21, Column 6 - TOTAL RESIDENTIAL PROGRAMS   | 5,030,442          | 2,346,650         | -                 |
|   | Page 20A of 21, Column 6 - TOTAL RESIDENTIAL PROGRAMS   | 5,195,558          | 793,619           | -                 |
|   | TOTAL   | 10,226,000         | 3,140,269         | -                 |