

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2013
DEPRECIATION STUDY WORKPAPERS

KENTUCKY POWER COMPANY

DEPRECIATION STUDY AS OF DECEMBER 31, 2013

MITCHELL PLANT NET SALVAGE RATIO CALCULATION

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AT DECEMBER 31, 2013
 CALCULATION OF NET SALVAGE RATIO - MITCHELL PLANT**

Plant/Units	Terminal Salvage	Interim Salvage Amount	Total Salvage Amount	Terminal Removal	Interim Removal Amount	Total Removal Amount	Original Cost at Dec. 2013	Salvage as a % of Original Cost	Removal as a % of Original Cost	Net Salvage Percent	Net Salvage Ratio
Mitchell Plant (a)	<u>\$35,633,102</u>	<u>\$9,414,094</u>	<u>\$45,047,196</u>	<u>\$75,298,756</u>	<u>\$35,556,306</u>	<u>\$110,855,062</u>	<u>\$893,905,077</u>	5.04%	12.40%	-7.36%	1.07
Total Mitchell Plant	<u>\$35,633,102</u>	<u>\$9,414,094</u>	<u>\$45,047,196</u>	<u>\$75,298,756</u>	<u>\$35,556,306</u>	<u>\$110,855,062</u>	<u>\$893,905,077</u>				

(a) Kentucky's share at 50%.

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AT DECEMBER 31, 2013
 CALCULATION OF TERMINAL SALVAGE AND REMOVAL AT RETIREMENT
 USING SARGENT & LUNDY STUDY DATA AND CONSUMER'S PRICE INDEX**

Plant/Units	Terminal Salvage	Terminal Removal	Terminal Net Salvage	Average Inflation Rate (1)	Plant Retirement Year	Escalation Period	Terminal Salvage	Terminal Removal	Terminal Net Salvage
<u>Mitchell Plant</u>									
S&L Estimate (2)	<u>\$19,031,883</u>	<u>\$40,217,580</u>	<u>(\$21,185,697)</u>	2.35%	2040	27	<u>\$35,633,102</u>	<u>\$75,298,756</u>	<u>(\$39,665,654)</u>
Total Mitchell Plant	\$19,031,883	\$40,217,580	(\$21,185,697)				\$35,633,102	\$75,298,756	(\$39,665,654)

Notes:

- (1) Source Livingston Survey dated December 2013 (survey performed by Federal Reserve Bank of Philadelphia)
- (2) Sargent & Lundy estimate based on December 2012 indexed prices.

**KENTUCKY POWER COMPANY
 2013 DEPRECIATION STUDY
 CALCULATION OF TERMINAL SALVAGE AND REMOVAL KENTUCKY'S SHARE**

Plant/Units	Terminal Salvage	Terminal Removal	Net Salvage	KPCo Share of Plant/Unit	Terminal Salvage - Price Level 2013	Terminal Removal - Price Level 2013	Terminal Net Salvage - Price Level 2013
<i>Mitchell Plant</i>							
S&L Estimate	<u>\$38,063,765</u>	<u>\$80,435,160</u>	<u>-\$42,371,395</u>	50.00%	<u>\$19,031,883</u>	<u>\$40,217,580</u>	<u>-\$21,185,697</u>
Total Mitchell Plant	\$38,063,765	\$80,435,160	-\$42,371,395		\$19,031,883	\$40,217,580	-\$21,185,697

Note: Asbestos and Ash Pond Closure costs are included in cost of service separately through the accounting for asset retirement obligations.

**KENTUCKY POWER COMPANY
 MITCHELL PLANT
 CALCULATION OF INTERIM RETIREMENT REMOVAL AND SALVAGE AMOUNTS
 DEPRECIATION STUDY AT DECEMBER 2013**

Account	Interim Retirement Amount (a)	Interim Removal %	Interim Salvage %	Interim Removal Amount (b)	Interim Salvage Amount (b)
Big Sandy	Excludes Big Sandy Plant since the depreciation study recommends that the existing depreciation rates remain unchanged until after Big Sandy Unit 1 is re-powered to burn natural gas.				
Mitchell					
311	\$4,641,026	24.55%	6.50%	\$1,139,372	\$301,667
312	\$127,403,328	24.55%	6.50%	\$31,277,517	\$8,281,216
314	\$10,517,364	24.55%	6.50%	\$2,582,013	\$683,629
315	\$870,428	24.55%	6.50%	\$213,690	\$56,578
316	<u>\$1,400,058</u>	24.55%	6.50%	<u>\$343,714</u>	<u>\$91,004</u>
	\$144,832,204			\$35,556,306	\$9,414,094
		Interim Net Salvage %	-18.05%		

Notes:

- (a) This calculation uses interim retirements from Mitchell Plant.
- (b) Interim retirements at 50%, Kentucky's share.

**Kentucky Power Company
 Depreciation Study at December 31, 2013
 Big Sandy and Mitchell Steam Plant Interim Retirements
 Removal and Salvage as a % of Retirements**

<u>Year</u>	<u>Retire</u>	<u>Removal</u>	<u>Salvage</u>
2001	\$2,993,746.57	\$3,926,667.74	\$185,115.64
2002	\$1,002,884.46	\$2,853,090.90	\$70,132.51
2003	\$17,368,194.85	\$7,319,823.83	\$15,412.02
2004	\$6,706,362.64	\$4,688,532.40	\$501,015.89
2005	\$1,935,060.35	\$473,564.30	-\$6,024.07
2006	\$29,374,046.55	\$1,023,159.53	\$1,802.94
2007	\$17,187,291.21	\$1,816,077.14	\$466,314.61
2008	\$8,442,428.35	\$930,803.38	\$1,096,436.11
2009	\$7,099,590.81	\$4,892,799.31	\$695,150.68
2010	\$4,584,217.82	\$3,158,048.35	\$524,911.16
2011	\$9,597,929.56	\$681,035.63	\$144,621.61
2012	\$18,961,542.16	\$1,520,105.72	\$1,088,236.66
2013	<u>\$18,287,379.31</u>	<u>\$1,958,542.39</u>	<u>\$4,545,851.16</u>
	\$143,540,674.64	\$35,242,250.62	\$9,328,976.92

**Removal and Salvage as a % of
 Retirements**

24.55%

6.50%

Note: Mitchell Plant Retirements, Removal and Salvage are included at 100% for purposes of this calculation of the percentage of removal and salvage included when retiring steam plant production property.

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2013
MITCHELL PLANT
AVERAGE AGE OF SURVIVING PLANT

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT
 MITCHELL GENERATING PLANT - Account 311**

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1971	9,876,629	42.5	419,756,719	
1972	349,115	41.5	14,488,277	
1973	63,556	40.5	2,574,018	
1974	112,828	39.5	4,456,706	
1975	45,275	38.5	1,743,068	
1976	37,690	37.5	1,413,375	
1977	17,014	36.5	620,995	
1978	1,907,151	35.5	67,703,856	
1979	175,521	34.5	6,055,475	
1980	31,130	33.5	1,042,855	
1981	21,643	32.5	703,398	
1982	15,230	31.5	479,729	
1983	3,574	30.5	109,001	
1984	48,612	29.5	1,434,039	
1985	73,255	28.5	2,087,753	
1986	807,021	27.5	22,193,078	
1987	19,938	26.5	528,357	
1988	27,544	25.5	702,372	
1989	335,871	24.5	8,228,827	
1990	480,145	23.5	11,283,418	
1991	75,575	22.5	1,700,438	
1992	226,638	21.5	4,872,706	
1993	76,996	20.5	1,578,413	
1994	14,810	19.5	288,785	
1995	304,173	18.5	5,627,210	
1996	1,591	17.5	27,834	
1997	273,535	16.5	4,513,328	
1998	60,458	15.5	937,107	
1999	229,937	14.5	3,334,083	
2000	772,095	13.5	10,423,289	
2001	171,933	12.5	2,149,164	
2002	198,813	11.5	2,286,354	
2003	130,209	10.5	1,367,191	
2004	567,191	9.5	5,388,318	
2005	120,548	8.5	1,024,659	
2006	265,256	7.5	1,989,418	
2007	13,731,291	6.5	89,253,391	
2008	1,402,725	5.5	7,714,987	
2009	4,886,597	4.5	21,989,687	
2010	1,465,650	3.5	5,129,775	
2011	1,545,836	2.5	3,864,590	
2012	380,397	1.5	570,595	
2013	<u>649,204</u>	0.5	<u>324,602</u>	
	42,000,197		743,961,240	17.71

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT
 MITCHELL GENERATING PLANT - Account 312**

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1971	32,718,427	42.5	1,390,533,131	
1972	3,874,952	41.5	160,810,504	
1973	408,490	40.5	16,543,833	
1974	248,037	39.5	9,797,475	
1975	978,924	38.5	37,688,573	
1976	5,136,502	37.5	192,618,807	
1977	7,380,643	36.5	269,393,484	
1978	33,285,797	35.5	1,181,645,796	
1979	1,025,432	34.5	35,377,410	
1980	1,051,510	33.5	35,225,585	
1981	1,060,817	32.5	34,476,553	
1982	1,187,701	31.5	37,412,580	
1983	701,667	30.5	21,400,837	
1984	1,269,952	29.5	37,463,572	
1985	323,437	28.5	9,217,947	
1986	268,892	27.5	7,394,543	
1987	2,466,681	26.5	65,367,049	
1988	2,435,817	25.5	62,113,330	
1989	1,843,657	24.5	45,169,589	
1990	18,842	23.5	442,793	
1991	1,791,315	22.5	40,304,580	
1992	822,308	21.5	17,679,613	
1993	3,190,712	20.5	65,409,599	
1994	12,359,308	19.5	241,006,510	
1995	383,396	18.5	7,092,832	
1996	427,165	17.5	7,475,387	
1997	1,823,824	16.5	30,093,100	
1998	372,005	15.5	5,766,074	
2000	2,942,534	13.5	39,724,209	
2001	6,640,571	12.5	83,007,135	
2002	4,052,457	11.5	46,603,253	
2003	2,447,096	10.5	25,694,508	
2004	2,216,066	9.5	21,052,626	
2005	18,784,956	8.5	159,672,128	
2006	16,190,557	7.5	121,429,178	
2007	512,500,081	6.5	3,331,250,527	
2008	24,271,677	5.5	133,494,224	
2009	13,245,671	4.5	59,605,520	
2010	8,802,856	3.5	30,809,995	
2011	5,209,115	2.5	13,022,788	
2012	10,035,361	1.5	15,053,042	
2013	<u>19,449,778</u>	0.5	<u>9,724,889</u>	
	765,644,985		8,155,065,108	10.65

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT
 MITCHELL GENERATING PLANT - Account 312 SCR Catalyst**

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
2008	2,698,805	5.5	14,843,428	
2009	3,031,084	4.5	13,639,878	
2012	<u>2,460,226</u>	1.5	<u>3,690,339</u>	
	8,190,115		32,173,645	3.93
	Average Life of SCR Catalyst			8.00
	Average Remaining Life			4.07

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT
 MITCHELL GENERATING PLANT - Account 314**

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1970	106,729	43.5	4,642,730	
1971	20,851,154	42.5	886,174,054	
1972	196,654	41.5	8,161,132	
1973	30,557	40.5	1,237,559	
1974	371,703	39.5	14,682,249	
1975	17,606	38.5	677,826	
1976	78,846	37.5	2,956,706	
1977	63,852	36.5	2,330,611	
1978	50,018	35.5	1,775,656	
1979	65,111	34.5	2,246,330	
1980	32,274	33.5	1,081,163	
1981	212,126	32.5	6,894,079	
1982	17,981	31.5	566,404	
1983	14,572	30.5	444,431	
1984	988,936	29.5	29,173,619	
1985	51,673	28.5	1,472,681	
1986	172,898	27.5	4,754,681	
1987	467,235	26.5	12,381,728	
1988	1,499,542	25.5	38,238,321	
1989	1,164,043	24.5	28,519,054	
1990	110,098	23.5	2,587,291	
1991	103,542	22.5	2,329,701	
1992	3,653,706	21.5	78,554,674	
1993	4,415,388	20.5	90,515,448	
1994	505,749	19.5	9,862,096	
1995	9,038	18.5	167,208	
1996	9,867	17.5	172,666	
1997	1,215,768	16.5	20,060,174	
1998	260,795	15.5	4,042,324	
1999	690,325	14.5	10,009,711	
2000	1,377,608	13.5	18,597,711	
2001	2,051,699	12.5	25,646,241	
2002	508,471	11.5	5,847,418	
2003	106,507	10.5	1,118,326	
2004	309,235	9.5	2,937,731	
2005	4,427,669	8.5	37,635,187	
2006	824,269	7.5	6,182,021	
2007	355,020	6.5	2,307,631	
2008	23,230	5.5	127,766	
2009	233,318	4.5	1,049,931	
2010	118,038	3.5	413,132	
2011	1,255,485	2.5	3,138,712	
2012	3,050,739	1.5	4,576,108	
2013	<u>1,226,626</u>	0.5	<u>613,313</u>	
	53,295,697		1,376,903,535	25.84

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT
 MITCHELL GENERATING PLANT - Account 315**

VINTAGE <u>YEAR</u>	SURVIVING <u>BALANCE</u>	AGE <u>(YEARS)</u>	DOLLAR <u>YEARS</u>	AVERAGE AGE <u>(YEARS)</u>
1971	6,089,909	42.5	258,821,133	
1972	351,890	41.5	14,603,450	
1974	3,969	39.5	156,771	
1976	2,531	37.5	94,913	
1977	30,660	36.5	1,119,075	
1978	4,229,201	35.5	150,136,640	
1979	13,794	34.5	475,897	
1980	43,726	33.5	1,464,818	
1981	1,151	32.5	37,408	
1982	10,350	31.5	326,025	
1983	735,805	30.5	22,442,037	
1984	180,234	29.5	5,316,888	
1985	67,720	28.5	1,930,006	
1987	191,827	26.5	5,083,413	
1988	3,681	25.5	93,865	
1989	233,811	24.5	5,728,357	
1990	31,738	23.5	745,851	
1991	205,375	22.5	4,620,946	
1992	47,212	21.5	1,015,058	
1993	51,482	20.5	1,055,390	
1994	71,172	19.5	1,387,854	
1995	6,773	18.5	125,291	
1996	9,708	17.5	169,881	
1997	9,116	16.5	150,414	
1998	43,417	15.5	672,961	
2000	37,714	13.5	509,137	
2002	31,846	11.5	366,231	
2003	200,957	10.5	2,110,053	
2004	75,389	9.5	716,200	
2005	478,321	8.5	4,065,732	
2006	179,417	7.5	1,345,630	
2007	213,578	6.5	1,388,260	
2008	47,484	5.5	261,160	
2009	216,933	4.5	976,200	
2010	214,698	3.5	751,442	
2011	479,753	2.5	1,199,383	
2012	137,070	1.5	205,606	
2013	<u>2,101,260</u>	0.5	<u>1,050,630</u>	
	17,080,672		492,720,006	28.85

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT
 MITCHELL GENERATING PLANT - Account 316**

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1971	1,687,096	42.5	71,701,595	
1972	94,600	41.5	3,925,887	
1973	8,660	40.5	350,710	
1974	5,787	39.5	228,593	
1975	12,050	38.5	463,906	
1976	10,733	37.5	402,477	
1977	14,361	36.5	524,158	
1978	228,605	35.5	8,115,460	
1979	23,118	34.5	797,571	
1980	17,282	33.5	578,932	
1982	44,672	31.5	1,407,152	
1983	17,603	30.5	536,892	
1984	66,687	29.5	1,967,268	
1985	31,538	28.5	898,833	
1986	61,285	27.5	1,685,338	
1987	18,950	26.5	502,162	
1988	14,225	25.5	362,725	
1989	25,726	24.5	630,285	
1990	30,725	23.5	722,046	
1991	22,662	22.5	509,884	
1992	56,227	21.5	1,208,878	
1993	33,179	20.5	680,159	
1994	21,295	19.5	415,243	
1995	22,591	18.5	417,936	
1996	23,019	17.5	402,829	
1997	21,879	16.5	361,000	
1998	52,847	15.5	819,121	
1999	16,324	14.5	236,702	
2000	133,692	13.5	1,804,843	
2001	14,931	12.5	186,641	
2002	127,316	11.5	1,464,134	
2003	49,525	10.5	520,011	
2004	515,118	9.5	4,893,625	
2005	121,930	8.5	1,036,406	
2006	225,295	7.5	1,689,709	
2007	214,785	6.5	1,396,103	
2008	133,302	5.5	733,160	
2009	1,919,835	4.5	8,639,255	
2010	521,113	3.5	1,823,896	
2011	388,772	2.5	971,929	
2012	335,121	1.5	502,681	
2013	<u>308,958</u>	0.5	<u>154,479</u>	
	7,693,412		126,670,614	16.46

KENTUCKY POWER COMPANY

DEPRECIATION STUDY AS OF DECEMBER 31, 2013

MITCHELL PLANT

AVERAGE REMAING LIFE

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 CALCULATION OF AVERAGE REMAINING LIFE
 MITCHELL GENERATING PLANT - Account 311, 50% of Cost
 RETIREMENT YEAR 2040
 ANNUAL INTERIM RETIREMENT RATE = 0.00425**

<u>YEAR</u>	<u>AMOUNT RETIRED</u>	<u>REM LIFE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE REM LIFE</u>
2014	178,501	0.5	89,251	
2015	178,501	1.5	267,752	
2016	178,501	2.5	446,253	
2017	178,501	3.5	624,754	
2018	178,501	4.5	803,255	
2019	178,501	5.5	981,756	
2020	178,501	6.5	1,160,257	
2021	178,501	7.5	1,338,758	
2022	178,501	8.5	1,517,259	
2023	178,501	9.5	1,695,760	
2024	178,501	10.5	1,874,261	
2025	178,501	11.5	2,052,762	
2026	178,501	12.5	2,231,263	
2027	178,501	13.5	2,409,764	
2028	178,501	14.5	2,588,265	
2029	178,501	15.5	2,766,766	
2030	178,501	16.5	2,945,267	
2031	178,501	17.5	3,123,768	
2032	178,501	18.5	3,302,269	
2033	178,501	19.5	3,480,770	
2034	178,501	20.5	3,659,271	
2035	178,501	21.5	3,837,772	
2036	178,501	22.5	4,016,273	
2037	178,501	23.5	4,194,774	
2038	178,501	24.5	4,373,275	
2039	178,501	25.5	4,551,776	
2040	<u>37,359,171</u>	26.5	<u>990,018,032</u>	
TOTALS	42,000,197		1,050,351,370	25.01

Interim Retirement Amount 4,641,026

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2013
CALCULATION OF AVERAGE REMAINING LIFE
MITCHELL GENERATING PLANT - Account 312, 50% of Cost
RETIREMENT YEAR 2040
ANNUAL INTERIM RETIREMENT RATE = 0.00640

<u>YEAR</u>	<u>AMOUNT RETIRED</u>	<u>REM LIFE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE REM LIFE</u>
2014	4,900,128	0.5	2,450,064	
2015	4,900,128	1.5	7,350,192	
2016	4,900,128	2.5	12,250,320	
2017	4,900,128	3.5	17,150,448	
2018	4,900,128	4.5	22,050,576	
2019	4,900,128	5.5	26,950,704	
2020	4,900,128	6.5	31,850,832	
2021	4,900,128	7.5	36,750,960	
2022	4,900,128	8.5	41,651,088	
2023	4,900,128	9.5	46,551,216	
2024	4,900,128	10.5	51,451,344	
2025	4,900,128	11.5	56,351,472	
2026	4,900,128	12.5	61,251,600	
2027	4,900,128	13.5	66,151,728	
2028	4,900,128	14.5	71,051,856	
2029	4,900,128	15.5	75,951,984	
2030	4,900,128	16.5	80,852,112	
2031	4,900,128	17.5	85,752,240	
2032	4,900,128	18.5	90,652,368	
2033	4,900,128	19.5	95,552,496	
2034	4,900,128	20.5	100,452,624	
2035	4,900,128	21.5	105,352,752	
2036	4,900,128	22.5	110,252,880	
2037	4,900,128	23.5	115,153,008	
2038	4,900,128	24.5	120,053,136	
2039	4,900,128	25.5	124,953,264	
2040	<u>638,241,656</u>	26.5	<u>16,913,403,884</u>	
TOTALS	765,644,984		18,569,647,148	24.25

Interim Retirement Amount 127,403,328

Note: Excludes SCR Catalyst

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 CALCULATION OF AVERAGE REMAINING LIFE
 MITCHELL GENERATING PLANT - Account 314, 50% of Cost
 RETIREMENT YEAR 2040
 ANNUAL INTERIM RETIREMENT RATE = 0.00759**

<u>YEAR</u>	<u>AMOUNT RETIRED</u>	<u>REM LIFE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE REM LIFE</u>
2014	404,514	0.5	202,257	
2015	404,514	1.5	606,771	
2016	404,514	2.5	1,011,285	
2017	404,514	3.5	1,415,799	
2018	404,514	4.5	1,820,313	
2019	404,514	5.5	2,224,827	
2020	404,514	6.5	2,629,341	
2021	404,514	7.5	3,033,855	
2022	404,514	8.5	3,438,369	
2023	404,514	9.5	3,842,883	
2024	404,514	10.5	4,247,397	
2025	404,514	11.5	4,651,911	
2026	404,514	12.5	5,056,425	
2027	404,514	13.5	5,460,939	
2028	404,514	14.5	5,865,453	
2029	404,514	15.5	6,269,967	
2030	404,514	16.5	6,674,481	
2031	404,514	17.5	7,078,995	
2032	404,514	18.5	7,483,509	
2033	404,514	19.5	7,888,023	
2034	404,514	20.5	8,292,537	
2035	404,514	21.5	8,697,051	
2036	404,514	22.5	9,101,565	
2037	404,514	23.5	9,506,079	
2038	404,514	24.5	9,910,593	
2039	404,514	25.5	10,315,107	
2040	<u>42,778,333</u>	26.5	<u>1,133,625,825</u>	
TOTALS	53,295,697		1,270,351,557	23.84

Interim Retirement Amount 10,517,364

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 CALCULATION OF AVERAGE REMAINING LIFE
 MITCHELL GENERATING PLANT - Account 315, 50% of Cost
 RETIREMENT YEAR 2040
 ANNUAL INTERIM RETIREMENT RATE = 0.00196**

<u>YEAR</u>	<u>AMOUNT RETIRED</u>	<u>REM LIFE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE REM LIFE</u>
2014	33,478	0.5	16,739	
2015	33,478	1.5	50,217	
2016	33,478	2.5	83,695	
2017	33,478	3.5	117,173	
2018	33,478	4.5	150,651	
2019	33,478	5.5	184,129	
2020	33,478	6.5	217,607	
2021	33,478	7.5	251,085	
2022	33,478	8.5	284,563	
2023	33,478	9.5	318,041	
2024	33,478	10.5	351,519	
2025	33,478	11.5	384,997	
2026	33,478	12.5	418,475	
2027	33,478	13.5	451,953	
2028	33,478	14.5	485,431	
2029	33,478	15.5	518,909	
2030	33,478	16.5	552,387	
2031	33,478	17.5	585,865	
2032	33,478	18.5	619,343	
2033	33,478	19.5	652,821	
2034	33,478	20.5	686,299	
2035	33,478	21.5	719,777	
2036	33,478	22.5	753,255	
2037	33,478	23.5	786,733	
2038	33,478	24.5	820,211	
2039	33,478	25.5	853,689	
2040	<u>16,210,244</u>	26.5	<u>429,571,466</u>	
TOTALS	17,080,672		440,887,030	25.81

Interim Retirement Amount 870,428

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 CALCULATION OF AVERAGE REMAINING LIFE
 MITCHELL GENERATING PLANT - Account 316, 50% of Cost
 RETIREMENT YEAR 2040
 ANNUAL INTERIM RETIREMENT RATE = 0.00674**

<u>YEAR</u>	<u>AMOUNT RETIRED</u>	<u>REM LIFE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE REM LIFE</u>
2013	51,854	0.5	25,927	
2014	51,854	0.5	25,927	
2015	51,854	1.5	77,781	
2016	51,854	2.5	129,635	
2017	51,854	3.5	181,489	
2018	51,854	4.5	233,343	
2019	51,854	5.5	285,197	
2020	51,854	6.5	337,051	
2021	51,854	7.5	388,905	
2022	51,854	8.5	440,759	
2023	51,854	9.5	492,613	
2024	51,854	10.5	544,467	
2025	51,854	11.5	596,321	
2026	51,854	12.5	648,175	
2027	51,854	13.5	700,029	
2028	51,854	14.5	751,883	
2029	51,854	15.5	803,737	
2030	51,854	16.5	855,591	
2031	51,854	17.5	907,445	
2032	51,854	18.5	959,299	
2033	51,854	19.5	1,011,153	
2034	51,854	20.5	1,063,007	
2035	51,854	21.5	1,114,861	
2036	51,854	22.5	1,166,715	
2037	51,854	23.5	1,218,569	
2038	51,854	24.5	1,270,423	
2039	51,854	25.5	1,322,277	
2040	<u>6,293,354</u>	26.5	<u>166,773,881</u>	
TOTALS	7,693,412		184,326,460	23.96

Interim Retirement Amount 1,400,058

KENTUCKY POWER COMPANY

DEPRECIATION STUDY AS OF DECEMBER 31, 2013

INTERIM RETIREMENT ANALYSIS

KENTUCKY POWER COMPANY
Interim Activity Analysis @ December 31, 2013
Mitchell Plant - Account 311

Year	Additions	Retmts	Transfers & Adj.	Beginning Balance	Interim Retmts	Remarks
1999	0.00	0.00	0.00	34,161,772.72	0.00	Ending Balance Dec 1999
2000	1,313,411.84	104,012.39	0.00	34,161,772.72	104,012.39	
2001	344,456.31	21,764.71	0.00	35,371,172.17	21,764.71	
2002	427,468.39	1.00	0.00	35,693,863.77	1.00	
2003	17,102.64	0.00	0.00	36,121,331.16	0.00	
2004	1,401,785.72	240,619.38	0.00	36,138,433.80	240,619.38	
2005	138,418.65	44,636.79	0.00	37,299,600.14	44,636.79	
2006	820,171.33	117,034.12	0.00	37,393,382.00	117,034.12	
2007	28,174,324.93	254,355.05	0.00	38,096,519.21	254,355.05	
2008	2,371,386.82	134,755.91	0.00	66,016,489.09	134,755.91	
2009	9,716,675.76	1,183,626.88	0.00	68,253,120.00	1,183,626.88	
2010	4,020,406.38	369,693.20	0.00	76,786,168.88	369,693.20	
2011	1,865,228.32	238,912.09	0.00	80,436,882.06	238,912.09	
2012	878,800.60	228,489.86	114,263.34	82,063,198.29	228,489.86	
2013	<u>1,406,682.00</u>	<u>234,060.19</u>	<u>0.00</u>	<u>82,827,772.37</u>	<u>234,060.19</u>	
Total	52,896,319.69	3,171,961.57	114,263.34	746,659,705.66	3,171,961.57	

Interim Retirement Factor

0.00425

Note: Used to determine the interim retirement factor. This spreadsheet shows Mitchell Plant Activity at 100%.

KENTUCKY POWER COMPANY
Interim Activity Analysis @ December 31, 2013
Mitchell Plant - Account 312

Year	Additions	Retmts	Transfers & Adj.	Beginning Balance	Interim Retmts	Remarks
1999	0.00	0.00	0.00	286,781,223.90		Ending Balance Dec 1999
2000	9,239,539.76	506,498.62	(285,659.65)	286,781,223.90	506,498.62	
2001	10,869,656.67	853,883.69	0.00	295,228,605.39	853,883.69	
2002	575,786.82	124,523.20	0.00	305,244,378.37	124,523.20	
2003	7,333,818.27	96,072.71	0.00	305,695,641.99	96,072.71	
2004	12,910,360.05	2,815,071.42	0.00	312,933,387.55	2,815,071.42	
2005	1,281,866.02	451,404.01	(201,517.00)	323,028,676.18	451,404.01	
2006	73,414,989.59	23,768,594.93	0.00	323,657,621.19	23,768,594.93	
2007	1,022,698,356.75	12,378,052.43	0.00	373,304,015.85	12,378,052.43	
2008	58,935,074.72	2,188,801.37	0.00	1,383,624,320.17	2,188,801.37	
2009	37,981,979.12	1,765,107.47	(2,397,841.85)	1,440,370,593.52	1,765,107.47	
2010	13,445,633.15	1,865,365.04	163,748.46	1,474,189,623.32	1,865,365.04	
2011	22,900,557.42	3,554,054.94	0.00	1,485,933,639.89	3,554,054.94	
2012	20,499,083.50	9,497,178.61	2,670,841.50	1,505,280,142.37	9,497,178.61	
2013	<u>41,053,133.64</u>	<u>12,725,285.11</u>	<u>389,461.50</u>	<u>1,518,952,888.76</u>	<u>12,725,285.11</u>	
Total	1,333,139,835.48	72,589,893.55	339,032.96	11,334,224,758.45	72,589,893.55	

Interim Retirement Factor **0.00640**

Note: Used to determine the interim retirement factor. This spreadsheet shows Mitchell Plant Activity at 100%.

KENTUCKY POWER COMPANY
Interim Activity Analysis @ December 31, 2013
Mitchell Plant - Account 314

Year	Additions	Retmts	Transfers & Adj.	Beginning Balance	Interim Retmts	Remarks
1999	0.00	0.00	0.00	86,114,532.23		Ending Balance Dec 1999
2000	3,139,381.43	15,421.28	(5,185,508.00)	86,114,532.23	15,421.28	
2001	4,272,767.54	1,574,439.31	0.00	84,052,984.38	1,574,439.31	
2002	169,228.91	18,477.77	0.00	86,751,312.61	18,477.77	
2003	3,914,362.69	4.00	0.00	86,902,063.75	4.00	
2004	867,394.71	484,197.15	0.00	90,816,422.44	484,197.15	
2005	26,573.39	8,203.84	0.00	91,199,620.00	8,203.84	
2006	9,326,868.59	1,919,909.71	0.00	91,217,989.55	1,919,909.71	
2007	2,361,864.19	564,856.89	0.00	98,624,948.43	564,856.89	
2008	49,538.69	105,089.68	0.00	100,421,955.73	105,089.68	
2009	466,860.50	116,469.27	0.00	100,366,404.74	116,469.27	
2010	239,787.78	43,553.80	(163,748.46)	100,716,795.97	43,553.80	
2011	2,508,652.34	673,219.91	0.00	100,749,281.49	673,219.91	
2012	6,101,670.27	2,837,012.83	0.00	102,584,713.92	2,837,012.83	
2013	<u>\$2,453,251.07</u>	<u>\$1,711,228.59</u>	<u>\$0.00</u>	<u>105,849,371.36</u>	<u>1,711,228.59</u>	
Total	35,898,202.10	10,072,084.03	(5,349,256.46)	1,326,368,396.60	10,072,084.03	

Interim Retirement Factor

0.00759

Note: Used to determine the interim retirement factor. This spreadsheet shows Mitchell Plant Activity at 100%.

KENTUCKY POWER COMPANY
Interim Activity Analysis @ December 31, 2013
Mitchell Plant - Account 315

Year	Additions	Retmts	Transfers & Adj.	Beginning Balance	Interim Retmts	Remarks
1999	0.00	0.00	0.00	25,839,070.21		Ending Balance Dec 1999
2000	68,306.78	72,038.14	(4,607.00)	25,839,070.21	72,038.14	
2001	7,180.38	0.00	0.00	25,830,731.85	0.00	
2002	0.00	0.00	0.00	25,837,912.23	0.00	
2003	221,154.36	18,497.98	0.00	25,837,912.23	18,497.98	
2004	400,108.69	16,152.39	0.00	26,040,568.61	16,152.39	
2005	10,904.59	2,212.73	0.00	26,424,524.91	2,212.73	
2006	474,135.84	138,254.23	0.00	26,433,216.77	138,254.23	
2007	1,496,916.58	93,839.26	0.00	26,769,098.38	93,839.26	
2008	95,552.53	46,824.53	0.00	28,172,175.70	46,824.53	
2009	425,448.34	27,892.08	0.00	28,220,903.70	27,892.08	
2010	447,898.68	154,409.10	0.00	28,618,459.96	154,409.10	
2011	693,033.38	37,354.38	0.00	28,911,949.54	37,354.38	
2012	500,380.68	20,124.55	0.00	29,567,628.54	20,124.55	
2013	<u>4,236,536.08</u>	<u>123,077.67</u>	<u>0.00</u>	<u>30,047,884.67</u>	<u>123,077.67</u>	
Total	9,077,556.91	750,677.04	(4,607.00)	382,552,037.30	750,677.04	

Interim Retirement Factor

0.00196

Note: Used to determine the interim retirement factor. This spreadsheet shows Mitchell Plant Activity at 100%.

KENTUCKY POWER COMPANY
Interim Activity Analysis @ December 31, 2013
Mitchell Plant - Account 316

Year	Additions	Retmts	Transfers & Adj.	Beginning Balance	Interim Retmts	Remarks
1999	0.00	0.00	0.00	6,135,218.54	0.00	Ending Balance Dec 1999
2000	96,464.32	929.00	0.00	6,135,218.54	929.00	
2001	12,470.62	0.00	0.00	6,230,753.86	0.00	
2002	7,227.95	2.00	0.00	6,243,224.48	2.00	
2003	104,097.76	1.00	0.00	6,250,450.43	1.00	
2004	919,948.55	21,475.87	0.00	6,354,547.19	21,475.87	
2005	465,171.00	43,204.33	0.00	7,253,019.87	43,204.33	
2006	306,820.81	9,767.87	0.00	7,674,986.54	9,767.87	
2007	721,646.31	21,643.07	0.00	7,972,039.48	21,643.07	
2008	129,935.65	58,366.60	0.00	8,672,042.72	58,366.60	
2009	3,650,453.20	39,497.34	0.00	8,743,611.77	39,497.34	
2010	938,685.05	483,006.21	0.00	12,354,567.63	483,006.21	
2011	1,053,697.87	19,144.43	0.00	12,810,246.47	19,144.43	
2012	460,449.46	36,340.50	6,432.00	13,844,799.91	36,340.50	
2013	<u>847,775.35</u>	<u>107,976.84</u>	<u>371,684.63</u>	<u>14,275,340.87</u>	<u>107,976.84</u>	
Total	9,714,843.90	841,355.06	378,116.63	124,814,849.76	841,355.06	

Interim Retirement Factor

0.00674

Note: Used to determine the interim retirement factor. This spreadsheet shows Mitchell Plant Activity at 100%.

KENTUCKY POWER COMPANY

DEPRECIATION STUDY AS OF DECEMBER 31, 2013

PRODUCTION PLANT THEORETICAL RESERVE CALCULATION

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 CALCULATED DEPRECIATION RESERVE
 STEAM PRODUCTION PLANT**

Plant/Account	Plant Balance	Avg. Age	Avg. Rem. Life	Avg. Life	Net Salvage Ratio	% Rem. Life to Avg. Life	Calculated Reserve %	Calculated Reserve w/o Net Salvage	Calculated Reserve with Net Salvage
<u>STEAM PRODUCTION PLANT</u>									
BIG SANDY									
311.0	43,291,665								
312.0	362,456,070								
312.0 SCR Catalyst	8,147,622								
314.0	109,522,949								
315.0	16,513,202								
316.0	<u>8,709,178</u>								
Total	<u>548,640,686</u>								
MITCHELL (a)									
311.0	42,000,197	17.71	25.01	42.72	1.05	58.54%	41.46%	17,411,599	18,282,178
312.0	765,644,984	10.65	24.25	34.90	1.05	69.48%	30.52%	233,642,381	245,324,500
312.0 SCR Catalyst	8,190,115	3.93	4.07	8.00	1.00	50.88%	49.13%	4,023,394	4,023,394
314.0	53,295,697	25.84	23.84	49.68	1.05	47.99%	52.01%	27,720,628	29,106,660
315.0	17,080,672	28.85	25.81	54.66	1.05	47.22%	52.78%	9,015,320	9,466,086
316.0	<u>7,693,412</u>	16.46	23.96	40.42	1.05	59.28%	40.72%	<u>3,132,943</u>	<u>3,289,590</u>
Total	<u>893,905,077</u>							<u>294,946,264</u>	<u>309,492,408</u>
Total Production Plant	<u>1,442,545,763</u>								

NOT CALCULATED - USE CURRENTLY APPROVED DEPRECIATION RATES

Note (a) Mitchell Plant Cost is 50% of the total cost December 31, 2013 which is Kentucky Power's share.

KENTUCKY POWER COMPANY

DEPRECIATION STUDY AS OF DECEMBER 31, 2013

TRANSMISSION PLANT WORK PAPERS

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2013
Transmission Plant

Account	<u>350.10 LAND RIGHTS</u>	
Depreciable Balance	\$26,456,147	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	75	75
Iowa Curve	R4.0	R4.0
Gross Removal %	N/A	0
Gross Salvage, %	N/A	0
Net Salvage %	0	0
N/A = not available		

This account includes land rights and easements associated with Transmission lines or Transmission substations.

The average age of the property in this account is 24.40 years.

There have been too few retirements from Account 350.10 Land Rights to make an actuarial analysis meaningful. This study recommends that we continue to use the 75 year life and R4.0 dispersion currently embedded in rates from Case No. 91-066.

Retirement data is not available for this account, so no net salvage analysis was performed. The net salvage rate currently embedded in Account 350.1 Land Rights from Case No. 91-066 is 0%, recommend that we continue to use a 0% net salvage rate.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2013
Transmission Plant

<i>Account</i>	<u>352 STRUCTURES & IMPROVEMENTS</u>	
Depreciable Balance	\$6,636,668	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	55	60
Iowa Curve	S1.5	S3.0
Gross Removal %	N/A	10
Gross Salvage, %	N/A	0
Net Salvage %	0	-10

This account represents Transmission substation structures and includes property such as fencing or buildings found in a substation.

The average age of the property in this account is 27.17 years.

Property in this account continues to age. The current life analysis indicates that the average service life should be changed to 60 years and following an S3.0 Iowa Curve type dispersion.

For the period reviewed from 2000 to 2013 there were \$94,295 in Retirements for Account 352 Transmission Structures & Improvements. Recent account history indicates a gross removal percentage of 32% with a gross salvage of 0% which would yield a -32% net salvage. Since the recent historical retirements are low and since the amount currently embedded in rates is 0% net salvage from Case No. 91-066, I recommend a conservative change to use a gross removal rate of 10% with a 0% gross salvage rate, yielding a **-10% net salvage rate**.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2013
Transmission Plant

<i>Account</i>	<u>353 STATION EQUIPMENT</u>	
Depreciable Balance	\$170,843,671	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	50	50
Iowa Curve	R0.5	L0.5
Gross Removal %	N/A	11
Gross Salvage, %	N/A	8
Net Salvage %	25	-3

Account 353 includes a variety of Transmission substation equipment such as circuit breakers, transformers and switchgear.

The average age of the property in this account is 15.28 years.

The current life analysis indicates that the average service life should be retained using 50 years with a change to use a L0.5 Iowa Curve type dispersion.

Historical salvage, removal and related retirements for Account 353 Transmission Station Equipment for Kentucky from 2000 to 2013 were used to calculate a 8% gross salvage rate and 11% gross removal rate, yielding a **-3% net salvage rate**.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2013
Transmission Plant

<i>Account</i>	<u>354 TOWERS & FIXTURES</u>	
Depreciable Balance	\$94,517,543	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	55	51
Iowa Curve	R4.0	S6.0
Gross Removal %	N/A	13
Gross Salvage, %	N/A	3
Net Salvage %	0	-10

Account 354 consists of transmission towers which are used to transmit electricity.

The average age of the property in this account is 28.12 years.

The simulated plant record model was used to estimate the average service life for account 354. Based on this model and using both the conformance index (a measure of the closeness of fit between calculated and actual balances in the SPR model) and the retirement experience index (the higher the REI the more assurance that a unique retirement pattern was used in the SPR simulation) an S6.0 curve was selected with a 51 year average service life.

Historical salvage, removal and related retirements for Account 354 Transmission Towers & Fixtures for Kentucky from 2000 to 2012 were used to calculate a 3% gross salvage rate and a 13% gross removal rate, yielding a **-10% net salvage rate**.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2013
Transmission Plant

<i>Account</i>	<u>355 POLES & FIXTURES</u>	
Depreciable Balance	\$74,696,720	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	45	43
Iowa Curve	R3.0	L3.0
Gross Removal %	N/A	63
Gross Salvage, %	N/A	2
Net Salvage %	0	-61

This account includes transmission poles and fixtures which are used to transmit electricity.

The average age of the property in this account is 11.43 years.

The simulated plant record model was used to estimate the average service life for account 355. Based on this model and using both the conformance index (a measure of the closeness of fit between calculated and actual balances in the SPR model) and the retirement experience index (the higher the REI the more assurance that a unique retirement pattern was used in the SPR simulation) an L3.0 curve was selected with a 43 year average service life.

Historical salvage, removal and related retirements for Account 355 Transmission Poles & Fixtures for Kentucky from 2000 to 2013 were used to calculate a 2% gross salvage rate and a 63% gross removal rate, yielding a **-61% net salvage rate**.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2013
Transmission Plant

<i>Account</i>	<u>356 OVERHEAD CONDUCTOR & DEVICES</u>	
Depreciable Balance	\$122,537,908	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	50	50
Iowa Curve	R3.0	S6.0
Gross Removal %	N/A	33
Gross Salvage, %	N/A	6
Net Salvage %	10	-27

Account 356 consists of transmission overhead conductor that is used to transmit electricity at transmission voltages.

The average age of the property in this account is 22.90 years.

The simulated plant record model was used to estimate the average service life for account 355. Based on this model and using both the conformance index (a measure of the closeness of fit between calculated and actual balances in the SPR model) and the retirement experience index (the higher the REI the more assurance that a unique retirement pattern was used in the SPR simulation) an S6.0 curve was selected with a 50 year average service life.

Historical salvage, removal and related retirements for Account 356 Transmission Overhead Conductor & Devices for Kentucky from 2000 to 2013 were used to calculate a 6% gross salvage rate and a 33% gross removal rate, yielding a **-27% net salvage rate**.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2013
Transmission Plant

<i>Account</i>	<u>357 UNDERGROUND CONDUIT</u>	
Depreciable Balance	\$11,590	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	37	37
Iowa Curve	R2.0	R2.0
Gross Removal %	N/A	0
Gross Salvage, %	N/A	0
Net Salvage %	0	0

Investment in account 357 includes underground conduit used for transmission of electricity. There is a minimal investment in this account. The vintage year of investments in this account is from 1997. Since there is no history of retirements, there is no way to analyze the life and dispersion.

The average age of the property in this account is 16.50 years.

Use the 37 year life and R2.0 dispersion currently embedded in rates from Case No. 91-066.

Retirement data is not available for this account, so no analysis was performed. The net salvage rate currently embedded in Account 357 Underground Conduit from Case No. 91-066 is 0%, recommend that we continue to use **a 0% net salvage rate.**

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2013
Transmission Plant

<i>Account</i>	<u>358 UNDERGROUND CONDUCTOR & DEVICES</u>	
Depreciable Balance	\$106,066	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	44	44
Iowa Curve	R1.0	R1.0
Gross Removal %	N/A	0
Gross Salvage, %	N/A	0
Net Salvage %	0	0

Investment in account 358 includes underground conductor and devices used for transmission of electricity. The vintage year of investments in this account are from 1983. Since there is no history of retirements, there is no way to analyze the life and dispersion.

The average age of the property in account 358 is 30.50 years.

Use the 44 year life and R1.0 dispersion currently embedded in rates from Case No. 91-066.

Retirement data is not available for this account, so no analysis was performed. The net salvage rate currently embedded in Account 358 Underground Conductor & Devices from Case No. 91-066 is 0%, recommend that we continue to use a **0% net salvage rate.**

KENTUCKY POWER COMPANY

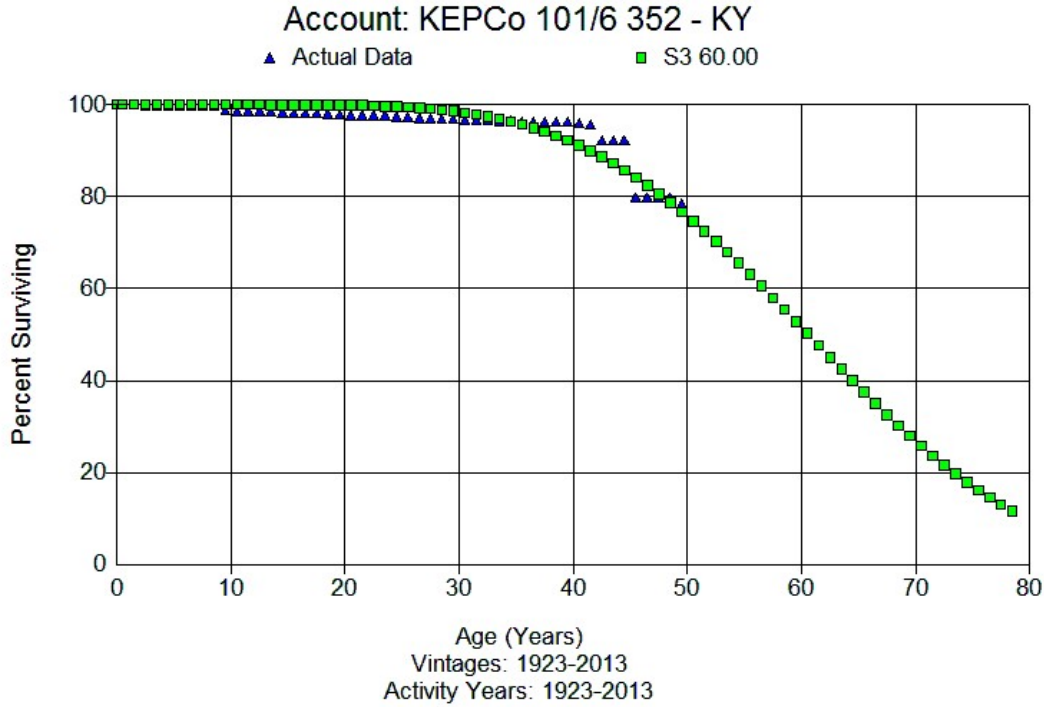
DEPRECIATION STUDY AS OF DECEMBER 31, 2013

TRANSMISSION PLANT

ACTUARIAL ANALYSIS GRAPHS

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AT DECEMBER 31, 2013
TRANSMISSION GRAPHS**

Account 352 Structures & Improvements – S3, 60



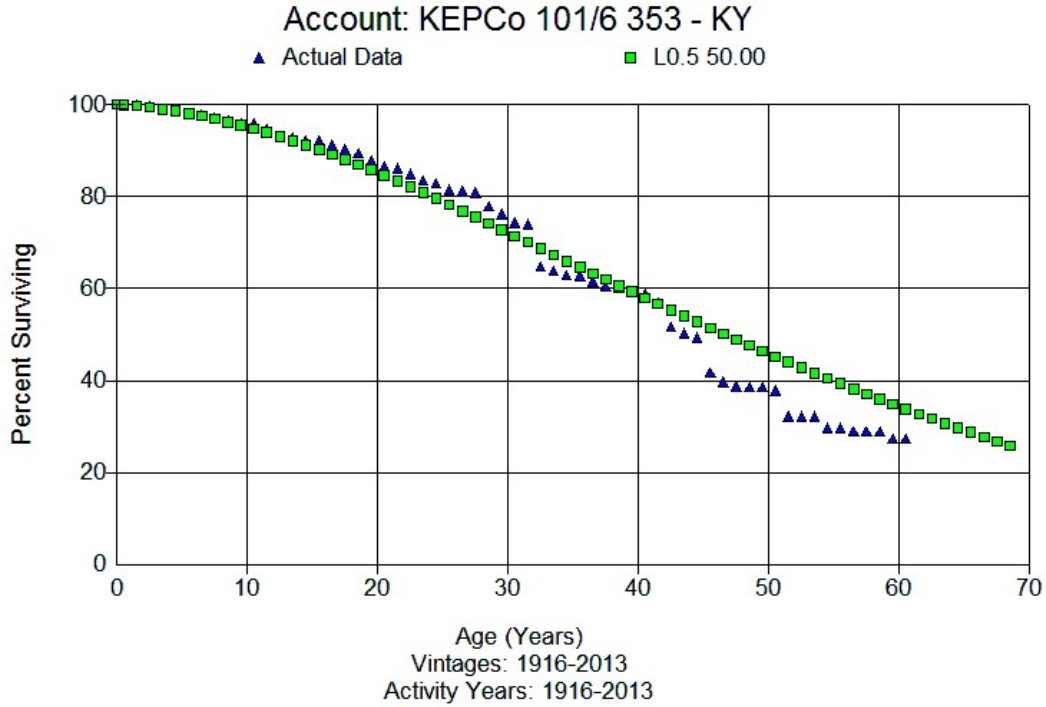
An actuarial analysis was performed for Account 352. The analysis of retirements from 2000 to 2013 indicated that few retirements were booked during this time period. The prior study from Case No. 91-066 recommended a 55 year life for the investment in this account using a S1.5 dispersion.

As shown above, the S3.0 curve with a 60 year life provides a good fit for Account 352 property and I recommend that we change to use this curve and life.

