

**KENTUCKY POWER COMPANY
ANALYSIS OF POTENTIAL §199 DEDUCTION**

GENERATION RELATED REVENUE INCREASE

	Excluding §199 Impacts	Including §199 Impacts	Proof of Revenue Impact
Generation Related Pre-Tax Book Income <Loss>	11,113,000	11,113,000	10,569,503
Less: Uncollectible Accounts Expense	(33,339)	(33,339)	0.3000%
Less: KPSC Maintenance Fee	(21,693)	(21,693)	0.1952%
Income Before Income Taxes	11,057,968	11,057,968	10,517,162
Less: State Income Taxes	(634,152)	(604,727)	5.4687%
Income Before Federal Income Taxes	10,423,816	10,453,241	9,942,010
Less: Federal Income Taxes	(3,648,336)	(3,329,357)	31.8500%
Operating Income <Loss>	6,775,480	7,123,884	6,775,480
	A	B	
Total Tax Benefit of §199 Deduction		A - B	(348,404)
Gross Revenue Conversion Factor			1,559,963
Impact on Revenue Requirement		(543,497)	
Revised Generation Related Pre-Tax Book Income <Loss>			10,569,503