Kpsc Case No. 2014-00396
KIUC's First Set of Data Requests
Dated January 29, 2015
Item No. 17
Attachment 1
Page 40 of 227

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AT DECEMBER 31, 2013
TRANSMISSION GRAPHS**

Account 353 Station Equipment – L0.5, 50



An actuarial analysis was performed for Account 353.

The prior study from Case No. 91-066 recommended a 50 year life for the investment in this account using a R0.5 dispersion.

As shown above, the L0.5 curve with a 50 year life provides a good fit for Account 353 property and I recommend that we use this curve and life.

KENTUCKY POWER COMPANY

DEPRECIATION STUDY AS OF DECEMBER 31, 2013

DEPRECIATION STUDY WORKPAPERS

TRANSMISSION PLANT

GENERATION ARRANGEMENT REPORT

**KENTUCKY POWER COMPANY
 GENERATION ARRANGEMENT REPORT
 Depreciation Study as of December 31, 2013**

Account: KEPCO 101/6 350 Land Rights
Dispersion: 75.00, R4.0
Average Net Salvage Rate: 0.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2013	0.5	\$147,522.60	75.00	74.50	0.9933	1.0000	\$146,540.10	\$1,966.97
2012	1.5	\$873,785.10	75.00	73.50	0.9800	1.0000	\$856,326.70	\$11,650.47
2011	2.5	\$150,868.90	75.00	72.50	0.9667	1.0000	\$145,844.90	\$2,011.59
2010	3.5	\$26,745.34	75.00	71.50	0.9534	1.0000	\$25,498.70	\$356.60
2009	4.5	\$218,150.60	75.00	70.51	0.9401	1.0000	\$205,076.30	\$2,908.67
2008	5.5	\$1,564,567.00	75.00	69.51	0.9268	1.0000	\$1,449,982.00	\$20,860.90
2007	6.5	\$2,274.15	75.00	68.51	0.9135	1.0000	\$2,077.34	\$30.32
2006	7.5	\$103,998.40	75.00	67.51	0.9002	1.0000	\$93,615.15	\$1,386.65
2005	8.5	\$92,305.72	75.00	66.51	0.8869	1.0000	\$81,862.72	\$1,230.74
2004	9.5	\$33,991.00	75.00	65.52	0.8736	1.0000	\$29,694.01	\$453.21
2003	10.5	-\$9,734.24	75.00	64.52	0.8603	1.0000	-\$8,374.45	-\$129.79
2002	11.5	\$6,166.71	75.00	63.53	0.8470	1.0000	\$5,223.42	\$82.22
2001	12.5	\$274,371.20	75.00	62.53	0.8338	1.0000	\$228,763.10	\$3,658.28
2000	13.5	\$321,568.90	75.00	61.54	0.8205	1.0000	\$263,856.10	\$4,287.59
1999	14.5	\$966,674.30	75.00	60.55	0.8073	1.0000	\$780,390.70	\$12,888.99
1998	15.5	\$1,280,236.00	75.00	59.56	0.7941	1.0000	\$1,016,608.00	\$17,069.81
1997	16.5	\$580,453.00	75.00	58.57	0.7809	1.0000	\$453,259.10	\$7,739.37
1996	17.5	\$126,373.00	75.00	57.58	0.7677	1.0000	\$97,015.01	\$1,684.97
1995	18.5	\$339,788.00	75.00	56.59	0.7545	1.0000	\$256,375.00	\$4,530.51
1994	19.5	\$321,828.00	75.00	55.60	0.7414	1.0000	\$238,597.20	\$4,291.04
1993	20.5	\$316,776.00	75.00	54.62	0.7283	1.0000	\$230,695.60	\$4,223.68
1992	21.5	\$75,805.00	75.00	53.64	0.7152	1.0000	\$54,212.64	\$1,010.73
1991	22.5	\$325,286.00	75.00	52.66	0.7021	1.0000	\$228,386.60	\$4,337.15
1990	23.5	\$104,145.00	75.00	51.68	0.6891	1.0000	\$71,764.38	\$1,388.60
1989	24.5	\$15,874.00	75.00	50.71	0.6761	1.0000	\$10,732.04	\$211.65
1988	25.5	\$3,265.00	75.00	49.73	0.6631	1.0000	\$2,165.12	\$43.53
1987	26.5	\$1,327.00	75.00	48.77	0.6502	1.0000	\$862.84	\$17.69
1986	27.5	\$82,584.00	75.00	47.80	0.6373	1.0000	\$52,634.05	\$1,101.12
1985	28.5	\$12,474,189.00	75.00	46.84	0.6245	1.0000	\$7,790,517.00	\$166,322.50
1984	29.5	\$294,262.00	75.00	45.88	0.6118	1.0000	\$180,020.10	\$3,923.49
1983	30.5	\$502,031.00	75.00	44.93	0.5990	1.0000	\$300,740.20	\$6,693.75
1982	31.5	\$148,856.00	75.00	43.98	0.5864	1.0000	\$87,290.26	\$1,984.75
1981	32.5	\$154,641.00	75.00	43.04	0.5738	1.0000	\$88,737.04	\$2,061.88
1980	33.5	\$259,692.00	75.00	42.10	0.5613	1.0000	\$145,763.20	\$3,462.56
1979	34.5	\$4,236,751.00	75.00	41.17	0.5489	1.0000	\$2,325,411.00	\$56,490.01
1975	38.5	\$38,729.00	75.00	37.49	0.4999	1.0000	\$19,361.34	\$516.39
		\$26,456,146.68	75.00	50.91	0.6788	1.0000	\$17,957,524.51	\$352,748.59

**KENTUCKY POWER COMPANY
 GENERATION ARRANGEMENT REPORT
 Depreciation Study as of December 31, 2013**

Account: KEPCO 101/6 352 Structures & Improvements
Dispersion: 60.00, S3.0
Average Net Salvage Rate: -10.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2011	2.5	\$64,619.13	60.00	57.50	1.0542	1.0000	\$68,119.33	\$1,184.68
2010	3.5	\$81,320.06	60.00	56.50	1.0358	1.0000	\$84,234.03	\$1,490.87
2009	4.5	\$144,271.70	60.00	55.50	1.0175	1.0000	\$146,796.40	\$2,644.98
2008	5.5	\$141,133.30	60.00	54.50	0.9992	1.0000	\$141,015.70	\$2,587.44
2007	6.5	\$7,094.25	60.00	53.50	0.9808	1.0000	\$6,958.28	\$130.06
2005	8.5	\$66,214.95	60.00	51.50	0.9442	1.0000	\$62,517.95	\$1,213.94
2002	11.5	\$806,045.40	60.00	48.50	0.8892	1.0000	\$716,732.00	\$14,777.50
2001	12.5	\$701.17	60.00	47.50	0.8709	1.0000	\$610.63	\$12.85
2000	13.5	\$84,281.38	60.00	46.50	0.8526	1.0000	\$71,855.85	\$1,545.16
1999	14.5	\$16,180.15	60.00	45.51	0.8343	1.0000	\$13,499.00	\$296.64
1998	15.5	\$58,660.00	60.00	44.51	0.8160	1.0000	\$47,868.11	\$1,075.43
1997	16.5	\$203,592.00	60.00	43.52	0.7978	1.0000	\$162,425.00	\$3,732.52
1996	17.5	\$118,501.90	60.00	42.52	0.7796	1.0000	\$92,385.37	\$2,172.54
1995	18.5	\$111,414.70	60.00	41.53	0.7615	1.0000	\$84,838.51	\$2,042.60
1994	19.5	\$49,187.00	60.00	40.55	0.7434	1.0000	\$36,564.45	\$901.76
1993	20.5	\$366,006.90	60.00	39.57	0.7254	1.0000	\$265,498.60	\$6,710.13
1992	21.5	\$113,918.00	60.00	38.59	0.7075	1.0000	\$80,594.31	\$2,088.50
1991	22.5	\$45,070.00	60.00	37.62	0.6897	1.0000	\$31,082.67	\$826.28
1990	23.5	\$65,795.00	60.00	36.65	0.6720	1.0000	\$44,214.29	\$1,206.24
1989	24.5	\$1,510.00	60.00	35.70	0.6545	1.0000	\$988.23	\$27.68
1988	25.5	\$5,196.00	60.00	34.75	0.6371	1.0000	\$3,310.14	\$95.26
1987	26.5	\$14,460.00	60.00	33.81	0.6199	1.0000	\$8,963.69	\$265.10
1986	27.5	\$156,377.00	60.00	32.88	0.6029	1.0000	\$94,277.08	\$2,866.91
1985	28.5	\$101,850.00	60.00	31.97	0.5861	1.0000	\$59,691.42	\$1,867.25
1984	29.5	\$115,579.00	60.00	31.07	0.5696	1.0000	\$65,831.81	\$2,118.95
1983	30.5	\$52,326.00	60.00	30.18	0.5533	1.0000	\$28,950.63	\$959.31
1982	31.5	\$194,476.70	60.00	29.30	0.5372	1.0000	\$104,475.10	\$3,565.41
1981	32.5	\$1,642,115.00	60.00	28.45	0.5215	1.0000	\$856,422.50	\$30,105.44
1980	33.5	\$98,952.76	60.00	27.60	0.5061	1.0000	\$50,077.47	\$1,814.13
1979	34.5	\$3,140.00	60.00	26.78	0.4910	1.0000	\$1,541.68	\$57.57
1978	35.5	\$125.00	60.00	25.97	0.4762	1.0000	\$59.52	\$2.29
1977	36.5	\$158,624.40	60.00	25.18	0.4617	1.0000	\$73,232.45	\$2,908.11
1976	37.5	\$87,539.00	60.00	24.41	0.4475	1.0000	\$39,173.26	\$1,604.88
1975	38.5	\$11,010.17	60.00	23.66	0.4338	1.0000	\$4,775.96	\$201.85
1974	39.5	\$1,154,345.00	60.00	22.93	0.4203	1.0000	\$485,183.70	\$21,162.99
1973	40.5	\$46,882.77	60.00	22.21	0.4072	1.0000	\$19,089.54	\$859.52
1971	42.5	\$4,910.00	60.00	20.84	0.3821	1.0000	\$1,876.14	\$90.02
1970	43.5	\$50,620.00	60.00	20.18	0.3700	1.0000	\$18,730.90	\$928.03
1969	44.5	\$1,252.00	60.00	19.55	0.3584	1.0000	\$448.75	\$22.95
1968	45.5	\$31,848.69	60.00	18.93	0.3471	1.0000	\$11,053.60	\$583.89
1967	46.5	\$21,588.91	60.00	18.33	0.3360	1.0000	\$7,254.52	\$395.80
1966	47.5	\$29,924.00	60.00	17.75	0.3254	1.0000	\$9,738.33	\$548.61
1965	48.5	\$297.00	60.00	17.19	0.3151	1.0000	\$93.58	\$5.45
1964	49.5	\$8,446.00	60.00	16.64	0.3050	1.0000	\$2,576.38	\$154.84
1963	50.5	\$16,589.00	60.00	16.11	0.2954	1.0000	\$4,900.40	\$304.13
1962	51.5	\$6,972.00	60.00	15.60	0.2860	1.0000	\$1,993.96	\$127.82
1961	52.5	\$121.00	60.00	15.10	0.2769	1.0000	\$33.50	\$2.22
1960	53.5	\$2,917.00	60.00	14.62	0.2681	1.0000	\$782.11	\$53.48
1959	54.5	\$1,799.00	60.00	14.16	0.2596	1.0000	\$467.01	\$32.98
1958	55.5	\$4,414.00	60.00	13.71	0.2513	1.0000	\$1,109.36	\$80.92

**KENTUCKY POWER COMPANY
 GENERATION ARRANGEMENT REPORT
 Depreciation Study as of December 31, 2013**

Account: KEPCO 101/6 352 Structures & Improvements
Dispersion: 60.00, S3.0
Average Net Salvage Rate: -10.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1957	56.5	\$579.00	60.00	13.27	0.2434	1.0000	\$140.91	\$10.62
1956	57.5	\$381.00	60.00	12.85	0.2356	1.0000	\$89.78	\$6.99
1955	58.5	\$516.00	60.00	12.44	0.2281	1.0000	\$117.72	\$9.46
1954	59.5	\$38,794.00	60.00	12.05	0.2209	1.0000	\$8,569.40	\$711.22
1953	60.5	\$711.00	60.00	11.67	0.2139	1.0000	\$152.07	\$13.04
1952	61.5	\$92.00	60.00	11.29	0.2071	1.0000	\$19.05	\$1.69
1951	62.5	\$8,401.00	60.00	10.93	0.2005	1.0000	\$1,684.13	\$154.02
1946	67.5	\$152.00	60.00	9.30	0.1704	1.0000	\$25.91	\$2.79
1944	69.5	\$2,137.00	60.00	8.70	0.1596	1.0000	\$340.98	\$39.18
1943	70.5	\$5,740.09	60.00	8.42	0.1544	1.0000	\$886.43	\$105.23
1942	71.5	\$7,335.00	60.00	8.14	0.1493	1.0000	\$1,095.11	\$134.48
1940	73.5	\$1,616.00	60.00	7.62	0.1397	1.0000	\$225.83	\$29.63
		\$6,636,668.48	60.00	33.93	0.6220	1.0000	\$4,128,260.52	\$121,672.26

**KENTUCKY POWER COMPANY
 GENERATION ARRANGEMENT REPORT
 Depreciation Study as of December 31, 2013**

Account: KEPCO 101/6 353 Station Equipment
Dispersion: 50.00, L0.5
Average Net Salvage Rate: -3.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2013	0.5	\$3,056,897.00	50.00	49.55	1.0206	1.0000	\$3,120,003.00	\$62,972.08
2012	1.5	\$10,683,586.00	50.00	48.68	1.0029	1.0000	\$10,714,281.00	\$220,081.90
2011	2.5	\$8,630,837.00	50.00	47.86	0.9859	1.0000	\$8,509,166.00	\$177,795.30
2010	3.5	\$5,827,823.00	50.00	47.07	0.9695	1.0000	\$5,650,350.00	\$120,053.20
2009	4.5	\$4,640,908.00	50.00	46.30	0.9537	1.0000	\$4,426,112.00	\$95,602.70
2008	5.5	\$13,836,867.00	50.00	45.55	0.9384	1.0000	\$12,984,022.00	\$285,039.50
2007	6.5	\$1,687,025.00	50.00	44.83	0.9235	1.0000	\$1,557,891.00	\$34,752.72
2006	7.5	\$10,121,848.00	50.00	44.12	0.9090	1.0000	\$9,200,487.00	\$208,510.10
2005	8.5	\$2,111,775.00	50.00	43.44	0.8949	1.0000	\$1,889,822.00	\$43,502.56
2004	9.5	\$2,852,098.00	50.00	42.78	0.8812	1.0000	\$2,513,317.00	\$58,753.22
2003	10.5	\$3,570,390.00	50.00	42.13	0.8679	1.0000	\$3,098,846.00	\$73,550.04
2002	11.5	\$3,085,097.00	50.00	41.51	0.8550	1.0000	\$2,637,809.00	\$63,552.99
2001	12.5	\$3,554,179.00	50.00	40.90	0.8425	1.0000	\$2,994,357.00	\$73,216.08
2000	13.5	\$2,435,262.00	50.00	40.31	0.8303	1.0000	\$2,022,052.00	\$50,166.39
1999	14.5	\$1,473,057.00	50.00	39.73	0.8185	1.0000	\$1,205,738.00	\$30,344.97
1998	15.5	\$9,550,493.00	50.00	39.18	0.8071	1.0000	\$7,708,138.00	\$196,740.20
1997	16.5	\$36,107,850.00	50.00	38.64	0.7960	1.0000	\$28,742,031.00	\$743,821.70
1996	17.5	\$2,425,115.00	50.00	38.12	0.7853	1.0000	\$1,904,371.00	\$49,957.37
1995	18.5	\$803,434.40	50.00	37.61	0.7749	1.0000	\$622,549.80	\$16,550.75
1994	19.5	\$2,037,227.00	50.00	37.13	0.7648	1.0000	\$1,558,021.00	\$41,966.87
1993	20.5	\$5,213,844.00	50.00	36.65	0.7550	1.0000	\$3,936,435.00	\$107,405.20
1992	21.5	\$1,906,796.00	50.00	36.19	0.7455	1.0000	\$1,421,547.00	\$39,280.00
1991	22.5	\$3,776,420.00	50.00	35.74	0.7363	1.0000	\$2,780,640.00	\$77,794.25
1990	23.5	\$2,680,809.00	50.00	35.31	0.7274	1.0000	\$1,949,946.00	\$55,224.66
1989	24.5	\$1,170,902.00	50.00	34.89	0.7187	1.0000	\$841,488.20	\$24,120.59
1988	25.5	\$513,579.90	50.00	34.49	0.7105	1.0000	\$364,873.10	\$10,579.75
1987	26.5	\$1,769,350.00	50.00	34.10	0.7024	1.0000	\$1,242,763.00	\$36,448.61
1986	27.5	\$494,865.00	50.00	33.71	0.6944	1.0000	\$343,642.80	\$10,194.22
1985	28.5	\$740,643.50	50.00	33.33	0.6865	1.0000	\$508,479.60	\$15,257.26
1984	29.5	\$1,215,901.00	50.00	32.95	0.6787	1.0000	\$825,280.60	\$25,047.56
1983	30.5	\$274,414.20	50.00	32.57	0.6710	1.0000	\$184,140.00	\$5,652.93
1982	31.5	\$1,508,281.00	50.00	32.20	0.6634	1.0000	\$1,000,610.00	\$31,070.58
1981	32.5	\$3,972,348.00	50.00	31.84	0.6559	1.0000	\$2,605,384.00	\$81,830.37
1980	33.5	\$5,178,361.00	50.00	31.48	0.6484	1.0000	\$3,357,820.00	\$106,674.20
1979	34.5	\$819,970.60	50.00	31.12	0.6411	1.0000	\$525,654.00	\$16,891.39
1978	35.5	\$45,938.69	50.00	30.77	0.6338	1.0000	\$29,115.02	\$946.34
1977	36.5	\$1,892,110.00	50.00	30.42	0.6266	1.0000	\$1,185,548.00	\$38,977.46
1976	37.5	\$1,090,859.00	50.00	30.07	0.6195	1.0000	\$675,736.40	\$22,471.69
1975	38.5	\$763,727.00	50.00	29.73	0.6124	1.0000	\$467,708.00	\$15,732.78
1974	39.5	\$1,026,909.00	50.00	29.39	0.6054	1.0000	\$621,727.30	\$21,154.33
1973	40.5	\$139,431.80	50.00	29.06	0.5985	1.0000	\$83,456.73	\$2,872.30
1972	41.5	\$214,746.50	50.00	28.73	0.5917	1.0000	\$127,073.40	\$4,423.78
1971	42.5	\$173,953.90	50.00	28.40	0.5850	1.0000	\$101,762.10	\$3,583.45
1970	43.5	\$686,355.30	50.00	28.07	0.5783	1.0000	\$396,937.70	\$14,138.92
1969	44.5	\$3,886,071.00	50.00	27.75	0.5717	1.0000	\$2,221,818.00	\$80,053.06
1968	45.5	\$59,331.25	50.00	27.44	0.5652	1.0000	\$33,535.54	\$1,222.22
1967	46.5	\$238,923.10	50.00	27.13	0.5588	1.0000	\$133,505.60	\$4,921.82
1966	47.5	\$5,843.00	50.00	26.82	0.5524	1.0000	\$3,227.66	\$120.37
1965	48.5	\$96,195.62	50.00	26.51	0.5461	1.0000	\$52,531.78	\$1,981.63
1964	49.5	\$676.51	50.00	26.21	0.5399	1.0000	\$365.22	\$13.94
1963	50.5	\$497,077.10	50.00	25.91	0.5337	1.0000	\$265,287.40	\$10,239.79
1962	51.5	\$5,906.00	50.00	25.61	0.5276	1.0000	\$3,115.92	\$121.66
1961	52.5	\$347.00	50.00	25.32	0.5216	1.0000	\$180.98	\$7.15
1960	53.5	\$25,383.97	50.00	25.03	0.5156	1.0000	\$13,087.65	\$522.91

**KENTUCKY POWER COMPANY
 GENERATION ARRANGEMENT REPORT
 Depreciation Study as of December 31, 2013**

Account: KEPCO 101/6 353 Station Equipment
Dispersion: 50.00, L0.5
Average Net Salvage Rate: -3.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1959	54.5	\$20,421.22	50.00	24.74	0.5097	1.0000	\$10,408.58	\$420.68
1958	55.5	\$577.00	50.00	24.46	0.5039	1.0000	\$290.72	\$11.89
1957	56.5	\$8,980.51	50.00	24.18	0.4981	1.0000	\$4,473.02	\$185.00
1955	58.5	\$897.00	50.00	23.63	0.4867	1.0000	\$436.59	\$18.48
1954	59.5	\$227,180.50	50.00	23.36	0.4811	1.0000	\$109,306.00	\$4,679.92
1953	60.5	\$7,575.00	50.00	23.09	0.4756	1.0000	\$3,602.72	\$156.05
		\$170,843,670.57	50.00	40.20	0.8282	1.0000	\$141,492,305.13	\$3,519,379.83

**KENTUCKY POWER COMPANY
 GENERATION ARRANGEMENT REPORT
 Depreciation Study as of December 31, 2013**

Account: KEPCO 101/6 354 Towers and Fixtures
Dispersion: 51.00, S6.0
Average Net Salvage Rate: -10.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2013	0.5	\$43,039.50	51.00	50.50	1.0892	1.0000	\$46,879.30	\$928.30
2012	1.5	\$37,852.50	51.00	49.50	1.0676	1.0000	\$40,413.11	\$816.43
2010	3.5	\$25,112.50	51.00	47.50	1.0245	1.0000	\$25,728.00	\$541.64
2009	4.5	\$143,884.50	51.00	46.50	1.0029	1.0000	\$144,307.70	\$3,103.39
2008	5.5	\$2,734,527.00	51.00	45.50	0.9814	1.0000	\$2,683,589.00	\$58,979.98
2005	8.5	\$16,025.50	51.00	42.50	0.9167	1.0000	\$14,690.04	\$345.65
2004	9.5	\$5,437.50	51.00	41.50	0.8951	1.0000	\$4,867.10	\$117.28
2003	10.5	\$27,462.50	51.00	40.50	0.8735	1.0000	\$23,989.30	\$592.33
2002	11.5	\$96,142.50	51.00	39.50	0.8520	1.0000	\$81,909.64	\$2,073.66
2001	12.5	\$998,859.50	51.00	38.50	0.8304	1.0000	\$829,445.10	\$21,544.03
2000	13.5	\$657,177.50	51.00	37.50	0.8088	1.0000	\$531,540.60	\$14,174.42
1999	14.5	\$4,771,186.00	51.00	36.50	0.7873	1.0000	\$3,756,139.00	\$102,907.90
1998	15.5	\$6,759,532.00	51.00	35.50	0.7657	1.0000	\$5,175,680.00	\$145,793.80
1997	16.5	\$860,276.50	51.00	34.50	0.7441	1.0000	\$640,146.90	\$18,554.98
1996	17.5	\$363,575.50	51.00	33.50	0.7225	1.0000	\$262,701.10	\$7,841.82
1995	18.5	\$315,635.50	51.00	32.50	0.7010	1.0000	\$221,254.30	\$6,807.82
1993	20.5	\$182,665.50	51.00	30.50	0.6578	1.0000	\$120,165.30	\$3,939.84
1992	21.5	\$41,132.50	51.00	29.50	0.6363	1.0000	\$26,171.56	\$887.17
1991	22.5	\$15.50	51.00	28.50	0.6147	1.0000	\$9.53	\$0.33
1990	23.5	\$427,812.50	51.00	27.50	0.5931	1.0000	\$253,751.50	\$9,227.33
1986	27.5	\$783,128.50	51.00	23.50	0.5069	1.0000	\$396,938.70	\$16,891.01
1985	28.5	\$59,889,884.00	51.00	22.50	0.4853	1.0000	\$29,064,208.00	\$1,291,743.00
1984	29.5	\$177,806.50	51.00	21.50	0.4637	1.0000	\$82,453.41	\$3,835.04
1982	31.5	\$273,723.50	51.00	19.50	0.4206	1.0000	\$115,124.90	\$5,903.84
1978	35.5	\$81,431.50	51.00	15.50	0.3343	1.0000	\$27,224.11	\$1,756.37
1977	36.5	\$28,623.50	51.00	14.50	0.3128	1.0000	\$8,952.22	\$617.37
1976	37.5	\$158,516.50	51.00	13.50	0.2912	1.0000	\$46,162.16	\$3,418.98
1975	38.5	\$72,763.50	51.00	12.51	0.2697	1.0000	\$19,627.02	\$1,569.41
1974	39.5	\$20,383.50	51.00	11.51	0.2484	1.0000	\$5,062.42	\$439.64
1973	40.5	\$112,943.50	51.00	10.53	0.2272	1.0000	\$25,659.85	\$2,436.04
1972	41.5	\$8,467,429.00	51.00	9.57	0.2064	1.0000	\$1,747,601.00	\$182,630.80
1971	42.5	\$25,981.03	51.00	8.63	0.1862	1.0000	\$4,837.03	\$560.38
1970	43.5	\$3,959,404.00	51.00	7.73	0.1668	1.0000	\$660,451.20	\$85,398.90
1968	45.5	\$713,772.70	51.00	6.10	0.1317	1.0000	\$93,977.32	\$15,395.10
1967	46.5	\$327,425.90	51.00	5.39	0.1163	1.0000	\$38,082.80	\$7,062.13
1966	47.5	\$15,679.47	51.00	4.76	0.1026	1.0000	\$1,608.42	\$338.18
1965	48.5	\$335,575.90	51.00	4.19	0.0905	1.0000	\$30,361.05	\$7,237.91
1964	49.5	\$63,715.33	51.00	3.71	0.0799	1.0000	\$5,091.88	\$1,374.25
1963	50.5	\$377,896.80	51.00	3.28	0.0708	1.0000	\$26,746.64	\$8,150.71
1962	51.5	\$52,276.25	51.00	2.92	0.0629	1.0000	\$3,288.40	\$1,127.53
1961	52.5	\$80.34	51.00	2.60	0.0561	1.0000	\$4.51	\$1.73
1959	54.5	\$69,325.92	51.00	2.10	0.0453	1.0000	\$3,141.36	\$1,495.26
1958	55.5	\$1,147.71	51.00	1.90	0.0410	1.0000	\$47.04	\$24.75
1956	57.5	\$403.59	51.00	1.58	0.0340	1.0000	\$13.71	\$8.70
1954	59.5	\$875.94	51.00	1.33	0.0286	1.0000	\$25.09	\$18.89
1944	69.5	-\$0.50	51.00	0.00	0.0000	0.0000	\$0.00	\$0.00
		\$94,517,546.38	51.00	23.20	0.5003	1.0000	\$47,290,068.32	\$2,038,614.02

**KENTUCKY POWER COMPANY
 GENERATION ARRANGEMENT REPORT
 Depreciation Study as of December 31, 2013**

**Account: KEPCO 101/6 355 Poles and Fixtures
 Dispersion: 43.00, L3.0
 Average Net Salvage Rate: -61.00%**

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2013	0.5	\$2,200,444.00	43.00	42.50	1.5913	1.0000	\$3,501,520.00	\$82,388.70
2012	1.5	\$13,191,071.00	43.00	41.50	1.5538	1.0000	\$20,496,776.00	\$493,898.20
2011	2.5	\$8,724,173.00	43.00	40.50	1.5164	1.0000	\$13,229,295.00	\$326,649.30
2010	3.5	\$1,605,745.00	43.00	39.50	1.4790	1.0000	\$2,374,821.00	\$60,122.06
2009	4.5	\$1,549,669.00	43.00	38.50	1.4415	1.0000	\$2,233,876.00	\$58,022.47
2008	5.5	\$7,989,471.00	43.00	37.50	1.4041	1.0000	\$11,218,249.00	\$299,140.60
2007	6.5	\$542,429.50	43.00	36.51	1.3668	1.0000	\$741,412.40	\$20,309.57
2006	7.5	\$1,905,172.00	43.00	35.51	1.3297	1.0000	\$2,533,285.00	\$71,333.17
2005	8.5	\$1,398,679.00	43.00	34.53	1.2927	1.0000	\$1,808,111.00	\$52,369.13
2004	9.5	\$1,450,694.00	43.00	33.55	1.2561	1.0000	\$1,822,156.00	\$54,316.66
2003	10.5	\$725,129.50	43.00	32.57	1.2197	1.0000	\$884,410.60	\$27,150.20
2002	11.5	\$2,112,729.00	43.00	31.61	1.1836	1.0000	\$2,500,590.00	\$79,104.49
2001	12.5	\$2,296,624.00	43.00	30.66	1.1479	1.0000	\$2,636,283.00	\$85,989.86
2000	13.5	\$2,016,921.00	43.00	29.72	1.1126	1.0000	\$2,244,024.00	\$75,517.26
1999	14.5	\$7,268,034.00	43.00	28.78	1.0777	1.0000	\$7,832,542.00	\$272,128.70
1998	15.5	\$231,513.50	43.00	27.86	1.0432	1.0000	\$241,520.50	\$8,668.30
1997	16.5	\$2,198,840.00	43.00	26.95	1.0092	1.0000	\$2,219,081.00	\$82,328.64
1996	17.5	\$966,626.50	43.00	26.06	0.9756	1.0000	\$943,048.90	\$36,192.29
1995	18.5	\$500,140.50	43.00	25.17	0.9426	1.0000	\$471,424.20	\$18,726.19
1994	19.5	\$2,827,372.00	43.00	24.31	0.9101	1.0000	\$2,573,230.00	\$105,862.10
1993	20.5	\$1,993,154.00	43.00	23.46	0.8782	1.0000	\$1,750,410.00	\$74,627.41
1992	21.5	\$1,935,684.00	43.00	22.63	0.8471	1.0000	\$1,639,761.00	\$72,475.62
1991	22.5	\$1,187,787.00	43.00	21.82	0.8169	1.0000	\$970,268.70	\$44,472.95
1990	23.5	\$364,177.40	43.00	21.03	0.7875	1.0000	\$286,783.30	\$13,635.48
1989	24.5	\$499,312.10	43.00	20.28	0.7593	1.0000	\$379,146.40	\$18,695.17
1988	25.5	\$468,838.20	43.00	19.56	0.7324	1.0000	\$343,379.70	\$17,554.17
1987	26.5	\$191,947.20	43.00	18.87	0.7067	1.0000	\$135,641.90	\$7,186.86
1986	27.5	\$670,934.50	43.00	18.23	0.6826	1.0000	\$457,947.90	\$25,121.04
1985	28.5	\$252,637.70	43.00	17.63	0.6599	1.0000	\$166,723.90	\$9,459.22
1984	29.5	\$111,003.30	43.00	17.06	0.6387	1.0000	\$70,899.98	\$4,156.17
1983	30.5	\$394,973.10	43.00	16.54	0.6193	1.0000	\$244,603.70	\$14,788.53
1982	31.5	\$964,288.90	43.00	16.06	0.6014	1.0000	\$579,941.40	\$36,104.77
1981	32.5	\$650,008.10	43.00	15.62	0.5850	1.0000	\$380,239.80	\$24,337.51
1980	33.5	\$729,882.30	43.00	15.23	0.5702	1.0000	\$416,168.00	\$27,328.15
1979	34.5	\$117,777.30	43.00	14.87	0.5568	1.0000	\$65,577.28	\$4,409.80
1978	35.5	\$275,794.20	43.00	14.55	0.5447	1.0000	\$150,217.60	\$10,326.25
1977	36.5	\$243,905.50	43.00	14.26	0.5338	1.0000	\$130,204.90	\$9,132.28
1976	37.5	\$289,015.30	43.00	14.00	0.5241	1.0000	\$151,466.40	\$10,821.27
1975	38.5	\$243,379.10	43.00	13.76	0.5153	1.0000	\$125,414.10	\$9,112.57
1974	39.5	\$190,411.20	43.00	13.55	0.5073	1.0000	\$96,597.31	\$7,129.35
1973	40.5	\$65,697.27	43.00	13.35	0.5000	1.0000	\$32,845.76	\$2,459.83
1972	41.5	\$75,851.38	43.00	13.17	0.4932	1.0000	\$37,412.33	\$2,840.02
1971	42.5	\$111,250.10	43.00	13.00	0.4867	1.0000	\$54,147.51	\$4,165.41
1970	43.5	\$2,284.43	43.00	12.83	0.4804	1.0000	\$1,097.48	\$85.53
1969	44.5	\$134,376.30	43.00	12.66	0.4742	1.0000	\$63,721.00	\$5,031.30
1968	45.5	\$93,052.49	43.00	12.50	0.4680	1.0000	\$43,550.67	\$3,484.06
1967	46.5	\$154,172.30	43.00	12.33	0.4615	1.0000	\$71,157.30	\$5,772.50
1966	47.5	\$222,971.10	43.00	12.15	0.4548	1.0000	\$101,417.80	\$8,348.45
1965	48.5	\$181,992.70	43.00	11.96	0.4480	1.0000	\$81,523.89	\$6,814.15
1964	49.5	\$33,812.94	43.00	11.77	0.4405	1.0000	\$14,896.19	\$1,266.02
1963	50.5	\$10,847.89	43.00	11.56	0.4328	1.0000	\$4,694.98	\$406.17
1962	51.5	\$21,166.34	43.00	11.35	0.4248	1.0000	\$8,991.70	\$792.51
1961	52.5	\$12,209.03	43.00	11.12	0.4163	1.0000	\$5,082.77	\$457.13
1960	53.5	\$17,203.15	43.00	10.88	0.4075	1.0000	\$7,010.72	\$644.12

**KENTUCKY POWER COMPANY
 GENERATION ARRANGEMENT REPORT
 Depreciation Study as of December 31, 2013**

**Account: KEPCO 101/6 355 Poles and Fixtures
 Dispersion: 43.00, L3.0
 Average Net Salvage Rate: -61.00%**

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1959	54.5	\$14,880.79	43.00	10.65	0.3986	1.0000	\$5,931.05	\$557.16
1958	55.5	\$6,013.42	43.00	10.40	0.3892	1.0000	\$2,340.66	\$225.15
1957	56.5	\$2,146.40	43.00	10.14	0.3798	1.0000	\$815.10	\$80.37
1956	57.5	\$9,371.02	43.00	9.89	0.3703	1.0000	\$3,469.63	\$350.87
1955	58.5	\$1,695.88	43.00	9.63	0.3605	1.0000	\$611.37	\$63.50
1954	59.5	\$22,564.80	43.00	9.37	0.3507	1.0000	\$7,914.44	\$844.87
1953	60.5	\$7,766.98	43.00	9.11	0.3411	1.0000	\$2,649.02	\$290.81
1952	61.5	\$1,084.37	43.00	8.85	0.3313	1.0000	\$359.24	\$40.60
1951	62.5	\$476.55	43.00	8.59	0.3216	1.0000	\$153.25	\$17.84
1950	63.5	\$288.23	43.00	8.33	0.3121	1.0000	\$89.94	\$10.79
1949	64.5	\$1,518.77	43.00	8.08	0.3025	1.0000	\$459.36	\$56.87
1948	65.5	\$242.31	43.00	7.82	0.2930	1.0000	\$70.99	\$9.07
1947	66.5	\$61.56	43.00	7.58	0.2837	1.0000	\$17.47	\$2.30
1946	67.5	\$96.68	43.00	7.33	0.2744	1.0000	\$26.53	\$3.62
1945	68.5	\$730.52	43.00	7.08	0.2653	1.0000	\$193.78	\$27.35
1944	69.5	\$4,234.28	43.00	6.85	0.2564	1.0000	\$1,085.64	\$158.54
1942	71.5	\$7,235.39	43.00	6.37	0.2386	1.0000	\$1,726.09	\$270.91
1941	72.5	\$78.66	43.00	6.14	0.2300	1.0000	\$18.10	\$2.95
1938	75.5	\$2,965.25	43.00	5.47	0.2047	1.0000	\$606.91	\$111.02
		\$74,696,727.18	43.00	32.75	1.2263	1.0000	\$91,603,137.54	\$2,796,784.25

**KENTUCKY POWER COMPANY
 GENERATION ARRANGEMENT REPORT
 Depreciation Study as of December 31, 2013**

**Account: KEPCO 101/6 356 Overhead Conductor & Devices
 Dispersion: 50.00, S6.0
 Average Net Salvage Rate: -27.00%**

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2013	0.5	\$1,533,388.27	50.00	49.50	1.2573	1.0000	\$1,927,929.07	\$38,948.06
2012	1.5	\$5,966,116.45	50.00	48.50	1.2319	1.0000	\$7,349,658.85	\$151,539.36
2011	2.5	\$4,345,590.56	50.00	47.50	1.2065	1.0000	\$5,242,955.01	\$110,378.00
2010	3.5	\$1,016,757.17	50.00	46.50	1.1811	1.0000	\$1,200,891.89	\$25,825.63
2009	4.5	\$816,705.47	50.00	45.50	1.1557	1.0000	\$943,866.51	\$20,744.32
2008	5.5	\$7,753,817.43	50.00	44.50	1.1303	1.0000	\$8,764,139.84	\$196,946.96
2007	6.5	\$388,254.21	50.00	43.50	1.1049	1.0000	\$428,982.08	\$9,861.66
2006	7.5	\$278,715.51	50.00	42.50	1.0795	1.0000	\$300,873.39	\$7,079.37
2005	8.5	\$743,702.80	50.00	41.50	1.0541	1.0000	\$783,937.12	\$18,890.05
2004	9.5	\$244,994.96	50.00	40.50	1.0287	1.0000	\$252,026.32	\$6,222.87
2003	10.5	\$653,964.64	50.00	39.50	1.0033	1.0000	\$656,122.72	\$16,610.70
2002	11.5	\$422,998.73	50.00	38.50	0.9779	1.0000	\$413,650.46	\$10,744.17
2001	12.5	\$992,260.70	50.00	37.50	0.9525	1.0000	\$945,128.32	\$25,203.42
2000	13.5	\$1,907,562.01	50.00	36.50	0.9271	1.0000	\$1,768,500.74	\$48,452.08
1999	14.5	\$11,988,857.87	50.00	35.50	0.9017	1.0000	\$10,810,353.14	\$304,516.99
1998	15.5	\$4,961,737.75	50.00	34.50	0.8763	1.0000	\$4,347,970.79	\$126,028.14
1997	16.5	\$689,875.00	50.00	33.50	0.8509	1.0000	\$587,014.64	\$17,522.83
1996	17.5	\$1,377,964.50	50.00	32.50	0.8255	1.0000	\$1,137,509.69	\$35,000.30
1995	18.5	\$1,023,612.00	50.00	31.50	0.8001	1.0000	\$818,991.96	\$25,999.74
1994	19.5	\$3,246,840.90	50.00	30.50	0.7747	1.0000	\$2,515,327.65	\$82,469.76
1993	20.5	\$1,686,294.73	50.00	29.50	0.7493	1.0000	\$1,263,540.64	\$42,831.89
1992	21.5	\$2,050,378.00	50.00	28.50	0.7239	1.0000	\$1,484,268.63	\$52,079.60
1991	22.5	\$595,353.00	50.00	27.50	0.6985	1.0000	\$415,854.07	\$15,121.97
1990	23.5	\$419,891.00	50.00	26.50	0.6731	1.0000	\$282,628.63	\$10,665.23
1989	24.5	\$271,231.00	50.00	25.50	0.6477	1.0000	\$175,676.32	\$6,889.27
1988	25.5	\$183,761.00	50.00	24.50	0.6223	1.0000	\$114,354.47	\$4,667.53
1987	26.5	\$130,723.00	50.00	23.50	0.5969	1.0000	\$78,028.56	\$3,320.36
1986	27.5	\$838,299.00	50.00	22.50	0.5715	1.0000	\$479,087.88	\$21,292.79
1985	28.5	\$45,981,305.00	50.00	21.50	0.5461	1.0000	\$25,110,390.66	\$1,167,925.15
1984	29.5	\$96,445.00	50.00	20.50	0.5207	1.0000	\$50,218.91	\$2,449.70
1983	30.5	\$35,130.44	50.00	19.50	0.4953	1.0000	\$17,400.11	\$892.31
1982	31.5	\$1,727,064.00	50.00	18.50	0.4699	1.0000	\$811,547.37	\$43,867.43
1981	32.5	\$678,498.00	50.00	17.50	0.4445	1.0000	\$301,592.36	\$17,233.85
1980	33.5	\$329,988.47	50.00	16.50	0.4191	1.0000	\$138,298.17	\$8,381.71
1979	34.5	\$59,325.91	50.00	15.50	0.3937	1.0000	\$23,356.85	\$1,506.88
1978	35.5	\$1,873,320.00	50.00	14.50	0.3683	1.0000	\$689,965.64	\$47,582.33
1977	36.5	\$509,705.00	50.00	13.50	0.3429	1.0000	\$174,798.30	\$12,946.51
1976	37.5	\$222,646.00	50.00	12.50	0.3176	1.0000	\$70,715.96	\$5,655.21
1975	38.5	\$187,880.00	50.00	11.51	0.2924	1.0000	\$54,935.40	\$4,772.15
1974	39.5	\$43,042.00	50.00	10.53	0.2674	1.0000	\$11,509.18	\$1,093.27
1973	40.5	\$71,149.00	50.00	9.56	0.2428	1.0000	\$17,273.77	\$1,807.18
1972	41.5	\$148,128.13	50.00	8.61	0.2188	1.0000	\$32,413.29	\$3,762.45
1971	42.5	\$1,032,509.62	50.00	7.71	0.1958	1.0000	\$202,181.74	\$26,225.74
1970	43.5	\$8,116,061.63	50.00	6.85	0.1741	1.0000	\$1,413,070.16	\$206,147.97
1969	44.5	\$289,660.00	50.00	6.06	0.1540	1.0000	\$44,609.48	\$7,357.36
1968	45.5	\$1,176,631.99	50.00	5.34	0.1357	1.0000	\$159,717.38	\$29,886.45
1967	46.5	\$505,497.89	50.00	4.70	0.1194	1.0000	\$60,371.62	\$12,839.65
1966	47.5	\$157,142.39	50.00	4.14	0.1051	1.0000	\$16,512.29	\$3,991.42
1965	48.5	\$712,925.73	50.00	3.65	0.0926	1.0000	\$66,016.19	\$18,108.31
1964	49.5	\$39,573.54	50.00	3.22	0.0818	1.0000	\$3,238.47	\$1,005.17
1963	50.5	\$515,852.00	50.00	2.86	0.0726	1.0000	\$37,447.52	\$13,102.64
1962	51.5	\$91,861.00	50.00	2.55	0.0647	1.0000	\$5,941.61	\$2,333.27
1961	52.5	\$26,743.77	50.00	2.28	0.0579	1.0000	\$1,548.57	\$679.29
1960	53.5	\$30,927.76	50.00	2.05	0.0521	1.0000	\$1,610.91	\$785.57

**KENTUCKY POWER COMPANY
 GENERATION ARRANGEMENT REPORT
 Depreciation Study as of December 31, 2013**

**Account: KEPCO 101/6 356 Overhead Conductor & Devices
 Dispersion: 50.00, S6.0
 Average Net Salvage Rate: -27.00%**

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1959	54.5	\$194,332.04	50.00	1.85	0.0471	1.0000	\$9,148.67	\$4,936.03
1958	55.5	\$349,789.48	50.00	1.68	0.0427	1.0000	\$14,953.05	\$8,884.65
1957	56.5	\$8,647.00	50.00	1.53	0.0390	1.0000	\$337.13	\$219.63
1956	57.5	\$31,081.35	50.00	1.41	0.0357	1.0000	\$1,109.72	\$789.47
1955	58.5	\$3,834.00	50.00	1.29	0.0328	1.0000	\$125.84	\$97.38
1954	59.5	\$92,098.00	50.00	1.19	0.0303	1.0000	\$2,788.05	\$2,339.29
1953	60.5	\$55,031.00	50.00	1.10	0.0280	1.0000	\$1,541.16	\$1,397.79
1952	61.5	\$11,045.54	50.00	1.02	0.0259	1.0000	\$286.45	\$280.56
1951	62.5	\$13,420.00	50.00	0.94	0.0239	1.0000	\$320.58	\$340.87
1950	63.5	\$2,803.18	50.00	0.85	0.0215	1.0000	\$60.20	\$71.20
1949	64.5	\$61,981.96	50.00	0.69	0.0175	1.0000	\$1,082.38	\$1,574.34
1948	65.5	\$14,383.44	50.00	0.25	0.0064	1.0000	\$91.34	\$365.34
1947	66.5	\$11,563.00	50.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1946	67.5	\$5,928.00	50.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1945	68.5	\$27,492.90	50.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1944	69.5	\$4,633.00	50.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1943	70.5	\$5,002.00	50.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1942	71.5	\$346,880.00	50.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1941	72.5	\$6,577.00	50.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1940	73.5	\$69,747.08	50.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1939	74.5	\$476.00	50.00	0.00	0	0.0000	\$0.00	\$0.00
1938	75.5	\$67.00	50.00	0.00	0	0.0000	\$0.00	\$0.00
1937	76.5	\$8,842.00	50.00	0.00	0	0.0000	\$0.00	\$0.00
1936	77.5	\$9,973.00	50.00	0.00	0	0.0000	\$0.00	\$0.00
1935	78.5	\$1,327.00	50.00	0.00	0	0.0000	\$0.00	\$0.00
1934	79.5	\$2,159.00	50.00	0.00	0	0.0000	\$0.00	\$0.00
1933	80.5	\$1,642.00	50.00	0.00	0	0.0000	\$0.00	\$0.00
1932	81.5	\$2,108.00	50.00	0.00	0	0.0000	\$0.00	\$0.00
1931	82.5	\$2,112.00	50.00	0.00	0	0.0000	\$0.00	\$0.00
1930	83.5	\$3,946.14	50.00	0.00	0	0.0000	\$0.00	\$0.00
1929	84.5	\$137.00	50.00	0.00	0	0.0000	\$0.00	\$0.00
1928	85.5	\$30.00	50.00	0.00	0	0.0000	\$0.00	\$0.00
1927	86.5	\$42.00	50.00	0.00	0	0.0000	\$0.00	\$0.00
1926	87.5	\$74.00	50.00	0.00	0	0.0000	\$0.00	\$0.00
1925	88.5	\$16.00	50.00	0.00	0	0.0000	\$0.00	\$0.00
1924	89.5	\$3.00	50.00	0.00	0	0.0000	\$0.00	\$0.00
1923	90.5	\$10.00	50.00	0.00	0	0.0000	\$0.00	\$0.00
1922	91.5	\$12.00	50.00	0.00	0.0000	0.0000	\$0.00	\$0.00
		\$122,537,908.04	50.00	27.32	0.6940	1.0000	\$85,037,795.87	\$3,099,488.57

**KENTUCKY POWER COMPANY
 GENERATION ARRANGEMENT REPORT
 Depreciation Study as of December 31, 2013**

Account: KEPCO 101/6 357 Underground Conduit
Dispersion: 37.00, R2.0
Average Net Salvage Rate: 0.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1997	16.5	\$11,590.00	37.00	23.13	0.6251	1.0000	\$7,245.33	\$313.24
		\$11,590.00	37.00	23.13	0.6251	1.0000	\$7,245.33	\$313.24

**KENTUCKY POWER COMPANY
 GENERATION ARRANGEMENT REPORT
 Depreciation Study as of December 31, 2013**

Account: KEPCO 101/6 358 Underground Conductor & Devices
Dispersion: 44.00, R1.0
Average Net Salvage Rate: 0.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1983	30.5	\$106,066.00	44.00	23.44	0.5327	1.0000	\$56,497.93	\$2,410.59
		\$106,066.00	44.00	23.44	0.5327	1.0000	\$56,497.93	\$2,410.59

KENTUCKY POWER COMPANY

DEPRECIATION STUDY AS OF DECEMBER 31, 2013

DEPRECIATION STUDY WORKPAPERS

TRANSMISSION PLANT

AVERAGE AGE OF SURVIVING PLANT

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

TRANSMISSION PLANT, Account 350 Land Rights

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1975	38,729	38.5	1,491,067	
1979	4,236,751	34.5	146,167,910	
1980	259,692	33.5	8,699,682	
1981	154,641	32.5	5,025,833	
1982	148,856	31.5	4,688,964	
1983	502,031	30.5	15,311,946	
1984	294,262	29.5	8,680,729	
1985	12,474,189	28.5	355,514,387	
1986	82,584	27.5	2,271,060	
1987	1,327	26.5	35,166	
1988	3,265	25.5	83,258	
1989	15,874	24.5	388,913	
1990	104,145	23.5	2,447,408	
1991	325,286	22.5	7,318,935	
1992	75,805	21.5	1,629,808	
1993	316,776	20.5	6,493,908	
1994	321,828	19.5	6,275,646	
1995	339,788	18.5	6,286,078	
1996	126,373	17.5	2,211,528	
1997	580,453	16.5	9,577,475	
1998	1,280,236	15.5	19,843,658	
1999	966,674	14.5	14,016,778	
2000	321,569	13.5	4,341,181	
2001	274,371	12.5	3,429,640	
2002	6,167	11.5	70,917	
2003	-9,734	10.5	-102,210	
2004	33,991	9.5	322,915	
2005	92,306	8.5	784,599	
2006	103,998	7.5	779,988	
2007	2,274	6.5	14,782	
2008	1,564,567	5.5	8,605,119	
2009	218,151	4.5	981,678	
2010	26,745	3.5	93,609	
2011	150,869	2.5	377,172	
2012	873,785	1.5	1,310,678	
2013	<u>147,523</u>	0.5	<u>73,761</u>	
	26,456,147		645,543,966	24.40

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

TRANSMISSION PLANT, Account 352 Structures & Improvements

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1940	1,616	73.5	118,776	
1942	7,335	71.5	524,453	
1943	5,740	70.5	404,676	
1944	2,137	69.5	148,522	
1946	152	67.5	10,260	
1951	8,401	62.5	525,063	
1952	92	61.5	5,658	
1953	711	60.5	43,016	
1954	38,794	59.5	2,308,243	
1955	516	58.5	30,186	
1956	381	57.5	21,908	
1957	579	56.5	32,714	
1958	4,414	55.5	244,977	
1959	1,799	54.5	98,046	
1960	2,917	53.5	156,060	
1961	121	52.5	6,353	
1962	6,972	51.5	359,058	
1963	16,589	50.5	837,745	
1964	8,446	49.5	418,077	
1965	297	48.5	14,405	
1966	29,924	47.5	1,421,390	
1967	21,589	46.5	1,003,884	
1968	31,849	45.5	1,449,115	
1969	1,252	44.5	55,714	
1970	50,620	43.5	2,201,970	
1971	4,910	42.5	208,675	
1973	46,883	40.5	1,898,752	
1974	1,154,345	39.5	45,596,628	
1975	11,010	38.5	423,892	
1976	87,539	37.5	3,282,713	
1977	158,624	36.5	5,789,790	
1978	125	35.5	4,438	
1979	3,140	34.5	108,330	
1980	98,953	33.5	3,314,917	
1981	1,642,115	32.5	53,368,738	
1982	194,477	31.5	6,126,015	
1983	52,326	30.5	1,595,943	
1984	115,579	29.5	3,409,581	
1985	101,850	28.5	2,902,725	
1986	156,377	27.5	4,300,368	
1987	14,460	26.5	383,190	
1988	5,196	25.5	132,498	

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

TRANSMISSION PLANT, Account 352 Structures & Improvements

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1989	1,510	24.5	36,995	
1990	65,795	23.5	1,546,183	
1991	45,070	22.5	1,014,075	
1992	113,918	21.5	2,449,237	
1993	366,007	20.5	7,503,141	
1994	49,187	19.5	959,147	
1995	111,415	18.5	2,061,171	
1996	118,502	17.5	2,073,784	
1997	203,592	16.5	3,359,268	
1998	58,660	15.5	909,230	
1999	16,180	14.5	234,612	
2000	84,281	13.5	1,137,799	
2001	701	12.5	8,765	
2002	806,045	11.5	9,269,522	
2005	66,215	8.5	562,827	
2007	7,094	6.5	46,113	
2008	141,133	5.5	776,233	
2009	144,272	4.5	649,223	
2010	81,320	3.5	284,620	
2011	<u>64,619</u>	2.5	<u>161,548</u>	
	6,636,668		180,330,955	27.17

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

TRANSMISSION PLANT, Account 353 Station Equipment

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1953	7,575	60.5	458,288	
1954	227,181	59.5	13,517,240	
1955	897	58.5	52,475	
1957	8,981	56.5	507,399	
1958	577	55.5	32,024	
1959	20,421	54.5	1,112,956	
1960	25,384	53.5	1,358,042	
1961	347	52.5	18,218	
1962	5,906	51.5	304,159	
1963	497,077	50.5	25,102,392	
1964	677	49.5	33,487	
1965	96,196	48.5	4,665,488	
1966	5,843	47.5	277,543	
1967	238,923	46.5	11,109,923	
1968	59,331	45.5	2,699,572	
1969	3,886,071	44.5	172,930,160	
1970	686,355	43.5	29,856,454	
1971	173,954	42.5	7,393,039	
1972	214,746	41.5	8,911,978	
1973	139,432	40.5	5,646,988	
1974	1,026,909	39.5	40,562,921	
1975	763,727	38.5	29,403,490	
1976	1,090,859	37.5	40,907,205	
1977	1,892,110	36.5	69,062,001	
1978	45,939	35.5	1,630,823	
1979	819,971	34.5	28,288,985	
1980	5,178,361	33.5	173,475,089	
1981	3,972,348	32.5	129,101,318	
1982	1,508,281	31.5	47,510,846	
1983	274,414	30.5	8,369,634	
1984	1,215,901	29.5	35,869,080	
1985	740,644	28.5	21,108,340	
1986	494,865	27.5	13,608,788	
1987	1,769,350	26.5	46,887,779	
1988	513,580	25.5	13,096,286	
1989	1,170,902	24.5	28,687,110	
1990	2,680,809	23.5	62,999,011	
1991	3,776,420	22.5	84,969,443	
1992	1,906,796	21.5	40,996,118	
1993	5,213,844	20.5	106,883,794	
1994	2,037,227	19.5	39,725,922	
1995	803,434	18.5	14,863,537	

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

TRANSMISSION PLANT, Account 353 Station Equipment

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1996	2,425,115	17.5	42,439,511	
1997	36,107,850	16.5	595,779,528	
1998	9,550,493	15.5	148,032,647	
1999	1,473,057	14.5	21,359,324	
2000	2,435,262	13.5	32,876,032	
2001	3,554,179	12.5	44,427,233	
2002	3,085,097	11.5	35,478,613	
2003	3,570,390	10.5	37,489,100	
2004	2,852,098	9.5	27,094,930	
2005	2,111,775	8.5	17,950,086	
2006	10,121,848	7.5	75,913,857	
2007	1,687,025	6.5	10,965,665	
2008	13,836,867	5.5	76,102,770	
2009	4,640,908	4.5	20,884,086	
2010	5,827,823	3.5	20,397,381	
2011	8,630,837	2.5	21,577,093	
2012	10,683,586	1.5	16,025,380	
2013	<u>3,056,897</u>	0.5	<u>1,528,449</u>	
	170,843,671		2,610,317,030	15.28

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

TRANSMISSION PLANT, Account 354 Towers & Fixtures

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1927	317	86.5	27,408	
1928	5,349	85.5	457,340	
1929	18,834	84.5	1,591,465	
1930	2,645	83.5	220,858	
1932	539	81.5	43,929	
1933	45	80.5	3,623	
1936	462	77.5	35,805	
1938	7,093	75.5	535,522	
1939	848	74.5	63,176	
1940	2,636	73.5	193,746	
1942	92,752	71.5	6,631,733	
1944	757	69.5	52,618	
1954	59,683	59.5	3,551,139	
1956	8,747	57.5	502,953	
1959	276,380	54.5	15,062,723	
1961	227	52.5	11,918	
1962	73,177	51.5	3,768,616	
1963	635,332	50.5	32,084,281	
1964	97,194	49.5	4,811,103	
1965	412,896	48.5	20,025,455	
1966	19,067	47.5	905,683	
1967	364,346	46.5	16,942,089	
1968	749,719	45.5	34,112,215	
1970	3,963,667	43.5	172,419,524	
1971	1,772	42.5	75,310	
1972	8,467,353	41.5	351,395,150	
1973	112,843	40.5	4,570,142	
1974	20,383	39.5	805,129	
1975	72,763	38.5	2,801,376	
1976	153,804	37.5	5,767,650	
1977	28,600	36.5	1,043,900	
1978	39,851	35.5	1,414,711	
1982	273,518	31.5	8,615,817	
1985	59,889,883	28.5	1,706,861,666	
1986	646,703	27.5	17,784,333	
1990	837	23.5	19,675	
1991	15	22.5	338	
1992	40,368	21.5	867,912	
1993	182,665	20.5	3,744,633	
1995	315,635	18.5	5,839,248	
1996	363,575	17.5	6,362,563	
1997	860,276	16.5	14,194,554	
1998	6,759,531	15.5	104,772,729	
1999	4,771,185	14.5	69,182,188	
2000	594,927	13.5	8,031,519	
2001	998,860	12.5	12,485,748	
2002	96,142	11.5	1,105,637	
2003	27,463	10.5	288,361	
2004	5,437	9.5	51,656	
2005	16,026	8.5	136,219	
2008	2,734,526	5.5	15,039,893	

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2013
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

TRANSMISSION PLANT, Account 354 Towers & Fixtures

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
2009	143,884	4.5	647,479	
2010	25,113	3.5	87,894	
2012	37,852	1.5	56,779	
2013	<u>43,040</u>	0.5	<u>21,520</u>	
	94,517,543		2,658,126,651	28.12

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

TRANSMISSION PLANT, Account 355 Poles & Fixtures

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1944	290	69.5	20,154	
1953	64	60.5	3,850	
1954	-8	59.5	-493	
1955	-196	58.5	-11,449	
1956	1,259	57.5	72,393	
1957	444	56.5	25,086	
1958	2,577	55.5	143,024	
1959	1,634	54.5	89,053	
1961	22,116	52.5	1,161,089	
1962	58,145	51.5	2,994,478	
1963	24,367	50.5	1,230,534	
1964	4,844	49.5	239,798	
1965	133,841	48.5	6,491,299	
1966	317,063	47.5	15,060,501	
1967	346,135	46.5	16,095,277	
1968	214,064	45.5	9,739,907	
1969	279,218	44.5	12,425,205	
1970	3,765	43.5	163,778	
1971	107,261	42.5	4,558,593	
1972	104,641	41.5	4,342,605	
1973	90,509	40.5	3,665,617	
1974	320,114	39.5	12,644,512	
1975	285,611	38.5	10,996,013	
1976	408,468	37.5	15,317,549	
1977	359,633	36.5	13,126,591	
1978	365,172	35.5	12,963,614	
1979	137,185	34.5	4,732,893	
1980	713,602	33.5	23,905,661	
1981	726,315	32.5	23,605,238	
1982	1,032,631	31.5	32,527,863	
1983	446,762	30.5	13,626,241	
1984	104,236	29.5	3,074,970	
1985	226,005	28.5	6,441,144	
1986	741,478	27.5	20,390,645	
1987	202,886	26.5	5,376,484	
1988	350,449	25.5	8,936,441	
1989	458,900	24.5	11,243,054	
1990	369,207	23.5	8,676,365	
1991	1,198,365	22.5	26,963,206	
1992	1,610,143	21.5	34,618,076	
1993	1,780,413	20.5	36,498,476	
1994	2,673,840	19.5	52,139,877	

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

TRANSMISSION PLANT, Account 355 Poles & Fixtures

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1995	500,485	18.5	9,258,973	
1996	955,043	17.5	16,713,260	
1997	2,156,134	16.5	35,576,211	
1998	198,607	15.5	3,078,404	
1999	7,186,033	14.5	104,197,479	
2000	2,011,076	13.5	27,149,524	
2001	2,282,517	12.5	28,531,466	
2002	2,074,838	11.5	23,860,642	
2003	725,130	10.5	7,613,861	
2004	1,427,228	9.5	13,558,668	
2005	1,398,678	8.5	11,888,766	
2006	1,905,172	7.5	14,288,790	
2007	502,293	6.5	3,264,901	
2008	7,961,887	5.5	43,790,377	
2009	1,533,798	4.5	6,902,090	
2010	1,538,666	3.5	5,385,331	
2011	8,724,172	2.5	21,810,431	
2012	13,191,071	1.5	19,786,606	
2013	<u>2,200,443</u>	0.5	<u>1,100,222</u>	
	74,696,720		854,071,214	11.43

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

TRANSMISSION PLANT, Account 356 OH Conductor & Devices

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1922	12	91.5	1,098	
1923	10	90.5	905	
1924	3	89.5	269	
1925	16	88.5	1,416	
1926	74	87.5	6,475	
1927	42	86.5	3,633	
1928	30	85.5	2,565	
1929	137	84.5	11,577	
1930	3,946	83.5	329,503	
1931	2,112	82.5	174,240	
1932	2,108	81.5	171,802	
1933	1,642	80.5	132,181	
1934	2,159	79.5	171,641	
1935	1,327	78.5	104,170	
1936	9,973	77.5	772,908	
1937	8,842	76.5	676,413	
1938	67	75.5	5,059	
1939	476	74.5	35,462	
1940	69,747	73.5	5,126,410	
1941	6,577	72.5	476,833	
1942	346,880	71.5	24,801,920	
1943	5,002	70.5	352,641	
1944	4,633	69.5	321,994	
1945	27,493	68.5	1,883,264	
1946	5,928	67.5	400,140	
1947	11,563	66.5	768,940	
1948	14,383	65.5	942,115	
1949	61,982	64.5	3,997,836	
1950	2,803	63.5	178,002	
1951	13,420	62.5	838,750	
1952	11,046	61.5	679,301	
1953	55,031	60.5	3,329,376	
1954	92,098	59.5	5,479,831	
1955	3,834	58.5	224,289	
1956	31,081	57.5	1,787,178	
1957	8,647	56.5	488,556	
1958	349,789	55.5	19,413,316	
1959	194,332	54.5	10,591,096	
1960	30,928	53.5	1,654,635	
1961	26,744	52.5	1,404,048	
1962	91,861	51.5	4,730,842	
1963	515,852	50.5	26,050,526	
1964	39,574	49.5	1,958,890	
1965	712,926	48.5	34,576,898	
1966	157,142	47.5	7,464,264	
1967	505,498	46.5	23,505,652	
1968	1,176,632	45.5	53,536,756	
1969	289,660	44.5	12,889,870	
1970	8,116,062	43.5	353,048,681	
1971	1,032,510	42.5	43,881,659	
1972	148,128	41.5	6,147,317	

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

TRANSMISSION PLANT, Account 356 OH Conductor & Devices

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1973	71,149	40.5	2,881,535	
1974	43,042	39.5	1,700,159	
1975	187,880	38.5	7,233,380	
1976	222,646	37.5	8,349,225	
1977	509,705	36.5	18,604,233	
1978	1,873,320	35.5	66,502,860	
1979	59,326	34.5	2,046,744	
1980	329,988	33.5	11,054,614	
1981	678,498	32.5	22,051,185	
1982	1,727,064	31.5	54,402,516	
1983	35,130	30.5	1,071,478	
1984	96,445	29.5	2,845,128	
1985	45,981,305	28.5	1,310,467,193	
1986	838,299	27.5	23,053,223	
1987	130,723	26.5	3,464,160	
1988	183,761	25.5	4,685,906	
1989	271,231	24.5	6,645,160	
1990	419,891	23.5	9,867,439	
1991	595,353	22.5	13,395,443	
1992	2,050,378	21.5	44,083,127	
1993	1,686,295	20.5	34,569,042	
1994	3,246,841	19.5	63,313,398	
1995	1,023,612	18.5	18,936,822	
1996	1,377,965	17.5	24,114,379	
1997	689,875	16.5	11,382,938	
1998	4,961,738	15.5	76,906,935	
1999	11,988,858	14.5	173,838,439	
2000	1,907,562	13.5	25,752,087	
2001	992,261	12.5	12,403,259	
2002	422,999	11.5	4,864,485	
2003	653,965	10.5	6,866,629	
2004	244,995	9.5	2,327,452	
2005	743,703	8.5	6,321,474	
2006	278,716	7.5	2,090,366	
2007	388,254	6.5	2,523,652	
2008	7,753,817	5.5	42,645,996	
2009	816,705	4.5	3,675,175	
2010	1,016,757	3.5	3,558,650	
2011	4,345,591	2.5	10,863,976	
2012	5,966,116	1.5	8,949,175	
2013	<u>1,533,388</u>	0.5	<u>766,694</u>	
	122,537,908		2,806,608,874	22.90

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2013
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

TRANSMISSION PLANT, Account 357 Underground Conduit

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1997	<u>11,590</u> 11,590	16.5	<u>191,235</u> 191,235	16.50

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2013
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

TRANSMISSION PLANT, Account 358 Underground Conductor & Devices

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1983	<u>106,066</u>	30.5	<u>3,235,013</u>	
	106,066		3,235,013	30.50

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2013
DEPRECIATION STUDY WORKPAPERS
TRANSMISSION PLANT
COMPUTED AGE DISTRIBUTION REPORT

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2013
COMPUTED AGE DISTRIBUTION REPORT**

KPSC Case No. 2014-00396
KIUC's First Set of Data Requests
Dated January 29, 2015
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Account 354, Towers and Fixtures

Computed Age Distribution Report

Account: KEPCo 101/6 354 - KY

Version: KEPCo Transmission SPR 2013

Dispersion: -

Vintage	Additions	Age 2014	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
2013	43,039	0.5	100.00	43,039	100.00	43,040	0.50
2012	37,852	1.5	100.00	37,852	100.00	37,853	1.50
2010	25,112	3.5	100.00	25,112	100.00	25,113	3.50
2009	143,884	4.5	100.00	143,884	100.00	143,885	4.50
2008	2,734,526	5.5	100.00	2,734,526	100.00	2,734,527	5.50
2005	16,025	8.5	100.00	16,025	100.00	16,026	8.50
2004	5,437	9.5	100.00	5,437	100.01	5,438	9.50
2003	27,462	10.5	100.00	27,462	100.00	27,463	10.50
2002	96,142	11.5	100.00	96,142	100.00	96,143	11.50
2001	998,859	12.5	100.00	998,859	100.00	998,860	12.50
2000	657,177	13.5	100.00	657,177	100.00	657,178	13.50
1999	4,771,185	14.5	100.00	4,771,185	100.00	4,771,186	14.50
1998	6,759,531	15.5	100.00	6,759,531	100.00	6,759,532	15.50
1997	860,276	16.5	100.00	860,276	100.00	860,277	16.50
1996	363,575	17.5	100.00	363,575	100.00	363,576	17.50
1995	315,635	18.5	100.00	315,635	100.00	315,636	18.50
1993	182,665	20.5	100.00	182,665	100.00	182,666	20.50
1992	41,132	21.5	100.00	41,132	100.00	41,133	21.50
1991	15	22.5	100.00	15	103.33	16	22.88
1990	427,812	23.5	100.00	427,812	100.00	427,813	23.50
1986	783,128	27.5	100.00	783,128	100.00	783,129	27.50
1985	59,889,883	28.5	100.00	59,889,883	100.00	59,889,884	28.50
1984	177,806	29.5	100.00	177,806	100.00	177,807	29.50
1982	273,723	31.5	100.00	273,723	100.00	273,724	31.50
1978	81,431	35.5	100.00	81,430	100.00	81,432	35.50
1977	28,623	36.5	100.00	28,622	100.00	28,624	36.50
1976	158,516	37.5	99.98	158,492	100.00	158,517	37.50
1975	72,763	38.5	99.96	72,730	100.00	72,764	38.50
1974	20,383	39.5	99.88	20,359	100.00	20,384	39.50
1973	112,943	40.5	99.71	112,619	100.00	112,944	40.50
1972	8,467,428	41.5	99.36	8,413,280	100.00	8,467,429	41.50
1971	26,158	42.5	98.68	25,812	99.32	25,981	42.36
1970	4,036,456	43.5	97.46	3,933,735	98.09	3,959,404	43.08
1968	768,389	45.5	92.29	709,145	92.89	713,773	43.88
1967	370,618	46.5	87.77	325,303	88.35	327,426	43.79
1966	19,067	47.5	81.70	15,577	82.23	15,679	43.28
1965	450,199	48.5	74.06	333,401	74.54	335,576	42.33
1964	97,303	49.5	65.06	63,302	65.48	63,715	40.96
1963	681,030	50.5	55.13	375,448	55.49	377,897	39.26
1962	115,749	51.5	44.87	51,937	45.16	52,276	37.38
1961	227	52.5	34.94	79	35.39	80	35.54
1959	376,337	54.5	18.30	68,877	18.42	69,326	32.27
1958	9,324	55.5	12.23	1,140	12.31	1,148	31.17
1956	8,760	57.5	4.57	401	4.61	404	30.07
1954	65,848	59.5	1.32	871	1.33	876	30.15

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2013
COMPUTED AGE DISTRIBUTION REPORT

Account 354, Towers and Fixtures

Computed Age Distribution Report

Account: KEPCo 101/6 354 - KY

Version: KEPCo Transmission SPR 2013

Dispersion: -

Vintage	Additions	Age 2014	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
1944	1,370	69.5	0.00		-0.04	(1)	34.74
1942	184,841	71.5	0.00		0.00		0.00
1940	2,636	73.5	0.00		0.00		0.00
1939	848	74.5	0.00		0.00		0.00
1938	7,093	75.5	0.00		0.00		0.00
1936	462	77.5	0.00		0.00		0.00
1933	45	80.5	0.00		0.00		0.00
1932	539	81.5	0.00		0.00		0.00
1930	2,645	83.5	0.00		0.00		0.00
1929	18,866	84.5	0.00		0.00		0.00
1928	5,349	85.5	0.00		0.00		0.00
1927	722	86.5	0.00		0.00		0.00
			95,824,849		94,424,441		94,517,543 *

* Recorded Balance January 1, 2014: 94,517,543

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2013
COMPUTED AGE DISTRIBUTION REPORT

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Account 355, Poles and Fixtures

Computed Age Distribution Report

Account: KEPCo 101/6 355 - KY

Version: KEPCo Transmission SPR 2013

Dispersion: -

Vintage	Additions	Age 2014	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
2013	2,200,443	0.5	100.00	2,200,443	100.00	2,200,444	0.50
2012	13,191,070	1.5	100.00	13,191,070	100.00	13,191,071	1.50
2011	8,724,172	2.5	100.00	8,724,172	100.00	8,724,173	2.50
2010	1,605,744	3.5	100.00	1,605,744	100.00	1,605,745	3.50
2009	1,549,668	4.5	100.00	1,549,661	100.00	1,549,669	4.50
2008	7,989,470	5.5	100.00	7,989,121	100.00	7,989,471	5.50
2007	542,429	6.5	99.99	542,348	100.00	542,430	6.50
2006	1,905,171	7.5	99.96	1,904,471	100.00	1,905,172	7.50
2005	1,398,678	8.5	99.93	1,397,635	100.00	1,398,679	8.50
2004	1,450,693	9.5	99.87	1,448,749	100.00	1,450,694	9.50
2003	725,129	10.5	99.78	723,548	100.00	725,130	10.50
2002	2,112,728	11.5	99.67	2,105,694	100.00	2,112,729	11.50
2001	2,296,623	12.5	99.52	2,285,571	100.00	2,296,624	12.50
2000	2,016,920	13.5	99.33	2,003,407	100.00	2,016,921	13.50
1999	7,268,033	14.5	99.10	7,202,611	100.00	7,268,034	14.50
1998	231,513	15.5	98.82	228,788	100.00	231,514	15.50
1997	2,198,839	16.5	98.49	2,165,718	100.00	2,198,840	16.50
1996	966,626	17.5	98.11	948,349	100.00	966,627	17.50
1995	502,094	18.5	97.66	490,355	99.61	500,140	18.46
1994	2,853,694	19.5	97.14	2,772,056	99.08	2,827,372	19.41
1993	2,024,333	20.5	96.53	1,954,160	98.46	1,993,154	20.34
1992	1,980,376	21.5	95.83	1,897,814	97.74	1,935,684	21.26
1991	1,225,759	22.5	95.01	1,164,549	96.90	1,187,787	22.15
1990	379,655	23.5	94.05	357,052	95.92	364,177	23.02
1989	526,772	24.5	92.93	489,543	94.79	499,312	23.86
1988	501,637	25.5	91.63	459,666	93.46	468,838	24.67
1987	208,776	26.5	90.14	188,192	91.94	191,947	25.43
1986	743,795	27.5	88.44	657,808	90.20	670,935	26.15
1985	286,320	28.5	86.51	247,695	88.24	252,638	26.82
1984	129,011	29.5	84.36	108,831	86.04	111,003	27.44
1983	472,313	30.5	81.99	387,246	83.63	394,973	28.00
1982	1,190,639	31.5	79.40	945,424	80.99	964,289	28.51
1981	831,647	32.5	76.63	637,291	78.16	650,008	28.95
1980	971,066	33.5	73.69	715,603	75.16	729,882	29.34
1979	163,523	34.5	70.62	115,473	72.02	117,777	29.67
1978	400,964	35.5	67.44	270,398	68.78	275,794	29.96
1977	372,517	36.5	64.19	239,134	65.47	243,906	30.20
1976	465,134	37.5	60.92	283,361	62.14	289,015	30.40
1975	413,881	38.5	57.65	238,618	58.80	243,379	30.57
1974	343,018	39.5	54.42	186,686	55.51	190,411	30.71
1973	125,643	40.5	51.27	64,412	52.29	65,697	30.84
1972	154,289	41.5	48.20	74,367	49.16	75,851	30.95
1971	241,075	42.5	45.24	109,074	46.15	111,250	31.06
1970	5,279	43.5	42.42	2,239	43.27	2,284	31.16
1969	331,594	44.5	39.73	131,748	40.52	134,376	31.27

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2013
COMPUTED AGE DISTRIBUTION REPORT

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Account 355, Poles and Fixtures

Computed Age Distribution Report

Account: KEPCo 101/6 355 - KY

Version: KEPCo Transmission SPR 2013

Dispersion: -

Vintage	Additions	Age 2014	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
1968	245,350	45.5	37.18	91,232	37.93	93,052	31.38
1967	434,577	46.5	34.78	151,156	35.48	154,172	31.50
1966	672,143	47.5	32.52	218,610	33.17	222,971	31.63
1965	586,942	48.5	30.40	178,433	31.01	181,993	31.77
1964	116,699	49.5	28.41	33,151	28.97	33,813	31.92
1963	40,074	50.5	26.54	10,635	27.07	10,848	32.09
1962	83,740	51.5	24.78	20,752	25.28	21,166	32.26
1961	51,754	52.5	23.13	11,970	23.59	12,209	32.44
1960	78,181	53.5	21.57	16,867	22.00	17,203	32.64
1959	72,567	54.5	20.11	14,590	20.51	14,881	32.84
1958	31,500	55.5	18.72	5,896	19.09	6,013	33.05
1957	12,090	56.5	17.40	2,104	17.75	2,146	33.27
1956	56,867	57.5	16.16	9,188	16.48	9,371	33.49
1955	11,102	58.5	14.97	1,662	15.28	1,696	33.72
1954	159,727	59.5	13.85	22,125	14.13	22,565	33.95
1953	59,562	60.5	12.79	7,615	13.04	7,767	34.19
1952	9,028	61.5	11.77	1,063	12.01	1,084	34.44
1951	4,317	62.5	10.81	467	11.04	477	34.70
1950	2,849	63.5	9.90	282	10.12	288	34.96
1949	16,466	64.5	9.04	1,489	9.22	1,519	35.22
1948	2,881	65.5	8.23	237	8.41	242	35.50
1947	802	66.5	7.47	60	7.68	62	35.80
1946	1,398	67.5	6.75	94	6.92	97	36.08
1945	11,785	68.5	6.08	716	6.20	731	36.37
1944	76,227	69.5	5.45	4,153	5.55	4,234	36.68
1942	164,194	71.5	4.32	7,096	4.41	7,235	37.33
1941	2,006	72.5	3.82	77	3.92	79	37.67
1938	113,662	75.5	2.56	2,909	2.61	2,965	38.73
79,337,243				74,220,521		74,696,721 *	

* Recorded Balance January 1, 2014: 74,696,721

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2013
COMPUTED AGE DISTRIBUTION REPORT

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Account 356, Overhead Conductor and Devices

Computed Age Distribution Report

Account: KEPCo 101/6 356 - KY
 Version: KEPCo Transmission SPR 2013
 Dispersion: -

Vintage	Additions	Age 2014	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
2013	1,533,388	0.5	100.00	1,533,388	100.00	1,533,389	0.50
2012	5,966,116	1.5	100.00	5,966,116	100.00	5,966,117	1.50
2011	4,345,590	2.5	100.00	4,345,590	100.00	4,345,591	2.50
2010	1,016,757	3.5	100.00	1,016,757	100.00	1,016,758	3.50
2009	816,705	4.5	100.00	816,705	100.00	816,706	4.50
2008	7,753,817	5.5	100.00	7,753,817	100.00	7,753,818	5.50
2007	388,254	6.5	100.00	388,254	100.00	388,255	6.50
2006	278,715	7.5	100.00	278,715	100.00	278,716	7.50
2005	743,702	8.5	100.00	743,702	100.00	743,703	8.50
2004	244,994	9.5	100.00	244,994	100.00	244,995	9.50
2003	653,964	10.5	100.00	653,964	100.00	653,965	10.50
2002	422,998	11.5	100.00	422,998	100.00	422,999	11.50
2001	992,260	12.5	100.00	992,260	100.00	992,261	12.50
2000	1,907,562	13.5	100.00	1,907,562	100.00	1,907,563	13.50
1999	11,988,857	14.5	100.00	11,988,857	100.00	11,988,858	14.50
1998	4,961,737	15.5	100.00	4,961,737	100.00	4,961,738	15.50
1997	712,207	16.5	100.00	712,207	100.00	712,208	16.50
1996	1,377,964	17.5	100.00	1,377,964	100.00	1,377,965	17.50
1995	1,023,703	18.5	100.00	1,023,703	100.00	1,023,704	18.50
1994	3,258,061	19.5	100.00	3,258,061	100.00	3,258,062	19.50
1993	1,695,512	20.5	100.00	1,695,512	100.00	1,695,513	20.50
1992	2,234,318	21.5	100.00	2,234,318	100.00	2,234,319	21.50
1991	697,545	22.5	100.00	697,545	100.00	697,546	22.50
1990	430,845	23.5	100.00	430,845	100.00	430,846	23.50
1989	273,872	24.5	100.00	273,872	100.00	273,873	24.50
1988	187,297	25.5	100.00	187,297	100.00	187,298	25.50
1987	131,020	26.5	100.00	131,020	100.00	131,021	26.50
1986	838,491	27.5	100.00	838,491	100.00	838,492	27.50
1985	46,009,402	28.5	100.00	46,009,402	100.00	46,009,403	28.50
1984	171,899	29.5	100.00	171,899	100.00	171,900	29.50
1983	35,130	30.5	100.00	35,130	100.00	35,131	30.50
1982	1,834,406	31.5	100.00	1,834,406	100.00	1,834,407	31.50
1981	694,030	32.5	100.00	694,030	100.00	694,031	32.50
1980	452,257	33.5	100.00	452,257	100.00	452,258	33.50
1979	91,746	34.5	100.00	91,745	100.00	91,747	34.50
1978	2,009,798	35.5	100.00	2,009,738	100.00	2,009,799	35.50
1977	512,195	36.5	99.99	512,139	100.00	512,196	36.50
1976	229,904	37.5	99.97	229,826	100.00	229,905	37.50
1975	299,105	38.5	99.91	298,827	100.00	299,106	38.50
1974	44,958	39.5	99.77	44,852	100.00	44,959	39.50
1973	72,762	40.5	99.46	72,367	100.00	72,763	40.50
1972	158,182	41.5	98.84	156,347	100.00	158,183	41.50
1971	1,144,131	42.5	97.70	1,117,862	100.00	1,144,132	42.50
1970	8,258,592	43.5	95.77	7,909,501	100.00	8,258,593	43.50
1969	306,367	44.5	92.73	284,091	100.00	306,368	44.50

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KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2013
COMPUTED AGE DISTRIBUTION REPORT

Account 356, Overhead Conductor and Devices

Computed Age Distribution Report

Account: KEPCo 101/6 356 - KY

Version: KEPCo Transmission SPR 2013

Dispersion: -

Vintage	Additions	Age 2014	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
1968	1,214,668	45.5	88.27	1,072,212	100.00	1,214,669	45.50
1967	622,934	46.5	82.20	512,052	100.00	622,935	46.50
1966	235,126	47.5	74.49	175,143	93.90	220,787	46.05
1965	750,174	48.5	65.35	490,231	82.38	617,988	44.23
1964	332,032	49.5	55.23	183,388	69.63	231,180	41.98
1963	516,316	50.5	44.77	231,144	56.43	291,382	39.50
1962	116,770	51.5	34.65	40,462	43.68	51,007	37.00
1961	35,760	52.5	25.51	9,123	32.16	11,501	34.69
1960	34,229	53.5	17.80	6,093	22.44	7,681	32.75
1959	203,931	54.5	11.73	23,917	14.78	30,150	31.28
1958	363,538	55.5	7.27	26,434	9.17	33,322	30.29
1957	9,636	56.5	4.23	407	5.33	514	29.76
1956	41,375	57.5	2.30	950	2.89	1,198	29.58
1955	4,298	58.5	1.16	50	1.47	63	29.68
1954	318,755	59.5	0.54	1,731	0.68	2,182	29.95
1953	63,843	60.5	0.23	150	0.30	189	30.34
1952	15,004	61.5	0.09	14	0.12	18	30.79
1951	13,420	62.5	0.03	5	0.04	6	31.26
1950	4,533	63.5	0.01	1	0.02	1	31.76
1949	63,340	64.5	0.00	2	0.00	2	32.25
1948	14,823	65.5	0.00		0.00		32.75
1947	11,563	66.5	0.00		-0.00	(1)	33.25
1946	5,928	67.5	0.00		0.00		0.00
1945	27,492	68.5	0.00		0.00		0.00
1944	5,349	69.5	0.00		0.00		0.00
1943	5,002	70.5	0.00		0.00		0.00
1942	378,305	71.5	0.00		0.00		0.00
1941	6,577	72.5	0.00		0.00		0.00
1940	101,822	73.5	0.00		0.00		0.00
1939	476	74.5	0.00		0.00		0.00
1938	129,975	75.5	0.00		0.00		0.00
1937	8,842	76.5	0.00		0.00		0.00
1936	9,973	77.5	0.00		0.00		0.00
1935	1,327	78.5	0.00		0.00		0.00
1934	2,159	79.5	0.00		0.00		0.00
1933	1,642	80.5	0.00		0.00		0.00
1932	2,108	81.5	0.00		0.00		0.00
1931	2,112	82.5	0.00		0.00		0.00
1930	4,553	83.5	0.00		0.00		0.00
1929	15,583	84.5	0.00		0.00		0.00
1928	3,395	85.5	0.00		0.00		0.00
1927	4,792	86.5	0.00		0.00		0.00
1926	8,394	87.5	0.00		0.00		0.00
1925	1,862	88.5	0.00		0.00		0.00
1924	369	89.5	0.00		0.00		0.00

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2013
COMPUTED AGE DISTRIBUTION REPORT

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Account 356, Overhead Conductor and Devices

Computed Age Distribution Report

Account: KEPCo 101/6 356 - KY

Version: KEPCo Transmission SPR 2013

Dispersion: -

Vintage	Additions	Age 2014	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
1923	1,121	90.5	0.00		0.00		0.00
1922	1,393	91.5	0.00		0.00		0.00
124,917,734				121,574,177		122,537,908 *	

* Recorded Balance January 1, 2014: 122,537,908

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AT DECEMBER 31, 2013
TRANSMISSION PLANT
SALVAGE AND REMOVAL ANALYSIS

KENTUCKY POWER COMPANY

TRANSMISSION SALVAGE AND REMOVAL ANALYSIS - NARRATIVE DISCUSSION

DEPRECIATION STUDY AT DECEMBER 31, 2013

- Account 350.1** Retirement data is not available for this account, so no analysis was performed. The net salvage rate currently embedded in Account 350.1 Land Rights from Case No. 91-066 is 0%, recommend that we continue to use a **0% net salvage rate**.
- Account 352** For the period reviewed from 2000 to 2013 there were \$94,295 in Retirements for Account 352 Transmission Structures & Improvements. Recent account history indicates a gross removal percentage of 32% with a gross salvage of 0% which would yield a -32% net salvage. Since the recent historical retirements are low and since the amount currently embedded in rates is 0% net salvage from Case No. 91-066, I recommend a conservative change to use a gross removal rate of 10% with a 0% gross salvage rate, yielding a **-10% net salvage rate**.
- Account 353** Historical salvage, removal and related retirements for Account 353 Transmission Station Equipment for Kentucky from 2000 to 2013 were used to calculate a 8% gross salvage rate and 11% gross removal rate, yielding a **-3% net salvage rate**.
- Account 354** Historical salvage, removal and related retirements for Account 354 Transmission Towers & Fixtures for Kentucky from 2000 to 2012 were used to calculate a 3% gross salvage rate and a 13% gross removal rate, yielding a **-10% net salvage rate**.
- Account 355** Historical salvage, removal and related retirements for Account 355 Transmission Poles & Fixtures for Kentucky from 2000 to 2013 were used to calculate a 2% gross salvage rate and a 63% gross removal rate, yielding a **-61% net salvage rate**.
- Account 356** Historical salvage, removal and related retirements for Account 356 Transmission Overhead Conductor & Devices for Kentucky from 2000 to 2013 were used to calculate a 6% gross salvage rate and a 33% gross removal rate, yielding a **-27% net salvage rate**.
- Account 357** Retirement data is not available for this account, so no analysis was performed. The net salvage rate currently embedded in Account 357 Underground Conduit from Case No. 91-066 is 0%, recommend that we continue to use a **0% net salvage rate**.
- Account 358** Retirement data is not available for this account, so no analysis was performed. The net salvage rate currently embedded in Account 358 Underground Conductor & Devices from Case No. 91-066 is 0%, recommend that we continue to use a **0% net salvage rate**.

**KENTUCKY POWER COMPANY
 Transmission Plant Net Salvage Test**

Original Cost Retired by Plant Account

<u>Year</u>	<u>350</u>	<u>352</u>	<u>353</u>	<u>354</u>	<u>355</u>	<u>356</u>	<u>357</u>	<u>358</u>	<u>Total</u>
2000	0	0	286,991	0	307,215	112,148	0	0	706,354
2001	0	852	104,157	405	129,175	8,636	0	0	243,225
2002	0	352	167,185	4,473	169,000	107,845	0	0	448,855
2003	0	0	462,374	2,124	23,422	102,595	0	0	590,516
2004	0	0	699,507		358,451	55,179	0	0	1,113,137
2005	1	57,776	687,089	36,676	45,455	35,212	0	0	862,208
2006	0	0	783,966	20,749	267,008	126,720	0	0	1,198,442
2007	0	2,382	298,345	0	147,839	2,897	0	0	451,462
2008	0	8,548	1,369,350	646	331,275	149,255	0	0	1,859,074
2009	0	4,065	538,747	99,957	192,107	39,790	0	0	874,665
2010	0	8,076	2,154,456	3,943	34,442	0	0	0	2,200,917
2011	0	6,050	1,489,875	14,361	263,023	1,055	0	0	1,774,363
2012	0	0	1,197,113	675,190	553,877	313,102	0	0	2,739,282
2013	<u>0</u>	<u>6,195</u>	<u>4,697,632</u>	<u>0</u>	<u>52,616</u>	<u>6,209</u>	<u>0</u>	<u>0</u>	<u>4,762,652</u>
TOTAL	<u>1</u>	<u>94,295</u>	<u>14,936,786</u>	<u>858,523</u>	<u>2,874,904</u>	<u>1,060,643</u>	<u>0</u>	<u>0</u>	<u>19,825,152</u>

EVALUATION BASED ON 2000 - 2012 RESERVE ACTIVITY

	<u>350</u>	<u>352</u>	<u>353</u>	<u>354</u>	<u>355</u>	<u>356</u>	<u>357</u>	<u>358</u>	<u>Total</u>
Total Retirements	1	94,295	14,936,786	858,523	2,874,904	1,060,643	0	0	19,825,152
Net Salvage Amount	0	-30,392	-515,194	-82,443	-1,779,760	-293,090	0	0	-2,700,879
Net Salvage %	0%	-32%	-3%	-10%	-62%	-28%	0%	0%	-14%
Use Net Salvage %	0%	-10%	-3%	-10%	-61%	-27%	0%	0%	-14%

Note: The amounts for 2000 to 2013 were taken from the PowerPlant software continuing property records and the transaction archive providing a 14 year summary of Retirements, Salvage and Removal by plant account.

KENTUCKY POWER COMPANY
Transmission Plant Removal Cost

Original Cost Retired by Plant Account

Year	<u>350</u>	<u>352</u>	<u>353</u>	<u>354</u>	<u>355</u>	<u>356</u>	<u>357</u>	<u>358</u>	<u>Total</u>
2000	0	0	286,991	0	307,215	112,148	0	0	706,354
2001	0	852	104,157	405	129,175	8,636	0	0	243,225
2002	0	352	167,185	4,473	169,000	107,845	0	0	448,855
2003	0	0	462,374	2,124	23,422	102,595	0	0	590,516
2004	0	0	699,507	0	358,451	55,179	0	0	1,113,137
2005	1	57,776	687,089	36,676	45,455	35,212	0	0	862,208
2006	0	0	783,966	20,749	267,008	126,720	0	0	1,198,442
2007	0	2,382	298,345	0	147,839	2,897	0	0	451,462
2008	0	8,548	1,369,350	646	331,275	149,255	0	0	1,859,074
2009	0	4,065	538,747	99,957	192,107	39,790	0	0	874,665
2010	0	8,076	2,154,456	3,943	34,442	0	0	0	2,200,917
2011	0	6,050	1,489,875	14,361	263,023	1,055	0	0	1,774,363
2012	0	0	1,197,113	675,190	553,877	313,102	0	0	2,739,282
2013	<u>0</u>	<u>6,195</u>	<u>4,697,632</u>	<u>0</u>	<u>52,616</u>	<u>6,209</u>	<u>0</u>	<u>0</u>	<u>4,762,652</u>
TOTAL	<u>1</u>	<u>94,295</u>	<u>14,936,786</u>	<u>858,523</u>	<u>2,874,904</u>	<u>1,060,643</u>	<u>0</u>	<u>0</u>	<u>19,825,152</u>

EVALUATION BASED ON 2000 - 2012 RESERVE ACTIVITY

	<u>350</u>	<u>352</u>	<u>353</u>	<u>354</u>	<u>355</u>	<u>356</u>	<u>357</u>	<u>358</u>	<u>Total</u>
Total Retirements	1	94,295	14,936,786	858,523	2,874,904	1,060,643	0	0	19,825,152
Total Removal	0	30,425	1,639,800	109,202	1,824,991	352,885	0	0	3,957,303
Gross Removal, %	0%	32%	11%	13%	63%	33%	0%	0%	20%
Use Gross Removal %	0%	10%	11%	13%	63%	33%	0%	0%	20%

Note: The amounts for 2000 to 2013 were taken from the PowerPlant software continuing property records and the transaction archive providing a 14 year summary of Retirements, Salvage and Removal by plant account.

**KENTUCKY POWER COMPANY
 Transmission Plant Gross Salvage**

Original Cost Retired by Plant Account

Year	<u>350</u>	<u>352</u>	<u>353</u>	<u>354</u>	<u>355</u>	<u>356</u>	<u>357</u>	<u>358</u>	<u>Total</u>
2000	0	0	286,991	0	307,215	112,148	0	0	706,354
2001	0	852	104,157	405	129,175	8,636	0	0	243,225
2002	0	352	167,185	4,473	169,000	107,845	0	0	448,855
2003	0	0	462,374	2,124	23,422	102,595	0	0	590,516
2004	0	0	699,507	0	358,451	55,179	0	0	1,113,137
2005	1	57,776	687,089	36,676	45,455	35,212	0	0	862,208
2006	0	0	783,966	20,749	267,008	126,720	0	0	1,198,442
2007	0	2,382	298,345	0	147,839	2,897	0	0	451,462
2008	0	8,548	1,369,350	646	331,275	149,255	0	0	1,859,074
2009	0	4,065	538,747	99,957	192,107	39,790	0	0	874,665
2010	0	8,076	2,154,456	3,943	34,442	0	0	0	2,200,917
2011	0	6,050	1,489,875	14,361	263,023	1,055	0	0	1,774,363
2012	0	0	1,197,113	675,190	553,877	313,102	0	0	2,739,282
2013	<u>0</u>	<u>6,195</u>	<u>4,697,632</u>	<u>0</u>	<u>52,616</u>	<u>6,209</u>	<u>0</u>	<u>0</u>	<u>4,762,652</u>
TOTAL	<u>1</u>	<u>94,295</u>	<u>14,936,786</u>	<u>858,523</u>	<u>2,874,904</u>	<u>1,060,643</u>	<u>0</u>	<u>0</u>	<u>19,825,152</u>

EVALUATION BASED ON 2000 - 2012 RESERVE ACTIVITY

	<u>350</u>	<u>352</u>	<u>353</u>	<u>354</u>	<u>355</u>	<u>356</u>	<u>357</u>	<u>358</u>	<u>Total</u>
Total Retirements	1	94,295	14,936,786	858,523	2,874,904	1,060,643	0	0	19,825,152
Salvage Amount	0	33	1,124,606	26,759	45,231	59,795	0	0	1,256,424
Gross Salvage %	0%	0%	8%	3%	2%	6%	0%	0%	6%
Use Gross Salvage %	0%	0%	8%	3%	2%	6%	0%	0%	6%

Note: The amounts for 2000 to 2013 were taken from the PowerPlant software continuing property records and the transaction archive providing a 14 year summary of Retirements, Salvage and Removal by plant account.

Kentucky Power Company
Transmission Removal and Salvage by Account
From CPR Transaction Archive
Years 2000 to 2013

Account	Removal	Salvage	Net Salvage
350	\$0	\$0	\$0
352	\$30,425	\$33	-\$30,392
353	\$1,639,800	\$1,124,606	-\$515,194
354	\$109,202	\$26,759	-\$82,443
355	\$1,824,991	\$45,231	-\$1,779,760
356	\$352,885	\$59,795	-\$293,090
357	\$0	\$0	\$0
358	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
	\$3,957,303	\$1,256,424	-\$2,700,879

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2013
DEPRECIATION STUDY WORKPAPERS
TRANSMISSION PLANT
SPR ANALYSIS

KENTUCKY POWER COMPANY
SIMULATED PLANT RECORD ANALYSIS
DEPRECIATION STUDY AS OF DECEMBER 31, 2013

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Account 354, Poles and Fixtures

Simulated Plant Record Analysis

Kentucky Power - Transm

Account: KEPCo 101/6 354 - KY

Version: KEPCo Transmission SPR 2013

Method: Simulated Balances

No. of Test Points: 87 Interval: 0 Observation Band: 1927 - 2013

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
R0.5	1153.0	9.72E+11	3.3601	297.61	2.89
R1	798.4	9.73E+11	3.3631	297.34	2.99
R1.5	556.0	9.77E+11	3.3697	296.76	3.16
S-.5	835.3	9.79E+11	3.3734	296.44	3.21
R2	326.4	9.89E+11	3.3895	295.03	3.89
R2.5	212.9	1.01E+12	3.4245	292.01	5.40
L1	281.3	1.06E+12	3.5147	284.52	6.91
L0.5	460.5	1.08E+12	3.5378	282.66	4.80
L0	622.9	1.08E+12	3.5475	281.89	4.57
L1.5	201.9	1.16E+12	3.6722	272.32	9.87
R3	121.3	1.19E+12	3.7162	269.09	15.35
S0	309.2	1.25E+12	3.8115	262.36	6.72
S0.5	226.3	1.29E+12	3.8691	258.46	8.49
SQ	49.2	1.52E+12	4.1996	238.12	100.00
S1	146.1	1.60E+12	4.3121	231.91	16.55
S6	51.0	1.60E+12	4.3135	231.83	100.00
L2	131.7	1.63E+12	4.3547	229.64	22.31
S1.5	121.3	1.64E+12	4.3686	228.91	22.18
R4	73.4	1.81E+12	4.5821	218.24	81.05
S5	53.9	1.87E+12	4.6624	214.48	100.00
S2	92.9	1.95E+12	4.7547	210.32	41.84
L3	87.6	1.98E+12	4.7923	208.67	54.62
R5	56.2	2.06E+12	4.8908	204.47	100.00
L5	57.1	2.09E+12	4.9335	202.70	99.58
S3	71.2	2.16E+12	5.0154	199.39	80.29
S4	59.6	2.17E+12	5.0253	198.99	99.66
L4	67.1	2.20E+12	5.0614	197.57	88.35

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Account 355, Towers and Fixtures

Simulated Plant Record Analysis
 Kentucky Power - Transm

Account: KEPCo 101/6 355 - KY

Version: KEPCo Transmission SPR 2013

Method: Simulated Balances

No. of Test Points: 76 Interval: 0 Observation Band: 1938 - 2013

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
L3	43.4	1.47E+12	10.4395	95.79	97.15
S2	43.3	1.52E+12	10.5971	94.37	99.63
S3	40.3	1.54E+12	10.6910	93.54	100.00
L2	49.0	1.55E+12	10.7261	93.23	87.66
S1.5	46.1	1.60E+12	10.8935	91.80	96.79
L4	39.6	1.62E+12	10.9593	91.25	99.98
R2.5	46.1	1.66E+12	11.1004	90.09	98.95
L1.5	54.8	1.69E+12	11.1740	89.49	78.56
S1	49.0	1.69E+12	11.1810	89.44	91.03
R3	43.0	1.73E+12	11.3035	88.47	100.00
R2	51.1	1.73E+12	11.3061	88.45	91.51
L1	61.2	1.80E+12	11.5304	86.73	68.73
S0.5	54.7	1.80E+12	11.5430	86.63	78.47
R1.5	58.8	1.89E+12	11.8343	84.50	72.62
S0	61.8	1.92E+12	11.9358	83.78	65.24
L0.5	73.1	1.94E+12	11.9984	83.34	56.76
S4	38.5	1.95E+12	12.0106	83.26	100.00
L5	38.3	1.98E+12	12.1106	82.57	100.00
R1	70.2	2.05E+12	12.3115	81.22	52.86
R4	39.6	2.05E+12	12.3222	81.15	100.00
L0	87.2	2.07E+12	12.3744	80.81	47.56
S-.5	80.6	2.08E+12	12.4083	80.59	46.19
R0.5	88.0	2.16E+12	12.6501	79.05	40.01
S5	37.6	2.41E+12	13.3436	74.94	100.00
R5	37.8	2.50E+12	13.6014	73.52	100.00
S6	37.0	2.75E+12	14.2761	70.05	100.00
SQ	39.1	9.30E+12	26.2394	38.11	100.00

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SIMULATED PLANT RECORD ANALYSIS
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Account 356, Overhead Conductor and Devices

Simulated Plant Record Analysis

Kentucky Power - Transm

Account: KEPCo 101/6 356 - KY

Version: KEPCo Transmission SPR 2013

Method: Simulated Balances

No. of Test Points: 92 Interval: 0 Observation Band: 1922 - 2013

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
R1	323.2	4.55E+11	2.2046	453.60	8.70
R0.5	459.5	4.56E+11	2.2080	452.90	7.89
S-.5	354.2	4.59E+11	2.2145	451.57	9.39
R1.5	234.2	4.62E+11	2.2211	450.23	9.91
R2	151.3	5.40E+11	2.4020	416.32	15.60
L0	316.3	6.31E+11	2.5958	385.24	12.43
L0.5	236.2	6.67E+11	2.6688	374.70	14.63
R2.5	111.8	7.55E+11	2.8394	352.19	26.48
L1	160.3	1.00E+12	3.2743	305.41	23.43
S0	179.9	1.08E+12	3.3996	294.15	17.95
S0.5	139.2	1.38E+12	3.8455	260.04	23.97
L1.5	126.5	1.50E+12	4.0071	249.56	31.75
R3	81.9	1.98E+12	4.5957	217.59	63.11
S1	103.9	2.75E+12	5.4186	184.55	39.24
L2	96.4	3.01E+12	5.6713	176.33	51.20
S1.5	89.4	3.19E+12	5.8423	171.17	52.52
SQ	48.7	3.65E+12	6.2480	160.05	100.00
S6	50.5	4.38E+12	6.8425	146.15	100.00
S2	75.6	4.70E+12	7.0886	141.07	73.69
L3	72.7	4.85E+12	7.1964	138.96	79.36
R4	62.4	4.91E+12	7.2409	138.10	99.97
R5	53.6	5.24E+12	7.4799	133.69	100.00
S5	52.3	5.45E+12	7.6294	131.07	100.00
L5	54.5	5.62E+12	7.7500	129.03	99.98
L4	60.3	5.63E+12	7.7549	128.95	97.44
S3	63.4	5.89E+12	7.9345	126.03	96.66
S4	56.1	6.17E+12	8.1212	123.13	100.00

KENTUCKY POWER COMPANY

DEPRECIATION STUDY AS OF DECEMBER 31, 2013

DISTRIBUTION PLANT WORK PAPERS

SUMMARY ANALYSIS

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2013
Distribution Plant

<i>Account</i>	<u>3601 LAND RIGHTS</u>	
Depreciable Balance	\$5,343,520	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	75	75
Iowa Curve	R4.0	R4.0
Gross Removal, %	N/A	0
Gross Salvage, %	N/A	0
Net Salvage %	0	0
N/A = not available		

This account includes land rights and easements associated with distribution property or distribution substations.

Minimal retirement activity in this account provided insufficient data for analysis.

The average age of the property in this account is 20.10 years.

Recommend that we continue to use the R4.0 type Iowa curve with an average service life of 75 years.

Since there is little retirement history for this account, the recommendation is to continue the current estimates of 0% gross salvage and 0% gross removal. The result is 0% net salvage.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2013
Distribution Plant

Account	<u>361 STRUCTURES & IMPROVEMENTS</u>	
Depreciable Balance	\$4,372,006	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	65	70
Iowa Curve	L0.5	R2.0
Gross Removal, %	N/A	16
Gross Salvage, %	N/A	4
Net Salvage %	0	-12
N/A = not available		

This account includes structures and improvements related to a substation and contains items like the foundation, fencing and any buildings found in the station.

The average age of property in this account is 22.91 years.

Property in this account continues to age. The analysis for property in this account indicates a R2.0 type Iowa curve with an average service life of 70 years should be used.

Historical activity from 2000 through 2013 for this account supports a - 12% net salvage with a gross salvage of 4% and a gross removal of 16%.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2013
Distribution Plant

<i>Account</i>	<u>362 STATION EQUIPMENT</u>	
Depreciable Balance	\$83,664,562	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	25	33
Iowa Curve	L0.0	R0.5
Gross Removal, %	N/A	17
Gross Salvage, %	N/A	10
Net Salvage %	25	-7
N/A = not available		

This account contains a variety of distribution substation equipment such as transformers and switchgear.

The average age of property in this account is 11.62 years.

The results of the life analysis indicate that the average service life for this account should be changed to 33 years following a R0.5 dispersion.

The salvage and removal analysis for 2000 through 2013 calculates an overall historical gross salvage of 10% and a gross removal of -17% resulting in a -7% net salvage.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2013
Distribution Plant

<i>Account</i>	<u>364 POLES, TOWERS & FIXTURES</u>	
Depreciable Balance	\$180,551,331	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	28	28
Iowa Curve	L0.0	R0.5
Gross Removal, %	N/A	48
Gross Salvage, %	N/A	18
Net Salvage %	25	-30
N/A = not available		

This account includes poles and towers of various material types such as wood, concrete and steel.

The average age of property in this account is 15.38 years.

The results of the life analysis indicate that the average service life for this account is estimated at 26 years following a R0.5 dispersion. Since the analysis indicates an average service close to the life currently in rates, this study recommends no change in the 28 year average service life from Case No. 91-066.

The salvage and removal analysis for 2000 through 2013 calculates an overall historical gross salvage of 18% and a gross removal of 48% resulting in a -30% net salvage.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2013
Distribution Plant

<i>Account</i>	<u>365 OVERHEAD CONDUCTOR & DEVICES</u>	
Depreciable Balance	\$179,538,721	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	26	26
Iowa Curve	R1.5	L0.0
Gross Removal, %	N/A	24
Gross Salvage, %	N/A	30
Net Salvage %	25	6
N/A = not available		

Account 365 consists of overhead conductor and items like switches, reclosers and lightning arresters.

The average age of property in this account is 12.81 years.

The results of the life analysis indicate that the average service life for this account is estimated at to 25.7 years following a L0.0 dispersion. Since the analysis indicates an average service close to the life currently in rates, this study recommends no change in the 26 year average service life from Case No. 91-066.

The salvage and removal analysis for 2000 through 2013 calculates an overall historical gross salvage of 30% and a gross removal of 24% resulting in a 6% net salvage.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2013
Distribution Plant

<i>Account</i>	<u>366 UNDERGROUND CONDUIT</u>	
Depreciable Balance	\$6,377,091	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	37	45
Iowa Curve	R2.0	R3.0
Gross Removal, %	N/A	0
Gross Salvage, %	N/A	0
Net Salvage %	0	0
N/A = not available		

This account contains distribution underground conduit, duct banks, manholes and ventilating systems.

The results of the life analysis indicate that the average service life for this account should be changed to 45 years following a R3.0 dispersion.

The average age of property in this account is 11.37 years.

Net Salvage factors have historically been negative for account 366. Since underground conduit is retired in place, the removal and salvage components reflected in the analysis are not indicative of actual practice. Interviews with operations personnel confirm this. The net salvage parameters should continue to use a gross salvage factor of 0% and a 0% gross removal yielding an 0% net salvage.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2013
Distribution Plant

Account **367 UNDERGROUND CONDUCTOR & DEVICES**

Depreciable Balance	\$9,812,956	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	44	44
Iowa Curve	R1.0	R0.5
Gross Removal, %	N/A	14
Gross Salvage, %	N/A	1
Net Salvage %	0	-13
N/A = not available		

Account 367 contains underground property such as distribution conductor, switches and switchgear.

The average age of property in this account is 11.27 years.

The results of the life analysis indicate that the average service life for this account is estimated at 40 years following a R0.5 dispersion. Since the analysis indicates an average service close to the life currently in rates, this study recommends no change in the 44 year average service life from Case No. 91-066.

Based on the historical salvage history for the account, the recommended gross salvage is 1% and the gross removal is 14% resulting in a -13% net salvage.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2013
Distribution Plant

Account	<u>368 LINE TRANSFORMERS</u>	
Depreciable Balance	\$119,012,919	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	25	25
Iowa Curve	R1.5	L0.0
Gross Removal, %	N/A	30
Gross Salvage, %	N/A	29
Net Salvage %	15	-1
N/A = not available		

This account includes line transformers, regulators and capacitors.

The average age of property in this account is 14.13 years.

The results of the life analysis indicate that the average service life for this account should be changed to 23 years following a L0.0 dispersion. Since the analysis indicates an average service close to the life currently in rates, this study recommends no change in the 25 year average service life from Case No. 91-066.

The salvage analysis for the account history supports a gross salvage of 29% and a gross removal of 30%. The result is a net salvage of -1%.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2013
Distribution Plant

<i>Account</i>	<u>369 SERVICES</u>	
Depreciable Balance	\$53,900,363	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	18	20
Iowa Curve	R2.0	L0.0
Gross Removal, %	N/A	39
Gross Salvage, %	N/A	1
Net Salvage %	0	-38
N/A = not available		

Account 369 consists of underground and overhead distribution services.

The average age of property in this account is 10.98 years.

The results of the life analysis indicate that the average service life for this account should be changed to 20 years following a L0.0 dispersion.

The salvage analysis for the account history supports a gross salvage of 1% and a gross removal of 39%. The result is a net salvage of -38%.

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Distribution Plant

<i>Account</i>	<u>370 METERS</u>	
Depreciable Balance	\$24,723,286	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	27	17
Iowa Curve	R0.5	R4.0
Gross Removal, %	N/A	19
Gross Salvage, %	N/A	22
Net Salvage %	0	3
N/A = not available		

Account 370 includes all distribution meters.

The average age of property in this account is 6.77 years.

Since 100% of the Company's electromechanical meters were replaced with AMR meters in the 2005 to 2010 time frame, account history cannot be used to determine a reasonable useful life. General Electric (the manufacturer of the new meters) estimates that the life expectancy of the AMR meters is from 15 years to 20 years. Based on GE's assessment, a life of 17 years is recommended for account 370, Meters, with an R4.0 dispersion.

The salvage and removal analysis for 2000 through 2012 calculates an overall historical gross salvage of 22% and a gross removal of 19% resulting in a 3% net salvage.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2013
Distribution Plant

<i>Account</i>	<u>371 INSTALLATIONS ON CUSTOMERS PREMISES</u>	
Depreciable Balance	\$20,056,550	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	11	11
Iowa Curve	L0.0	L0.0
Gross Removal, %	N/A	33
Gross Salvage, %	N/A	1
Net Salvage %	30	-32
N/A = not available		

Property included in account 371 consists of items such as cable vaults and commercial lighting equipment.

The average age of property in this account is 7.91 years.

The current life analysis supports an average service life for this account of 10 years with an L0.0 dispersion. Since the analysis indicates an average service close to the life currently in rates, this study recommends no change in the 11 year average service life from Case No. 91-066.

The salvage and removal analysis for 2000 through 2013 calculates an overall historical gross salvage of 1% and a gross removal of 33% resulting in a -32% net salvage.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2013
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<i>Account</i>	<u>373 STREET LIGHTING & SIGNAL SYSTEMS</u>	
Depreciable Balance	\$3,349,341	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	15	20
Iowa Curve	L0.0	L0.0
Gross Removal, %	N/A	25
Gross Salvage, %	N/A	1
Net Salvage %	15	-24
N/A = not available		

Account 373 consists of distribution street lights, conductor, conduit and standards.

The average age of property in this account is 17.70 years.

The current life analysis supports an average service life for this account of 20 years with an L0.0 dispersion.

Based on the historical salvage history for the account, the recommended gross salvage is 1% and the gross removal is 25% resulting in a -24% net salvage.

KENTUCKY POWER COMPANY

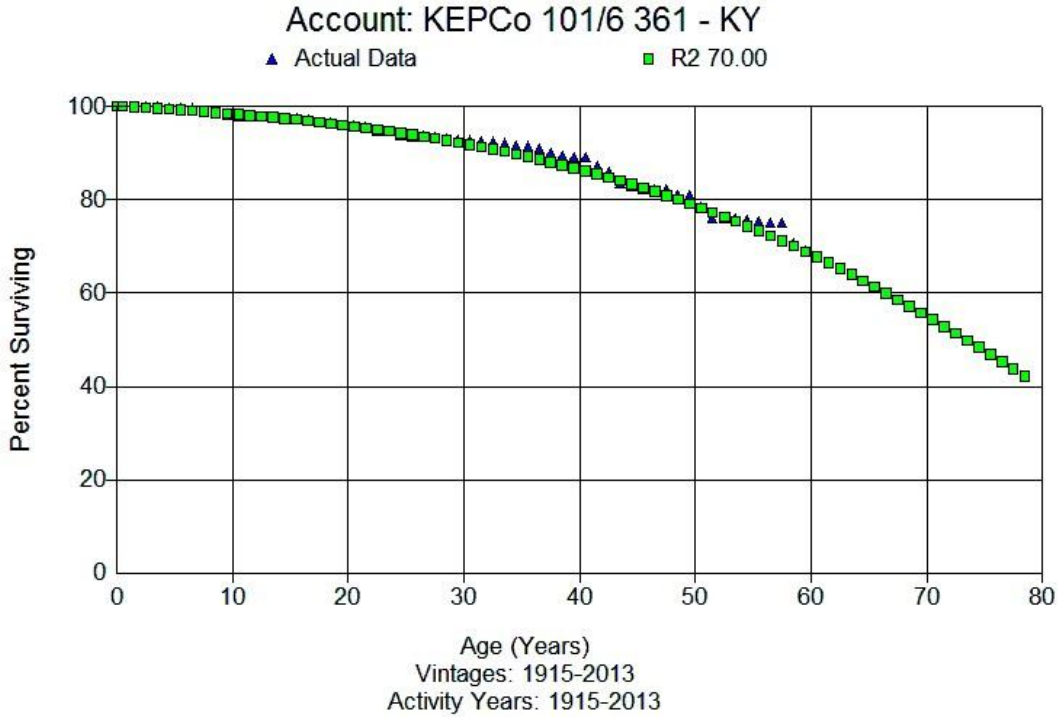
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ACTUARIAL ANALYSIS GRAPHS

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Account 361 Structures & Improvements – R2, 70



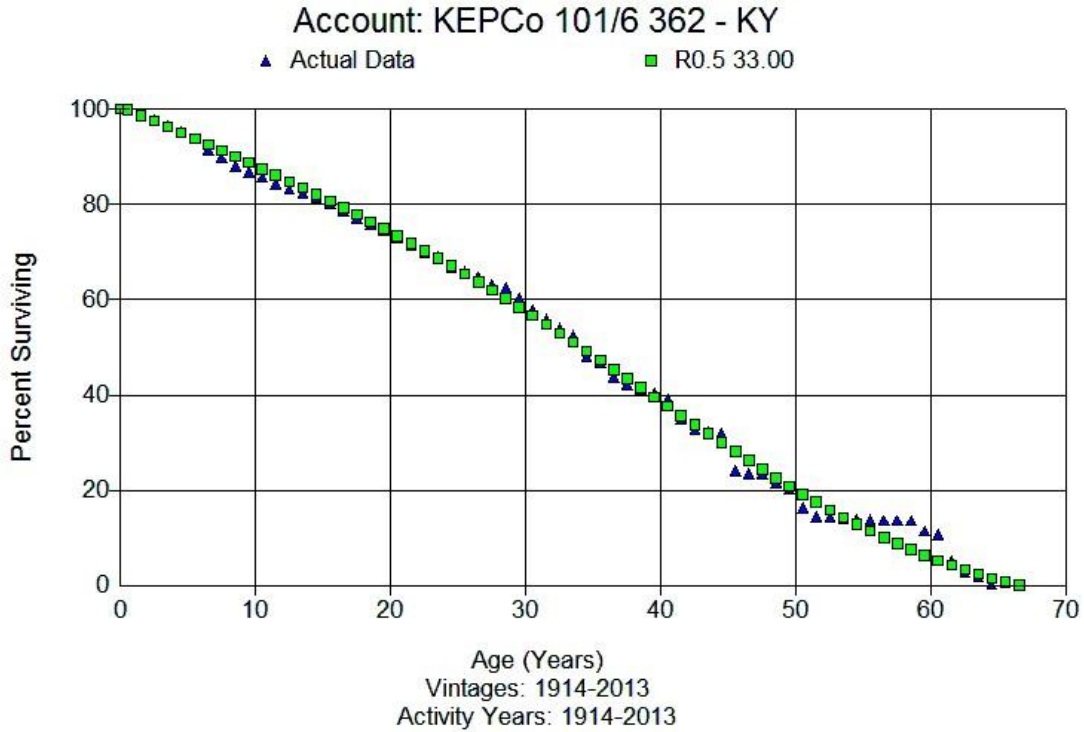
An actuarial analysis was performed for Account 361. The prior study from Case No. 91-066 recommended a 65 year life for the investment in this account using a L0.5 dispersion.

As shown above, the R2.0 curve with a 70 year life provides a good fit for Account 361 property and I recommend that we change to use this curve and life.

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Account 362 Station Equipment – R0.5, 33



An actuarial analysis was performed for Account 362.

The prior study from Case No. 91-066 recommended a 25 year life for the investment in this account using a L0.0 dispersion.

As shown above, the R0.5 curve with a 33 year life provides a good fit for Account 362 property and I recommend that we use this curve and life.

KENTUCKY POWER COMPANY

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DEPRECIATION STUDY WORKPAPERS

DISTRIBUTION PLANT

GENERATION ARRANGEMENT REPORT

KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2013

Account: KEPCO 101/6 360 Land Rights

Dispersion: 75.00, R4.0

Average Net Salvage Rate: 0.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2013	0.5	\$143,980.00	75.00	74.50	0.9933	1.0000	\$143,021.10	\$1,919.73
2012	1.5	\$161,618.20	75.00	73.50	0.9800	1.0000	\$158,389.10	\$2,154.91
2011	2.5	\$162,768.70	75.00	72.50	0.9667	1.0000	\$157,348.40	\$2,170.25
2010	3.5	\$160,979.60	75.00	71.50	0.9534	1.0000	\$153,476.10	\$2,146.39
2009	4.5	\$202,743.00	75.00	70.51	0.9401	1.0000	\$190,592.20	\$2,703.24
2008	5.5	\$149,054.00	75.00	69.51	0.9268	1.0000	\$138,137.70	\$1,987.39
2007	6.5	\$183,741.70	75.00	68.51	0.9135	1.0000	\$167,840.10	\$2,449.89
2006	7.5	\$174,821.70	75.00	67.51	0.9002	1.0000	\$157,367.50	\$2,330.96
2005	8.5	\$117,956.00	75.00	66.51	0.8869	1.0000	\$104,611.10	\$1,572.75
2004	9.5	\$100,775.40	75.00	65.52	0.8736	1.0000	\$88,035.87	\$1,343.67
2003	10.5	\$188,981.10	75.00	64.52	0.8603	1.0000	\$162,582.20	\$2,519.75
2002	11.5	\$131,307.30	75.00	63.53	0.8470	1.0000	\$111,221.90	\$1,750.76
2001	12.5	\$106,531.60	75.00	62.53	0.8338	1.0000	\$88,823.07	\$1,420.42
2000	13.5	\$315,016.20	75.00	61.54	0.8205	1.0000	\$258,479.40	\$4,200.22
1999	14.5	\$3,677.00	75.00	60.55	0.8073	1.0000	\$2,968.42	\$49.03
1998	15.5	\$108,643.00	75.00	59.56	0.7941	1.0000	\$86,271.07	\$1,448.57
1997	16.5	\$219,539.50	75.00	58.57	0.7809	1.0000	\$171,432.10	\$2,927.19
1996	17.5	\$53,347.00	75.00	57.58	0.7677	1.0000	\$40,953.84	\$711.29
1995	18.5	\$106,401.00	75.00	56.59	0.7545	1.0000	\$80,281.10	\$1,418.68
1994	19.5	\$14,023.00	75.00	55.60	0.7414	1.0000	\$10,396.38	\$186.97
1993	20.5	\$49,128.00	75.00	54.62	0.7283	1.0000	\$35,778.01	\$655.04
1992	21.5	\$94,764.00	75.00	53.64	0.7152	1.0000	\$67,771.35	\$1,263.52
1991	22.5	\$76,154.00	75.00	52.66	0.7021	1.0000	\$53,468.49	\$1,015.39
1990	23.5	\$54,838.00	75.00	51.68	0.6891	1.0000	\$37,787.84	\$731.17
1989	24.5	\$31,201.00	75.00	50.71	0.6761	1.0000	\$21,094.27	\$416.01
1988	25.5	\$26,380.00	75.00	49.73	0.6631	1.0000	\$17,493.34	\$351.73
1987	26.5	\$19,016.00	75.00	48.77	0.6502	1.0000	\$12,364.58	\$253.55
1986	27.5	\$47,346.00	75.00	47.80	0.6373	1.0000	\$30,175.48	\$631.28
1985	28.5	\$20,719.00	75.00	46.84	0.6245	1.0000	\$12,939.66	\$276.25
1984	29.5	\$25,934.00	75.00	45.88	0.6118	1.0000	\$15,865.59	\$345.79
1983	30.5	\$66,861.00	75.00	44.93	0.5990	1.0000	\$40,052.88	\$891.48
1982	31.5	\$48,942.00	75.00	43.98	0.5864	1.0000	\$28,699.95	\$652.56
1981	32.5	\$38,508.00	75.00	43.04	0.5738	1.0000	\$22,096.90	\$513.44
1980	33.5	\$24,590.00	75.00	42.10	0.5613	1.0000	\$13,802.19	\$327.87
1979	34.5	\$1,913,234.00	75.00	41.17	0.5489	1.0000	\$1,050,110.00	\$25,509.79
		\$5,343,520.00	75.00	55.18	0.7358	1.0000	\$3,931,729.18	\$71,246.93

KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2013

Account: KEPCO 101/6 361 Structures and Improvements

Dispersion: 70.00, R2.0

Average Net Salvage Rate: -12.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2011	2.5	\$97,058.07	70.00	67.74	1.0839	1.0000	\$105,200.10	\$1,552.93
2010	3.5	\$2,118.53	70.00	66.85	1.0696	1.0000	\$2,265.92	\$33.90
2009	4.5	\$26,516.60	70.00	65.96	1.0553	1.0000	\$27,982.97	\$424.27
2008	5.5	\$138,356.10	70.00	65.07	1.0411	1.0000	\$144,038.30	\$2,213.70
2005	8.5	\$8,634.85	70.00	62.43	0.9988	1.0000	\$8,624.57	\$138.16
2003	10.5	\$395,783.90	70.00	60.68	0.9710	1.0000	\$384,287.20	\$6,332.54
2002	11.5	\$38,513.72	70.00	59.82	0.9571	1.0000	\$36,862.85	\$616.22
2001	12.5	\$7,027.54	70.00	58.96	0.9434	1.0000	\$6,629.54	\$112.44
2000	13.5	\$100,752.20	70.00	58.11	0.9297	1.0000	\$93,668.65	\$1,612.04
1999	14.5	\$387,262.90	70.00	57.25	0.9161	1.0000	\$354,757.10	\$6,196.21
1998	15.5	\$26,575.03	70.00	56.41	0.9025	1.0000	\$23,984.81	\$425.20
1997	16.5	\$61,783.87	70.00	55.57	0.8890	1.0000	\$54,928.65	\$988.54
1996	17.5	\$35,322.00	70.00	54.73	0.8757	1.0000	\$30,930.37	\$565.15
1995	18.5	\$597,041.40	70.00	53.90	0.8624	1.0000	\$514,865.40	\$9,552.66
1994	19.5	\$104,061.00	70.00	53.07	0.8491	1.0000	\$88,359.51	\$1,664.98
1993	20.5	\$254,730.00	70.00	52.25	0.8360	1.0000	\$212,944.40	\$4,075.68
1992	21.5	\$112,019.00	70.00	51.43	0.8229	1.0000	\$92,176.50	\$1,792.30
1991	22.5	\$337,179.00	70.00	50.62	0.8099	1.0000	\$273,074.70	\$5,394.86
1990	23.5	\$31,974.83	70.00	49.81	0.7969	1.0000	\$25,482.07	\$511.60
1989	24.5	\$33,374.00	70.00	49.01	0.7841	1.0000	\$26,169.11	\$533.98
1988	25.5	\$35,634.00	70.00	48.21	0.7714	1.0000	\$27,487.22	\$570.14
1987	26.5	\$127,686.00	70.00	47.42	0.7587	1.0000	\$96,875.70	\$2,042.98
1986	27.5	\$148,205.00	70.00	46.63	0.7461	1.0000	\$110,580.30	\$2,371.28
1985	28.5	\$119,083.00	70.00	45.85	0.7336	1.0000	\$87,361.56	\$1,905.33
1984	29.5	\$10,503.00	70.00	45.08	0.7212	1.0000	\$7,575.14	\$168.05
1983	30.5	\$7,053.00	70.00	44.31	0.7089	1.0000	\$4,999.81	\$112.85
1982	31.5	\$62,465.00	70.00	43.54	0.6967	1.0000	\$43,519.26	\$999.44
1981	32.5	\$92,740.00	70.00	42.79	0.6846	1.0000	\$63,487.68	\$1,483.84
1980	33.5	\$373,477.00	70.00	42.03	0.6725	1.0000	\$251,175.70	\$5,975.63
1979	34.5	\$5,950.00	70.00	41.29	0.6606	1.0000	\$3,930.58	\$95.20
1978	35.5	\$44,891.00	70.00	40.55	0.6487	1.0000	\$29,122.68	\$718.26
1977	36.5	\$83,665.00	70.00	39.81	0.6370	1.0000	\$53,295.87	\$1,338.64
1976	37.5	\$24,118.00	70.00	39.08	0.6253	1.0000	\$15,081.91	\$385.89
1975	38.5	\$71,558.00	70.00	38.36	0.6138	1.0000	\$43,923.58	\$1,144.93
1974	39.5	\$61,638.00	70.00	37.65	0.6024	1.0000	\$37,129.94	\$986.21
1973	40.5	\$44,691.00	70.00	36.94	0.5910	1.0000	\$26,414.00	\$715.06
1972	41.5	\$49,794.00	70.00	36.24	0.5798	1.0000	\$28,871.16	\$796.70
1971	42.5	\$60,176.00	70.00	35.54	0.5687	1.0000	\$34,220.02	\$962.82
1970	43.5	\$13,257.00	70.00	34.85	0.5577	1.0000	\$7,392.95	\$212.11
1969	44.5	\$6,970.00	70.00	34.17	0.5467	1.0000	\$3,810.67	\$111.52
1968	45.5	\$20,793.00	70.00	33.50	0.5360	1.0000	\$11,144.07	\$332.69
1967	46.5	\$13,906.00	70.00	32.83	0.5253	1.0000	\$7,304.50	\$222.50
1966	47.5	\$25,820.00	70.00	32.17	0.5147	1.0000	\$13,289.14	\$413.12
1965	48.5	\$1,812.70	70.00	31.52	0.5042	1.0000	\$914.04	\$29.00
1964	49.5	\$495.00	70.00	30.87	0.4939	1.0000	\$244.47	\$7.92
1963	50.5	\$5,202.00	70.00	30.23	0.4837	1.0000	\$2,516.09	\$83.23

KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2013

Account: KEPCO 101/6 361 Structures and Improvements

Dispersion: 70.00, R2.0

Average Net Salvage Rate: -12.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1962	51.5	\$190.00	70.00	29.60	0.4735	1.0000	\$89.97	\$3.04
1961	52.5	\$1,585.00	70.00	28.97	0.4636	1.0000	\$734.79	\$25.36
1960	53.5	\$291.00	70.00	28.36	0.4537	1.0000	\$132.04	\$4.66
1959	54.5	\$193.00	70.00	27.75	0.4440	1.0000	\$85.69	\$3.09
1957	56.5	\$6,356.00	70.00	26.56	0.4249	1.0000	\$2,700.64	\$101.70
1956	57.5	\$5,955.00	70.00	25.97	0.4156	1.0000	\$2,474.65	\$95.28
1955	58.5	\$701.00	70.00	25.39	0.4063	1.0000	\$284.82	\$11.22
1954	59.5	\$4,906.00	70.00	24.83	0.3972	1.0000	\$1,948.85	\$78.50
1953	60.5	\$8,184.00	70.00	24.27	0.3883	1.0000	\$3,177.73	\$130.94
1952	61.5	\$77.03	70.00	23.72	0.3794	1.0000	\$29.23	\$1.23
1951	62.5	\$2,866.00	70.00	23.17	0.3708	1.0000	\$1,062.60	\$45.86
1950	63.5	\$3,120.63	70.00	22.64	0.3622	1.0000	\$1,130.22	\$49.93
1949	64.5	\$3,862.00	70.00	22.11	0.3538	1.0000	\$1,366.26	\$61.79
1948	65.5	\$5,174.00	70.00	21.59	0.3455	1.0000	\$1,787.36	\$82.78
1947	66.5	\$907.00	70.00	21.08	0.3373	1.0000	\$305.95	\$14.51
1946	67.5	\$42.00	70.00	20.58	0.3293	1.0000	\$13.83	\$0.67
1945	68.5	\$946.00	70.00	20.09	0.3214	1.0000	\$304.05	\$15.14
1943	70.5	\$1,672.00	70.00	19.13	0.3061	1.0000	\$511.72	\$26.75
1942	71.5	\$977.00	70.00	18.66	0.2986	1.0000	\$291.72	\$15.63
1941	72.5	\$140.00	70.00	18.20	0.2912	1.0000	\$40.77	\$2.24
1940	73.5	\$3,539.00	70.00	17.75	0.2840	1.0000	\$1,005.24	\$56.62
1938	75.5	\$12,655.04	70.00	16.88	0.2700	1.0000	\$3,417.40	\$202.48
		\$4,372,005.94	70.00	50.63	0.8101	1.0000	\$3,541,796.29	\$69,952.12

KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2013

Account: KEPCO 101/6 362 Station Equipment

Dispersion: 33.00, R0.5

Average Net Salvage Rate: -7.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2013	0.5	\$7,399,303.00	33.00	32.69	1.0599	1.0000	\$7,842,682.00	\$239,916.80
2012	1.5	\$9,374,791.00	33.00	32.07	1.0398	1.0000	\$9,748,267.00	\$303,970.50
2011	2.5	\$7,756,388.00	33.00	31.45	1.0199	1.0000	\$7,910,368.00	\$251,495.00
2010	3.5	\$1,404,162.00	33.00	30.84	0.9999	1.0000	\$1,404,086.00	\$45,528.89
2009	4.5	\$5,449,876.00	33.00	30.23	0.9801	1.0000	\$5,341,578.00	\$176,708.10
2008	5.5	\$9,331,368.00	33.00	29.62	0.9604	1.0000	\$8,961,730.00	\$302,562.50
2007	6.5	\$2,715,685.00	33.00	29.01	0.9407	1.0000	\$2,554,667.00	\$88,054.01
2006	7.5	\$2,879,158.00	33.00	28.41	0.9211	1.0000	\$2,652,039.00	\$93,354.51
2005	8.5	\$2,363,046.00	33.00	27.81	0.9016	1.0000	\$2,130,488.00	\$76,619.99
2004	9.5	\$691,130.60	33.00	27.21	0.8821	1.0000	\$609,654.50	\$22,409.38
2003	10.5	\$951,476.70	33.00	26.61	0.8627	1.0000	\$820,847.40	\$30,850.91
2002	11.5	\$628,554.40	33.00	26.01	0.8434	1.0000	\$530,105.00	\$20,380.40
2001	12.5	\$1,892,648.00	33.00	25.42	0.8241	1.0000	\$1,559,727.00	\$61,367.69
2000	13.5	\$1,711,958.00	33.00	24.82	0.8049	1.0000	\$1,377,948.00	\$55,508.94
1999	14.5	\$1,050,473.00	33.00	24.23	0.7858	1.0000	\$825,456.00	\$34,060.79
1998	15.5	\$713,098.40	33.00	23.65	0.7668	1.0000	\$546,798.90	\$23,121.68
1997	16.5	\$1,560,641.00	33.00	23.07	0.7479	1.0000	\$1,167,203.00	\$50,602.59
1996	17.5	\$1,594,335.00	33.00	22.49	0.7291	1.0000	\$1,162,500.00	\$51,695.12
1995	18.5	\$4,267,973.00	33.00	21.91	0.7105	1.0000	\$3,032,467.00	\$138,385.80
1994	19.5	\$1,293,357.00	33.00	21.34	0.6920	1.0000	\$895,062.30	\$41,936.13
1993	20.5	\$3,079,511.00	33.00	20.78	0.6737	1.0000	\$2,074,800.00	\$99,850.82
1992	21.5	\$1,002,376.00	33.00	20.22	0.6556	1.0000	\$657,168.40	\$32,501.27
1991	22.5	\$1,337,938.00	33.00	19.67	0.6377	1.0000	\$853,152.30	\$43,381.61
1990	23.5	\$393,194.90	33.00	19.12	0.6199	1.0000	\$243,744.50	\$12,749.05
1989	24.5	\$413,003.50	33.00	18.58	0.6024	1.0000	\$248,774.70	\$13,391.33
1988	25.5	\$278,185.70	33.00	18.04	0.5850	1.0000	\$162,741.20	\$9,019.96
1987	26.5	\$1,667,986.00	33.00	17.51	0.5679	1.0000	\$947,222.20	\$54,083.19
1986	27.5	\$1,167,026.00	33.00	16.99	0.5510	1.0000	\$643,001.20	\$37,839.93
1985	28.5	\$625,746.90	33.00	16.48	0.5343	1.0000	\$334,329.20	\$20,289.37
1984	29.5	\$636,599.60	33.00	15.97	0.5178	1.0000	\$329,650.40	\$20,641.26
1983	30.5	\$530,096.40	33.00	15.47	0.5016	1.0000	\$265,894.00	\$17,187.98
1982	31.5	\$910,856.70	33.00	14.98	0.4856	1.0000	\$442,304.20	\$29,533.84
1981	32.5	\$569,851.20	33.00	14.49	0.4698	1.0000	\$267,727.50	\$18,476.99
1980	33.5	\$2,121,084.00	33.00	14.01	0.4543	1.0000	\$963,537.40	\$68,774.53
1979	34.5	\$394,093.40	33.00	13.54	0.4389	1.0000	\$172,985.40	\$12,778.18
1978	35.5	\$897,530.80	33.00	13.07	0.4238	1.0000	\$380,409.90	\$29,101.76
1977	36.5	\$554,840.70	33.00	12.61	0.4090	1.0000	\$226,910.00	\$17,990.29
1976	37.5	\$139,370.80	33.00	12.16	0.3943	1.0000	\$54,952.02	\$4,518.99
1975	38.5	\$200,559.90	33.00	11.71	0.3798	1.0000	\$76,178.70	\$6,503.00
1974	39.5	\$229,190.90	33.00	11.27	0.3656	1.0000	\$83,783.58	\$7,431.34
1973	40.5	\$367,564.40	33.00	10.84	0.3515	1.0000	\$129,195.90	\$11,918.00
1972	41.5	\$446,372.60	33.00	10.41	0.3376	1.0000	\$150,702.10	\$14,473.29
1971	42.5	\$131,566.70	33.00	9.99	0.3239	1.0000	\$42,615.30	\$4,265.95
1970	43.5	\$152,967.40	33.00	9.57	0.3104	1.0000	\$47,473.43	\$4,959.85
1969	44.5	\$20,274.01	33.00	9.16	0.2970	1.0000	\$6,020.58	\$657.37
1968	45.5	\$94,811.92	33.00	8.75	0.2837	1.0000	\$26,897.54	\$3,074.20

KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2013

Account: KEPCO 101/6 362 Station Equipment

Dispersion: 33.00, R0.5

Average Net Salvage Rate: -7.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1967	46.5	\$110,447.10	33.00	8.34	0.2706	1.0000	\$29,882.93	\$3,581.16
1966	47.5	\$53,585.66	33.00	7.94	0.2575	1.0000	\$13,799.67	\$1,737.47
1965	48.5	\$987.00	33.00	7.54	0.2446	1.0000	\$241.41	\$32.00
1964	49.5	\$10,731.96	33.00	7.15	0.2317	1.0000	\$2,486.63	\$347.98
1963	50.5	\$60,418.08	33.00	6.75	0.2189	1.0000	\$13,223.73	\$1,959.01
1962	51.5	\$10,263.94	33.00	6.35	0.2061	1.0000	\$2,114.93	\$332.80
1961	52.5	\$10,069.89	33.00	5.96	0.1932	1.0000	\$1,945.62	\$326.51
1957	56.5	\$16,036.55	33.00	4.35	0.1410	1.0000	\$2,261.51	\$519.97
		\$83,664,561.71	33.00	26.16	0.8483	1.0000	\$70,971,802.18	\$2,712,759.98

KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2013

Account: KEPCO 101/6 364 Poles and Fixtures

Dispersion: 28.00, R0.5

Average Net Salvage Rate: -30.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2013	0.5	\$6,777,120.00	28.00	27.69	1.2856	1.0000	\$8,712,527.00	\$314,652.00
2012	1.5	\$6,855,400.00	28.00	27.07	1.2569	1.0000	\$8,616,274.00	\$318,286.40
2011	2.5	\$6,561,020.00	28.00	26.46	1.2283	1.0000	\$8,058,761.00	\$304,618.80
2010	3.5	\$6,617,905.00	28.00	25.84	1.1998	1.0000	\$7,940,303.00	\$307,259.90
2009	4.5	\$10,565,670.00	28.00	25.23	1.1715	1.0000	\$12,378,061.00	\$490,548.90
2008	5.5	\$9,453,591.00	28.00	24.63	1.1433	1.0000	\$10,808,711.00	\$438,916.70
2007	6.5	\$9,124,432.00	28.00	24.02	1.1153	1.0000	\$10,176,486.00	\$423,634.30
2006	7.5	\$6,851,489.00	28.00	23.42	1.0873	1.0000	\$7,449,954.00	\$318,104.80
2005	8.5	\$5,705,924.00	28.00	22.82	1.0595	1.0000	\$6,045,542.00	\$264,917.90
2004	9.5	\$7,468,560.00	28.00	22.22	1.0318	1.0000	\$7,705,904.00	\$346,754.60
2003	10.5	\$5,092,882.00	28.00	21.63	1.0042	1.0000	\$5,114,063.00	\$236,455.30
2002	11.5	\$5,286,782.00	28.00	21.04	0.9767	1.0000	\$5,163,449.00	\$245,457.70
2001	12.5	\$5,452,944.00	28.00	20.45	0.9493	1.0000	\$5,176,676.00	\$253,172.40
2000	13.5	\$8,504,192.00	28.00	19.86	0.9222	1.0000	\$7,842,452.00	\$394,837.50
1999	14.5	\$5,317,997.00	28.00	19.28	0.8952	1.0000	\$4,760,739.00	\$246,907.00
1998	15.5	\$3,254,175.00	28.00	18.71	0.8685	1.0000	\$2,826,235.00	\$151,086.70
1997	16.5	\$3,004,305.00	28.00	18.14	0.8420	1.0000	\$2,529,644.00	\$139,485.60
1996	17.5	\$9,218,063.00	28.00	17.57	0.8158	1.0000	\$7,520,040.00	\$427,981.50
1995	18.5	\$5,361,330.00	28.00	17.01	0.7899	1.0000	\$4,234,888.00	\$248,918.90
1994	19.5	\$4,492,287.00	28.00	16.46	0.7643	1.0000	\$3,433,415.00	\$208,570.50
1993	20.5	\$4,480,211.00	28.00	15.92	0.7390	1.0000	\$3,311,076.00	\$208,009.80
1992	21.5	\$5,082,545.00	28.00	15.38	0.7141	1.0000	\$3,629,604.00	\$235,975.30
1991	22.5	\$4,927,616.00	28.00	14.85	0.6896	1.0000	\$3,398,053.00	\$228,782.20
1990	23.5	\$5,137,764.00	28.00	14.33	0.6654	1.0000	\$3,418,710.00	\$238,539.00
1989	24.5	\$3,433,007.00	28.00	13.82	0.6416	1.0000	\$2,202,599.00	\$159,389.60
1988	25.5	\$3,218,451.00	28.00	13.31	0.6182	1.0000	\$1,989,625.00	\$149,428.10
1987	26.5	\$3,172,673.00	28.00	12.82	0.5952	1.0000	\$1,888,218.00	\$147,302.70
1986	27.5	\$3,265,933.00	28.00	12.33	0.5725	1.0000	\$1,869,826.00	\$151,632.60
1985	28.5	\$2,790,218.00	28.00	11.85	0.5503	1.0000	\$1,535,344.00	\$129,545.90
1984	29.5	\$2,247,958.00	28.00	11.38	0.5284	1.0000	\$1,187,772.00	\$104,369.50
1983	30.5	\$1,944,139.00	28.00	10.92	0.5069	1.0000	\$985,417.00	\$90,263.59
1982	31.5	\$1,869,453.00	28.00	10.46	0.4857	1.0000	\$908,021.40	\$86,796.03
1981	32.5	\$2,260,354.00	28.00	10.01	0.4649	1.0000	\$1,050,901.00	\$104,945.00
1980	33.5	\$1,560,272.00	28.00	9.57	0.4445	1.0000	\$693,498.20	\$72,441.22
1979	34.5	\$1,144,536.00	28.00	9.14	0.4243	1.0000	\$485,681.20	\$53,139.16
1978	35.5	\$826,636.60	28.00	8.71	0.4045	1.0000	\$334,398.30	\$38,379.55
1977	36.5	\$619,360.00	28.00	8.29	0.3850	1.0000	\$238,455.30	\$28,756.00
1976	37.5	\$401,243.40	28.00	7.88	0.3657	1.0000	\$146,752.60	\$18,629.16
1975	38.5	\$243,441.70	28.00	7.47	0.3467	1.0000	\$84,406.96	\$11,302.65
1974	39.5	\$201,437.60	28.00	7.06	0.3279	1.0000	\$66,051.58	\$9,352.46
1973	40.5	\$185,170.00	28.00	6.66	0.3093	1.0000	\$57,269.54	\$8,597.18
1972	41.5	\$128,984.70	28.00	6.26	0.2908	1.0000	\$37,503.27	\$5,988.57
1971	42.5	\$95,670.44	28.00	5.87	0.2724	1.0000	\$26,058.32	\$4,441.84
1970	43.5	\$71,353.16	28.00	5.47	0.2540	1.0000	\$18,123.29	\$3,312.83
1969	44.5	\$67,127.96	28.00	5.08	0.2356	1.0000	\$15,817.49	\$3,116.66
1968	45.5	\$62,851.26	28.00	4.68	0.2172	1.0000	\$13,653.13	\$2,918.09
1967	46.5	\$42,794.68	28.00	4.28	0.1986	1.0000	\$8,498.87	\$1,986.90
1966	47.5	\$29,755.47	28.00	3.87	0.1798	1.0000	\$5,350.05	\$1,381.50
1965	48.5	\$23,738.64	28.00	3.46	0.1606	1.0000	\$3,812.99	\$1,102.15
1964	49.5	\$16,319.64	28.00	3.04	0.1411	1.0000	\$2,302.66	\$757.70

**KENTUCKY POWER COMPANY
 GENERATION ARRANGEMENT REPORT
 Depreciation Study as of December 31, 2013**

Account: KEPCO 101/6 364 Poles and Fixtures

Dispersion: 28.00, R0.5

Average Net Salvage Rate: -30.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1963	50.5	\$11,575.60	28.00	2.61	0.1210	1.0000	\$1,400.72	\$537.44
1962	51.5	\$7,906.10	28.00	2.16	0.1004	1.0000	\$793.76	\$367.07
1961	52.5	\$7,783.29	28.00	1.71	0.0793	1.0000	\$616.95	\$361.37
1960	53.5	\$4,150.86	28.00	1.24	0.0578	1.0000	\$239.79	\$192.72
1959	54.5	\$2,837.22	28.00	0.79	0.0365	1.0000	\$103.42	\$131.73
1958	55.5	-\$0.50	28.00	0.39	0.0180	1.0000	-\$0.01	-\$0.02
		\$180,551,335.82	28.00	19.82	0.9200	1.0000	\$166,110,078.78	\$8,382,740.65

KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2013

Account: KEPCO 101/6 365 Overhead Conductor and Devices

Dispersion: 26.00, L0.0

Average Net Salvage Rate: 6.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2013	0.5	\$17,072,958.00	26.00	25.58	0.9247	1.0000	\$15,787,485.00	\$617,253.10
2012	1.5	\$15,045,077.00	26.00	24.84	0.8982	1.0000	\$13,513,167.00	\$543,937.40
2011	2.5	\$8,097,754.00	26.00	24.19	0.8746	1.0000	\$7,082,445.00	\$292,764.90
2010	3.5	\$7,810,859.00	26.00	23.60	0.8531	1.0000	\$6,663,655.00	\$282,392.60
2009	4.5	\$13,246,280.00	26.00	23.04	0.8331	1.0000	\$11,035,559.00	\$478,904.00
2008	5.5	\$14,193,081.00	26.00	22.52	0.8143	1.0000	\$11,557,605.00	\$513,134.50
2007	6.5	\$14,208,940.00	26.00	22.03	0.7966	1.0000	\$11,318,130.00	\$513,707.80
2006	7.5	\$8,748,663.00	26.00	21.57	0.7797	1.0000	\$6,820,982.00	\$316,297.80
2005	8.5	\$8,577,939.00	26.00	21.12	0.7635	1.0000	\$6,549,457.00	\$310,125.50
2004	9.5	\$3,825,166.00	26.00	20.69	0.7481	1.0000	\$2,861,416.00	\$138,294.50
2003	10.5	\$3,503,519.00	26.00	20.28	0.7331	1.0000	\$2,568,574.00	\$126,665.70
2002	11.5	\$4,335,327.00	26.00	19.88	0.7187	1.0000	\$3,115,771.00	\$156,738.80
2001	12.5	\$3,876,147.00	26.00	19.49	0.7046	1.0000	\$2,731,321.00	\$140,137.60
2000	13.5	\$6,761,050.00	26.00	19.11	0.6909	1.0000	\$4,671,214.00	\$244,438.00
1999	14.5	\$3,997,526.00	26.00	18.74	0.6774	1.0000	\$2,708,073.00	\$144,525.90
1998	15.5	\$2,552,133.00	26.00	18.37	0.6642	1.0000	\$1,695,222.00	\$92,269.43
1997	16.5	\$6,420,590.00	26.00	18.01	0.6513	1.0000	\$4,181,613.00	\$232,129.00
1996	17.5	\$3,197,880.00	26.00	17.66	0.6386	1.0000	\$2,042,117.00	\$115,615.60
1995	18.5	\$5,107,118.00	26.00	17.32	0.6261	1.0000	\$3,197,746.00	\$184,642.00
1994	19.5	\$3,250,186.00	26.00	16.98	0.6139	1.0000	\$1,995,371.00	\$117,506.70
1993	20.5	\$1,998,649.00	26.00	16.65	0.6019	1.0000	\$1,203,075.00	\$72,258.85
1992	21.5	\$2,195,385.00	26.00	16.32	0.5902	1.0000	\$1,295,697.00	\$79,371.60
1991	22.5	\$2,407,186.00	26.00	16.01	0.5787	1.0000	\$1,392,971.00	\$87,029.04
1990	23.5	\$2,350,688.00	26.00	15.69	0.5674	1.0000	\$1,333,669.00	\$84,986.40
1989	24.5	\$2,029,274.00	26.00	15.39	0.5562	1.0000	\$1,128,777.00	\$73,366.07
1988	25.5	\$1,878,150.00	26.00	15.08	0.5454	1.0000	\$1,024,255.00	\$67,902.34
1987	26.5	\$1,890,747.00	26.00	14.79	0.5347	1.0000	\$1,010,913.00	\$68,357.78
1986	27.5	\$1,586,325.00	26.00	14.50	0.5242	1.0000	\$831,510.60	\$57,351.75
1985	28.5	\$1,047,086.00	26.00	14.21	0.5139	1.0000	\$538,065.50	\$37,856.20
1984	29.5	\$901,946.80	26.00	13.93	0.5037	1.0000	\$454,338.10	\$32,608.85
1983	30.5	\$894,273.10	26.00	13.66	0.4938	1.0000	\$441,578.60	\$32,331.41
1982	31.5	\$856,584.80	26.00	13.39	0.4840	1.0000	\$414,606.60	\$30,968.84
1981	32.5	\$1,330,769.00	26.00	13.12	0.4744	1.0000	\$631,352.10	\$48,112.42
1980	33.5	\$916,389.80	26.00	12.86	0.4650	1.0000	\$426,137.90	\$33,131.02
1979	34.5	\$752,383.90	26.00	12.61	0.4557	1.0000	\$342,896.60	\$27,201.57
1978	35.5	\$577,706.00	26.00	12.35	0.4466	1.0000	\$258,030.30	\$20,886.30
1977	36.5	\$631,858.10	26.00	12.11	0.4377	1.0000	\$276,549.80	\$22,844.10
1976	37.5	\$219,728.40	26.00	11.86	0.4289	1.0000	\$94,237.24	\$7,944.03
1975	38.5	\$174,412.30	26.00	11.62	0.4202	1.0000	\$73,293.56	\$6,305.67
1974	39.5	\$179,126.10	26.00	11.39	0.4117	1.0000	\$73,752.27	\$6,476.10
1973	40.5	\$183,341.00	26.00	11.16	0.4034	1.0000	\$73,953.68	\$6,628.48
1972	41.5	\$179,769.80	26.00	10.93	0.3951	1.0000	\$71,035.53	\$6,499.37
1971	42.5	\$133,667.50	26.00	10.70	0.3870	1.0000	\$51,730.01	\$4,832.59
1970	43.5	\$98,870.55	26.00	10.48	0.3790	1.0000	\$37,474.99	\$3,574.55
1969	44.5	\$89,315.17	26.00	10.27	0.3712	1.0000	\$33,151.20	\$3,229.09
1968	45.5	\$69,901.07	26.00	10.05	0.3634	1.0000	\$25,405.13	\$2,527.19
1967	46.5	\$47,335.92	26.00	9.84	0.3559	1.0000	\$16,845.00	\$1,711.38
1966	47.5	\$37,681.28	26.00	9.64	0.3484	1.0000	\$13,127.43	\$1,362.32
1965	48.5	\$25,804.15	26.00	9.43	0.3410	1.0000	\$8,799.05	\$932.92
1964	49.5	\$14,148.75	26.00	9.23	0.3337	1.0000	\$4,721.26	\$511.53

**KENTUCKY POWER COMPANY
 GENERATION ARRANGEMENT REPORT
 Depreciation Study as of December 31, 2013**

Account: KEPCO 101/6 365 Overhead Conductor and Devices

Dispersion: 26.00, L0.0

Average Net Salvage Rate: 6.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1963	50.5	\$12,027.85	26.00	9.03	0.3265	1.0000	\$3,927.37	\$434.85
1962	51.5	-\$0.50	26.00	8.84	0.3195	1.0000	-\$0.16	-\$0.02
		\$179,538,723.84	26.00	20.90	0.7557	1.0000	\$135,682,799.66	\$6,491,015.42

KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2013

Account: KEPCO 101/6 366 Underground Conduit

Dispersion: 45.00, R3.0

Average Net Salvage Rate: 0.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2013	0.5	\$536,151.50	45.00	44.51	0.9891	1.0000	\$530,284.30	\$11,914.48
2012	1.5	\$351,630.50	45.00	43.53	0.9672	1.0000	\$340,107.70	\$7,814.01
2011	2.5	\$267,790.50	45.00	42.55	0.9455	1.0000	\$253,183.50	\$5,950.90
2010	3.5	\$229,271.50	45.00	41.57	0.9238	1.0000	\$211,794.40	\$5,094.92
2009	4.5	\$607,754.50	45.00	40.60	0.9022	1.0000	\$548,295.40	\$13,505.66
2008	5.5	\$372,994.50	45.00	39.63	0.8806	1.0000	\$328,476.40	\$8,288.77
2007	6.5	\$356,644.50	45.00	38.67	0.8592	1.0000	\$306,439.90	\$7,925.43
2006	7.5	\$418,687.50	45.00	37.71	0.8379	1.0000	\$350,825.70	\$9,304.17
2005	8.5	\$297,990.50	45.00	36.75	0.8167	1.0000	\$243,380.60	\$6,622.01
2004	9.5	\$147,253.50	45.00	35.81	0.7957	1.0000	\$117,167.30	\$3,272.30
2003	10.5	\$177,610.50	45.00	34.86	0.7748	1.0000	\$137,606.80	\$3,946.90
2002	11.5	\$128,026.50	45.00	33.93	0.7540	1.0000	\$96,529.31	\$2,845.03
2001	12.5	\$101,646.50	45.00	33.00	0.7334	1.0000	\$74,545.76	\$2,258.81
2000	13.5	\$268,983.50	45.00	32.08	0.7129	1.0000	\$191,769.60	\$5,977.41
1999	14.5	\$84,566.50	45.00	31.17	0.6927	1.0000	\$58,577.80	\$1,879.26
1998	15.5	\$338,936.10	45.00	30.27	0.6726	1.0000	\$227,972.50	\$7,531.91
1997	16.5	\$233,568.60	45.00	29.37	0.6527	1.0000	\$152,452.10	\$5,190.41
1996	17.5	\$167,970.40	45.00	28.49	0.6330	1.0000	\$106,331.50	\$3,732.68
1995	18.5	\$162,690.30	45.00	27.61	0.6136	1.0000	\$99,822.43	\$3,615.34
1994	19.5	\$146,640.00	45.00	26.74	0.5943	1.0000	\$87,151.44	\$3,258.67
1993	20.5	\$159,853.40	45.00	25.89	0.5753	1.0000	\$91,958.82	\$3,552.30
1992	21.5	\$117,963.00	45.00	25.04	0.5565	1.0000	\$65,644.46	\$2,621.40
1991	22.5	\$95,922.66	45.00	24.21	0.5379	1.0000	\$51,599.67	\$2,131.61
1990	23.5	\$71,006.83	45.00	23.38	0.5196	1.0000	\$36,896.65	\$1,577.93
1989	24.5	\$73,193.76	45.00	22.57	0.5016	1.0000	\$36,710.85	\$1,626.53
1988	25.5	\$38,989.49	45.00	21.77	0.4837	1.0000	\$18,859.93	\$866.43
1987	26.5	\$43,079.12	45.00	20.98	0.4662	1.0000	\$20,082.67	\$957.31
1986	27.5	\$24,608.00	45.00	20.20	0.4489	1.0000	\$11,046.83	\$546.84
1985	28.5	\$40,342.61	45.00	19.44	0.4319	1.0000	\$17,424.44	\$896.50
1984	29.5	\$19,069.38	45.00	18.68	0.4152	1.0000	\$7,916.68	\$423.76
1983	30.5	\$22,278.80	45.00	17.94	0.3987	1.0000	\$8,883.42	\$495.08
1982	31.5	\$18,994.72	45.00	17.22	0.3826	1.0000	\$7,268.00	\$422.10
1981	32.5	\$20,042.91	45.00	16.51	0.3668	1.0000	\$7,352.51	\$445.40
1980	33.5	\$34,602.06	45.00	15.81	0.3514	1.0000	\$12,158.05	\$768.93
1979	34.5	\$30,404.06	45.00	15.13	0.3362	1.0000	\$10,221.91	\$675.65
1978	35.5	\$23,478.67	45.00	14.47	0.3214	1.0000	\$7,547.18	\$521.75
1977	36.5	\$14,799.34	45.00	13.82	0.3071	1.0000	\$4,544.32	\$328.87
1976	37.5	\$1,126.39	45.00	13.19	0.2931	1.0000	\$330.10	\$25.03
1975	38.5	\$23,768.33	45.00	12.57	0.2794	1.0000	\$6,641.19	\$528.19
1974	39.5	\$31,612.31	45.00	11.98	0.2663	1.0000	\$8,416.88	\$702.50
1973	40.5	\$20,593.79	45.00	11.41	0.2535	1.0000	\$5,221.03	\$457.64
1972	41.5	\$28,554.44	45.00	10.86	0.2412	1.0000	\$6,888.41	\$634.54
1971	42.5	\$13,756.43	45.00	10.32	0.2294	1.0000	\$3,155.75	\$305.70
1970	43.5	\$11,228.01	45.00	9.81	0.2180	1.0000	\$2,447.65	\$249.51
1969	44.5	\$888.00	45.00	9.32	0.2071	1.0000	\$183.91	\$19.73
1966	47.5	\$112.38	45.00	7.97	0.1772	1.0000	\$19.92	\$2.50
1951	62.5	\$1.56	45.00	3.36	0.0747	1.0000	\$0.12	\$0.03
1948	65.5	\$2.57	45.00	2.60	0.0578	1.0000	\$0.15	\$0.06
1947	66.5	\$5.34	45.00	2.35	0.0522	1.0000	\$0.28	\$0.12
1946	67.5	\$1.80	45.00	2.09	0.0465	1.0000	\$0.08	\$0.04

**KENTUCKY POWER COMPANY
 GENERATION ARRANGEMENT REPORT
 Depreciation Study as of December 31, 2013**

Account: KEPCO 101/6 366 Underground Conduit

Dispersion: 45.00, R3.0

Average Net Salvage Rate: 0.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1945	68.5	\$3.30	45.00	1.84	0.0409	1.0000	\$0.13	\$0.07
1944	69.5	\$0.61	45.00	1.59	0.0354	1.0000	\$0.02	\$0.01
1943	70.5	\$0.21	45.00	1.37	0.0305	1.0000	\$0.01	\$0.00
1940	73.5	-\$0.20	45.00	0.69	0.0152	1.0000	\$0.00	\$0.00
		\$6,377,091.98	45.00	34.66	0.7703	1.0000	\$4,912,136.46	\$141,713.13

KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2013

Account: KEPCO 101/6 367 Underground Conductor and Devices

Dispersion: 44.00, R0.5

Average Net Salvage Rate: -13.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2013	0.5	\$880,207.40	44.00	43.69	1.1220	1.0000	\$987,612.30	\$22,605.33
2012	1.5	\$434,776.90	44.00	43.07	1.1061	1.0000	\$480,910.00	\$11,165.86
2011	2.5	\$467,518.80	44.00	42.45	1.0902	1.0000	\$509,706.00	\$12,006.73
2010	3.5	\$319,954.00	44.00	41.84	1.0744	1.0000	\$343,763.40	\$8,217.00
2009	4.5	\$376,283.70	44.00	41.22	1.0587	1.0000	\$398,352.80	\$9,663.65
2008	5.5	\$561,705.00	44.00	40.61	1.0429	1.0000	\$585,813.50	\$14,425.61
2007	6.5	\$749,684.80	44.00	40.00	1.0273	1.0000	\$770,116.10	\$19,253.27
2006	7.5	\$837,733.90	44.00	39.39	1.0116	1.0000	\$847,486.20	\$21,514.53
2005	8.5	\$490,061.50	44.00	38.78	0.9961	1.0000	\$488,129.90	\$12,585.67
2004	9.5	\$640,681.50	44.00	38.18	0.9805	1.0000	\$628,194.90	\$16,453.87
2003	10.5	\$246,293.30	44.00	37.58	0.9650	1.0000	\$237,678.30	\$6,325.26
2002	11.5	\$231,822.80	44.00	36.97	0.9496	1.0000	\$220,131.70	\$5,953.63
2001	12.5	\$189,411.10	44.00	36.37	0.9341	1.0000	\$176,937.60	\$4,864.42
2000	13.5	\$394,481.00	44.00	35.77	0.9188	1.0000	\$362,433.30	\$10,130.99
1999	14.5	\$154,236.20	44.00	35.18	0.9034	1.0000	\$139,340.10	\$3,961.07
1998	15.5	\$546,645.90	44.00	34.58	0.8881	1.0000	\$485,485.10	\$14,038.86
1997	16.5	\$277,209.80	44.00	33.99	0.8728	1.0000	\$241,959.80	\$7,119.25
1996	17.5	\$218,846.80	44.00	33.39	0.8576	1.0000	\$187,686.60	\$5,620.38
1995	18.5	\$190,213.60	44.00	32.80	0.8425	1.0000	\$160,245.60	\$4,885.03
1994	19.5	\$172,706.90	44.00	32.22	0.8273	1.0000	\$142,888.10	\$4,435.43
1993	20.5	\$180,037.90	44.00	31.63	0.8123	1.0000	\$146,241.50	\$4,623.70
1992	21.5	\$199,410.30	44.00	31.05	0.7973	1.0000	\$158,990.90	\$5,121.22
1991	22.5	\$138,729.50	44.00	30.46	0.7824	1.0000	\$108,540.20	\$3,562.83
1990	23.5	\$86,320.40	44.00	29.89	0.7676	1.0000	\$66,256.22	\$2,216.86
1989	24.5	\$116,444.50	44.00	29.31	0.7528	1.0000	\$87,658.80	\$2,990.51
1988	25.5	\$89,857.16	44.00	28.74	0.7381	1.0000	\$66,327.33	\$2,307.70
1987	26.5	\$76,689.79	44.00	28.17	0.7236	1.0000	\$55,490.70	\$1,969.53
1986	27.5	\$46,278.36	44.00	27.61	0.7091	1.0000	\$32,815.90	\$1,188.51
1985	28.5	\$64,367.59	44.00	27.05	0.6947	1.0000	\$44,719.02	\$1,653.08
1984	29.5	\$42,621.22	44.00	26.50	0.6805	1.0000	\$29,003.38	\$1,094.59
1983	30.5	\$48,303.12	44.00	25.95	0.6664	1.0000	\$32,186.90	\$1,240.51
1982	31.5	\$42,162.57	44.00	25.40	0.6523	1.0000	\$27,503.10	\$1,082.81
1981	32.5	\$48,924.38	44.00	24.86	0.6384	1.0000	\$31,234.35	\$1,256.47
1980	33.5	\$67,648.36	44.00	24.32	0.6246	1.0000	\$42,255.99	\$1,737.33
1979	34.5	\$69,486.28	44.00	23.79	0.6110	1.0000	\$42,455.37	\$1,784.53
1978	35.5	\$34,842.30	44.00	23.26	0.5975	1.0000	\$20,816.59	\$894.81
1977	36.5	\$35,385.81	44.00	22.74	0.5841	1.0000	\$20,667.77	\$908.77
1976	37.5	\$21,575.19	44.00	22.23	0.5708	1.0000	\$12,315.37	\$554.09
1975	38.5	\$16,445.76	44.00	21.71	0.5577	1.0000	\$9,171.20	\$422.36
1974	39.5	\$1,284.29	44.00	21.21	0.5447	1.0000	\$699.53	\$32.98
1973	40.5	\$4,722.11	44.00	20.71	0.5318	1.0000	\$2,511.34	\$121.27
1972	41.5	\$33.45	44.00	20.21	0.5191	1.0000	\$17.36	\$0.86
1970	43.5	\$483.46	44.00	19.24	0.4941	1.0000	\$238.86	\$12.42
1966	47.5	\$28.31	44.00	17.35	0.4456	1.0000	\$12.61	\$0.73
1957	56.5	\$19.79	44.00	13.39	0.3438	1.0000	\$6.80	\$0.51
1951	62.5	\$127.73	44.00	10.92	0.2805	1.0000	\$35.83	\$3.28
1948	65.5	\$5.90	44.00	9.72	0.2497	1.0000	\$1.47	\$0.15
1947	66.5	\$9.84	44.00	9.33	0.2395	1.0000	\$2.36	\$0.25
1946	67.5	\$7.59	44.00	8.93	0.2294	1.0000	\$1.74	\$0.19
1945	68.5	\$144.56	44.00	8.54	0.2192	1.0000	\$31.69	\$3.71

**KENTUCKY POWER COMPANY
 GENERATION ARRANGEMENT REPORT
 Depreciation Study as of December 31, 2013**

Account: KEPCO 101/6 367 Underground Conductor and Devices

Dispersion: 44.00, R0.5

Average Net Salvage Rate: -13.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1944	69.5	\$18.65	44.00	8.14	0.2090	1.0000	\$3.90	\$0.48
1943	70.5	\$2.08	44.00	7.74	0.1988	1.0000	\$0.41	\$0.05
1940	73.5	\$62.96	44.00	6.54	0.1680	1.0000	\$10.58	\$1.62
		\$9,812,956.11	44.00	37.43	0.9613	1.0000	\$9,433,096.37	\$252,014.55

KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2013

Account: KEPCO 101/6 368 Line Transformers

Dispersion: 25.00, L0.0

Average Net Salvage Rate: -1.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2013	0.5	\$6,250,126.00	25.00	24.58	0.9930	1.0000	\$6,206,185.00	\$252,505.10
2012	1.5	\$6,866,181.00	25.00	23.85	0.9635	1.0000	\$6,615,590.00	\$277,393.70
2011	2.5	\$5,259,596.00	25.00	23.20	0.9374	1.0000	\$4,930,310.00	\$212,487.70
2010	3.5	\$4,377,370.00	25.00	22.61	0.9135	1.0000	\$3,998,912.00	\$176,845.70
2009	4.5	\$5,022,505.00	25.00	22.06	0.8914	1.0000	\$4,477,141.00	\$202,909.20
2008	5.5	\$9,183,093.00	25.00	21.55	0.8707	1.0000	\$7,995,431.00	\$370,996.90
2007	6.5	\$9,666,183.00	25.00	21.07	0.8511	1.0000	\$8,226,563.00	\$390,513.80
2006	7.5	\$6,081,295.00	25.00	20.61	0.8325	1.0000	\$5,062,398.00	\$245,684.30
2005	8.5	\$3,577,830.00	25.00	20.17	0.8147	1.0000	\$2,914,739.00	\$144,544.30
2004	9.5	\$3,268,014.00	25.00	19.74	0.7976	1.0000	\$2,606,614.00	\$132,027.80
2003	10.5	\$2,936,203.00	25.00	19.34	0.7812	1.0000	\$2,293,658.00	\$118,622.60
2002	11.5	\$2,703,555.00	25.00	18.94	0.7652	1.0000	\$2,068,862.00	\$109,223.60
2001	12.5	\$2,827,751.00	25.00	18.56	0.7497	1.0000	\$2,119,988.00	\$114,241.10
2000	13.5	\$4,233,340.00	25.00	18.18	0.7345	1.0000	\$3,109,438.00	\$171,027.00
1999	14.5	\$3,512,538.00	25.00	17.81	0.7196	1.0000	\$2,527,731.00	\$141,906.50
1998	15.5	\$8,794,960.00	25.00	17.45	0.7050	1.0000	\$6,200,863.00	\$355,316.40
1997	16.5	\$3,646,162.00	25.00	17.10	0.6908	1.0000	\$2,518,632.00	\$147,305.00
1996	17.5	\$3,127,802.00	25.00	16.75	0.6768	1.0000	\$2,116,761.00	\$126,363.20
1995	18.5	\$2,916,255.00	25.00	16.41	0.6630	1.0000	\$1,933,599.00	\$117,816.70
1994	19.5	\$2,393,989.00	25.00	16.08	0.6496	1.0000	\$1,555,128.00	\$96,717.17
1993	20.5	\$2,153,637.00	25.00	15.75	0.6364	1.0000	\$1,370,594.00	\$87,006.93
1992	21.5	\$2,561,149.00	25.00	15.43	0.6235	1.0000	\$1,596,849.00	\$103,470.40
1991	22.5	\$2,004,704.00	25.00	15.12	0.6108	1.0000	\$1,224,521.00	\$80,990.06
1990	23.5	\$1,726,859.00	25.00	14.81	0.5984	1.0000	\$1,033,344.00	\$69,765.09
1989	24.5	\$2,108,900.00	25.00	14.51	0.5862	1.0000	\$1,236,261.00	\$85,199.57
1988	25.5	\$1,368,787.00	25.00	14.21	0.5743	1.0000	\$786,045.70	\$55,299.00
1987	26.5	\$1,412,823.00	25.00	13.92	0.5625	1.0000	\$794,777.40	\$57,078.04
1986	27.5	\$1,427,827.00	25.00	13.64	0.5510	1.0000	\$786,794.30	\$57,684.23
1985	28.5	\$1,157,019.00	25.00	13.36	0.5398	1.0000	\$624,507.10	\$46,743.59
1984	29.5	\$842,547.90	25.00	13.09	0.5287	1.0000	\$445,437.10	\$34,038.93
1983	30.5	\$727,207.80	25.00	12.82	0.5178	1.0000	\$376,554.40	\$29,379.20
1982	31.5	\$615,262.90	25.00	12.55	0.5071	1.0000	\$312,021.50	\$24,856.62
1981	32.5	\$984,096.10	25.00	12.29	0.4966	1.0000	\$488,747.40	\$39,757.48
1980	33.5	\$708,171.30	25.00	12.04	0.4864	1.0000	\$344,424.60	\$28,610.12
1979	34.5	\$597,389.10	25.00	11.79	0.4763	1.0000	\$284,507.70	\$24,134.52
1978	35.5	\$540,725.80	25.00	11.54	0.4663	1.0000	\$252,141.50	\$21,845.32
1977	36.5	\$333,820.50	25.00	11.30	0.4566	1.0000	\$152,407.00	\$13,486.35
1976	37.5	\$224,666.50	25.00	11.06	0.4470	1.0000	\$100,415.90	\$9,076.52
1975	38.5	\$123,863.40	25.00	10.83	0.4375	1.0000	\$54,193.50	\$5,004.08
1974	39.5	\$309,380.00	25.00	10.60	0.4283	1.0000	\$132,496.70	\$12,498.95
1973	40.5	\$193,026.50	25.00	10.37	0.4191	1.0000	\$80,905.52	\$7,798.27
1972	41.5	\$69,169.66	25.00	10.15	0.4102	1.0000	\$28,372.86	\$2,794.45
1971	42.5	\$33,131.12	25.00	9.94	0.4014	1.0000	\$13,298.01	\$1,338.50
1970	43.5	\$28,809.84	25.00	9.72	0.3927	1.0000	\$11,313.41	\$1,163.92
1969	44.5	\$47,989.91	25.00	9.51	0.3842	1.0000	\$18,436.45	\$1,938.79
1968	45.5	\$24,099.74	25.00	9.30	0.3758	1.0000	\$9,055.56	\$973.63
1967	46.5	\$15,269.58	25.00	9.10	0.3675	1.0000	\$5,611.32	\$616.89
1966	47.5	\$13,924.80	25.00	8.89	0.3594	1.0000	\$5,003.93	\$562.56
1965	48.5	\$13,915.82	25.00	8.70	0.3513	1.0000	\$4,889.17	\$562.20
1964	49.5	-\$0.50	25.00	8.50	0.3434	1.0000	-\$0.17	-\$0.02

**KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2013**

Account: KEPCO 101/6 368 Line Transformers

Dispersion: 25.00, L0.0

Average Net Salvage Rate: -1.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
		\$119,012,920.77	25.00	19.15	0.7735	1.0000	\$92,052,469.86	\$4,808,121.96

KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2013

Account: KEPCO 101/6 369 Services

Dispersion: 20.00, L0.0

Average Net Salvage Rate: -38.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2013	0.5	\$4,374,647.00	20.00	19.58	1.3512	1.0000	\$5,910,960.00	\$301,850.60
2012	1.5	\$3,616,173.00	20.00	18.88	1.3026	1.0000	\$4,710,333.00	\$249,515.90
2011	2.5	\$2,800,154.00	20.00	18.26	1.2601	1.0000	\$3,528,442.00	\$193,210.60
2010	3.5	\$2,894,737.00	20.00	17.70	1.2216	1.0000	\$3,536,239.00	\$199,736.80
2009	4.5	\$3,908,840.00	20.00	17.19	1.1862	1.0000	\$4,636,562.00	\$269,709.90
2008	5.5	\$3,479,349.00	20.00	16.71	1.1532	1.0000	\$4,012,211.00	\$240,075.10
2007	6.5	\$3,387,207.00	20.00	16.26	1.1221	1.0000	\$3,800,782.00	\$233,717.30
2006	7.5	\$3,716,182.00	20.00	15.84	1.0927	1.0000	\$4,060,636.00	\$256,416.60
2005	8.5	\$2,859,456.00	20.00	15.43	1.0646	1.0000	\$3,044,175.00	\$197,302.50
2004	9.5	\$2,302,372.00	20.00	15.04	1.0376	1.0000	\$2,388,907.00	\$158,863.70
2003	10.5	\$2,370,083.00	20.00	14.66	1.0114	1.0000	\$2,396,985.00	\$163,535.70
2002	11.5	\$1,499,096.00	20.00	14.29	0.9858	1.0000	\$1,477,822.00	\$103,437.60
2001	12.5	\$1,519,622.00	20.00	13.93	0.9609	1.0000	\$1,460,216.00	\$104,853.90
2000	13.5	\$3,003,554.00	20.00	13.57	0.9366	1.0000	\$2,813,213.00	\$207,245.20
1999	14.5	\$1,406,618.00	20.00	13.23	0.9130	1.0000	\$1,284,181.00	\$97,056.64
1998	15.5	\$790,583.20	20.00	12.90	0.8899	1.0000	\$703,536.30	\$54,550.24
1997	16.5	\$1,803,462.00	20.00	12.57	0.8674	1.0000	\$1,564,257.00	\$124,438.90
1996	17.5	\$723,755.20	20.00	12.25	0.8454	1.0000	\$611,875.40	\$49,939.11
1995	18.5	\$840,237.80	20.00	11.94	0.8240	1.0000	\$692,364.90	\$57,976.41
1994	19.5	\$863,274.00	20.00	11.64	0.8031	1.0000	\$693,281.20	\$59,565.91
1993	20.5	\$1,057,656.00	20.00	11.34	0.7827	1.0000	\$827,789.80	\$72,978.29
1992	21.5	\$662,921.40	20.00	11.05	0.7628	1.0000	\$505,659.20	\$45,741.58
1991	22.5	\$651,382.10	20.00	10.77	0.7433	1.0000	\$484,181.00	\$44,945.36
1990	23.5	\$479,052.90	20.00	10.50	0.7243	1.0000	\$346,982.90	\$33,054.65
1989	24.5	\$501,362.10	20.00	10.23	0.7057	1.0000	\$353,830.50	\$34,593.99
1988	25.5	\$381,964.90	20.00	9.96	0.6875	1.0000	\$262,618.40	\$26,355.58
1987	26.5	\$376,739.50	20.00	9.71	0.6698	1.0000	\$252,355.80	\$25,995.03
1986	27.5	\$257,668.70	20.00	9.46	0.6525	1.0000	\$168,136.00	\$17,779.14
1985	28.5	\$220,562.30	20.00	9.21	0.6355	1.0000	\$140,177.50	\$15,218.80
1984	29.5	\$219,997.40	20.00	8.97	0.6190	1.0000	\$136,170.90	\$15,179.82
1983	30.5	\$222,171.30	20.00	8.74	0.6027	1.0000	\$133,910.30	\$15,329.82
1982	31.5	\$128,678.40	20.00	8.51	0.5868	1.0000	\$75,514.68	\$8,878.81
1981	32.5	\$137,886.20	20.00	8.28	0.5713	1.0000	\$78,770.70	\$9,514.15
1980	33.5	\$119,452.70	20.00	8.06	0.5560	1.0000	\$66,420.83	\$8,242.24
1979	34.5	\$108,299.30	20.00	7.84	0.5411	1.0000	\$58,601.83	\$7,472.65
1978	35.5	\$81,671.60	20.00	7.63	0.5265	1.0000	\$43,000.30	\$5,635.34
1977	36.5	\$57,456.82	20.00	7.42	0.5122	1.0000	\$29,426.68	\$3,964.52
1976	37.5	\$42,809.57	20.00	7.22	0.4981	1.0000	\$21,323.88	\$2,953.86
1975	38.5	\$33,232.15	20.00	7.02	0.4843	1.0000	\$16,094.36	\$2,293.02
1974	39.5	-\$0.50	20.00	6.82	0.4708	1.0000	-\$0.24	-\$0.03
		\$53,900,367.04	20.00	15.41	1.0636	1.0000	\$57,327,944.12	\$3,719,125.23

KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2013

Account: KEPCO 101/6 370 Meters

Dispersion: 17.00, R4.0

Average Net Salvage Rate: 3.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2013	0.5	\$378,359.30	17.00	16.50	0.9415	1.0000	\$356,224.80	\$21,588.74
2012	1.5	\$999,306.60	17.00	15.50	0.8845	1.0000	\$883,922.70	\$57,019.26
2011	2.5	\$384,592.90	17.00	14.51	0.8277	1.0000	\$318,320.10	\$21,944.42
2010	3.5	\$425,220.60	17.00	13.51	0.7710	1.0000	\$327,850.40	\$24,262.59
2009	4.5	\$504,826.10	17.00	12.52	0.7147	1.0000	\$360,774.70	\$28,804.78
2008	5.5	\$1,719,352.00	17.00	11.55	0.6588	1.0000	\$1,132,668.00	\$98,104.23
2007	6.5	\$5,255,982.00	17.00	10.58	0.6036	1.0000	\$3,172,652.00	\$299,900.20
2006	7.5	\$9,915,790.00	17.00	9.63	0.5495	1.0000	\$5,448,631.00	\$565,783.30
2005	8.5	\$1,105,810.00	17.00	8.71	0.4967	1.0000	\$549,259.50	\$63,096.20
2004	9.5	\$641,498.40	17.00	7.81	0.4456	1.0000	\$285,867.80	\$36,603.14
2003	10.5	\$304,088.80	17.00	6.95	0.3966	1.0000	\$120,598.60	\$17,350.95
2002	11.5	\$652,189.20	17.00	6.13	0.3499	1.0000	\$228,189.30	\$37,213.15
2001	12.5	\$368,189.70	17.00	5.36	0.3057	1.0000	\$112,546.70	\$21,008.47
2000	13.5	\$639,731.70	17.00	4.63	0.2641	1.0000	\$168,939.20	\$36,502.34
1999	14.5	\$383,408.60	17.00	3.94	0.2248	1.0000	\$86,199.22	\$21,876.84
1998	15.5	\$341,378.40	17.00	3.30	0.1885	1.0000	\$64,335.33	\$19,478.65
1997	16.5	\$320,315.80	17.00	2.75	0.1567	1.0000	\$50,206.53	\$18,276.84
1996	17.5	\$138,085.30	17.00	2.29	0.1305	1.0000	\$18,021.66	\$7,878.99
1995	18.5	\$116,030.30	17.00	1.91	0.1091	1.0000	\$12,662.73	\$6,620.55
1994	19.5	\$70,263.92	17.00	1.60	0.0913	1.0000	\$6,413.28	\$4,009.18
1993	20.5	\$38,014.38	17.00	1.33	0.0756	1.0000	\$2,875.26	\$2,169.06
1992	21.5	\$14,293.45	17.00	1.07	0.0610	1.0000	\$871.98	\$815.57
1991	22.5	\$4,546.14	17.00	0.84	0.0477	1.0000	\$216.68	\$259.40
1990	23.5	\$1,801.54	17.00	0.64	0.0363	1.0000	\$65.46	\$102.79
1989	24.5	\$209.10	17.00	0.51	0.0289	1.0000	\$6.04	\$11.93
1988	25.5	\$2.65	17.00	0.09	0.0049	1.0000	\$0.01	\$0.15
1987	26.5	-\$0.50	17.00	0.00	0.0000	0.0000	\$0.00	\$0.00
		\$24,723,286.38	17.00	9.72	0.5545	1.0000	\$13,708,318.98	\$1,410,681.72

KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2013

Account: KEPCO 101/6 371 Installation on Customer Premises

Dispersion: 11.00, L0.0

Average Net Salvage Rate: -32.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2013	0.5	\$2,196,681.00	11.00	10.60	1.2725	1.0000	\$2,795,327.00	\$263,601.70
2012	1.5	\$1,563,942.00	11.00	9.97	1.1968	1.0000	\$1,871,674.00	\$187,673.00
2011	2.5	\$1,369,858.00	11.00	9.44	1.1333	1.0000	\$1,552,501.00	\$164,382.90
2010	3.5	\$1,208,873.00	11.00	8.98	1.0775	1.0000	\$1,302,592.00	\$145,064.70
2009	4.5	\$1,327,549.00	11.00	8.56	1.0270	1.0000	\$1,363,439.00	\$159,305.90
2008	5.5	\$2,018,251.00	11.00	8.17	0.9802	1.0000	\$1,978,229.00	\$242,190.10
2007	6.5	\$1,741,568.00	11.00	7.80	0.9357	1.0000	\$1,629,499.00	\$208,988.10
2006	7.5	\$1,766,966.00	11.00	7.44	0.8932	1.0000	\$1,578,197.00	\$212,035.90
2005	8.5	\$1,548,408.00	11.00	7.10	0.8526	1.0000	\$1,320,171.00	\$185,808.90
2004	9.5	\$898,597.50	11.00	6.78	0.8138	1.0000	\$731,311.50	\$107,831.70
2003	10.5	\$779,365.30	11.00	6.47	0.7768	1.0000	\$605,390.40	\$93,523.84
2002	11.5	\$873,546.90	11.00	6.18	0.7413	1.0000	\$647,593.10	\$104,825.60
2001	12.5	\$612,308.20	11.00	5.90	0.7074	1.0000	\$433,148.60	\$73,476.98
2000	13.5	\$686,700.20	11.00	5.62	0.6749	1.0000	\$463,440.50	\$82,404.03
1999	14.5	\$407,462.20	11.00	5.36	0.6437	1.0000	\$262,280.30	\$48,895.46
1998	15.5	\$257,664.00	11.00	5.11	0.6138	1.0000	\$158,145.10	\$30,919.68
1997	16.5	\$354,321.20	11.00	4.88	0.5850	1.0000	\$207,278.30	\$42,518.54
1996	17.5	\$100,923.30	11.00	4.64	0.5573	1.0000	\$56,249.53	\$12,110.80
1995	18.5	\$103,550.70	11.00	4.42	0.5308	1.0000	\$54,959.66	\$12,426.09
1994	19.5	\$123,354.20	11.00	4.21	0.5051	1.0000	\$62,311.56	\$14,802.50
1993	20.5	\$116,663.70	11.00	4.00	0.4804	1.0000	\$56,046.60	\$13,999.64
1992	21.5	-\$0.50	11.00	3.80	0.4566	1.0000	-\$0.23	-\$0.06
		\$20,056,552.90	11.00	7.95	0.9538	1.0000	\$19,129,783.92	\$2,406,786.00

KENTUCKY POWER COMPANY
GENERATION ARRANGEMENT REPORT
Depreciation Study as of December 31, 2013

Account: KEPCO 101/6 373 Street Lighting and Signal Systems

Dispersion: 20.00, L0.0

Average Net Salvage Rate: -24.00%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2013	0.5	\$245,179.50	20.00	19.58	1.2141	1.0000	\$297,674.60	\$15,201.13
2012	1.5	\$197,610.50	20.00	18.88	1.1704	1.0000	\$231,289.00	\$12,251.85
2011	2.5	\$91,331.50	20.00	18.26	1.1323	1.0000	\$103,410.40	\$5,662.55
2010	3.5	\$80,856.50	20.00	17.70	1.0977	1.0000	\$88,754.43	\$5,013.10
2009	4.5	\$80,828.50	20.00	17.19	1.0658	1.0000	\$86,150.01	\$5,011.37
2008	5.5	\$227,858.50	20.00	16.71	1.0362	1.0000	\$236,098.70	\$14,127.23
2007	6.5	\$211,836.50	20.00	16.26	1.0083	1.0000	\$213,587.00	\$13,133.86
2006	7.5	\$196,359.50	20.00	15.84	0.9818	1.0000	\$192,793.10	\$12,174.29
2005	8.5	\$125,350.50	20.00	15.43	0.9566	1.0000	\$119,909.80	\$7,771.73
2004	9.5	\$97,053.50	20.00	15.04	0.9323	1.0000	\$90,485.22	\$6,017.32
2003	10.5	\$123,973.50	20.00	14.66	0.9088	1.0000	\$112,660.90	\$7,686.36
2002	11.5	\$33,700.64	20.00	14.29	0.8858	1.0000	\$29,852.00	\$2,089.44
2001	12.5	\$76,687.23	20.00	13.93	0.8634	1.0000	\$66,213.62	\$4,754.61
2000	13.5	\$144,429.40	20.00	13.57	0.8416	1.0000	\$121,552.90	\$8,954.62
1999	14.5	\$66,583.76	20.00	13.23	0.8203	1.0000	\$54,621.19	\$4,128.19
1998	15.5	\$53,222.37	20.00	12.90	0.7996	1.0000	\$42,557.46	\$3,299.79
1997	16.5	\$51,195.75	20.00	12.57	0.7794	1.0000	\$39,900.44	\$3,174.14
1996	17.5	\$49,268.96	20.00	12.25	0.7597	1.0000	\$37,427.19	\$3,054.68
1995	18.5	\$64,565.66	20.00	11.94	0.7404	1.0000	\$47,805.41	\$4,003.07
1994	19.5	\$86,450.86	20.00	11.64	0.7216	1.0000	\$62,383.92	\$5,359.95
1993	20.5	\$125,379.20	20.00	11.34	0.7033	1.0000	\$88,174.60	\$7,773.51
1992	21.5	\$19,589.84	20.00	11.05	0.6854	1.0000	\$13,426.70	\$1,214.57
1991	22.5	\$58,528.58	20.00	10.77	0.6679	1.0000	\$39,091.52	\$3,628.77
1990	23.5	\$144,047.00	20.00	10.50	0.6508	1.0000	\$93,750.02	\$8,930.91
1989	24.5	\$197,672.80	20.00	10.23	0.6341	1.0000	\$125,352.60	\$12,255.72
1988	25.5	\$126,712.20	20.00	9.96	0.6178	1.0000	\$78,282.13	\$7,856.15
1987	26.5	\$95,048.51	20.00	9.71	0.6019	1.0000	\$57,208.43	\$5,893.01
1986	27.5	\$73,519.57	20.00	9.46	0.5863	1.0000	\$43,106.69	\$4,558.21
1985	28.5	\$44,268.35	20.00	9.21	0.5711	1.0000	\$25,280.34	\$2,744.64
1984	29.5	\$15,529.36	20.00	8.97	0.5562	1.0000	\$8,637.00	\$962.82
1983	30.5	\$25,455.68	20.00	8.74	0.5416	1.0000	\$13,786.47	\$1,578.25
1982	31.5	\$42,174.11	20.00	8.51	0.5273	1.0000	\$22,238.95	\$2,614.79
1981	32.5	\$33,578.92	20.00	8.28	0.5133	1.0000	\$17,236.67	\$2,081.89
1980	33.5	\$18,135.17	20.00	8.06	0.4996	1.0000	\$9,060.92	\$1,124.38
1979	34.5	\$5,824.29	20.00	7.84	0.4862	1.0000	\$2,831.86	\$361.11
1978	35.5	\$9,947.89	20.00	7.63	0.4731	1.0000	\$4,706.24	\$616.77
1977	36.5	\$3,737.07	20.00	7.42	0.4602	1.0000	\$1,719.78	\$231.70
1976	37.5	\$1,596.26	20.00	7.22	0.4476	1.0000	\$714.45	\$98.97
1975	38.5	\$4,254.05	20.00	7.02	0.4352	1.0000	\$1,851.23	\$263.75
1974	39.5	-\$0.50	20.00	6.82	0.4230	1.0000	-\$0.21	-\$0.03
		\$3,349,341.48	20.00	14.07	0.8723	1.0000	\$2,921,583.68	\$207,659.17

KENTUCKY POWER COMPANY

DEPRECIATION STUDY AS OF DECEMBER 31, 2013

DEPRECIATION STUDY WORKPAPERS

DISTRIBUTION PLANT

AVERAGE AGE OF SURVIVING PLANT

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

DISTRIBUTION PLANT, Account 360 Land Rights

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1979	1,913,234	34.5	66,006,573	
1980	24,590	33.5	823,765	
1981	38,508	32.5	1,251,510	
1982	48,942	31.5	1,541,673	
1983	66,861	30.5	2,039,261	
1984	25,934	29.5	765,053	
1985	20,719	28.5	590,492	
1986	47,346	27.5	1,302,015	
1987	19,016	26.5	503,924	
1988	26,380	25.5	672,690	
1989	31,201	24.5	764,425	
1990	54,838	23.5	1,288,693	
1991	76,154	22.5	1,713,465	
1992	94,764	21.5	2,037,426	
1993	49,128	20.5	1,007,124	
1994	14,023	19.5	273,449	
1995	106,401	18.5	1,968,419	
1996	53,347	17.5	933,573	
1997	219,540	16.5	3,622,402	
1998	108,643	15.5	1,683,967	
1999	3,677	14.5	53,317	
2000	315,016	13.5	4,252,719	
2001	106,532	12.5	1,331,645	
2002	131,307	11.5	1,510,033	
2003	188,981	10.5	1,984,302	
2004	100,775	9.5	957,367	
2005	117,956	8.5	1,002,626	
2006	174,822	7.5	1,311,163	
2007	183,742	6.5	1,194,321	
2008	149,054	5.5	819,797	
2009	202,743	4.5	912,344	
2010	160,980	3.5	563,429	
2011	162,769	2.5	406,922	
2012	161,618	1.5	242,427	
2013	<u>143,980</u>	0.5	<u>71,990</u>	
	5,343,520		107,404,301	20.10

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

DISTRIBUTION PLANT, Account 361 Structures & Improvements

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1938	12,655	75.5	955,456	
1940	3,539	73.5	260,117	
1941	140	72.5	10,150	
1942	977	71.5	69,856	
1943	1,672	70.5	117,876	
1945	946	68.5	64,801	
1946	42	67.5	2,835	
1947	907	66.5	60,316	
1948	5,174	65.5	338,897	
1949	3,862	64.5	249,099	
1950	3,121	63.5	198,160	
1951	2,866	62.5	179,125	
1952	77	61.5	4,737	
1953	8,184	60.5	495,132	
1954	4,906	59.5	291,907	
1955	701	58.5	41,009	
1956	5,955	57.5	342,413	
1957	6,356	56.5	359,114	
1959	193	54.5	10,519	
1960	291	53.5	15,569	
1961	1,585	52.5	83,213	
1962	190	51.5	9,785	
1963	5,202	50.5	262,701	
1964	495	49.5	24,503	
1965	1,813	48.5	87,916	
1966	25,820	47.5	1,226,450	
1967	13,906	46.5	646,629	
1968	20,793	45.5	946,082	
1969	6,970	44.5	310,165	
1970	13,257	43.5	576,680	
1971	60,176	42.5	2,557,480	
1972	49,794	41.5	2,066,451	
1973	44,691	40.5	1,809,986	
1974	61,638	39.5	2,434,701	
1975	71,558	38.5	2,754,983	
1976	24,118	37.5	904,425	
1977	83,665	36.5	3,053,773	
1978	44,891	35.5	1,593,631	
1979	5,950	34.5	205,275	
1980	373,477	33.5	12,511,480	
1981	92,740	32.5	3,014,050	
1982	62,465	31.5	1,967,648	

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

DISTRIBUTION PLANT, Account 361 Structures & Improvements

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1983	7,053	30.5	215,117	
1984	10,503	29.5	309,839	
1985	119,083	28.5	3,393,866	
1986	148,205	27.5	4,075,638	
1987	127,686	26.5	3,383,679	
1988	35,634	25.5	908,667	
1989	33,374	24.5	817,663	
1990	31,975	23.5	751,409	
1991	337,179	22.5	7,586,528	
1992	112,019	21.5	2,408,409	
1993	254,730	20.5	5,221,965	
1994	104,061	19.5	2,029,190	
1995	597,041	18.5	11,045,266	
1996	35,322	17.5	618,135	
1997	61,784	16.5	1,019,434	
1998	26,575	15.5	411,913	
1999	387,263	14.5	5,615,311	
2000	100,752	13.5	1,360,155	
2001	7,028	12.5	87,844	
2002	38,514	11.5	442,908	
2003	395,784	10.5	4,155,731	
2005	8,635	8.5	73,396	
2008	138,356	5.5	760,958	
2009	26,517	4.5	119,325	
2010	2,119	3.5	7,415	
2011	<u>97,058</u>	2.5	<u>242,645</u>	
	4,372,006		100,177,501	22.91

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

DISTRIBUTION PLANT, Account 362 Station Equipment

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1957	16,037	56.5	906,065	
1961	10,070	52.5	528,669	
1962	10,264	51.5	528,593	
1963	60,418	50.5	3,051,113	
1964	10,732	49.5	531,232	
1965	987	48.5	47,870	
1966	53,586	47.5	2,545,319	
1967	110,447	46.5	5,135,791	
1968	94,812	45.5	4,313,942	
1969	20,274	44.5	902,193	
1970	152,967	43.5	6,654,081	
1971	131,567	42.5	5,591,583	
1972	446,373	41.5	18,524,462	
1973	367,564	40.5	14,886,359	
1974	229,191	39.5	9,053,041	
1975	200,560	38.5	7,721,556	
1976	139,371	37.5	5,226,404	
1977	554,841	36.5	20,251,684	
1978	897,531	35.5	31,862,344	
1979	394,093	34.5	13,596,222	
1980	2,121,084	33.5	71,056,299	
1981	569,851	32.5	18,520,164	
1982	910,857	31.5	28,691,985	
1983	530,096	30.5	16,167,941	
1984	636,600	29.5	18,779,687	
1985	625,747	28.5	17,833,785	
1986	1,167,026	27.5	32,093,213	
1987	1,667,986	26.5	44,201,638	
1988	278,186	25.5	7,093,735	
1989	413,004	24.5	10,118,587	
1990	393,195	23.5	9,240,081	
1991	1,337,938	22.5	30,103,595	
1992	1,002,376	21.5	21,551,078	
1993	3,079,511	20.5	63,129,981	
1994	1,293,357	19.5	25,220,466	
1995	4,267,973	18.5	78,957,507	
1996	1,594,335	17.5	27,900,869	
1997	1,560,641	16.5	25,750,572	
1998	713,098	15.5	11,053,026	
1999	1,050,473	14.5	15,231,858	
2000	1,711,958	13.5	23,111,431	
2001	1,892,648	12.5	23,658,104	
2002	628,554	11.5	7,228,375	
2003	951,477	10.5	9,990,506	

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

DISTRIBUTION PLANT, Account 362 Station Equipment

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
2004	691,131	9.5	6,565,740	
2005	2,363,046	8.5	20,085,893	
2006	2,879,158	7.5	21,593,683	
2007	2,715,685	6.5	17,651,949	
2008	9,331,368	5.5	51,322,525	
2009	5,449,876	4.5	24,524,442	
2010	1,404,162	3.5	4,914,567	
2011	7,756,388	2.5	19,390,970	
2012	9,374,791	1.5	14,062,187	
2013	<u>7,399,303</u>	0.5	<u>3,699,652</u>	
	83,664,562		972,354,614	11.62

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

DISTRIBUTION PLANT, Account 364 Poles, Towers & Fixtures

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1954	3,740	59.5	222,530	
1963	2,416	50.5	122,008	
1964	4,755	49.5	235,373	
1965	11,700	48.5	567,426	
1966	19,464	47.5	924,535	
1967	34,478	46.5	1,603,207	
1968	53,446	45.5	2,431,774	
1969	75,603	44.5	3,364,321	
1970	106,607	43.5	4,637,421	
1971	138,319	42.5	5,878,552	
1972	258,093	41.5	10,710,872	
1973	362,057	40.5	14,663,311	
1974	421,140	39.5	16,635,043	
1975	543,614	38.5	20,929,149	
1976	889,255	37.5	33,347,058	
1977	1,373,194	36.5	50,121,570	
1978	1,638,939	35.5	58,182,330	
1979	2,175,793	34.5	75,064,850	
1980	2,910,216	33.5	97,492,248	
1981	3,674,765	32.5	119,429,870	
1982	3,266,539	31.5	102,895,987	
1983	2,884,898	30.5	87,989,386	
1984	3,425,876	29.5	101,063,351	
1985	4,096,743	28.5	116,757,177	
1986	4,180,168	27.5	114,954,617	
1987	3,659,631	26.5	96,980,214	
1988	3,175,661	25.5	80,979,365	
1989	1,476,245	24.5	36,168,009	
1990	3,821,214	23.5	89,798,520	
1991	5,047,780	22.5	113,575,042	
1992	5,484,731	21.5	117,921,706	
1993	4,734,872	20.5	97,064,881	
1994	5,731,578	19.5	111,765,776	
1995	5,015,876	18.5	92,793,709	
1996	8,054,904	17.5	140,960,812	
1997	2,129,038	16.5	35,129,127	
1998	2,777,955	15.5	43,058,303	
1999	5,380,888	14.5	78,022,872	
2000	8,216,877	13.5	110,927,846	
2001	4,684,958	12.5	58,561,972	
2002	4,680,125	11.5	53,821,434	
2003	4,698,086	10.5	49,329,901	
2004	4,629,326	9.5	43,978,599	
2005	5,198,408	8.5	44,186,468	
2006	6,121,422	7.5	45,910,662	
2007	7,794,990	6.5	50,667,437	
2008	8,123,496	5.5	44,679,227	
2009	10,553,045	4.5	47,488,703	

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2013
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

DISTRIBUTION PLANT, Account 364 Poles, Towers & Fixtures

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
2010	6,616,401	3.5	23,157,403	
2011	6,559,489	2.5	16,398,722	
2012	6,855,400	1.5	10,283,100	
2013	<u>6,777,119</u>	0.5	<u>3,388,560</u>	
	180,551,331		2,777,222,336	15.38

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

DISTRIBUTION PLANT, Account 365 Overhead Conductor

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1954	893	59.5	53,148	
1955	1	58.5	59	
1956	8	57.5	470	
1957	43	56.5	2,403	
1958	197	55.5	10,909	
1959	665	54.5	36,266	
1960	1,333	53.5	71,294	
1961	2,521	52.5	132,352	
1962	7,421	51.5	382,188	
1963	10,660	50.5	538,354	
1964	16,567	49.5	820,078	
1965	42,087	48.5	2,041,236	
1966	77,650	47.5	3,688,380	
1967	106,947	46.5	4,973,019	
1968	172,015	45.5	7,826,691	
1969	242,209	44.5	10,778,299	
1970	278,375	43.5	12,109,314	
1971	370,667	42.5	15,753,357	
1972	565,880	41.5	23,484,001	
1973	464,712	40.5	18,820,851	
1974	466,722	39.5	18,435,508	
1975	469,807	38.5	18,087,581	
1976	529,747	37.5	19,865,522	
1977	1,830,809	36.5	66,824,526	
1978	1,451,781	35.5	51,538,216	
1979	1,847,246	34.5	63,729,998	
1980	2,170,653	33.5	72,716,876	
1981	2,834,707	32.5	92,127,978	
1982	1,771,450	31.5	55,800,685	
1983	1,689,054	30.5	51,516,159	
1984	1,675,103	29.5	49,415,548	
1985	1,905,129	28.5	54,296,179	
1986	2,594,891	27.5	71,359,513	
1987	2,993,211	26.5	79,320,078	
1988	2,621,997	25.5	66,860,924	
1989	3,034,838	24.5	74,353,530	
1990	3,237,478	23.5	76,080,728	
1991	3,224,896	22.5	72,560,156	
1992	2,843,884	21.5	61,143,510	
1993	2,522,424	20.5	51,709,690	
1994	3,754,358	19.5	73,209,976	
1995	5,227,297	18.5	96,704,999	
1996	3,042,269	17.5	53,239,709	
1997	7,402,576	16.5	122,142,506	
1998	2,634,201	15.5	40,830,113	
1999	4,453,252	14.5	64,572,147	
2000	6,981,562	13.5	94,251,089	
2001	3,487,788	12.5	43,597,354	

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

DISTRIBUTION PLANT, Account 365 Overhead Conductor

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
2002	3,183,244	11.5	36,607,308	
2003	2,417,616	10.5	25,384,973	
2004	3,149,837	9.5	29,923,449	
2005	7,249,921	8.5	61,624,332	
2006	6,527,671	7.5	48,957,529	
2007	10,303,017	6.5	66,969,612	
2008	9,362,023	5.5	51,491,124	
2009	10,544,090	4.5	47,448,407	
2010	7,040,682	3.5	24,642,386	
2011	7,208,739	2.5	18,021,848	
2012	14,532,044	1.5	21,798,067	
2013	<u>16,959,853</u>	0.5	<u>8,479,926</u>	
	179,538,721		2,299,162,428	12.81

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

DISTRIBUTION PLANT, Account 366 Underground Conduit

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1969	1,465	44.5	65,212	
1970	17,996	43.5	782,819	
1971	20,973	42.5	891,360	
1972	41,564	41.5	1,724,894	
1973	28,404	40.5	1,150,342	
1974	42,755	39.5	1,688,808	
1975	31,308	38.5	1,205,367	
1976	1,314	37.5	49,284	
1977	18,532	36.5	676,420	
1978	28,486	35.5	1,011,250	
1979	36,357	34.5	1,254,301	
1980	27,372	33.5	916,963	
1981	23,004	32.5	747,619	
1982	21,507	31.5	677,460	
1983	24,848	30.5	757,871	
1984	17,033	29.5	502,484	
1985	38,116	28.5	1,086,310	
1986	25,647	27.5	705,302	
1987	38,677	26.5	1,024,933	
1988	40,836	25.5	1,041,320	
1989	72,874	24.5	1,785,414	
1990	66,630	23.5	1,565,814	
1991	97,354	22.5	2,190,457	
1992	120,929	21.5	2,599,980	
1993	162,908	20.5	3,339,615	
1994	148,519	19.5	2,896,113	
1995	158,295	18.5	2,928,449	
1996	165,623	17.5	2,898,399	
1997	229,917	16.5	3,793,626	
1998	336,132	15.5	5,210,045	
1999	81,751	14.5	1,185,388	
2000	261,448	13.5	3,529,552	
2001	92,225	12.5	1,152,818	
2002	111,049	11.5	1,277,066	
2003	174,342	10.5	1,830,589	
2004	145,105	9.5	1,378,497	
2005	297,604	8.5	2,529,630	
2006	410,895	7.5	3,081,710	
2007	353,058	6.5	2,294,878	
2008	372,133	5.5	2,046,731	
2009	607,705	4.5	2,734,673	
2010	228,830	3.5	800,905	
2011	267,791	2.5	669,476	
2012	351,631	1.5	527,446	
2013	<u>536,151</u>	0.5	<u>268,076</u>	
	6,377,091		72,475,666	11.37

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

DISTRIBUTION PLANT, Account 367 Underground Conductor

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1975	24,092	38.5	927,554	
1976	30,810	37.5	1,155,358	
1977	50,320	36.5	1,836,690	
1978	51,371	35.5	1,823,655	
1979	90,133	34.5	3,109,585	
1980	76,679	33.5	2,568,732	
1981	62,309	32.5	2,025,051	
1982	52,319	31.5	1,648,057	
1983	57,129	30.5	1,742,424	
1984	54,691	29.5	1,613,371	
1985	77,773	28.5	2,216,543	
1986	52,608	27.5	1,446,719	
1987	79,159	26.5	2,097,716	
1988	99,524	25.5	2,537,864	
1989	134,837	24.5	3,303,519	
1990	95,585	23.5	2,246,247	
1991	149,504	22.5	3,363,835	
1992	170,436	21.5	3,664,381	
1993	199,123	20.5	4,082,023	
1994	180,948	19.5	3,528,481	
1995	200,122	18.5	3,702,250	
1996	209,108	17.5	3,659,394	
1997	262,786	16.5	4,335,975	
1998	581,972	15.5	9,020,570	
1999	160,812	14.5	2,331,780	
2000	394,632	13.5	5,327,528	
2001	193,748	12.5	2,421,854	
2002	181,533	11.5	2,087,624	
2003	240,554	10.5	2,525,814	
2004	642,200	9.5	6,100,899	
2005	476,072	8.5	4,046,613	
2006	712,801	7.5	5,346,008	
2007	726,993	6.5	4,725,453	
2008	520,201	5.5	2,861,107	
2009	388,563	4.5	1,748,535	
2010	329,910	3.5	1,154,683	
2011	477,627	2.5	1,194,067	
2012	440,222	1.5	660,333	
2013	<u>883,750</u>	0.5	<u>441,875</u>	
	9,812,956		110,630,167	11.27

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

DISTRIBUTION PLANT, Account 368 Line Transformers

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1973	505,044	40.5	20,454,293	
1974	938,854	39.5	37,084,751	
1975	264,455	38.5	10,181,516	
1976	558,419	37.5	20,940,721	
1977	851,641	36.5	31,084,892	
1978	1,132,939	35.5	40,219,342	
1979	1,384,828	34.5	47,776,577	
1980	1,349,614	33.5	45,212,063	
1981	1,540,902	32.5	50,079,306	
1982	1,017,882	31.5	32,063,277	
1983	1,064,004	30.5	32,452,117	
1984	1,535,655	29.5	45,301,830	
1985	1,896,097	28.5	54,038,765	
1986	2,281,045	27.5	62,728,747	
1987	2,167,931	26.5	57,450,177	
1988	2,149,195	25.5	54,804,470	
1989	2,864,655	24.5	70,184,047	
1990	2,241,148	23.5	52,666,977	
1991	2,338,200	22.5	52,609,496	
1992	2,694,735	21.5	57,936,812	
1993	2,406,569	20.5	49,334,670	
1994	2,585,771	19.5	50,422,544	
1995	3,080,502	18.5	56,989,286	
1996	2,974,626	17.5	52,055,956	
1997	2,888,829	16.5	47,665,677	
1998	9,380,661	15.5	145,400,241	
1999	3,267,354	14.5	47,376,627	
2000	3,772,730	13.5	50,931,851	
2001	2,399,932	12.5	29,999,154	
2002	2,121,503	11.5	24,397,287	
2003	2,272,331	10.5	23,859,477	
2004	2,557,074	9.5	24,292,204	
2005	2,639,709	8.5	22,437,524	
2006	4,591,354	7.5	34,435,153	
2007	7,230,009	6.5	46,995,059	
2008	6,768,795	5.5	37,228,371	
2009	4,565,815	4.5	20,546,168	
2010	4,371,324	3.5	15,299,634	
2011	5,248,147	2.5	13,120,369	
2012	6,862,514	1.5	10,293,770	
2013	<u>6,250,126</u>	0.5	<u>3,125,063</u>	
	119,012,919		1,681,476,261	14.13

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

DISTRIBUTION PLANT, Account 369 Services

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1967	3,036	46.5	141,194	
1968	4,034	45.5	183,540	
1969	9,158	44.5	407,525	
1970	15,074	43.5	655,702	
1971	27,682	42.5	1,176,502	
1972	50,709	41.5	2,104,416	
1973	65,290	40.5	2,644,235	
1974	54,593	39.5	2,156,433	
1975	83,913	38.5	3,230,644	
1976	106,211	37.5	3,982,927	
1977	151,678	36.5	5,536,238	
1978	206,752	35.5	7,339,696	
1979	216,924	34.5	7,483,888	
1980	258,245	33.5	8,651,202	
1981	276,094	32.5	8,973,057	
1982	288,802	31.5	9,097,258	
1983	465,142	30.5	14,186,843	
1984	439,550	29.5	12,966,724	
1985	413,069	28.5	11,772,465	
1986	450,523	27.5	12,389,378	
1987	602,642	26.5	15,970,016	
1988	583,449	25.5	14,877,947	
1989	806,721	24.5	19,764,660	
1990	672,566	23.5	15,805,306	
1991	907,191	22.5	20,411,805	
1992	887,255	21.5	19,075,987	
1993	1,267,888	20.5	25,991,713	
1994	954,642	19.5	18,615,511	
1995	897,358	18.5	16,601,121	
1996	665,295	17.5	11,642,654	
1997	2,158,622	16.5	35,617,269	
1998	689,765	15.5	10,691,357	
1999	1,553,517	14.5	22,526,002	
2000	3,292,963	13.5	44,455,006	
2001	1,475,629	12.5	18,445,359	
2002	1,257,386	11.5	14,459,936	
2003	2,042,465	10.5	21,445,879	
2004	1,982,687	9.5	18,835,523	
2005	2,214,755	8.5	18,825,417	
2006	2,576,885	7.5	19,326,639	
2007	2,485,118	6.5	16,153,264	
2008	2,753,578	5.5	15,144,680	
2009	3,906,236	4.5	17,578,062	
2010	2,891,863	3.5	10,121,520	
2011	2,797,934	2.5	6,994,835	
2012	3,614,828	1.5	5,422,242	
2013	<u>4,374,646</u>	0.5	<u>2,187,323</u>	
	53,900,363		592,066,900	10.98

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

DISTRIBUTION PLANT, Account 370 Meters

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1980	8,122	33.5	272,090	
1981	715	32.5	23,236	
1982	1,145	31.5	36,058	
1983	1,690	30.5	51,539	
1984	2,465	29.5	72,725	
1985	16,067	28.5	457,909	
1986	5,361	27.5	147,435	
1987	9,547	26.5	252,986	
1988	15,720	25.5	400,872	
1989	26,090	24.5	639,210	
1990	43,747	23.5	1,028,052	
1991	13,868	22.5	312,027	
1992	24,691	21.5	530,863	
1993	68,701	20.5	1,408,376	
1994	63,727	19.5	1,242,684	
1995	78,157	18.5	1,445,900	
1996	105,210	17.5	1,841,179	
1997	297,372	16.5	4,906,646	
1998	303,356	15.5	4,702,024	
1999	132,300	14.5	1,918,347	
2000	21,357	13.5	288,325	
2001	279,838	12.5	3,497,970	
2002	636,096	11.5	7,315,106	
2003	91,120	10.5	956,762	
2004	561,943	9.5	5,338,457	
2005	842,362	8.5	7,160,075	
2006	10,898,558	7.5	81,739,186	
2007	1,723,834	6.5	11,204,920	
2008	2,733,895	5.5	15,036,421	
2009	1,008,542	4.5	4,538,440	
2010	846,038	3.5	2,961,132	
2011	791,407	2.5	1,978,517	
2012	2,209,081	1.5	3,313,622	
2013	<u>861,163</u>	0.5	<u>430,582</u>	
	24,723,286		167,449,673	6.77

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

DISTRIBUTION PLANT, Account 371 Installations on Customers Premises

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1983	297	30.5	9,065	
1984	2,308	29.5	68,084	
1985	2,350	28.5	66,968	
1986	12,646	27.5	347,777	
1987	30,014	26.5	795,366	
1988	47,659	25.5	1,215,303	
1989	90,439	24.5	2,215,749	
1990	93,448	23.5	2,196,023	
1991	152,833	22.5	3,438,738	
1992	175,496	21.5	3,773,162	
1993	360,226	20.5	7,384,641	
1994	303,138	19.5	5,911,188	
1995	161,723	18.5	2,991,879	
1996	161,311	17.5	2,822,937	
1997	550,821	16.5	9,088,552	
1998	258,494	15.5	4,006,656	
1999	531,647	14.5	7,708,875	
2000	855,721	13.5	11,552,231	
2001	761,143	12.5	9,514,288	
2002	1,088,516	11.5	12,517,937	
2003	978,269	10.5	10,271,828	
2004	1,078,737	9.5	10,248,001	
2005	1,238,632	8.5	10,528,368	
2006	1,187,527	7.5	8,906,456	
2007	1,132,457	6.5	7,360,968	
2008	1,235,693	5.5	6,796,311	
2009	1,334,863	4.5	6,006,885	
2010	1,188,832	3.5	4,160,911	
2011	1,323,027	2.5	3,307,568	
2012	1,526,738	1.5	2,290,107	
2013	<u>2,191,546</u>	0.5	<u>1,095,773</u>	
	20,056,550		158,598,595	7.91

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

DISTRIBUTION PLANT, Account 373 Street Lighting

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1962	280	51.5	14,420	
1963	2,308	50.5	116,569	
1964	235	49.5	11,633	
1965	6,606	48.5	320,385	
1966	6,845	47.5	325,154	
1967	14,887	46.5	692,232	
1968	10,560	45.5	480,471	
1969	10,012	44.5	445,549	
1970	18,004	43.5	783,190	
1971	6,977	42.5	296,532	
1972	4,397	41.5	182,479	
1973	22,232	40.5	900,405	
1974	17,815	39.5	703,678	
1975	13,356	38.5	514,189	
1976	6,293	37.5	235,989	
1977	6,618	36.5	241,548	
1978	22,787	35.5	808,941	
1979	10,778	34.5	371,824	
1980	38,634	33.5	1,294,222	
1981	74,391	32.5	2,417,705	
1982	97,101	31.5	3,058,682	
1983	51,148	30.5	1,560,002	
1984	31,375	29.5	925,573	
1985	79,322	28.5	2,260,676	
1986	137,269	27.5	3,774,885	
1987	139,805	26.5	3,704,833	
1988	159,605	25.5	4,069,937	
1989	268,876	24.5	6,587,470	
1990	185,758	23.5	4,365,314	
1991	53,721	22.5	1,208,724	
1992	12,357	21.5	265,671	
1993	161,528	20.5	3,311,319	
1994	87,441	19.5	1,705,097	
1995	58,573	18.5	1,083,609	
1996	44,388	17.5	776,798	
1997	36,652	16.5	604,759	
1998	42,100	15.5	652,543	
1999	57,822	14.5	838,424	
2000	128,778	13.5	1,738,510	
2001	57,888	12.5	723,600	
2002	5,906	11.5	67,916	
2003	84,506	10.5	887,309	

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

DISTRIBUTION PLANT, Account 373 Street Lighting

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
2004	60,696	9.5	576,608	
2005	44,451	8.5	377,834	
2006	47,992	7.5	359,941	
2007	102,379	6.5	665,463	
2008	124,263	5.5	683,447	
2009	80,133	4.5	360,600	
2010	80,339	3.5	281,187	
2011	90,746	2.5	226,864	
2012	197,229	1.5	295,843	
2013	<u>245,180</u>	0.5	<u>122,590</u>	
	3,349,341		59,279,143	17.70

KENTUCKY POWER COMPANY

DEPRECIATION STUDY AS OF DECEMBER 31, 2013

DISTRIBUTION PLANT

COMPUTED AGE DISTRIBUTION REPORT

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2013
COMPUTED AGE DISTRIBUTION REPORT

KPSC Case No. 2014-00396
KIUC's First Set of Data Requests
Dated January 29, 2015
Item No. 17
Attachment 1
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COMPUTED AGE DISTRIBUTION REPORT - EXPLANATION

Theoretical Survivor: Amount is equal to the theoretical surviving percent multiplied by the additions for the particular vintage. This theoretical surviving amount represents a simulated plant age distribution for the given analysis account based on the curve type, average service life and historical additions. The theoretical surviving amount does not take into consideration the actual recorded plant balance for the account.

The sum of the theoretical survivors is then compared to the actual recorded plant balance for this account and the difference is allocated in proportion to the theoretical surviving amounts by vintage to determine the *Computed Survivors: Amount*. The PowerPlant program, however, will not permit a computed surviving amount to exceed an original vintage addition if a recorded account balance is greater than the sum of the theoretical surviving amounts. The *Computed Survivors: Percent* is equal to the computed survivor amount divided by the additions for that vintage.

Theoretical Survivors: Percent shows the percent surviving as a function of age for the given dispersion.

The *Computed Survivors: Percent* is equal to the computed survivor amount divided by the additions for that vintage. The computed surviving amount is a theoretical vintage distribution of plant in service.

The computed *Computed Survivors: Percent* is calculated within the PowerPlant Depreciation Studies module. The calculation of the Computed Survivors percent column is best explained by referencing the other columns displayed on the *Computed Age Distribution Report*.

The percent surviving for a particular age interval of a specific curve / average service life combination is determined by first calculating the vintage's age as a percent of average service life. This percent of average service life is then compared to the table containing surviving percentages for each curve. If the percent of average service life is a round number it is simply read off the table of surviving curve percentages. If the percent of average service life is not a round number, the percentage is extrapolated from the nearest two whole number surviving percentages stored in the table.

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2013
COMPUTED AGE DISTRIBUTION REPORT

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Account 364, Poles, Towers and Fixtures

Computed Age Distribution Report

Account: KEPCo 101/6 364 - KY
 Version: KEPCo Distribution 2013
 Dispersion: 28 - R0.5

Vintage	Additions	Age 2014	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
2013	6,777,119	0.5	99.32	6,731,146	100.00	6,777,120	0.50
2012	6,855,399	1.5	97.95	6,714,731	100.00	6,855,400	1.50
2011	6,561,019	2.5	96.55	6,334,739	100.00	6,561,020	2.50
2010	6,617,904	3.5	95.13	6,295,711	100.00	6,617,905	3.50
2009	10,565,669	4.5	93.69	9,898,749	100.00	10,565,670	4.50
2008	9,453,590	5.5	92.22	8,718,337	100.00	9,453,591	5.50
2007	9,180,344	6.5	90.73	8,329,693	99.39	9,124,432	6.48
2006	7,010,130	7.5	89.22	6,254,723	97.74	6,851,489	7.42
2005	5,940,057	8.5	87.69	5,208,938	96.06	5,705,924	8.33
2004	7,915,242	9.5	86.14	6,818,048	94.36	7,468,560	9.23
2003	5,498,184	10.5	84.56	4,649,292	92.63	5,092,882	10.11
2002	5,817,651	11.5	82.96	4,826,302	90.87	5,286,782	10.98
2001	6,120,711	12.5	81.33	4,977,992	89.09	5,452,944	11.82
2000	9,744,236	13.5	79.67	7,763,476	87.27	8,504,192	12.64
1999	6,225,361	14.5	77.98	4,854,799	85.42	5,317,997	13.44
1998	3,895,481	15.5	76.26	2,970,736	83.54	3,254,175	14.22
1997	3,681,213	16.5	74.50	2,742,630	81.61	3,004,305	14.98
1996	11,574,084	17.5	72.71	8,415,169	79.64	9,218,063	15.72
1995	6,905,835	18.5	70.87	4,894,358	77.63	5,361,330	16.43
1994	5,943,724	19.5	69.00	4,101,008	75.58	4,492,287	17.12
1993	6,097,045	20.5	67.08	4,089,985	73.48	4,480,211	17.78
1992	7,124,702	21.5	65.12	4,639,855	71.34	5,082,545	18.42
1991	7,126,300	22.5	63.12	4,498,421	69.15	4,927,616	19.03
1990	7,678,250	23.5	61.09	4,690,265	66.91	5,137,764	19.61
1989	5,311,355	24.5	59.01	3,133,992	64.64	3,433,007	20.17
1988	5,164,641	25.5	56.89	2,938,124	62.32	3,218,451	20.70
1987	5,291,383	26.5	54.74	2,896,333	59.96	3,172,673	21.19
1986	5,673,479	27.5	52.55	2,981,470	57.56	3,265,933	21.67
1985	5,060,325	28.5	50.34	2,547,190	55.14	2,790,218	22.11
1984	4,266,713	29.5	48.10	2,052,161	52.69	2,247,958	22.52
1983	3,872,045	30.5	45.84	1,774,804	50.21	1,944,139	22.91
1982	3,917,914	31.5	43.56	1,706,624	47.72	1,869,453	23.27
1981	4,999,687	32.5	41.27	2,063,478	45.21	2,260,354	23.60
1980	3,654,119	33.5	38.98	1,424,373	42.70	1,560,272	23.90
1979	2,847,798	34.5	36.69	1,044,847	40.19	1,144,536	24.18
1978	2,193,233	35.5	34.41	754,637	37.69	826,637	24.44
1977	1,759,206	36.5	32.14	565,414	35.21	619,360	24.68
1976	1,225,243	37.5	29.90	366,295	32.75	401,243	24.89
1975	802,810	38.5	27.68	222,238	30.32	243,442	25.09
1974	721,005	39.5	25.51	183,892	27.94	201,438	25.27
1973	723,202	40.5	23.37	169,042	25.60	185,170	25.43
1972	552,936	41.5	21.30	117,750	23.33	128,985	25.59
1971	453,076	42.5	19.28	87,338	21.12	95,670	25.74
1970	375,966	43.5	17.33	65,138	18.98	71,353	25.88
1969	396,695	44.5	15.45	61,281	16.92	67,128	26.02

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2013
COMPUTED AGE DISTRIBUTION REPORT

Account 364, Poles, Towers and Fixtures

Computed Age Distribution Report

Account: KEPCo 101/6 364 - KY
 Version: KEPCo Distribution 2013
 Dispersion: 28 - R0.5

Vintage	Additions	Age 2014	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
1968	420,314	45.5	13.65	57,377	14.95	62,851	26.15
1967	327,256	46.5	11.94	39,067	13.08	42,795	26.29
1966	263,321	47.5	10.32	27,164	11.30	29,755	26.43
1965	246,673	48.5	8.79	21,671	9.62	23,739	26.58
1964	202,720	49.5	7.35	14,898	8.05	16,320	26.74
1963	175,931	50.5	6.01	10,567	6.58	11,576	26.91
1962	151,846	51.5	4.75	7,218	5.21	7,906	27.09
1961	198,316	52.5	3.58	7,106	3.92	7,783	27.28
1960	152,841	53.5	2.48	3,790	2.72	4,151	27.48
1959	179,999	54.5	1.44	2,591	1.58	2,837	27.68
1958	145,963	55.5	0.00		-0.00	(1)	27.75
1957	101,977	56.5	0.00		0.00		0.00
1956	98,076	57.5	0.00		0.00		0.00
1955	83,548	58.5	0.00		0.00		0.00
1954	73,657	59.5	0.00		0.00		0.00
1953	80,158	60.5	0.00		0.00		0.00
1952	62,890	61.5	0.00		0.00		0.00
1951	86,968	62.5	0.00		0.00		0.00
1950	74,781	63.5	0.00		0.00		0.00
1949	84,381	64.5	0.00		0.00		0.00
1948	64,525	65.5	0.00		0.00		0.00
1947	52,850	66.5	0.00		0.00		0.00
1946	19,182	67.5	0.00		0.00		0.00
1945	14,956	68.5	0.00		0.00		0.00
1944	15,239	69.5	0.00		0.00		0.00
1943	42,381	70.5	0.00		0.00		0.00
1942	4,914	71.5	0.00		0.00		0.00
1941	48,820	72.5	0.00		0.00		0.00
1940	83,909	73.5	0.00		0.00		0.00
1939	88,380	74.5	0.00		0.00		0.00
1938	160,633	75.5	0.00		0.00		0.00
1937	139,472	76.5	0.00		0.00		0.00
	233,518,958			166,766,972		180,551,331 *	

* Recorded Balance January 1, 2014: 180,551,331

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2013
COMPUTED AGE DISTRIBUTION REPORT

Kpsc Case No. 2014-00396
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Account 365, Overhead Conductor & Devices

Computed Age Distribution Report

Account: KEPCo 101/6 365 - KY
 Version: KEPCo Distribution 2013
 Dispersion: 26 - L0

Vintage	Additions	Age 2014	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
2013	17,072,957	0.5	99.70	17,021,502	100.00	17,072,958	0.50
2012	15,045,076	1.5	98.65	14,841,875	100.00	15,045,077	1.50
2011	8,097,753	2.5	97.26	7,875,594	100.00	8,097,754	2.50
2010	7,810,858	3.5	95.63	7,469,193	100.00	7,810,859	3.50
2009	13,439,606	4.5	93.81	12,608,139	98.56	13,246,280	4.47
2008	14,706,949	5.5	91.86	13,509,328	96.51	14,193,081	5.40
2007	15,063,456	6.5	89.78	13,524,423	94.33	14,208,940	6.32
2006	9,504,395	7.5	87.61	8,327,195	92.05	8,748,663	7.20
2005	9,563,911	8.5	85.37	8,164,696	89.69	8,577,939	8.06
2004	4,383,143	9.5	83.07	3,640,888	87.27	3,825,166	8.90
2003	4,131,369	10.5	80.72	3,334,736	84.80	3,503,519	9.70
2002	5,267,425	11.5	78.34	4,126,472	82.30	4,335,327	10.48
2001	4,858,134	12.5	75.94	3,689,413	79.79	3,876,147	11.24
2000	8,750,440	13.5	73.54	6,435,336	77.27	6,761,050	11.97
1999	5,348,247	14.5	71.14	3,804,945	74.74	3,997,526	12.67
1998	3,533,295	15.5	68.75	2,429,184	72.23	2,552,133	13.35
1997	9,208,201	16.5	66.37	6,111,278	69.73	6,420,590	14.00
1996	4,756,188	17.5	64.00	3,043,821	67.24	3,197,880	14.63
1995	7,885,951	18.5	61.64	4,861,082	64.76	5,107,118	15.24
1994	5,216,261	19.5	59.31	3,093,608	62.31	3,250,186	15.83
1993	3,337,773	20.5	57.00	1,902,364	59.88	1,998,649	16.39
1992	3,819,532	21.5	54.71	2,089,622	57.48	2,195,385	16.93
1991	4,368,299	22.5	52.45	2,291,220	55.11	2,407,186	17.45
1990	4,454,819	23.5	50.23	2,237,443	52.77	2,350,688	17.95
1989	4,021,068	24.5	48.03	1,931,514	50.47	2,029,274	18.43
1988	3,896,286	25.5	45.88	1,787,670	48.20	1,878,150	18.90
1987	4,111,825	26.5	43.77	1,799,660	45.98	1,890,747	19.34
1986	3,621,113	27.5	41.70	1,509,904	43.81	1,586,325	19.77
1985	2,512,246	28.5	39.67	996,643	41.68	1,047,086	20.19
1984	2,277,627	29.5	37.69	858,495	39.60	901,947	20.59
1983	2,380,110	30.5	35.76	851,191	37.57	894,273	20.98
1982	2,406,277	31.5	33.88	815,319	35.60	856,585	21.36
1981	3,951,396	32.5	32.06	1,266,660	33.68	1,330,769	21.72
1980	2,880,386	33.5	30.28	872,243	31.81	916,390	22.08
1979	2,507,101	34.5	28.56	716,138	30.01	752,384	22.43
1978	2,043,982	35.5	26.90	549,875	28.26	577,706	22.77
1977	2,377,496	36.5	25.30	601,419	26.58	631,858	23.10
1976	880,673	37.5	23.75	209,143	24.95	219,728	23.43
1975	745,846	38.5	22.26	166,010	23.38	174,412	23.75
1974	818,663	39.5	20.83	170,497	21.88	179,126	24.07
1973	897,032	40.5	19.45	174,509	20.44	183,341	24.39
1972	943,280	41.5	18.14	171,110	19.06	179,770	24.70
1971	753,553	42.5	16.88	127,228	17.74	133,667	25.02
1970	599,955	43.5	15.69	94,108	16.48	98,871	25.33
1969	584,452	44.5	14.55	85,013	15.28	89,315	25.65

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2013
COMPUTED AGE DISTRIBUTION REPORT

Account 365, Overhead Conductor & Devices

Computed Age Distribution Report

Account: KEPCo 101/6 365 - KY
 Version: KEPCo Distribution 2013
 Dispersion: 26 - L0

Vintage	Additions	Age 2014	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
1968	494,234	45.5	13.46	66,534	14.14	69,901	25.97
1967	362,354	46.5	12.43	45,056	13.06	47,336	26.29
1966	312,914	47.5	11.46	35,866	12.04	37,681	26.61
1965	232,939	48.5	10.54	24,561	11.08	25,804	26.94
1964	139,151	49.5	9.68	13,467	10.17	14,149	27.27
1963	129,161	50.5	8.86	11,449	9.31	12,028	27.60
1962	120,422	51.5	0.00		-0.00	(1)	25.75
1961	86,705	52.5	0.00		0.00		0.00
1960	121,675	53.5	0.00		0.00		0.00
1959	87,437	54.5	0.00		0.00		0.00
1958	101,280	55.5	0.00		0.00		0.00
1957	75,583	56.5	0.00		0.00		0.00
1956	67,436	57.5	0.00		0.00		0.00
1955	54,245	58.5	0.00		0.00		0.00
1954	60,584	59.5	0.00		0.00		0.00
1953	55,985	60.5	0.00		0.00		0.00
1952	43,132	61.5	0.00		0.00		0.00
1951	52,380	62.5	0.00		0.00		0.00
1950	43,539	63.5	0.00		0.00		0.00
1949	38,785	64.5	0.00		0.00		0.00
1948	33,031	65.5	0.00		0.00		0.00
1947	23,250	66.5	0.00		0.00		0.00
1946	8,911	67.5	0.00		0.00		0.00
1945	7,008	68.5	0.00		0.00		0.00
1944	8,392	69.5	0.00		0.00		0.00
1943	15,652	70.5	0.00		0.00		0.00
1942	1,863	71.5	0.00		0.00		0.00
1941	26,224	72.5	0.00		0.00		0.00
1940	56,768	73.5	0.00		0.00		0.00
1939	43,031	74.5	0.00		0.00		0.00
1938	56,193	75.5	0.00		0.00		0.00
1937	109,143	76.5	0.00		0.00		0.00
	237,903,812			172,384,636		179,538,721 *	

* Recorded Balance January 1, 2014: 179,538,721

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2013
COMPUTED AGE DISTRIBUTION REPORT

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Account 366, Underground Conduit

Computed Age Distribution Report

Account: KEPCo 101/6 366 - KY
 Version: KEPCo Distribution 2013
 Dispersion: 45 - R3

Vintage	Additions	Age 2014	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
2013	536,151	0.5	99.98	536,060	100.00	536,152	0.50
2012	351,630	1.5	99.94	351,428	100.00	351,631	1.50
2011	267,790	2.5	99.90	267,509	100.00	267,791	2.50
2010	229,271	3.5	99.84	228,900	100.00	229,272	3.50
2009	607,754	4.5	99.77	606,362	100.00	607,755	4.50
2008	372,994	5.5	99.69	371,846	100.00	372,995	5.50
2007	356,644	6.5	99.60	355,217	100.00	356,645	6.50
2006	418,687	7.5	99.49	416,561	100.00	418,688	7.50
2005	297,990	8.5	99.37	296,105	100.00	297,991	8.50
2004	147,253	9.5	99.22	146,110	100.00	147,254	9.50
2003	177,610	10.5	99.06	175,939	100.00	177,611	10.50
2002	128,026	11.5	98.87	126,581	100.00	128,027	11.50
2001	101,646	12.5	98.66	100,280	100.00	101,647	12.50
2000	268,983	13.5	98.42	264,720	100.00	268,984	13.50
1999	84,566	14.5	98.14	82,993	100.00	84,567	14.50
1998	339,495	15.5	97.83	332,134	99.84	338,936	15.49
1997	234,780	16.5	97.49	228,881	99.48	233,569	16.46
1996	169,510	17.5	97.10	164,599	99.09	167,970	17.42
1995	164,908	18.5	96.68	159,425	98.66	162,690	18.38
1994	149,372	19.5	96.20	143,697	98.17	146,640	19.32
1993	163,725	20.5	95.68	156,645	97.64	159,853	20.26
1992	121,553	21.5	95.10	115,595	97.05	117,963	21.18
1991	99,504	22.5	94.47	93,997	96.40	95,923	22.10
1990	74,205	23.5	93.77	69,582	95.69	71,007	22.99
1989	77,116	24.5	93.01	71,725	94.91	73,194	23.88
1988	41,448	25.5	92.18	38,207	94.07	38,989	24.74
1987	46,248	26.5	91.28	42,214	93.15	43,079	25.59
1986	26,705	27.5	90.30	24,114	92.15	24,608	26.42
1985	44,303	28.5	89.23	39,533	91.06	40,343	27.23
1984	21,215	29.5	88.08	18,686	89.89	19,069	28.01
1983	25,141	30.5	86.84	21,831	88.62	22,279	28.76
1982	21,772	31.5	85.49	18,613	87.24	18,995	29.49
1981	23,371	32.5	84.04	19,641	85.76	20,043	30.19
1980	41,114	33.5	82.47	33,908	84.16	34,602	30.85
1979	36,879	34.5	80.79	29,794	82.44	30,404	31.47
1978	29,131	35.5	78.98	23,008	80.60	23,479	32.06
1977	18,825	36.5	77.04	14,502	78.62	14,799	32.60
1976	1,472	37.5	74.95	1,103	76.52	1,126	33.10
1975	32,025	38.5	72.73	23,292	74.22	23,768	33.54
1974	44,029	39.5	70.36	30,979	71.80	31,612	33.93
1973	29,747	40.5	67.84	20,181	69.23	20,594	34.27
1972	42,937	41.5	65.17	27,982	66.50	28,554	34.55
1971	21,619	42.5	62.36	13,481	63.63	13,756	34.77
1970	18,523	43.5	59.40	11,003	60.62	11,228	34.93
1969	1,545	44.5	56.33	870	57.48	888	35.04

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2013
COMPUTED AGE DISTRIBUTION REPORT

Account 366, Underground Conduit

Computed Age Distribution Report

Account: KEPCo 101/6 366 - KY
 Version: KEPCo Distribution 2013
 Dispersion: 45 - R3

Vintage	Additions	Age 2014	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
1966	237	47.5	46.47	110	47.42	112	35.01
1951	18	62.5	5.98	1	8.65	2	33.95
1948	78	65.5	2.81	2	3.30	3	33.83
1947	259	66.5	2.07	5	2.06	5	33.94
1946	107	67.5	1.47	2	1.68	2	34.32
1945	389	68.5	1.00	4	0.85	3	34.54
1944	122	69.5	0.64	1	0.50	1	34.92
1943	14	70.5	0.38		1.51		35.78
1940	115	73.5	0.03		-0.17	0	36.69
				6,510,551	6,315,963	6,377,092 *	

* Recorded Balance January 1, 2014: 6,377,092

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2013
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Account 367, Underground Conductor

Computed Age Distribution Report

Account: KEPCo 101/6 367 - KY
 Version: KEPCo Distribution 2013
 Dispersion: 44 - R0.5

Vintage	Additions	Age 2014	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
2013	883,749	0.5	99.57	879,940	99.60	880,207	0.50
2012	440,370	1.5	98.70	434,645	98.73	434,777	1.49
2011	477,784	2.5	97.82	467,377	97.85	467,519	2.47
2010	329,971	3.5	96.93	319,857	96.96	319,954	3.45
2009	391,689	4.5	96.04	376,169	96.07	376,284	4.41
2008	590,272	5.5	95.13	561,535	95.16	561,705	5.37
2007	795,469	6.5	94.22	749,458	94.24	749,685	6.31
2006	897,713	7.5	93.29	837,480	93.32	837,734	7.25
2005	530,458	8.5	92.36	489,913	92.38	490,062	8.18
2004	700,648	9.5	91.41	640,488	91.44	640,682	9.09
2003	272,181	10.5	90.46	246,218	90.49	246,293	10.00
2002	258,941	11.5	89.50	231,752	89.53	231,823	10.90
2001	213,885	12.5	88.53	189,353	88.56	189,411	11.78
2000	450,434	13.5	87.55	394,362	87.58	394,481	12.66
1999	178,122	14.5	86.56	154,189	86.59	154,236	13.53
1998	638,660	15.5	85.57	546,481	85.59	546,646	14.38
1997	327,725	16.5	84.56	277,126	84.59	277,210	15.23
1996	261,872	17.5	83.54	218,780	83.57	218,847	16.06
1995	230,441	18.5	82.52	190,156	82.54	190,214	16.89
1994	211,899	19.5	81.48	172,655	81.50	172,707	17.70
1993	223,777	20.5	80.43	179,983	80.45	180,038	18.50
1992	251,172	21.5	79.37	199,350	79.39	199,410	19.28
1991	177,137	22.5	78.29	138,688	78.32	138,730	20.06
1990	111,773	23.5	77.20	86,294	77.23	86,320	20.82
1989	152,963	24.5	76.10	116,409	76.13	116,445	21.58
1988	119,795	25.5	74.99	89,830	75.01	89,857	22.31
1987	103,807	26.5	73.85	76,667	73.88	76,690	23.04
1986	63,631	27.5	72.71	46,264	72.73	46,278	23.75
1985	89,942	28.5	71.54	64,348	71.57	64,368	24.45
1984	60,553	29.5	70.37	42,608	70.39	42,621	25.13
1983	69,812	30.5	69.17	48,289	69.19	48,303	25.80
1982	62,024	31.5	67.96	42,150	67.98	42,163	26.46
1981	73,297	32.5	66.73	48,910	66.75	48,924	27.10
1980	103,277	33.5	65.48	67,628	65.50	67,648	27.72
1979	108,169	34.5	64.22	69,466	64.24	69,486	28.33
1978	55,341	35.5	62.94	34,832	62.96	34,842	28.93
1977	57,386	36.5	61.65	35,376	61.66	35,386	29.50
1976	35,750	37.5	60.33	21,569	60.35	21,575	30.07
1975	27,864	38.5	59.01	16,441	59.02	16,446	30.61
1974	2,226	39.5	57.66	1,284	57.69	1,284	31.14
1973	8,385	40.5	56.31	4,721	56.32	4,722	31.65
1972	60	41.5	54.93	33	55.74	33	32.32
1970	927	43.5	52.15	483	52.15	483	33.09
1966	60	47.5	46.45	28	47.19	28	34.96
1957	58	56.5	33.37	19	34.12	20	37.89

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2013
COMPUTED AGE DISTRIBUTION REPORT

KPSC Case No. 2014-00396
 KIUC's First Set of Data Requests
 Dated January 29, 2015
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Account 367, Underground Conductor

Computed Age Distribution Report

Account: KEPCo 101/6 367 - KY
 Version: KEPCo Distribution 2013
 Dispersion: 44 - R0.5

Vintage	Additions	Age 2014	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
1951	513	62.5	24.92	128	24.90	128	39.03
1948	26	65.5	20.92	5	22.71	6	40.19
1947	48	66.5	19.64	9	20.51	10	40.07
1946	39	67.5	18.38	7	19.46	8	40.32
1945	851	68.5	17.15	146	16.99	145	40.07
1944	116	69.5	15.95	19	16.08	19	40.34
1943	11	70.5	14.79	2	18.94	2	41.93
1940	563	73.5	11.49	65	11.18	63	40.86
11,043,636				9,809,985		9,812,956 *	

* Recorded Balance January 1, 2014: 9,812,956

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2013
COMPUTED AGE DISTRIBUTION REPORT

Account 368, Line Transformers

Computed Age Distribution Report

Account: KEPCo 101/6 368 - KY
 Version: KEPCo Distribution 2013
 Dispersion: 25 - L0

Vintage	Additions	Age 2014	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
2013	6,250,125	0.5	99.68	6,230,375	100.00	6,250,126	0.50
2012	6,866,180	1.5	98.58	6,768,406	100.00	6,866,181	1.50
2011	5,259,595	2.5	97.11	5,107,330	100.00	5,259,596	2.50
2010	4,377,369	3.5	95.38	4,175,310	100.00	4,377,370	3.50
2009	5,022,504	4.5	93.47	4,694,635	100.00	5,022,505	4.50
2008	9,265,330	5.5	91.41	8,469,438	99.11	9,183,093	5.48
2007	9,991,242	6.5	89.23	8,914,985	96.75	9,666,183	6.39
2006	6,450,630	7.5	86.95	5,608,694	94.27	6,081,295	7.29
2005	3,900,775	8.5	84.59	3,299,783	91.72	3,577,830	8.15
2004	3,667,701	9.5	82.18	3,014,043	89.10	3,268,014	8.98
2003	3,396,828	10.5	79.72	2,708,019	86.44	2,936,203	9.79
2002	3,228,270	11.5	77.24	2,493,451	83.75	2,703,555	10.57
2001	3,489,283	12.5	74.74	2,607,995	81.04	2,827,751	11.32
2000	5,404,170	13.5	72.25	3,904,351	78.33	4,233,340	12.04
1999	4,644,204	14.5	69.76	3,239,565	75.63	3,512,538	12.73
1998	12,057,720	15.5	67.27	8,111,469	72.94	8,794,960	13.40
1997	5,189,433	16.5	64.80	3,362,804	70.26	3,646,162	14.05
1996	4,626,891	17.5	62.35	2,884,728	67.60	3,127,802	14.67
1995	4,489,286	18.5	59.91	2,689,621	64.96	2,916,255	15.26
1994	3,839,834	19.5	57.50	2,207,943	62.35	2,393,989	15.83
1993	3,603,667	20.5	55.12	1,986,269	59.76	2,153,637	16.38
1992	4,476,665	21.5	52.77	2,362,112	57.21	2,561,149	16.90
1991	3,665,129	22.5	50.45	1,848,911	54.70	2,004,704	17.40
1990	3,306,670	23.5	48.17	1,592,658	52.22	1,726,859	17.89
1989	4,235,279	24.5	45.92	1,945,010	49.79	2,108,900	18.35
1988	2,887,100	25.5	43.73	1,262,413	47.41	1,368,787	18.79
1987	3,134,235	26.5	41.57	1,303,027	45.08	1,412,823	19.22
1986	3,336,286	27.5	39.47	1,316,865	42.80	1,427,827	19.63
1985	2,851,768	28.5	37.42	1,067,103	40.57	1,157,019	20.03
1984	2,193,874	29.5	35.42	777,070	38.40	842,548	20.41
1983	2,003,506	30.5	33.48	670,694	36.30	727,208	20.79
1982	1,796,348	31.5	31.59	567,448	34.25	615,263	21.14
1981	3,049,691	32.5	29.76	907,619	32.27	984,096	21.49
1980	2,333,298	33.5	27.99	653,137	30.35	708,171	21.83
1979	2,096,195	34.5	26.28	550,964	28.50	597,389	22.17
1978	2,024,044	35.5	24.64	498,704	26.72	540,726	22.49
1977	1,335,407	36.5	23.06	307,878	25.00	333,820	22.81
1976	962,186	37.5	21.54	207,207	23.35	224,666	23.13
1975	568,968	38.5	20.08	114,237	21.77	123,863	23.44
1974	1,527,175	39.5	18.68	285,337	20.26	309,380	23.75
1973	1,025,850	40.5	17.35	178,026	18.82	193,026	24.06
1972	396,582	41.5	16.09	63,794	17.44	69,170	24.37
1971	205,337	42.5	14.88	30,556	16.13	33,131	24.68
1970	193,411	43.5	13.74	26,571	14.90	28,810	24.99
1969	349,749	44.5	12.66	44,261	13.72	47,990	25.30

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2013
COMPUTED AGE DISTRIBUTION REPORT

Account 368, Line Transformers

Computed Age Distribution Report

Account: KEPCo 101/6 368 - KY
 Version: KEPCo Distribution 2013
 Dispersion: 25 - L0

Vintage	Additions	Age 2014	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
1968	191,068	45.5	11.63	22,227	12.61	24,100	25.62
1967	131,999	46.5	10.67	14,083	11.57	15,270	25.94
1966	131,560	47.5	9.76	12,843	10.58	13,925	26.26
1965	144,033	48.5	8.91	12,835	9.66	13,916	26.59
1964	57,553	49.5	0.00		-0.00	(1)	24.75
1963	67,861	50.5	0.00		0.00		0.00
1962	71,202	51.5	0.00		0.00		0.00
1961	64,955	52.5	0.00		0.00		0.00
1960	69,198	53.5	0.00		0.00		0.00
1959	81,628	54.5	0.00		0.00		0.00
1958	64,683	55.5	0.00		0.00		0.00
1957	51,169	56.5	0.00		0.00		0.00
1956	48,821	57.5	0.00		0.00		0.00
1955	52,899	58.5	0.00		0.00		0.00
1954	32,894	59.5	0.00		0.00		0.00
1953	43,675	60.5	0.00		0.00		0.00
1952	24,126	61.5	0.00		0.00		0.00
1951	34,643	62.5	0.00		0.00		0.00
1950	55,812	63.5	0.00		0.00		0.00
1949	39,333	64.5	0.00		0.00		0.00
1948	27,858	65.5	0.00		0.00		0.00
1947	12,232	66.5	0.00		0.00		0.00
1946	10,975	67.5	0.00		0.00		0.00
1945	5,865	68.5	0.00		0.00		0.00
1944	7,340	69.5	0.00		0.00		0.00
1943	9,985	70.5	0.00		0.00		0.00
1942	505	71.5	0.00		0.00		0.00
1941	23,827	72.5	0.00		0.00		0.00
1940	28,729	73.5	0.00		0.00		0.00
1939	36,711	74.5	0.00		0.00		0.00
1938	37,399	75.5	0.00		0.00		0.00
1937	84,031	76.5	0.00		0.00		0.00
	166,720,359			111,122,803		119,012,919 *	

* Recorded Balance January 1, 2014: 119,012,919

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2013
COMPUTED AGE DISTRIBUTION REPORT

Account 369, Services

Computed Age Distribution Report

Account: KEPCo 101/6 369 - KY
 Version: KEPCo Distribution 2013
 Dispersion: 20 - L0

Vintage	Additions	Age 2014	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
2013	4,374,646	0.5	99.57	4,355,748	100.00	4,374,647	0.50
2012	3,616,172	1.5	98.06	3,545,892	100.00	3,616,173	1.50
2011	2,800,153	2.5	96.05	2,689,603	100.00	2,800,154	2.50
2010	2,894,736	3.5	93.72	2,712,903	100.00	2,894,737	3.50
2009	3,908,839	4.5	91.14	3,562,614	100.00	3,908,840	4.50
2008	3,479,348	5.5	88.38	3,075,135	100.00	3,479,349	5.50
2007	3,387,206	6.5	85.48	2,895,502	100.00	3,387,207	6.50
2006	3,744,014	7.5	82.48	3,088,138	99.26	3,716,182	7.47
2005	2,992,225	8.5	79.41	2,376,201	95.56	2,859,456	8.31
2004	2,507,457	9.5	76.30	1,913,265	91.82	2,302,372	9.11
2003	2,691,243	10.5	73.18	1,969,532	88.07	2,370,083	9.87
2002	1,777,959	11.5	70.07	1,245,745	84.32	1,499,096	10.60
2001	1,885,834	12.5	66.96	1,262,802	80.58	1,519,622	11.29
2000	3,907,302	13.5	63.88	2,495,945	76.87	3,003,554	11.94
1999	1,921,799	14.5	60.82	1,168,896	73.19	1,406,618	12.56
1998	1,136,601	15.5	57.80	656,972	69.56	790,583	13.14
1997	2,733,681	16.5	54.82	1,498,672	65.97	1,803,462	13.69
1996	1,159,031	17.5	51.89	601,439	62.44	723,755	14.21
1995	1,424,505	18.5	49.02	698,235	58.98	840,238	14.71
1994	1,552,700	19.5	46.20	717,378	55.60	863,274	15.17
1993	2,022,598	20.5	43.45	878,910	52.29	1,057,656	15.61
1992	1,350,873	21.5	40.78	550,886	49.07	662,921	16.03
1991	1,417,657	22.5	38.18	541,297	45.95	651,382	16.42
1990	1,116,119	23.5	35.67	398,092	42.92	479,053	16.79
1989	1,253,496	24.5	33.24	416,631	40.00	501,362	17.15
1988	1,027,306	25.5	30.90	317,412	37.18	381,965	17.49
1987	1,092,777	26.5	28.65	313,070	34.48	376,740	17.82
1986	808,160	27.5	26.50	214,122	31.88	257,669	18.13
1985	750,007	28.5	24.44	183,287	29.41	220,562	18.44
1984	813,317	29.5	22.48	182,817	27.05	219,997	18.74
1983	895,494	30.5	20.62	184,624	24.81	222,171	19.03
1982	567,110	31.5	18.86	106,931	22.69	128,678	19.32
1981	666,472	32.5	17.19	114,583	20.69	137,886	19.61
1980	635,195	33.5	15.63	99,265	18.81	119,453	19.90
1979	635,570	34.5	14.16	89,997	17.04	108,299	20.19
1978	530,746	35.5	12.79	67,869	15.39	81,672	20.48
1977	414,846	36.5	11.51	47,747	13.85	57,457	20.78
1976	344,635	37.5	10.32	35,575	12.42	42,810	21.08
1975	299,389	38.5	9.22	27,616	11.10	33,232	21.39
1974	244,294	39.5	0.00		-0.00	(1)	19.75
1973	266,443	40.5	0.00		0.00		0.00
1972	237,550	41.5	0.00		0.00		0.00
1971	160,508	42.5	0.00		0.00		0.00
1970	132,407	43.5	0.00		0.00		0.00
1969	139,276	44.5	0.00		0.00		0.00

Account 369, Services

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2013
COMPUTED AGE DISTRIBUTION REPORT

KPSC Case No. 2014-00396
 KIUC's First Set of Data Requests
 Dated January 29, 2015
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Computed Age Distribution Report

Account: KEPCo 101/6 369 - KY
 Version: KEPCo Distribution 2013
 Dispersion: 20 - L0

Vintage	Additions	Age 2014	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
1968	135,216	45.5	0.00		0.00		0.00
1967	101,360	46.5	0.00		0.00		0.00
1966	101,048	47.5	0.00		0.00		0.00
1965	91,455	48.5	0.00		0.00		0.00
1964	84,465	49.5	0.00		0.00		0.00
1963	81,492	50.5	0.00		0.00		0.00
1962	70,456	51.5	0.00		0.00		0.00
1961	71,168	52.5	0.00		0.00		0.00
1960	71,016	53.5	0.00		0.00		0.00
1959	65,607	54.5	0.00		0.00		0.00
1958	72,705	55.5	0.00		0.00		0.00
1957	61,021	56.5	0.00		0.00		0.00
1956	54,615	57.5	0.00		0.00		0.00
1955	50,921	58.5	0.00		0.00		0.00
1954	47,791	59.5	0.00		0.00		0.00
1953	43,728	60.5	0.00		0.00		0.00
1952	36,275	61.5	0.00		0.00		0.00
1951	35,506	62.5	0.00		0.00		0.00
1950	24,246	63.5	0.00		0.00		0.00
1949	29,813	64.5	0.00		0.00		0.00
1948	16,194	65.5	0.00		0.00		0.00
1947	11,858	66.5	0.00		0.00		0.00
1946	6,923	67.5	0.00		0.00		0.00
1945	4,137	68.5	0.00		0.00		0.00
1944	3,671	69.5	0.00		0.00		0.00
1943	8,861	70.5	0.00		0.00		0.00
1942	971	71.5	0.00		0.00		0.00
1941	10,956	72.5	0.00		0.00		0.00
1940	15,722	73.5	0.00		0.00		0.00
1939	12,835	74.5	0.00		0.00		0.00
1938	14,239	75.5	0.00		0.00		0.00
1937	11,112	76.5	0.00		0.00		0.00
	73,165,079			47,301,347		53,900,363 *	

* Recorded Balance January 1, 2014: 53,900,363

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2013
COMPUTED AGE DISTRIBUTION REPORT

Kpsc Case No. 2014-00396
 KIUC's First Set of Data Requests
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Account 370, Meters

Computed Age Distribution Report

Account: KEPCo 101/6 370 - KY
 Version: KEPCo Distribution 2013
 Dispersion: 17 - R4

Vintage	Additions	Age 2014	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
2013	864,498	0.5	100.00	864,473	43.77	378,359	0.36
2012	2,283,522	1.5	99.99	2,283,210	43.76	999,307	1.08
2011	879,045	2.5	99.96	878,715	43.75	384,593	1.80
2010	972,378	3.5	99.91	971,541	43.73	425,221	2.52
2009	1,155,502	4.5	99.82	1,153,423	43.69	504,826	3.23
2008	3,942,236	5.5	99.65	3,928,369	43.61	1,719,352	3.95
2007	12,087,751	6.5	99.35	12,008,846	43.48	5,255,982	4.66
2006	22,920,300	7.5	98.84	22,655,557	43.26	9,915,790	5.37
2005	2,577,033	8.5	98.04	2,526,549	42.91	1,105,810	6.07
2004	1,514,109	9.5	96.80	1,465,692	42.37	641,498	6.76
2003	731,564	10.5	94.97	694,780	41.57	304,089	7.43
2002	1,613,217	11.5	92.37	1,490,119	40.43	652,189	8.07
2001	947,222	12.5	88.81	841,238	38.87	368,190	8.68
2000	1,737,317	13.5	84.13	1,461,657	36.82	639,732	9.24
1999	1,119,924	14.5	78.22	876,010	34.24	383,409	9.73
1998	1,102,277	15.5	70.76	779,980	30.97	341,378	10.15
1997	1,198,164	16.5	61.08	731,857	26.73	320,316	10.46
1996	640,746	17.5	49.24	315,497	21.55	138,085	10.64
1995	726,674	18.5	36.48	265,106	15.97	116,030	10.73
1994	653,647	19.5	24.56	160,539	10.75	70,264	10.80
1993	586,263	20.5	14.82	86,856	6.48	38,014	10.91
1992	419,959	21.5	7.78	32,658	3.40	14,293	11.12
1991	313,422	22.5	3.31	10,387	1.45	4,546	11.41
1990	421,246	23.5	0.98	4,117	0.43	1,802	11.80
1989	360,004	24.5	0.13	478	0.06	209	12.26
1988	434,134	25.5	0.00	6	0.00	3	12.75
1987	388,612	26.5	0.00		-0.00	(1)	13.25
1986	361,159	27.5	0.00		0.00		0.00
1985	409,173	28.5	0.00		0.00		0.00
1984	389,118	29.5	0.00		0.00		0.00
1983	282,782	30.5	0.00		0.00		0.00
1982	250,853	31.5	0.00		0.00		0.00
1981	262,506	32.5	0.00		0.00		0.00
1980	226,210	33.5	0.00		0.00		0.00
1979	196,583	34.5	0.00		0.00		0.00
1978	174,912	35.5	0.00		0.00		0.00
1977	249,384	36.5	0.00		0.00		0.00
1976	144,244	37.5	0.00		0.00		0.00
1975	105,836	38.5	0.00		0.00		0.00
1974	105,229	39.5	0.00		0.00		0.00
1973	70,531	40.5	0.00		0.00		0.00
1972	61,436	41.5	0.00		0.00		0.00
1971	60,702	42.5	0.00		0.00		0.00
1970	51,994	43.5	0.00		0.00		0.00
1969	114,258	44.5	0.00		0.00		0.00

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2013
COMPUTED AGE DISTRIBUTION REPORT

Account 370, Meters

Computed Age Distribution Report

Account: KEPCo 101/6 370 - KY
 Version: KEPCo Distribution 2013
 Dispersion: 17 - R4

Vintage	Additions	Age 2014	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
1968	84,855	45.5	0.00		0.00		0.00
1967	37,032	46.5	0.00		0.00		0.00
1966	55,662	47.5	0.00		0.00		0.00
1965	56,012	48.5	0.00		0.00		0.00
1964	72,715	49.5	0.00		0.00		0.00
1963	68,235	50.5	0.00		0.00		0.00
1962	47,026	51.5	0.00		0.00		0.00
1961	44,649	52.5	0.00		0.00		0.00
1960	41,245	53.5	0.00		0.00		0.00
1959	47,096	54.5	0.00		0.00		0.00
1958	40,319	55.5	0.00		0.00		0.00
1957	46,355	56.5	0.00		0.00		0.00
1956	31,269	57.5	0.00		0.00		0.00
1955	31,785	58.5	0.00		0.00		0.00
1954	31,742	59.5	0.00		0.00		0.00
1953	34,715	60.5	0.00		0.00		0.00
1952	32,524	61.5	0.00		0.00		0.00
1951	36,312	62.5	0.00		0.00		0.00
1950	31,485	63.5	0.00		0.00		0.00
1949	35,189	64.5	0.00		0.00		0.00
1948	12,529	65.5	0.00		0.00		0.00
1947	12,466	66.5	0.00		0.00		0.00
1946	8,366	67.5	0.00		0.00		0.00
1945	9,191	68.5	0.00		0.00		0.00
1944	4,542	69.5	0.00		0.00		0.00
1943	9,581	70.5	0.00		0.00		0.00
1942	460	71.5	0.00		0.00		0.00
1941	19,344	72.5	0.00		0.00		0.00
1940	13,467	73.5	0.00		0.00		0.00
1939	15,560	74.5	0.00		0.00		0.00
1938	14,262	75.5	0.00		0.00		0.00
1937	20,604	76.5	0.00		0.00		0.00
	67,154,270			56,487,661		24,723,286 *	

* Recorded Balance January 1, 2014: 24,723,286

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2013
COMPUTED AGE DISTRIBUTION REPORT

Account 371, Installations on Customers' Premises

Computed Age Distribution Report

Account: KEPCo 101/6 371 - KY
 Version: KEPCo Distribution 2013
 Dispersion: 11 - L0

Vintage	Additions	Age 2014	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
2013	2,196,680	0.5	99.03	2,175,310	100.00	2,196,681	0.50
2012	1,563,941	1.5	95.55	1,494,303	100.00	1,563,942	1.50
2011	1,406,708	2.5	91.02	1,280,398	97.38	1,369,858	2.47
2010	1,315,616	3.5	85.89	1,129,926	91.89	1,208,873	3.36
2009	1,543,447	4.5	80.39	1,240,853	86.01	1,327,549	4.19
2008	2,523,913	5.5	74.74	1,886,448	79.97	2,018,251	4.95
2007	2,356,534	6.5	69.08	1,627,834	73.90	1,741,568	5.65
2006	2,602,520	7.5	63.46	1,651,573	67.89	1,766,966	6.30
2005	2,497,991	8.5	57.94	1,447,288	61.99	1,548,408	6.88
2004	1,598,223	9.5	52.55	839,914	56.22	898,597	7.42
2003	1,538,621	10.5	47.35	728,469	50.65	779,365	7.91
2002	1,927,906	11.5	42.35	816,500	45.31	873,547	8.36
2001	1,521,980	12.5	37.60	572,321	40.23	612,308	8.76
2000	1,937,437	13.5	33.13	641,855	35.44	686,700	9.14
1999	1,315,566	14.5	28.95	380,853	30.97	407,462	9.50
1998	960,227	15.5	25.08	240,837	26.83	257,664	9.83
1997	1,537,880	16.5	21.54	331,182	23.04	354,321	10.15
1996	515,040	17.5	18.32	94,332	19.60	100,923	10.46
1995	627,614	18.5	15.42	96,788	16.50	103,551	10.78
1994	897,426	19.5	12.85	115,299	13.75	123,354	11.09
1993	1,030,226	20.5	10.58	109,046	11.32	116,664	11.41
1992	623,991	21.5	0.00		-0.00	(1)	10.75
1991	615,856	22.5	0.00		0.00		0.00
1990	448,849	23.5	0.00		0.00		0.00
1989	475,541	24.5	0.00		0.00		0.00
1988	356,708	25.5	0.00		0.00		0.00
1987	487,208	26.5	0.00		0.00		0.00
1986	225,228	27.5	0.00		0.00		0.00
1985	191,392	28.5	0.00		0.00		0.00
1984	157,353	29.5	0.00		0.00		0.00
1983	156,851	30.5	0.00		0.00		0.00
1982	102,664	31.5	0.00		0.00		0.00
1981	124,056	32.5	0.00		0.00		0.00
1980	114,552	33.5	0.00		0.00		0.00
1979	87,903	34.5	0.00		0.00		0.00
1978	67,643	35.5	0.00		0.00		0.00
1977	58,498	36.5	0.00		0.00		0.00
1976	66,077	37.5	0.00		0.00		0.00
1975	64,832	38.5	0.00		0.00		0.00
1974	65,653	39.5	0.00		0.00		0.00
1973	64,412	40.5	0.00		0.00		0.00
1972	65,976	41.5	0.00		0.00		0.00
1971	55,327	42.5	0.00		0.00		0.00
1970	59,938	43.5	0.00		0.00		0.00
1969	67,189	44.5	0.00		0.00		0.00

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2013
COMPUTED AGE DISTRIBUTION REPORT

Account 371, Installations on Customers' Premises

Computed Age Distribution Report

Account: KEPCo 101/6 371 - KY
 Version: KEPCo Distribution 2013
 Dispersion: 11 - L0

Vintage	Additions	Age 2014	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
1968	73,277	45.5	0.00		0.00		0.00
1967	61,218	46.5	0.00		0.00		0.00
1966	59,600	47.5	0.00		0.00		0.00
1965	57,173	48.5	0.00		0.00		0.00
1964	49,581	49.5	0.00		0.00		0.00
1963	40,351	50.5	0.00		0.00		0.00
1962	36,416	51.5	0.00		0.00		0.00
1961	7,257	52.5	0.00		0.00		0.00
1960	513	53.5	0.00		0.00		0.00
38,604,579				18,901,331		20,056,550 *	

* Recorded Balance January 1, 2014: 20,056,550

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2013
COMPUTED AGE DISTRIBUTION REPORT

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Account 373, Street Lighting & Signal Systems

Computed Age Distribution Report

Account: KEPCo 101/6 373 - KY
 Version: KEPCo Distribution 2013
 Dispersion: 20 - LO

Vintage	Additions	Age 2014	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
2013	245,179	0.5	99.57	244,120	100.00	245,180	0.50
2012	197,610	1.5	98.06	193,769	100.00	197,611	1.50
2011	91,331	2.5	96.05	87,725	100.00	91,332	2.50
2010	80,856	3.5	93.72	75,777	100.00	80,857	3.50
2009	80,828	4.5	91.14	73,669	100.00	80,829	4.50
2008	227,858	5.5	88.38	201,387	100.00	227,859	5.50
2007	211,836	6.5	85.48	181,085	100.00	211,837	6.50
2006	196,359	7.5	82.48	161,961	100.00	196,360	7.50
2005	125,350	8.5	79.41	99,544	100.00	125,351	8.50
2004	97,053	9.5	76.30	74,054	100.00	97,054	9.50
2003	123,973	10.5	73.18	90,727	100.00	123,974	10.50
2002	33,974	11.5	70.07	23,804	99.20	33,701	11.45
2001	80,893	12.5	66.96	54,168	94.80	76,687	12.18
2000	159,705	13.5	63.88	102,018	90.44	144,429	12.85
1999	77,325	14.5	60.82	47,031	86.11	66,584	13.49
1998	65,039	15.5	57.80	37,594	81.83	53,222	14.09
1997	65,962	16.5	54.82	36,162	77.61	51,196	14.65
1996	67,065	17.5	51.89	34,801	73.46	49,269	15.18
1995	93,043	18.5	49.02	45,606	69.39	64,566	15.67
1994	132,169	19.5	46.20	61,065	65.41	86,451	16.13
1993	203,804	20.5	43.45	88,562	61.52	125,379	16.56
1992	33,931	21.5	40.78	13,837	57.73	19,590	16.96
1991	108,274	22.5	38.18	41,342	54.06	58,529	17.33
1990	285,269	23.5	35.67	101,748	50.50	144,047	17.68
1989	420,090	24.5	33.24	139,627	47.05	197,673	18.01
1988	289,680	25.5	30.90	89,504	43.74	126,712	18.33
1987	234,347	26.5	28.65	67,138	40.56	95,049	18.62
1986	196,003	27.5	26.50	51,931	37.51	73,520	18.91
1985	127,953	28.5	24.44	31,269	34.60	44,268	19.18
1984	48,799	29.5	22.48	10,969	31.82	15,529	19.44
1983	87,213	30.5	20.62	17,981	29.19	25,456	19.70
1982	157,992	31.5	18.86	29,790	26.69	42,174	19.95
1981	137,961	32.5	17.19	23,719	24.34	33,579	20.21
1980	81,971	33.5	15.63	12,810	22.12	18,135	20.46
1979	29,053	34.5	14.16	4,114	20.05	5,824	20.71
1978	54,952	35.5	12.79	7,027	18.10	9,948	20.96
1977	22,935	36.5	11.51	2,640	16.29	3,737	21.22
1976	10,922	37.5	10.32	1,127	14.62	1,596	21.49
1975	32,583	38.5	9.22	3,006	13.06	4,254	21.76
1974	33,097	39.5	0.00		-0.00	(1)	19.75
1973	47,265	40.5	0.00		0.00		0.00
1972	14,948	41.5	0.00		0.00		0.00
1971	14,738	42.5	0.00		0.00		0.00
1970	47,507	43.5	0.00		0.00		0.00
1969	101,291	44.5	0.00		0.00		0.00

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2013
COMPUTED AGE DISTRIBUTION REPORT

Account 373, Street Lighting & Signal Systems

Computed Age Distribution Report

Account: KEPCo 101/6 373 - KY
 Version: KEPCo Distribution 2013
 Dispersion: 20 - L0

Vintage	Additions	Age 2014	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
1968	90,411	45.5	0.00		0.00		0.00
1967	139,545	46.5	0.00		0.00		0.00
1966	75,138	47.5	0.00		0.00		0.00
1965	53,561	48.5	0.00		0.00		0.00
1964	26,121	49.5	0.00		0.00		0.00
1963	33,866	50.5	0.00		0.00		0.00
1962	20,295	51.5	0.00		0.00		0.00
1961	20,623	52.5	0.00		0.00		0.00
1960	16,536	53.5	0.00		0.00		0.00
1959	20,071	54.5	0.00		0.00		0.00
1958	33,373	55.5	0.00		0.00		0.00
1957	9,172	56.5	0.00		0.00		0.00
1956	6,068	57.5	0.00		0.00		0.00
1955	8,335	58.5	0.00		0.00		0.00
1954	6,972	59.5	0.00		0.00		0.00
1953	20,003	60.5	0.00		0.00		0.00
1952	10,628	61.5	0.00		0.00		0.00
1951	20,307	62.5	0.00		0.00		0.00
1950	7,081	63.5	0.00		0.00		0.00
1949	11,552	64.5	0.00		0.00		0.00
1948	5,209	65.5	0.00		0.00		0.00
1947	4,660	66.5	0.00		0.00		0.00
1946	663	67.5	0.00		0.00		0.00
1945	568	68.5	0.00		0.00		0.00
1944	2,723	69.5	0.00		0.00		0.00
1943	4,124	70.5	0.00		0.00		0.00
1942	182	71.5	0.00		0.00		0.00
1941	9,319	72.5	0.00		0.00		0.00
1940	8,981	73.5	0.00		0.00		0.00
1939	4,357	74.5	0.00		0.00		0.00
1938	5,960	75.5	0.00		0.00		0.00
1937	3,042	76.5	0.00		0.00		0.00
	5,955,432			2,664,207		3,349,341 *	

* Recorded Balance January 1, 2014: 3,349,341

KENTUCKY POWER COMPANY

DEPRECIATION STUDY AS OF DECEMBER 31, 2013

DISTRIBUTION PLANT

SPR ANALYSIS

**KENTUCKY POWER COMPANY
 SIMULATED PLANT RECORD ANALYSIS
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013**

Account 364, Poles, Towers and Fixtures

Simulated Plant Record Analysis
 Kentucky Power - Distr

Account: KEPCo 101/6 364 - KY
 Version: KEPCo Distribution 2013
 Method: Simulated Balances

No. of Test Points: 60 Interval: 0 Observation Band: 1954 - 2013

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
R0.5	26.7	4.03E+15	165.7384	6.03	100.00
L0	29.3	4.18E+15	168.8252	5.92	98.88
S-.5	26.7	4.23E+15	169.7889	5.89	100.00
R1	25.1	4.66E+15	178.3300	5.61	100.00
L0.5	27.3	4.68E+15	178.5925	5.60	99.74
S0	25.2	5.04E+15	185.3601	5.39	100.00
L1	25.8	5.26E+15	189.3919	5.28	100.00
R1.5	24.0	5.35E+15	191.0727	5.23	100.00
S0.5	24.3	5.63E+15	196.0293	5.10	100.00
L1.5	24.9	5.86E+15	199.9749	5.00	100.00
R2	23.4	6.15E+15	204.8474	4.88	100.00
S1	23.4	6.31E+15	207.5017	4.82	100.00
L2	24.1	6.56E+15	211.5113	4.73	100.00
R2.5	22.8	6.88E+15	216.5915	4.62	100.00
S1.5	23.1	6.88E+15	216.6547	4.62	100.00
S2	22.5	7.51E+15	226.2465	4.42	100.00
R3	22.2	7.67E+15	228.7022	4.37	100.00
L3	22.9	7.71E+15	229.2988	4.36	100.00
S3	21.9	8.46E+15	240.1966	4.16	100.00
L4	21.8	8.75E+15	244.2688	4.09	100.00
R4	21.9	8.78E+15	244.6437	4.09	100.00
S4	21.6	9.31E+15	252.0157	3.97	100.00
L5	21.5	9.48E+15	254.2274	3.93	100.00
R5	21.6	9.64E+15	256.4641	3.90	100.00
S5	21.5	9.82E+15	258.7224	3.87	100.00
S6	21.4	1.01E+16	262.2179	3.81	100.00
SQ	23.1	1.12E+16	275.9393	3.62	100.00

The R0.5 dispersion with a 26.7 year life (round to 27) is the best fit according to the Conformance Index. The Retirement Experience Index for this selection is at 100 which indicates that 100 percent of the installations from the oldest vintage would have retired by the end of the most recent year in the chosen band of years if the installations retired according to the specified survivor curve. Since the 27 year service life is so close to the 28 year life embedded in current rates, the depreciation study recommends that we retain the 28 year average service life.

KENTUCKY POWER COMPANY
SIMULATED PLANT RECORD ANALYSIS
DEPRECIATION STUDY AS OF DECEMBER 31, 2013

KPSC Case No. 2014-00396
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 Dated January 29, 2015
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Account 365, Overhead Conductor and Devices

Simulated Plant Record Analysis
 Kentucky Power - Distr

Account: KEPCo 101/6 365 - KY
 Version: KEPCo Distribution 2013
 Method: Simulated Balances

No. of Test Points: 60 Interval: 0 Observation Band: 1954 - 2013

Dispersion	Avg Service <u>Life</u>	Sum of Squared <u>Differences</u>	Index of <u>Variation</u>	Conformance <u>Index</u>	Retirement Experience <u>Index</u>
L0	25.7	9.42E+14	95.1079	10.51	99.77
R0.5	23.8	9.79E+14	96.9511	10.31	100.00
S-.5	23.6	1.00E+15	98.1964	10.18	100.00
L0.5	24.2	1.07E+15	101.4461	9.86	99.96
R1	22.4	1.17E+15	106.1701	9.42	100.00
S0	22.4	1.22E+15	108.0911	9.25	100.00
L1	22.9	1.22E+15	108.1238	9.25	100.00
R1.5	21.6	1.36E+15	114.2208	8.75	100.00
L1.5	22.1	1.37E+15	114.6865	8.72	100.00
S0.5	21.6	1.37E+15	114.8193	8.71	100.00
L2	21.3	1.54E+15	121.3904	8.24	100.00
S1	21.1	1.54E+15	121.6097	8.22	100.00
R2	20.9	1.56E+15	122.1978	8.18	100.00
S1.5	20.6	1.68E+15	126.8364	7.88	100.00
R2.5	20.3	1.72E+15	128.4013	7.79	100.00
L3	20.4	1.81E+15	131.9499	7.58	100.00
S2	20.3	1.82E+15	132.0472	7.57	100.00
R3	20.0	1.88E+15	134.3360	7.44	100.00
S3	19.7	2.02E+15	139.0934	7.19	100.00
L4	19.7	2.05E+15	140.4218	7.12	100.00
R4	19.5	2.09E+15	141.5789	7.06	100.00
S4	19.3	2.17E+15	144.4821	6.92	100.00
L5	19.2	2.19E+15	145.0398	6.89	100.00
R5	19.2	2.23E+15	146.3241	6.83	100.00
S5	19.2	2.25E+15	146.9563	6.80	100.00
S6	19.1	2.28E+15	147.9066	6.76	100.00
SQ	20.8	3.18E+15	174.6366	5.73	100.00

The L0.0 dispersion with a 25.7 year life (round to 26) is the best fit according to the Conformance Index. The Retirement Experience Index for this selection is at 99.77 which indicates that 99.77 percent of the installations from the oldest vintage would have retired by the end of the most recent year in the chosen band of years if the installations retired according to the specified survivor curve.

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KENTUCKY POWER COMPANY
SIMULATED PLANT RECORD ANALYSIS
DEPRECIATION STUDY AS OF DECEMBER 31, 2013

Account 366, Underground Conduit

Simulated Plant Record Analysis

Kentucky Power - Distr

Account: KEPCo 101/6 366 - KY
 Version: KEPCo Distribution 2013
 Method: Simulated Balances

No. of Test Points: 45 Interval: 0 Observation Band: 1969 - 2013

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
R0.5	162.7	1.78E+10	11.7582	85.05	20.05
R1	119.1	1.83E+10	11.9386	83.76	24.68
S-.5	133.9	1.88E+10	12.0923	82.70	25.50
R1.5	89.8	1.92E+10	12.2126	81.88	35.22
L0	132.1	2.07E+10	12.6795	78.87	30.65
L0.5	103.3	2.16E+10	12.9596	77.16	38.76
R2	65.8	2.18E+10	13.0223	76.79	65.19
S0	82.6	2.33E+10	13.4583	74.30	45.72
L1	77.9	2.48E+10	13.8854	72.02	54.02
R2.5	54.0	2.51E+10	13.9614	71.63	92.56
S0.5	67.8	2.53E+10	14.0295	71.28	61.31
L1.5	64.6	2.74E+10	14.5899	68.54	68.78
S1	55.7	3.00E+10	15.2641	65.51	82.30
R3	45.3	3.25E+10	15.8806	62.97	100.00
S1.5	49.9	3.28E+10	15.9727	62.61	94.06
L2	53.6	3.33E+10	16.0916	62.14	83.89
S2	44.6	3.81E+10	17.2065	58.12	99.59
L3	44.0	4.31E+10	18.2977	54.65	97.50
S3	39.9	4.74E+10	19.1982	52.09	100.00
R4	38.9	4.82E+10	19.3440	51.70	100.00
L4	39.4	5.47E+10	20.6099	48.52	100.00
S4	37.5	6.25E+10	22.0300	45.39	100.00
L5	37.1	6.98E+10	23.2951	42.93	100.00
R5	36.6	7.17E+10	23.5999	42.37	100.00
S5	36.6	7.97E+10	24.8832	40.19	100.00
S6	36.0	9.54E+10	27.2201	36.74	100.00
SQ	38.1	1.28E+11	31.5725	31.67	100.00

The R3.0 dispersion with a 45.3 year life (round to 45) is the best fit when considering the Conformance Index along with the Retirement Experience Index. The Retirement Experience Index for this selection is at 100 which indicates that 100 percent of the installations from the oldest vintage would have retired by the end of the most recent year in the chosen band of years if the installations retired according to the specified survivor curve.

KENTUCKY POWER COMPANY
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Account 367, Underground Conductor and Devices

Simulated Plant Record Analysis
 Kentucky Power - Distr

Account: KEPCo 101/6 367 - KY
 Version: KEPCo Distribution 2013
 Method: Simulated Balances

No. of Test Points: 39 Interval: 0 Observation Band: 1975 - 2013

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
R0.5	40.9	1.52E+11	20.1017	49.75	96.99
S-.5	39.2	1.81E+11	21.9247	45.61	99.43
R1	34.6	1.95E+11	22.7822	43.89	100.00
L0	43.7	1.97E+11	22.8808	43.70	87.13
L0.5	38.0	2.40E+11	25.2677	39.58	94.68
R1.5	30.7	2.62E+11	26.3881	37.90	100.00
S0	32.8	2.70E+11	26.8001	37.31	100.00
L1	33.3	3.06E+11	28.5510	35.03	99.01
S0.5	30.0	3.35E+11	29.8606	33.49	100.00
R2	28.0	3.69E+11	31.3288	31.92	100.00
L1.5	30.4	3.73E+11	31.5032	31.74	99.87
S1	27.9	4.26E+11	33.6612	29.71	100.00
L2	28.0	4.63E+11	35.0874	28.50	100.00
R2.5	26.3	4.78E+11	35.6560	28.05	100.00
S1.5	26.4	5.00E+11	36.4617	27.43	100.00
S2	25.2	5.87E+11	39.5297	25.30	100.00
L3	25.3	6.02E+11	40.0290	24.98	100.00
R3	25.0	6.05E+11	40.1212	24.92	100.00
S3	23.9	7.11E+11	43.5081	22.98	100.00
L4	23.6	7.33E+11	44.1751	22.64	100.00
R4	23.5	7.53E+11	44.7690	22.34	100.00
S4	23.0	8.01E+11	46.1738	21.66	100.00
L5	22.8	8.11E+11	46.4474	21.53	100.00
R5	22.7	8.34E+11	47.1116	21.23	100.00
S5	22.5	8.45E+11	47.4183	21.09	100.00
S6	22.1	8.74E+11	48.2259	20.74	100.00
SQ	24.1	1.40E+12	60.9357	16.41	100.00

The R0.5 dispersion with a 40.9 year life (round to 41) is the best fit according to the Conformance Index. The Retirement Experience Index for this selection is at 96.99 which indicates that 96.99 percent of the installations from the oldest vintage would have retired by the end of the most recent year in the chosen band of years if the installations retired according to the specified survivor curve. Since the 41 year service life is so close to the 44 year life embedded in current rates, the depreciation study recommends that we retain the 44 year average service life.

KENTUCKY POWER COMPANY
SIMULATED PLANT RECORD ANALYSIS
DEPRECIATION STUDY AS OF DECEMBER 31, 2013

Account 368, Line Transformers

Simulated Plant Record Analysis
 Kentucky Power - Distr

Account: KEPCo 101/6 368 - KY
 Version: KEPCo Distribution 2013
 Method: Simulated Balances

No. of Test Points: 41 Interval: 0 Observation Band: 1973 - 2013

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
L0	23.8	1.29E+15	121.5963	8.22	99.94
R0.5	21.8	1.34E+15	124.1377	8.06	100.00
S-.5	21.9	1.38E+15	125.6870	7.96	100.00
L0.5	22.6	1.47E+15	129.6819	7.71	99.99
R1	20.8	1.60E+15	135.5808	7.38	100.00
L1	21.4	1.66E+15	138.1173	7.24	100.00
S0	20.9	1.67E+15	138.1975	7.24	100.00
R1.5	20.3	1.84E+15	145.0123	6.90	100.00
L1.5	20.8	1.86E+15	145.9081	6.85	100.00
S0.5	20.4	1.87E+15	146.2886	6.84	100.00
L2	20.1	2.07E+15	153.8392	6.50	100.00
R2	19.6	2.08E+15	154.2145	6.48	100.00
S1	19.9	2.08E+15	154.2900	6.48	100.00
S1.5	19.4	2.24E+15	160.0891	6.25	100.00
R2.5	19.3	2.26E+15	160.9842	6.21	100.00
L3	19.2	2.39E+15	165.4795	6.04	100.00
S2	19.1	2.40E+15	165.7996	6.03	100.00
R3	18.8	2.45E+15	167.5693	5.97	100.00
S3	18.6	2.61E+15	173.0120	5.78	100.00
L4	18.6	2.64E+15	173.9660	5.75	100.00
R4	18.5	2.68E+15	175.1107	5.71	100.00
S4	18.3	2.76E+15	177.8233	5.62	100.00
L5	18.3	2.77E+15	178.0718	5.62	100.00
R5	18.2	2.81E+15	179.3287	5.58	100.00
S5	18.1	2.81E+15	179.5843	5.57	100.00
S6	18.0	2.83E+15	180.0719	5.55	100.00
SQ	19.2	3.09E+15	188.0980	5.32	100.00

The L0.0 dispersion with a 23.8 year life (round to 24) is the best fit according to the Conformance Index. The Retirement Experience Index for this selection is at 99.96 which indicates that 99.94 percent of the installations from the oldest vintage would have retired by the end of the most recent year in the chosen band of years if the installations retired according to the specified survivor curve. Since the 24 year service life is so close to the 25 year life embedded in current rates, the depreciation study recommends that we retain the 25 year average service life.

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Account 369, Services

Simulated Plant Record Analysis
 Kentucky Power - Distr

Account: KEPCo 101/6 369 - KY
 Version: KEPCo Distribution 2013
 Method: Simulated Balances

No. of Test Points: 47 Interval: 0 Observation Band: 1967 - 2013

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
L0	20.2	3.32E+14	186.6859	5.36	100.00
R0.5	19.0	3.40E+14	189.1236	5.29	100.00
S-.5	19.0	3.43E+14	189.7975	5.27	100.00
L0.5	19.3	3.47E+14	190.9691	5.24	100.00
R1	18.2	3.62E+14	195.0622	5.13	100.00
L1	18.5	3.63E+14	195.3049	5.12	100.00
S0	18.0	3.66E+14	196.2087	5.10	100.00
L1.5	17.8	3.78E+14	199.1847	5.02	100.00
R1.5	17.5	3.79E+14	199.5921	5.01	100.00
S0.5	17.5	3.81E+14	200.0543	5.00	100.00
L2	17.4	3.92E+14	203.0065	4.93	100.00
S1	17.1	3.95E+14	203.7875	4.91	100.00
R2	16.9	3.96E+14	204.0046	4.90	100.00
S1.5	16.8	4.06E+14	206.4857	4.84	100.00
R2.5	16.7	4.09E+14	207.2248	4.83	100.00
L3	16.6	4.15E+14	208.7595	4.79	100.00
S2	16.6	4.16E+14	209.1353	4.78	100.00
R3	16.4	4.21E+14	210.4002	4.75	100.00
S3	16.2	4.30E+14	212.6022	4.70	100.00
L4	16.0	4.32E+14	213.1052	4.69	100.00
R4	16.0	4.36E+14	214.0749	4.67	100.00
S4	15.9	4.41E+14	215.2892	4.64	100.00
L5	15.8	4.42E+14	215.4161	4.64	100.00
R5	15.8	4.45E+14	216.2684	4.62	100.00
S5	15.7	4.46E+14	216.4291	4.62	100.00
S6	15.6	4.48E+14	216.8667	4.61	100.00
SQ	17.0	5.07E+14	230.8795	4.33	100.00

The L0.0 dispersion with a 20.2 year life (round to 20) is the best fit according to the Conformance Index. The Retirement Experience Index for this selection is at 100 which indicates that 100 percent of the installations from the oldest vintage would have retired by the end of the most recent year in the chosen band of years if the installations retired according to the specified survivor curve.

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Account 370, Meters

Simulated Plant Record Analysis
 Kentucky Power - Distr

Account: KEPCo 101/6 370 - KY
 Version: KEPCo Distribution 2013
 Method: Simulated Balances

No. of Test Points: 34 Interval: 0 Observation Band: 1980 - 2013

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
L0	4.5	8.22E+14	818.4898	1.22	100.00
S-.5	4.6	8.93E+14	853.1509	1.17	100.00
R0.5	4.6	8.94E+14	853.6322	1.17	100.00
L0.5	4.5	9.19E+14	865.8001	1.16	100.00
L1	4.5	1.03E+15	914.1651	1.09	100.00
S0	4.6	1.04E+15	922.5609	1.08	100.00
R1	4.7	1.05E+15	923.8258	1.08	100.00
L1.5	4.5	1.14E+15	965.2186	1.04	100.00
S0.5	4.6	1.16E+15	974.3331	1.03	100.00
R1.5	4.7	1.19E+15	984.7694	1.02	100.00
L2	4.5	1.27E+15	1017.2939	0.98	100.00
S1	4.7	1.29E+15	1026.9020	0.97	100.00
R2	4.8	1.34E+15	1046.7395	0.96	100.00
S1.5	4.7	1.41E+15	1072.5999	0.93	100.00
R2.5	4.8	1.49E+15	1100.8896	0.91	100.00
L3	4.5	1.52E+15	1113.7331	0.90	100.00
S2	4.7	1.54E+15	1119.3096	0.89	100.00
R3	4.7	1.64E+15	1156.3512	0.86	100.00
S3	4.6	1.75E+15	1193.3937	0.84	100.00
L4	4.6	1.80E+15	1209.8748	0.83	100.00
R4	4.5	1.87E+15	1233.6001	0.81	100.00
S4	4.4	1.95E+15	1262.4509	0.79	100.00
L5	4.5	1.98E+15	1271.5222	0.79	100.00
R5	4.3	2.05E+15	1292.2846	0.77	100.00
S5	4.3	2.09E+15	1304.7194	0.77	100.00
S6	4.4	2.14E+15	1321.3022	0.76	100.00
SQ	4.4	2.27E+15	1361.3870	0.73	100.00

Kentucky replaced all of its electromechanical meters with AMR meters in the period from 2005 to 2010. As a result, insufficient history is available to evaluate the average service life for the new meters. General Electric estimates that the AMR meters will last between 15 and 20 years so for this study a life of 17 years is recommended with a R4.0 dispersion.

KENTUCKY POWER COMPANY
SIMULATED PLANT RECORD ANALYSIS
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Account 371, Installations on Customers' Premises

Simulated Plant Record Analysis
 Kentucky Power - Distr

Account: KEPCo 101/6 371 - KY
 Version: KEPCo Distribution 2013
 Method: Simulated Balances

No. of Test Points: 31 Interval: 0 Observation Band: 1983 - 2013

<u>Dispersion</u>	<u>Avg Service Life</u>	<u>Sum of Squared Differences</u>	<u>Index of Variation</u>	<u>Conformance Index</u>	<u>Retirement Experience Index</u>
L0	10.2	8.46E+13	222.1452	4.50	100.00
R0.5	9.7	8.69E+13	225.1586	4.44	100.00
S-.5	9.7	8.78E+13	226.2938	4.42	100.00
L0.5	9.9	8.89E+13	227.7017	4.39	100.00
R1	9.5	9.20E+13	231.7073	4.32	100.00
L1	9.7	9.34E+13	233.4506	4.28	100.00
S0	9.5	9.38E+13	233.9588	4.27	100.00
R1.5	9.2	9.63E+13	237.0554	4.22	100.00
L1.5	9.4	9.72E+13	238.1612	4.20	100.00
S0.5	9.3	9.75E+13	238.5858	4.19	100.00
R2	9.1	1.01E+14	242.4416	4.12	100.00
L2	9.3	1.01E+14	242.9327	4.12	100.00
S1	9.2	1.01E+14	243.2823	4.11	100.00
R2.5	9.0	1.04E+14	246.4070	4.06	100.00
S1.5	9.1	1.04E+14	246.5030	4.06	100.00
L3	9.1	1.07E+14	249.3552	4.01	100.00
S2	9.0	1.07E+14	249.7036	4.00	100.00
R3	8.9	1.07E+14	250.3801	3.99	100.00
S3	8.9	1.10E+14	253.4969	3.94	100.00
L4	8.8	1.10E+14	253.8266	3.94	100.00
R4	8.8	1.11E+14	254.6282	3.93	100.00
L5	8.7	1.12E+14	255.8946	3.91	100.00
S4	8.7	1.12E+14	255.9120	3.91	100.00
R5	8.7	1.13E+14	256.5635	3.90	100.00
S5	8.7	1.13E+14	256.6651	3.90	100.00
S6	8.6	1.13E+14	256.7717	3.89	100.00
SQ	9.4	1.17E+14	261.1902	3.83	100.00

The L0.0 dispersion with a 10.2 year life (use 11 to match the life currently in rates) is the best fit according to the Conformance Index. The Retirement Experience Index for this selection is at 100 which indicates that 100 percent of the installations from the oldest vintage would have retired by the end of the most recent year in the chosen band of years if the installations retired according to the specified survivor curve.

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Account 373, Street Lighting & Signal Systems

Simulated Plant Record Analysis
 Kentucky Power - Distr

Account: KEPCo 101/6 373 - KY
 Version: KEPCo Distribution 2013
 Method: Simulated Balances

No. of Test Points: 52 Interval: 0 Observation Band: 1962 - 2013

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
L0	20.6	1.06E+13	347.2653	2.88	100.00
R0.5	19.5	1.10E+13	352.3808	2.84	100.00
S-.5	19.5	1.11E+13	354.8151	2.82	100.00
L0.5	20.1	1.13E+13	358.4390	2.79	100.00
R1	19.0	1.17E+13	364.4363	2.74	100.00
S0	19.2	1.20E+13	368.9143	2.71	100.00
L1	19.6	1.21E+13	369.8747	2.70	100.00
R1.5	18.9	1.25E+13	375.7995	2.66	100.00
S0.5	18.9	1.27E+13	378.7585	2.64	100.00
L1.5	19.3	1.28E+13	380.8708	2.63	100.00
R2	18.9	1.33E+13	387.8309	2.58	100.00
S1	18.8	1.34E+13	389.0207	2.57	100.00
L2	19.2	1.36E+13	392.3294	2.55	100.00
S1.5	18.9	1.40E+13	397.7338	2.51	100.00
R2.5	18.9	1.40E+13	398.9032	2.51	100.00
S2	18.8	1.46E+13	406.8931	2.46	100.00
R3	18.8	1.49E+13	410.5387	2.44	100.00
L3	18.9	1.49E+13	410.9724	2.43	100.00
S3	18.9	1.57E+13	421.9963	2.37	100.00
L4	18.8	1.61E+13	427.7739	2.34	100.00
R4	18.9	1.62E+13	428.6425	2.33	100.00
S4	18.8	1.69E+13	437.6270	2.29	100.00
L5	18.9	1.72E+13	441.2884	2.27	100.00
R5	18.8	1.75E+13	445.4173	2.25	100.00
S5	18.9	1.78E+13	448.8653	2.23	100.00
S6	18.8	1.83E+13	455.8587	2.19	100.00
SQ	20.3	1.93E+13	467.3803	2.14	100.00

The L0.0 dispersion with a 20.6 year life (use 20) is the best fit according to the Conformance Index. The Retirement Experience Index for this selection is at 100 which indicates that 100 percent of the installations from the oldest vintage would have retired by the end of the most recent year in the chosen band of years if the installations retired according to the specified survivor curve.

KENTUCKY POWER COMPANY

DEPRECIATION STUDY AS OF DECEMBER 31, 2013

DEPRECIATION STUDY WORKPAPERS

DISTRIBUTION PLANT

OBSERVED LIFE TABLE - ACTUARIAL ACCOUNTS 361-362

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 OBSERVED LIFE TABLE - ACCOUNT 361 STRUCTURES AND IMPROVEMENTS**

Placement Band 1915 to 2013
 Observation Band 1915 to 2013

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surviving at Beginning of Interval
0	4,670,700	102	0.00002	0.99998	100.00
0.5	4,670,598	2,131	0.00046	0.99954	100.00
1.5	4,668,467	1,155	0.00025	0.99975	99.95
2.5	4,570,254	3,555	0.00078	0.99922	99.93
3.5	4,564,580	3,444	0.00075	0.99925	99.85
4.5	4,534,620	2,168	0.00048	0.99952	99.77
5.5	4,394,096	9,431	0.00215	0.99785	99.73
6.5	4,384,665	17,684	0.00403	0.99597	99.51
7.5	4,366,981	1,158	0.00027	0.99973	99.11
8.5	4,357,188	40,345	0.00926	0.99074	99.08
9.5	4,316,843	1,714	0.00040	0.99960	98.17
10.5	3,919,345	7,323	0.00187	0.99813	98.13
11.5	3,873,508	1,008	0.00026	0.99974	97.94
12.5	3,865,473	6,047	0.00156	0.99844	97.92
13.5	3,758,673	9,663	0.00257	0.99743	97.77
14.5	3,361,748	5,562	0.00165	0.99835	97.52
15.5	3,329,611	6,318	0.00190	0.99810	97.35
16.5	3,261,509	20,640	0.00633	0.99367	97.17
17.5	3,205,547	377	0.00012	0.99988	96.55
18.5	2,608,129	12,458	0.00478	0.99522	96.54
19.5	2,491,610	2,135	0.00086	0.99914	96.08
20.5	2,234,745	6,776	0.00303	0.99697	96.00
21.5	2,115,950	21,508	0.01016	0.98984	95.71
22.5	1,757,263	362	0.00021	0.99979	94.74
23.5	1,724,926	13,816	0.00801	0.99199	94.72
24.5	1,677,736	4,831	0.00288	0.99712	93.96
25.5	1,637,271	790	0.00048	0.99952	93.69
26.5	1,508,795	5,631	0.00373	0.99627	93.64
27.5	1,354,959	3,532	0.00261	0.99739	93.29
28.5	1,232,344	2,600	0.00211	0.99789	93.05
29.5	1,219,241	726	0.00060	0.99940	92.85
30.5	1,211,462	2,506	0.00207	0.99793	92.80
31.5	1,146,491	2,159	0.00188	0.99812	92.60
32.5	1,051,592	3,461	0.00329	0.99671	92.43
33.5	674,654	3,214	0.00476	0.99524	92.13
34.5	665,490	2,127	0.00320	0.99680	91.69
35.5	618,472	3,133	0.00507	0.99493	91.39
36.5	531,674	4,615	0.00868	0.99132	90.93
37.5	502,941	4,270	0.00849	0.99151	90.14
38.5	427,113	1,141	0.00267	0.99733	89.38
39.5	364,334	200	0.00055	0.99945	89.14
40.5	319,443	6,881	0.02154	0.97846	89.09
41.5	262,768	3,915	0.01490	0.98510	87.17
42.5	198,677	5,582	0.02810	0.97190	85.87
43.5	179,838	746	0.00415	0.99585	83.46
44.5	172,122	1,679	0.00975	0.99025	83.11
45.5	149,650	0	0.00000	1.00000	82.30

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 OBSERVED LIFE TABLE - ACCOUNT 361 STRUCTURES AND IMPROVEMENTS**

Placement Band 1915 to 2013
 Observation Band 1915 to 2013

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surviving at Beginning of Interval
46.5	135,744	449	0.00331	0.99669	82.30
47.5	109,475	1,362	0.01244	0.98756	82.03
48.5	106,300	225	0.00212	0.99788	81.01
49.5	105,580	2,991	0.02833	0.97167	80.84
50.5	97,387	3,077	0.03160	0.96840	78.55
51.5	94,120	0	0.00000	1.00000	76.07
52.5	92,535	0	0.00000	1.00000	76.07
53.5	92,244	370	0.00402	0.99598	76.07
54.5	91,681	483	0.00527	0.99473	75.76
55.5	91,198	261	0.00286	0.99714	75.36
56.5	84,581	111	0.00131	0.99869	75.15
57.5	78,515	4,579	0.05832	0.94168	75.05
58.5	73,235	1,739	0.02375	0.97625	70.67
59.5	66,590	1,214	0.01823	0.98177	68.99
60.5	57,192	5,484	0.09589	0.90411	67.73
61.5	51,631	2,453	0.04751	0.95249	61.24
62.5	46,312	0	0.00000	1.00000	58.33
63.5	43,191	540	0.01250	0.98750	58.33
64.5	38,789	0	0.00000	1.00000	57.60
65.5	33,615	0	0.00000	1.00000	57.60
66.5	32,708	12,737	0.38941	0.61059	57.60
67.5	19,929	0	0.00000	1.00000	35.17
68.5	18,983	0	0.00000	1.00000	35.17
69.5	18,983	0	0.00000	1.00000	35.17
70.5	17,311	0	0.00000	1.00000	35.17
71.5	16,334	0	0.00000	1.00000	35.17
72.5	16,194	0	0.00000	1.00000	35.17
73.5	12,655	0	0.00000	1.00000	35.17
74.5	12,655	0	0.00000	1.00000	35.17
75.5	0	0	0.00000	1.00000	35.17

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 OBSERVED LIFE TABLE - ACCOUNT 362 STATION EQUIPMENT**

Placement Band 1914 to 2013
 Observation Band 1914 to 2013

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surviving at Beginning of Interval
0	105,282,219	102,925	0.00098	0.99902	100.00
0.5	97,779,990	829,156	0.00848	0.99152	99.90
1.5	87,576,043	1,085,029	0.01239	0.98761	99.06
2.5	78,734,626	936,076	0.01189	0.98811	97.83
3.5	76,394,388	992,852	0.01300	0.98700	96.67
4.5	69,951,660	1,207,555	0.01726	0.98274	95.41
5.5	59,412,737	1,532,273	0.02579	0.97421	93.76
6.5	55,164,780	988,139	0.01791	0.98209	91.34
7.5	51,297,483	974,408	0.01900	0.98100	89.71
8.5	47,960,028	667,235	0.01391	0.98609	88.00
9.5	46,601,663	551,383	0.01183	0.98817	86.78
10.5	45,098,803	766,265	0.01699	0.98301	85.75
11.5	43,703,984	527,580	0.01207	0.98793	84.30
12.5	41,283,756	441,592	0.01070	0.98930	83.28
13.5	39,130,206	468,760	0.01198	0.98802	82.39
14.5	37,610,974	487,658	0.01297	0.98703	81.40
15.5	36,410,217	717,116	0.01970	0.98030	80.34
16.5	34,132,461	711,649	0.02085	0.97915	78.76
17.5	31,826,476	520,336	0.01635	0.98365	77.12
18.5	27,038,167	511,416	0.01891	0.98109	75.86
19.5	25,233,394	490,638	0.01944	0.98056	74.42
20.5	21,663,245	403,412	0.01862	0.98138	72.98
21.5	20,257,457	491,111	0.02424	0.97576	71.62
22.5	18,428,409	248,158	0.01347	0.98653	69.88
23.5	17,787,056	570,983	0.03210	0.96790	68.94
24.5	16,803,069	192,799	0.01147	0.98853	66.73
25.5	16,332,084	282,916	0.01732	0.98268	65.96
26.5	14,381,182	370,769	0.02578	0.97422	64.82
27.5	12,843,388	148,259	0.01154	0.98846	63.15
28.5	12,069,382	427,026	0.03538	0.96462	62.42
29.5	11,005,757	444,362	0.04038	0.95962	60.21
30.5	10,031,298	319,128	0.03181	0.96819	57.78
31.5	8,801,313	299,343	0.03401	0.96599	55.94
32.5	7,932,119	232,897	0.02936	0.97064	54.04
33.5	5,578,138	456,223	0.08179	0.91821	52.45
34.5	4,727,821	146,169	0.03092	0.96908	48.16
35.5	3,684,121	231,699	0.06289	0.93711	46.68
36.5	2,897,581	114,191	0.03941	0.96059	43.74
37.5	2,644,019	60,111	0.02273	0.97727	42.02
38.5	2,383,348	44,369	0.01862	0.98138	41.06
39.5	2,109,788	60,033	0.02845	0.97155	40.30
40.5	1,682,191	180,366	0.10722	0.89278	39.15
41.5	1,055,453	66,175	0.06270	0.93730	34.95
42.5	857,711	12,026	0.01402	0.98598	32.76
43.5	692,718	6,060	0.00875	0.99125	32.30
44.5	666,384	165,103	0.24776	0.75224	32.02
45.5	406,469	10,203	0.02510	0.97490	24.09

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 OBSERVED LIFE TABLE - ACCOUNT 362 STATION EQUIPMENT**

Placement Band 1914 to 2013
 Observation Band 1914 to 2013

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surviving at Beginning of Interval
46.5	285,819	1,657	0.00580	0.99420	23.48
47.5	230,576	17,282	0.07495	0.92505	23.35
48.5	212,307	13,942	0.06567	0.93433	21.60
49.5	187,633	36,688	0.19553	0.80447	20.18
50.5	90,527	10,337	0.11419	0.88581	16.23
51.5	69,926	0	0.00000	1.00000	14.38
52.5	59,857	954	0.01594	0.98406	14.38
53.5	58,903	906	0.01538	0.98462	14.15
54.5	57,997	870	0.01500	0.98500	13.93
55.5	57,127	379	0.00663	0.99337	13.72
56.5	40,711	0	0.00000	1.00000	13.63
57.5	40,711	0	0.00000	1.00000	13.63
58.5	40,711	6,534	0.16050	0.83950	13.63
59.5	34,177	2,128	0.06226	0.93774	11.44
60.5	32,049	16,211	0.50582	0.49418	10.73
61.5	15,838	7,606	0.48024	0.51976	5.30
62.5	8,232	3,014	0.36613	0.63387	2.76
63.5	5,218	4,350	0.83365	0.16635	1.75
64.5	868	868	1.00000	0.00000	0.29
65.5	0	0	0.00000	1.00000	0.00

KENTUCKY POWER COMPANY

DEPRECIATION STUDY

DECEMBER 31, 2013

DISTRIBUTION PLANT SALVAGE ANALYSIS

**KENTUCKY POWER COMPANY
DISTRIBUTION SALVAGE AND REMOVAL ANALYSIS - NARRATIVE DISCUSSION
DEPRECIATION STUDY AT DECEMBER 31, 2013**

- Account 360.1** Retirement data is not available for this account, so no analysis was performed. The net salvage rate currently embedded in Account 360.1 Land Rights from Case No. 91-066 is 0%, recommend that we continue to use a **0% net salvage rate**.
- Account 361** Historical removal and salvage for Account 361 for Kentucky from 2000 to 2013 includes only 7 of the 14 years with retirement activity totaling only \$69,512 which indicates that not enough data is available to utilize the -50% calculation for this time period. A review of the most recent depreciation parameters for KEPCo's AEP affiliate in Virginia indicates that an average **removal rate for this account is 16%** with a **gross salvage rate of 4%**, yielding a negative net salvage rate of -12%. Recommend that we use a **-12% net salvage rate** for this account.
- Account 362** Historical salvage, removal and related retirements for Account 362 for Kentucky from 2000 to 2013 were used to calculate a **10% gross salvage rate** and a **17% gross removal rate**, yielding a **-7% net salvage rate**.
- Account 364** Historical salvage, removal and related retirements for Account 364 for Kentucky from 2000 to 2013 were used to calculate a **18% gross salvage rate** and a **48% gross removal rate**, yielding a **-30% net salvage rate**.
- Account 365** Historical salvage, removal and related retirements for Account 365 for Kentucky from 2000 to 2013 were used to calculate a **30% gross salvage rate** and a **24% gross removal rate**, yielding a **6% net salvage rate**.
- Account 366** Discussions with distribution personnel indicate that most underground conduit is abandoned in place yielding a 0% gross salvage, a 0% gross removal rate and a **0% net salvage**.
- Account 367** Historical salvage, removal and related retirements for Account 367 for Kentucky from 2000 to 2013 were used to calculate a **1% gross salvage rate** and a **14% gross removal rate**, yielding a **-13% net salvage rate**.
- Account 368** Historical salvage, removal and related retirements for Account 368 for Kentucky from 2000 to 2013 were used to calculate a **29% gross salvage rate** and a **30% gross removal rate**, yielding a **-1% net salvage rate**.
- Account 369** Historical salvage, removal and related retirements for Account 369 for Kentucky from 2000 to 2013 were used to calculate a **1% gross salvage rate** and a **39% gross removal rate**, yielding a **-38% net salvage rate**.
- Account 370** Historical salvage, removal and related retirements for Account 370 for Kentucky from 2000 to 2013 were used to calculate a **22% gross salvage rate** and a **19% gross removal rate**, yielding a **3% net salvage rate**.
- Account 371** Historical salvage, removal and related retirements for Account 371 for Kentucky from 2000 to 2013 were used to calculate a **1% gross salvage rate** and a **33% gross removal rate**, yielding a **-32% net salvage rate**.
- Account 373** Historical salvage, removal and related retirements for Account 373 for Kentucky from 2000 to 2013 were used to calculate a **1% gross salvage rate** and a **25% gross removal rate**, yielding a **-24% net salvage rate**.

KENTUCKY POWER COMPANY
Distribution Plant Net Salvage

Original Cost Retired by Plant Account

<u>Year</u>	<u>361</u>	<u>362</u>	<u>364</u>	<u>365</u>	<u>366</u>	<u>367</u>	<u>368</u>	<u>369</u>	<u>370</u>	<u>371</u>	<u>373</u>	<u>Total</u>
2000	0	430,936	1,459,576	1,553,565	6,479	36,661	1,443,110	569,287	1,709,961	637,697	26,217	7,873,489
2001	0	543,501	1,402,184	1,323,285	9,421	11,194	1,029,459	390,080	639,511	563,686	22,268	5,934,589
2002	0	163,287	1,100,199	2,020,300	16,953	71,261	1,055,795	508,684	970,185	370,170	27,698	6,304,532
2003	0	448,926	770,546	1,665,159	2,929	23,089	1,073,924	630,850	624,632	155,458	39,163	5,434,676
2004	370	325,880	3,264,700	1,048,651	2,052	37,052	1,076,234	511,999	832,607	115,921	33,892	7,249,358
2005	25,016	1,290,672	728,627	1,665,652	143	36,728	1,190,630	760,371	1,515,899	818,523	78,077	8,110,338
2006	0	854,863	839,957	2,373,219	7,368	144,643	1,756,227	1,144,609	9,319,669	1,063,929	145,114	17,649,598
2007	0	811,720	1,283,667	2,993,281	3,259	36,512	2,367,716	887,176	9,974,912	930,355	102,177	19,390,775
2008	206	197,774	1,315,032	3,155,687	694	53,234	2,310,335	720,680	1,023,534	1,060,049	97,394	9,934,619
2009	17,511	895,212	1,458,857	4,155,157	3,342	77,397	1,737,905	467,957	915,027	1,237,093	46,439	11,011,897
2010	15,897	268,629	1,379,987	2,211,003	2,392	47,808	1,455,999	420,358	496,628	1,185,896	57,336	7,541,933
2011	1,088	1,480,852	918,788	1,916,866	10,826	110,598	1,307,947	370,511	465,676	1,195,824	57,472	7,836,448
2012	0	1,141,864	946,893	2,784,176	1,132	94,614	1,841,401	357,594	1,653,695	1,189,432	62,663	10,073,464
2013	<u>9,424</u>	<u>1,091,672</u>	<u>972,449</u>	<u>2,908,748</u>	<u>1,819</u>	<u>65,079</u>	<u>1,079,232</u>	<u>335,346</u>	<u>866,023</u>	<u>1,194,663</u>	<u>68,439</u>	<u>8,592,893</u>
TOTAL	<u>69,512</u>	<u>9,945,788</u>	<u>17,841,462</u>	<u>31,774,749</u>	<u>68,809</u>	<u>845,870</u>	<u>20,725,914</u>	<u>8,075,502</u>	<u>31,007,959</u>	<u>11,718,696</u>	<u>864,348</u>	<u>132,938,608</u>

EVALUATION BASED ON 2000 - 2013 RESERVE ACTIVITY

	<u>361</u>	<u>362</u>	<u>364</u>	<u>365</u>	<u>366</u>	<u>367</u>	<u>368</u>	<u>369</u>	<u>370</u>	<u>371</u>	<u>373</u>	<u>Total</u>
Total Retirements	69,512	9,945,788	17,841,462	31,774,749	68,809	845,870	20,725,914	5,482,197	31,007,959	7,899,836	864,348	126,526,444
Net Salvage Amount	-34,438	-718,263	-5,303,692	1,675,274	-170,930	-103,463	-150,082	-2,054,753	982,018	-2,522,204	-211,731	-8,612,264
Net Salvage %	-50%	-7%	-30%	5%	-248%	-12%	-1%	-37%	3%	-32%	-24%	-7%
Use Net Salvage %	-12%	-7%	-30%	6%	0%	-13%	-1%	-38%	3%	-32%	-24%	

Note: The amounts for 2000 to 2013 were taken from the PowerPlant software continuing property records and the transaction archive providing a 14 year summary of Retirements, Salvage and Removal by plant account.

**KENTUCKY POWER COMPANY
 Distribution Plant Removal Cost**

Original Cost Retired by Plant Account

Year	<u>361</u>	<u>362</u>	<u>364</u>	<u>365</u>	<u>366</u>	<u>367</u>	<u>368</u>	<u>369</u>	<u>370</u>	<u>371</u>	<u>373</u>	<u>Total</u>
2000	0	430,936	1,459,576	1,553,565	6,479	36,661	1,443,110	569,287	1,709,961	637,697	26,217	7,873,489
2001	0	543,501	1,402,184	1,323,285	9,421	11,194	1,029,459	390,080	639,511	563,686	22,268	5,934,589
2002	0	163,287	1,100,199	2,020,300	16,953	71,261	1,055,795	508,684	970,185	370,170	27,698	6,304,532
2003	0	448,926	770,546	1,665,159	2,929	23,089	1,073,924	630,850	624,632	155,458	39,163	5,434,676
2004	370	325,880	3,264,700	1,048,651	2,052	37,052	1,076,234	511,999	832,607	115,921	33,892	7,249,358
2005	25,016	1,290,672	728,627	1,665,652	143	36,728	1,190,630	760,371	1,515,899	818,523	78,077	8,110,338
2006	0	854,863	839,957	2,373,219	7,368	144,643	1,756,227	1,144,609	9,319,669	1,063,929	145,114	17,649,598
2007	0	811,720	1,283,667	2,993,281	3,259	36,512	2,367,716	887,176	9,974,912	930,355	102,177	19,390,775
2008	206	197,774	1,315,032	3,155,687	694	53,234	2,310,335	720,680	1,023,534	1,060,049	97,394	9,934,619
2009	17,511	895,212	1,458,857	4,155,157	3,342	77,397	1,737,905	467,957	915,027	1,237,093	46,439	11,011,897
2010	15,897	268,629	1,379,987	2,211,003	2,392	47,808	1,455,999	420,358	496,628	1,185,896	57,336	7,541,933
2011	1,088	1,480,852	918,788	1,916,866	10,826	110,598	1,307,947	370,511	465,676	1,195,824	57,472	7,836,448
2012	0	1,141,864	946,893	2,784,176	1,132	94,614	1,841,401	357,594	1,653,695	1,189,432	62,663	10,073,464
2013	<u>9,424</u>	<u>1,091,672</u>	<u>972,449</u>	<u>2,908,748</u>	<u>1,819</u>	<u>65,079</u>	<u>1,079,232</u>	<u>335,346</u>	<u>866,023</u>	<u>1,194,663</u>	<u>68,439</u>	<u>8,592,893</u>
TOTAL	<u>69,512</u>	<u>9,945,788</u>	<u>17,841,462</u>	<u>31,774,749</u>	<u>68,809</u>	<u>845,870</u>	<u>20,725,914</u>	<u>8,075,502</u>	<u>31,007,959</u>	<u>11,718,696</u>	<u>864,348</u>	<u>132,938,608</u>

EVALUATION BASED ON 2000 - 2013 RESERVE ACTIVITY

	<u>361</u>	<u>362</u>	<u>364</u>	<u>365</u>	<u>366</u>	<u>367</u>	<u>368</u>	<u>369</u>	<u>370</u>	<u>371</u>	<u>373</u>	<u>Total</u>
Total Retirements	69,512	9,945,788	17,841,462	31,774,749	68,809	845,870	20,725,914	5,482,197	31,007,959	7,899,836	864,348	126,526,444
Total Removal	39,245	1,701,701	8,599,327	7,776,345	182,560	114,715	6,174,476	2,135,852	5,861,631	2,599,315	219,001	35,404,168
Gross Removal, %	56%	17%	48%	24%	265%	14%	30%	39%	19%	33%	25%	28%
Use Gross Removal %	16%	17%	48%	24%	0%	14%	30%	39%	19%	33%	25%	

Note: The amounts for 2000 to 2013 were taken from the PowerPlant software continuing property records and the transaction archive providing a 14 year summary of Retirements, Salvage and Removal by plant account.

**KENTUCKY POWER COMPANY
 Distribution Plant Gross Salvage**

Original Cost Retired by Plant Account

Year	<u>361</u>	<u>362</u>	<u>364</u>	<u>365</u>	<u>366</u>	<u>367</u>	<u>368</u>	<u>369</u>	<u>370</u>	<u>371</u>	<u>373</u>	<u>Total</u>
2000	0	430,936	1,459,576	1,553,565	6,479	36,661	1,443,110	569,287	1,709,961	637,697	26,217	7,873,489
2001	0	543,501	1,402,184	1,323,285	9,421	11,194	1,029,459	390,080	639,511	563,686	22,268	5,934,589
2002	0	163,287	1,100,199	2,020,300	16,953	71,261	1,055,795	508,684	970,185	370,170	27,698	6,304,532
2003	0	448,926	770,546	1,665,159	2,929	23,089	1,073,924	630,850	624,632	155,458	39,163	5,434,676
2004	370	325,880	3,264,700	1,048,651	2,052	37,052	1,076,234	511,999	832,607	115,921	33,892	7,249,358
2005	25,016	1,290,672	728,627	1,665,652	143	36,728	1,190,630	760,371	1,515,899	818,523	78,077	8,110,338
2006	0	854,863	839,957	2,373,219	7,368	144,643	1,756,227	1,144,609	9,319,669	1,063,929	145,114	17,649,598
2007	0	811,720	1,283,667	2,993,281	3,259	36,512	2,367,716	887,176	9,974,912	930,355	102,177	19,390,775
2008	206	197,774	1,315,032	3,155,687	694	53,234	2,310,335	720,680	1,023,534	1,060,049	97,394	9,934,619
2009	17,511	895,212	1,458,857	4,155,157	3,342	77,397	1,737,905	467,957	915,027	1,237,093	46,439	11,011,897
2010	15,897	268,629	1,379,987	2,211,003	2,392	47,808	1,455,999	420,358	496,628	1,185,896	57,336	7,541,933
2011	1,088	1,480,852	918,788	1,916,866	10,826	110,598	1,307,947	370,511	465,676	1,195,824	57,472	7,836,448
2012	0	1,141,864	946,893	2,784,176	1,132	94,614	1,841,401	357,594	1,653,695	1,189,432	62,663	10,073,464
2013	<u>9,424</u>	<u>1,091,672</u>	<u>972,449</u>	<u>2,908,748</u>	<u>1,819</u>	<u>65,079</u>	<u>1,079,232</u>	<u>335,346</u>	<u>866,023</u>	<u>1,194,663</u>	<u>68,439</u>	<u>8,592,893</u>
TOTAL	<u>69,512</u>	<u>9,945,788</u>	<u>17,841,462</u>	<u>31,774,749</u>	<u>68,809</u>	<u>845,870</u>	<u>20,725,914</u>	<u>8,075,502</u>	<u>31,007,959</u>	<u>11,718,696</u>	<u>864,348</u>	<u>132,938,608</u>

EVALUATION BASED ON 2000 - 2013 RESERVE ACTIVITY

	<u>361</u>	<u>362</u>	<u>364</u>	<u>365</u>	<u>366</u>	<u>367</u>	<u>368</u>	<u>369</u>	<u>370</u>	<u>371</u>	<u>373</u>	<u>Total</u>
Total Retirements	69,512	9,945,788	17,841,462	31,774,749	68,809	845,870	20,725,914	5,482,197	31,007,959	7,899,836	864,348	126,526,444
Salvage Amount	4,807	983,438	3,295,635	9,451,620	11,630	11,251	6,024,394	81,099	6,843,649	77,110	7,271	26,791,904
Gross Salvage %	7%	10%	18%	30%	17%	1%	29%	1%	22%	1%	1%	21%
Use Gross Salvage %	4%	10%	18%	30%	0%	1%	29%	1%	22%	1%	1%	

Note: The amounts for 2000 to 2013 were taken from the PowerPlant software continuing property records and the transaction archive providing a 14 year summary of Retirements, Salvage and Removal by plant account.

Kentucky Power Company
Distribution Removal and Salvage by Account
From CPR Transaction Archive
Years 2000 to 2013

Account	Removal	Salvage
361	\$39,245	\$4,807
362	\$1,701,701	\$983,438
364	\$8,599,327	\$3,295,635
365	\$7,776,345	\$9,451,620
366	\$182,560	\$11,630
367	\$114,715	\$11,251
368	\$6,174,476	\$6,024,394
369	\$4,980,067	\$74,088
370	\$5,861,631	\$6,843,649
371	\$4,838,806	\$72,708
373	<u>\$219,001</u>	<u>\$7,271</u>
	\$40,487,874	\$26,780,490

**Kentucky Power Company
Depreciation Study at December 31, 2013
Adjustments to Distribution Retirements, Removal and Salvage by Account
Years 2000 to 2013**

Account	Retirements	Removal	Salvage	Comments
369	\$2,593,305	\$2,844,215	-\$7,011	Eliminate unusual amount of removal cost on blanket work order BKY0000001
371	\$3,818,859	\$2,239,491	-\$4,402	Eliminate unusual amount of removal cost on blanket work order BKY0000001

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2013
GENERAL PLANT - ANALYSIS

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2013
General Plant

Account

389 LAND RIGHTS

Depreciable Balance \$37,384

	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	75	75
Iowa Curve	R4.0	R4.0
Gross Removal, %	N/A	0
Gross Salvage, %	N/A	0
Net Salvage %	0	0

Account 389 includes the cost of land rights used for utility purposes, the cost of which is not properly includible in other functional land rights accounts. There have been too few retirements from this account to support an actuarial or SPR analysis. As a result, the current depreciation study recommends that the life and dispersion (75, R4.0) currently approved in rates from Case No. 91-066 be retained.

Since there have been few retirements from this account, the recommendation is to retain the gross salvage rate of 0% with a 0% gross removal resulting in a 0% net salvage.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2013
General Plant

<i>Account</i>	<u>390 STRUCTURES & IMPROVEMENTS</u>	
Depreciable Balance	\$19,811,669	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	45	35
Iowa Curve	L3.0	L2.0
Gross Removal, %	N/A	1
Gross Salvage, %	N/A	1
Net Salvage %	0	0

Account 390 includes general structures and structure improvements consisting of items like roofing, plumbing and heating systems. The results of the account's life analysis support a L2.0 dispersion with a decrease in average service life from 45 years to 35 years.

The salvage analysis indicates a gross salvage rate of 1% with a 1% gross removal resulting in a 0% net salvage.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2013
General Plant

<i>Account</i>	<u>391 OFFICE FURNITURE AND EQUIPMENT</u>	
Depreciable Balance	\$1,683,333	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	35	35
Iowa Curve	R0.5	SQ
Gross Removal, %	N/A	0
Gross Salvage, %	N/A	0
Net Salvage %	10	0

Account 391 consists of office furniture and equipment. In 1998, the company began recording retirements when vintages reach their average service life in accordance with FERC Accounting Release 15. The average service life for the account was set in the prior depreciation study and there is no compelling reason to change the life in the current study. Use of a square curve "SQ" is appropriate when performing vintage retirements.

A review of salvage and removal costs for this account indicates a gross salvage rate of 0% and a gross removal rate of 0%. This combination yields a net salvage rate of 0%.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2013
General Plant

<i>Account</i>	<u>392 TRANSPORTATION EQUIPMENT</u>	
Depreciable Balance	\$14,768	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	30	30
Iowa Curve	R3.0	SQ
Gross Removal, %	N/A	0
Gross Salvage, %	N/A	0
Net Salvage %	0	0

Account 392 includes owned automobiles, trucks, trailers and other transportation equipment. In 1998, the company began recording retirements when vintages reach their average service life in accordance with FERC Accounting Release 15. The average service life for the account was set in the prior depreciation study and there is no compelling reason to change the life in the current study. Use of a square curve "SQ" is appropriate when performing vintage retirements.

A review of salvage and removal costs for this account indicates a gross salvage rate of 0% and a gross removal rate of 0% yielding a net salvage rate of 0%.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2013
General Plant

<i>Account</i>	<u>393 STORES EQUIPMENT</u>	
Depreciable Balance	\$164,548	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	30	30
Iowa Curve	R1.0	SQ
Gross Removal, %	N/A	0
Gross Salvage, %	N/A	0
Net Salvage %	0	0

Account 393 contains property related to stores such as cabinets, shelving materials, ramps and material storage units. In 1998, the company began recording retirements when vintages reach their average service life in accordance with FERC Accounting Release 15. The average service life for the account was set in the prior depreciation study and there is no compelling reason to change the life in the current study. Use of a square curve "SQ" is appropriate when performing vintage retirements.

A review of salvage and removal costs for this account indicates a gross salvage rate of 0% and a gross removal rate of 0% yielding a net salvage percentage of 0%.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2013
General Plant

<i>Account</i>	<u>394 TOOLS, SHOP AND GARAGE EQUIPMENT</u>	
Depreciable Balance	\$3,553,696	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	30	30
Iowa Curve	R0.5	SQ
Gross Removal, %	N/A	9
Gross Salvage, %	N/A	0
Net Salvage %	0	-9

Account 394 includes tools used in shops and garages like drills, grinders, mixers, hoists and cranes. In 1998, the company began recording retirements when vintages reach their average service life in accordance with FERC Accounting Release 15. The average service life for the account was set in the prior depreciation study and there is no compelling reason to change the life in the current study. Use of a square curve "SQ" is appropriate when performing vintage retirements.

A review of salvage and removal costs for this account indicates a gross salvage rate of 0% and a gross removal rate of 9% yielding a negative net salvage percentage of -9%.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2013
General Plant

<i>Account</i>	<u>395 LABORATORY EQUIPMENT</u>	
Depreciable Balance	\$141,765	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	30	30
Iowa Curve	L5.0	SQ
Gross Removal, %	N/A	0
Gross Salvage, %	N/A	0
Net Salvage %	0	0

Account 395 consists of laboratory equipment such as testing equipment, centrifuges, and other laboratory devices. In 1998, the company began recording retirements when vintages reach their average service life in accordance with FERC Accounting Release 15. The average service life for the account was set in the prior depreciation study and there is no compelling reason to change the life in the current study. Use of a square curve "SQ" is appropriate when performing vintage retirements.

A review of salvage and removal costs for this account indicates a gross salvage rate of 0% and a gross removal rate of 0% yielding a net salvage percentage of 0%.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2013
General Plant

<i>Account</i>	<u>396 POWER OPERATED EQUIPMENT</u>	
Depreciable Balance	\$5,931	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	N/A	25
lowa Curve	N/A	SQ
Gross Removal, %	N/A	0
Gross Salvage, %	N/A	0
Net Salvage %	N/A	0

Account 396 is used to capitalize equipment such as bulldozers, forklifts, and tractors. In 1998, the company began recording retirements when vintages reach their average service life in accordance with FERC Accounting Release 15. There was no balance in this account in Case No. 91-066 so there was no depreciation rate approved at that point in time. The minor investment of \$5,931 was capitalized in 2002 and is approximately 11.5 years old at the time of the depreciation study. AEP affiliated companies Indiana Michigan Power Company and Ohio Power Company are using a 25 and 26 year, respectively for this account. Using these affiliated companies as a guide, the current study recommends a 25 year service life for this account using a square curve "SQ".

A review of salvage and removal costs for account 396 indicates a gross salvage rate of 0% and a gross removal rate of 0% yielding a net salvage rate of 0%.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2013
General Plant

<i>Account</i>	<u>397 COMMUNICATION EQUIPMENT</u>	
Depreciable Balance	\$7,318,955	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	22	22
Iowa Curve	L3.0	SQ
Gross Removal, %	N/A	3
Gross Salvage, %	N/A	6
Net Salvage %	0	3

Account 397 contains communication equipment such as towers, antennae, and mobile radio equipment. In 1998, the company began recording retirements when vintages reach their average service life in accordance with FERC Accounting Release 15. The average service life for the account was set in the prior depreciation study and there is no compelling reason to change the life in the current study. Use of a square curve "SQ" is appropriate when performing vintage retirements.

A review of salvage and removal costs for this account indicates a gross salvage rate of 6% and a gross removal rate of 3% yielding a positive net salvage percentage of 3%.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2013
General Plant

<i>Account</i>	<u>398 MISCELLANEOUS EQUIPMENT</u>	
Depreciable Balance	\$1,065,616	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	20	20
Iowa Curve	S5.0	SQ
Gross Removal, %	N/A	3
Gross Salvage, %	N/A	0
Net Salvage %	0	-3

Account 398 contains equipment such as fire extinguishers and kitchen equipment. In 1998, the company began recording retirements when vintages reach their average service life in accordance with FERC Accounting Release 15. The average service life for the account was set in the prior depreciation study and there is no compelling reason to change the life in the current study. Use of a square curve "SQ" is appropriate when performing vintage retirements.

A review of salvage and removal costs for this account indicates a gross salvage rate of 0% and a gross removal rate of 3% yielding a negative net salvage percentage of -3%.

KENTUCKY POWER COMPANY

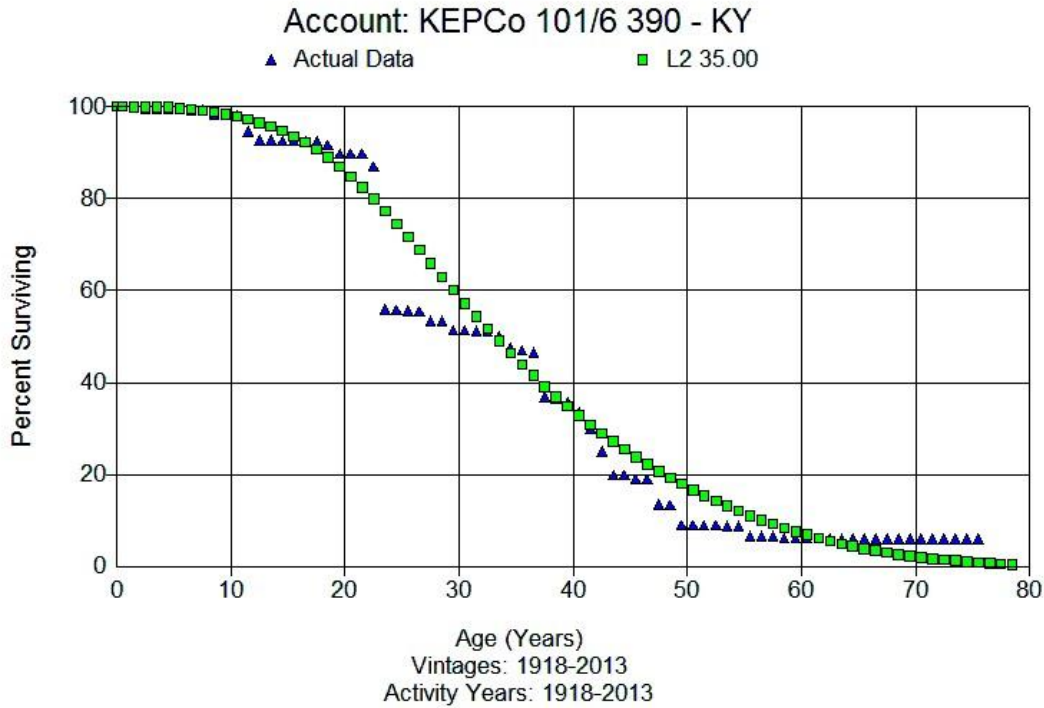
DEPRECIATION STUDY AS OF DECEMBER 31, 2013

GENERAL PLANT ACCOUNT 390

ACTUARIAL ANALYSIS – GRAPH

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AT DECEMBER 31, 2013
GENERAL PLANT – ACCOUNT 390 GRAPH**

Account 390, Structures & Improvements – L2.0, 35



An actuarial analysis was performed for Account 390. The analysis for the entire time period from 1918 to 2013 indicates that the average age of the property in this account is declining and that the 45 year average service life currently included in rates should be changed to use a 35 year life with an L2.0 dispersion.

KENTUCKY POWER COMPANY

DEPRECIATION STUDY AS OF DECEMBER 31, 2013

DEPRECIATION STUDY WORKPAPERS

GENERAL PLANT

GENERATION ARRANGEMENT REPORT

**KENTUCKY POWER COMPANY
 GENERATION ARRANGEMENT REPORT
 Depreciation Study as of December 31, 2013**

**Account: KEPCo 101/6 389 Land Rights
 Dispersion: 75.00, R4.0
 Average Net Salvage Rate: 0%**

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2003	10.5	\$9,137.87	75.00	64.52	0.8603	1.0000	\$7,861.39	\$121.84
1986	27.5	\$22,442.00	75.00	47.80	0.6373	1.0000	\$14,303.17	\$299.23
1985	28.5	\$1,227.00	75.00	46.84	0.6245	1.0000	\$766.30	\$16.36
1984	29.5	\$678.00	75.00	45.88	0.6118	1.0000	\$414.78	\$9.04
1979	34.5	\$3,899.00	75.00	41.17	0.5489	1.0000	\$2,140.03	\$51.99
		<u>\$37,383.87</u>	<u>75.00</u>	<u>51.13</u>	<u>0.6817</u>	<u>1.0000</u>	<u>\$25,485.67</u>	<u>\$498.46</u>

**KENTUCKY POWER COMPANY
 GENERATION ARRANGEMENT REPORT
 Depreciation Study as of December 31, 2013**

**Account: KEPCo 101/6 390 Structures & Improvements
 Dispersion: 35.00, L2.0
 Average Net Salvage Rate: 0%**

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2013	0.5	\$178,437.60	35.00	34.50	0.9857	1.0000	\$175,889.20	\$5,098.22
2012	1.5	\$161,619.00	35.00	33.50	0.9572	1.0000	\$154,706.60	\$4,617.69
2011	2.5	\$1,129,526.00	35.00	32.51	0.9290	1.0000	\$1,049,291.00	\$32,272.16
2009	4.5	\$50,612.46	35.00	30.57	0.8735	1.0000	\$44,209.08	\$1,446.07
2008	5.5	\$130,374.50	35.00	29.62	0.8464	1.0000	\$110,349.70	\$3,724.99
2007	6.5	\$34,243.02	35.00	28.69	0.8198	1.0000	\$28,073.69	\$978.37
2006	7.5	\$66,863.86	35.00	27.78	0.7939	1.0000	\$53,080.31	\$1,910.40
2005	8.5	\$9,054.82	35.00	26.89	0.7684	1.0000	\$6,957.56	\$258.71
2004	9.5	\$5,707.20	35.00	26.02	0.7435	1.0000	\$4,243.04	\$163.06
2002	11.5	\$4,456.24	35.00	24.33	0.6952	1.0000	\$3,097.95	\$127.32
2001	12.5	\$11,474.83	35.00	23.52	0.6719	1.0000	\$7,709.79	\$327.85
2000	13.5	\$385,871.10	35.00	22.73	0.6493	1.0000	\$250,547.80	\$11,024.89
1998	15.5	\$64,605.43	35.00	21.25	0.6071	1.0000	\$39,222.42	\$1,845.87
1997	16.5	\$314,524.00	35.00	20.57	0.5877	1.0000	\$184,830.00	\$8,986.40
1996	17.5	\$1,090,016.00	35.00	19.93	0.5694	1.0000	\$620,656.80	\$31,143.30
1995	18.5	\$479,144.90	35.00	19.33	0.5524	1.0000	\$264,663.10	\$13,689.85
1994	19.5	\$29,461.00	35.00	18.78	0.5365	1.0000	\$15,806.60	\$841.74
1993	20.5	\$11,345.00	35.00	18.26	0.5218	1.0000	\$5,920.33	\$324.14
1992	21.5	\$135,823.00	35.00	17.79	0.5083	1.0000	\$69,040.68	\$3,880.66
1991	22.5	\$364,749.80	35.00	17.35	0.4957	1.0000	\$180,820.00	\$10,421.42
1990	23.5	\$11,213,223.00	35.00	16.94	0.4841	1.0000	\$5,428,159.00	\$320,377.80
1989	24.5	\$1,136.00	35.00	16.56	0.4733	1.0000	\$537.64	\$32.46
1987	26.5	\$5,328.00	35.00	15.88	0.4538	1.0000	\$2,417.87	\$152.23
1986	27.5	\$12,571.00	35.00	15.57	0.4450	1.0000	\$5,593.76	\$359.17
1985	28.5	\$2,504.00	35.00	15.28	0.4366	1.0000	\$1,093.32	\$71.54
1983	30.5	\$12,063.00	35.00	14.74	0.4211	1.0000	\$5,079.55	\$344.66
1982	31.5	\$7,057.00	35.00	14.48	0.4137	1.0000	\$2,919.79	\$201.63
1981	32.5	\$3,701,311.00	35.00	14.23	0.4066	1.0000	\$1,504,977.00	\$105,751.80
1980	33.5	\$3,087.00	35.00	13.99	0.3996	1.0000	\$1,233.63	\$88.20
1979	34.5	\$14,626.00	35.00	13.75	0.3927	1.0000	\$5,744.01	\$417.89
1978	35.5	\$16,821.00	35.00	13.50	0.3858	1.0000	\$6,490.17	\$480.60
1977	36.5	\$1,414.00	35.00	13.26	0.3790	1.0000	\$535.91	\$40.40
1975	38.5	\$12,975.00	35.00	12.78	0.3653	1.0000	\$4,739.56	\$370.71
1974	39.5	\$14,153.00	35.00	12.54	0.3584	1.0000	\$5,072.14	\$404.37
1973	40.5	\$4,096.00	35.00	12.30	0.3514	1.0000	\$1,439.41	\$117.03
1970	43.5	\$2,206.00	35.00	11.55	0.3301	1.0000	\$728.29	\$63.03
1969	44.5	\$12,870.00	35.00	11.30	0.3230	1.0000	\$4,156.76	\$367.71
1968	45.5	\$34,056.00	35.00	11.05	0.3158	1.0000	\$10,754.94	\$973.03
1967	46.5	\$6,231.00	35.00	10.80	0.3086	1.0000	\$1,922.98	\$178.03
1966	47.5	\$1,664.00	35.00	10.55	0.3014	1.0000	\$501.55	\$47.54
1963	50.5	\$481.00	35.00	9.80	0.2799	1.0000	\$134.64	\$13.74
1962	51.5	\$793.00	35.00	9.55	0.2729	1.0000	\$216.37	\$22.66
1961	52.5	\$448.00	35.00	9.30	0.2658	1.0000	\$119.10	\$12.80
1960	53.5	\$15,245.00	35.00	9.06	0.2589	1.0000	\$3,947.02	\$435.57
1959	54.5	\$6,904.00	35.00	8.82	0.2520	1.0000	\$1,739.98	\$197.26
1958	55.5	\$525.00	35.00	8.58	0.2452	1.0000	\$128.75	\$15.00
1957	56.5	\$147.00	35.00	8.35	0.2385	1.0000	\$35.06	\$4.20
1953	60.5	\$505.00	35.00	7.44	0.2124	1.0000	\$107.28	\$14.43
1952	61.5	\$97.00	35.00	7.21	0.2061	1.0000	\$20.00	\$2.77
1950	63.5	\$304.00	35.00	6.78	0.1937	1.0000	\$58.88	\$8.69

**KENTUCKY POWER COMPANY
 GENERATION ARRANGEMENT REPORT
 Depreciation Study as of December 31, 2013**

Account: KEPCo 101/6 390 Structures & Improvements
Dispersion: 35.00, L2.0
Average Net Salvage Rate: 0%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1949	64.5	\$1,116.00	35.00	6.57	0.1876	1.0000	\$209.34	\$31.89
1948	65.5	\$536.00	35.00	6.35	0.1816	1.0000	\$97.32	\$15.31
1945	68.5	\$434.00	35.00	5.74	0.1639	1.0000	\$71.15	\$12.40
1944	69.5	\$322.00	35.00	5.54	0.1582	1.0000	\$50.95	\$9.20
1942	71.5	\$1,884.00	35.00	5.14	0.1467	1.0000	\$276.44	\$53.83
1941	72.5	\$117.00	35.00	4.94	0.1411	1.0000	\$16.51	\$3.34
1940	73.5	\$430.00	35.00	4.75	0.1356	1.0000	\$58.31	\$12.29
1939	74.5	\$342.00	35.00	4.55	0.1301	1.0000	\$44.51	\$9.77
1938	75.5	\$43,738.00	35.00	4.37	0.1247	1.0000	\$5,455.50	\$1,249.66
		\$19,811,669.76	35.00	18.15	0.5187	1.0000	\$10,276,000.04	\$566,047.75

**KENTUCKY POWER COMPANY
 GENERATION ARRANGEMENT REPORT
 Depreciation Study as of December 31, 2013**

**Account: KEPCo 101/6 391 Office Furniture & Equipment
 Dispersion: 35.00, SQ
 Average Net Salvage Rate: 0%**

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2013	0.5	\$403,689.20	35.00	34.50	0.9857	1.0000	\$397,922.20	\$11,533.98
2010	3.5	\$126,219.50	35.00	31.50	0.9000	1.0000	\$113,597.50	\$3,606.27
2008	5.5	\$3,650.88	35.00	29.50	0.8429	1.0000	\$3,077.17	\$104.31
2007	6.5	\$163,270.20	35.00	28.50	0.8143	1.0000	\$132,948.60	\$4,664.86
2005	8.5	\$26,368.25	35.00	26.50	0.7571	1.0000	\$19,964.53	\$753.38
2004	9.5	\$278,932.20	35.00	25.50	0.7286	1.0000	\$203,222.00	\$7,969.49
2002	11.5	\$379,083.60	35.00	23.50	0.6714	1.0000	\$254,527.60	\$10,830.96
2001	12.5	\$108,531.80	35.00	22.50	0.6429	1.0000	\$69,770.43	\$3,100.91
2000	13.5	\$4,468.27	35.00	21.50	0.6143	1.0000	\$2,744.79	\$127.66
1999	14.5	\$127,468.00	35.00	20.50	0.5857	1.0000	\$74,659.83	\$3,641.94
1998	15.5	\$54,995.00	35.00	19.50	0.5571	1.0000	\$30,640.07	\$1,571.29
1994	19.5	\$6,656.00	35.00	15.50	0.4429	1.0000	\$2,947.66	\$190.17
		\$1,683,332.90	35.00	27.15	0.7759	1.0000	\$1,306,022.38	\$48,095.22

**KENTUCKY POWER COMPANY
 GENERATION ARRANGEMENT REPORT
 Depreciation Study as of December 31, 2013**

Account: KEPCo 101/6 392 Transportation Equipment
Dispersion: 30.00, SQ
Average Net Salvage Rate: 0%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2011	2.5	\$10,931.90	30.00	27.50	0.9167	1.0000	\$10,020.91	\$364.40
2007	6.5	\$3,835.70	30.00	23.50	0.7833	1.0000	\$3,004.63	\$127.86
		\$14,767.60	30.00	26.46	0.8820	1.0000	\$13,025.54	\$492.26

**KENTUCKY POWER COMPANY
 GENERATION ARRANGEMENT REPORT
 Depreciation Study as of December 31, 2013**

**Account: KEPCo 101/6 393 Stores Equipment
 Dispersion: 30.00, SQ
 Average Net Salvage Rate: 0%**

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2012	1.5	\$4,653.00	30.00	28.50	0.9500	1.0000	\$4,420.35	\$155.10
2011	2.5	\$5,854.57	30.00	27.50	0.9167	1.0000	\$5,366.69	\$195.15
2010	3.5	\$4,830.93	30.00	26.50	0.8833	1.0000	\$4,267.32	\$161.03
2008	5.5	\$43,145.39	30.00	24.50	0.8167	1.0000	\$35,235.40	\$1,438.18
2006	7.5	\$9,819.85	30.00	22.50	0.7500	1.0000	\$7,364.89	\$327.33
2004	9.5	\$39,480.64	30.00	20.50	0.6833	1.0000	\$26,978.44	\$1,316.02
1995	18.5	\$25,233.00	30.00	11.50	0.3833	1.0000	\$9,672.65	\$841.10
1994	19.5	\$27,200.00	30.00	10.50	0.3500	1.0000	\$9,520.00	\$906.67
1992	21.5	\$4,331.00	30.00	8.50	0.2833	1.0000	\$1,227.12	\$144.37
		\$164,548.38	30.00	18.97	0.6324	1.0000	\$104,052.86	\$5,484.95

**KENTUCKY POWER COMPANY
 GENERATION ARRANGEMENT REPORT
 Depreciation Study as of December 31, 2013**

**Account: KEPCo 101/6 394 Tools, Shop & Garage Equipment
 Dispersion: 30.00, SQ
 Average Net Salvage Rate: -9%**

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2013	0.5	\$152,817.60	30.00	29.50	1.0718	1.0000	\$163,795.00	\$5,552.37
2012	1.5	\$388,408.20	30.00	28.50	1.0355	1.0000	\$402,196.70	\$14,112.16
2011	2.5	\$332,560.60	30.00	27.50	0.9992	1.0000	\$332,283.50	\$12,083.03
2010	3.5	\$42,142.45	30.00	26.50	0.9628	1.0000	\$40,576.16	\$1,531.18
2009	4.5	\$43,589.39	30.00	25.50	0.9265	1.0000	\$40,385.57	\$1,583.75
2008	5.5	\$766,794.70	30.00	24.50	0.8902	1.0000	\$682,575.10	\$27,860.21
2007	6.5	\$142,821.00	30.00	23.50	0.8538	1.0000	\$121,945.40	\$5,189.16
2006	7.5	\$30,324.75	30.00	22.50	0.8175	1.0000	\$24,790.48	\$1,101.80
2005	8.5	\$139,568.70	30.00	21.50	0.7812	1.0000	\$109,026.40	\$5,070.99
2004	9.5	\$401,347.60	30.00	20.50	0.7448	1.0000	\$298,937.10	\$14,582.30
2003	10.5	\$108,886.80	30.00	19.50	0.7085	1.0000	\$77,146.30	\$3,956.22
2002	11.5	\$8,900.52	30.00	18.50	0.6722	1.0000	\$5,982.63	\$323.39
2001	12.5	\$154,805.20	30.00	17.50	0.6358	1.0000	\$98,430.33	\$5,624.59
2000	13.5	\$209,915.50	30.00	16.50	0.5995	1.0000	\$125,844.40	\$7,626.93
1999	14.5	\$242,440.80	30.00	15.50	0.5632	1.0000	\$136,534.60	\$8,808.68
1998	15.5	\$135,419.00	30.00	14.50	0.5268	1.0000	\$71,343.24	\$4,920.22
1997	16.5	\$113,910.00	30.00	13.50	0.4905	1.0000	\$55,872.86	\$4,138.73
1996	17.5	\$26,579.00	30.00	12.50	0.4542	1.0000	\$12,071.30	\$965.70
1994	19.5	\$2,744.00	30.00	10.50	0.3815	1.0000	\$1,046.84	\$99.70
1992	21.5	\$21,422.00	30.00	8.50	0.3088	1.0000	\$6,615.83	\$778.33
1991	22.5	\$65,186.00	30.00	7.50	0.2725	1.0000	\$17,763.19	\$2,368.42
1990	23.5	\$23,112.00	30.00	6.50	0.2362	1.0000	\$5,458.28	\$839.74
		\$3,553,695.81	30.00	21.92	0.7965	1.0000	\$2,830,621.21	\$129,117.60

**KENTUCKY POWER COMPANY
 GENERATION ARRANGEMENT REPORT
 Depreciation Study as of December 31, 2013**

Account: KEPCo 101/6 395 Laboratory Equipment
Dispersion: 30.00, SQ
Average Net Salvage Rate: 0%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2005	8.5	\$1,833.80	30.00	21.50	0.7167	1.0000	\$1,314.22	\$61.13
2004	9.5	\$11,433.43	30.00	20.50	0.6833	1.0000	\$7,812.84	\$381.11
2002	11.5	\$7,357.47	30.00	18.50	0.6167	1.0000	\$4,537.11	\$245.25
1999	14.5	\$3,800.00	30.00	15.50	0.5167	1.0000	\$1,963.33	\$126.67
1998	15.5	\$9,244.00	30.00	14.50	0.4833	1.0000	\$4,467.93	\$308.13
1996	17.5	\$28,363.00	30.00	12.50	0.4167	1.0000	\$11,817.92	\$945.43
1992	21.5	\$23,978.00	30.00	8.50	0.2833	1.0000	\$6,793.77	\$799.27
1991	22.5	\$31,455.00	30.00	7.50	0.2500	1.0000	\$7,863.75	\$1,048.50
1990	23.5	\$24,300.00	30.00	6.50	0.2167	1.0000	\$5,265.00	\$810.00
		\$141,764.70	30.00	10.97	0.3656	1.0000	\$51,835.87	\$4,725.49

**KENTUCKY POWER COMPANY
 GENERATION ARRANGEMENT REPORT
 Depreciation Study as of December 31, 2013**

**Account: KEPCo 101/6 396 Power Operated Equipment
 Dispersion: 25.00, SQ
 Average Net Salvage Rate: 0%**

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2002	11.5	\$5,931.29	25.00	13.50	0.5400	1.0000	\$3,202.90	\$237.25
		\$5,931.29	20.00	13.50	0.5400	1.0000	\$3,202.90	\$237.25

**KENTUCKY POWER COMPANY
 GENERATION ARRANGEMENT REPORT
 Depreciation Study as of December 31, 2013**

Account: KEPCo 101/6 397 Communication Equipment
Dispersion: 22.00, SQ
Average Net Salvage Rate: 3%

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2013	0.5	\$845,024.70	22.00	21.50	0.9480	1.0000	\$801,045.00	\$37,257.91
2012	1.5	\$102,608.20	22.00	20.50	0.9039	1.0000	\$92,743.78	\$4,524.09
2011	2.5	\$177,763.80	22.00	19.50	0.8598	1.0000	\$152,836.50	\$7,837.77
2010	3.5	\$202,024.10	22.00	18.50	0.8157	1.0000	\$164,787.40	\$8,907.43
2009	4.5	\$101,882.30	22.00	17.50	0.7716	1.0000	\$78,611.44	\$4,492.08
2008	5.5	\$1,334,401.00	22.00	16.50	0.7275	1.0000	\$970,776.50	\$58,834.94
2007	6.5	\$187,516.90	22.00	15.50	0.6834	1.0000	\$128,150.80	\$8,267.79
2006	7.5	\$818,515.00	22.00	14.50	0.6393	1.0000	\$523,291.50	\$36,089.07
2005	8.5	\$373,813.80	22.00	13.50	0.5952	1.0000	\$222,504.20	\$16,481.79
2004	9.5	\$505,619.10	22.00	12.50	0.5511	1.0000	\$278,665.10	\$22,293.21
2003	10.5	\$370,360.90	22.00	11.50	0.5070	1.0000	\$187,789.80	\$16,329.55
2002	11.5	\$54,039.58	22.00	10.50	0.4630	1.0000	\$25,017.87	\$2,382.65
2001	12.5	\$55,586.09	22.00	9.50	0.4189	1.0000	\$23,282.99	\$2,450.84
2000	13.5	\$152,600.70	22.00	8.50	0.3748	1.0000	\$57,190.57	\$6,728.30
1999	14.5	\$26,941.79	22.00	7.50	0.3307	1.0000	\$8,909.16	\$1,187.89
1998	15.5	\$1,600,039.00	22.00	6.50	0.2866	1.0000	\$458,556.60	\$70,547.17
1997	16.5	\$65,864.00	22.00	5.50	0.2425	1.0000	\$15,972.02	\$2,904.00
1996	17.5	\$82,417.00	22.00	4.50	0.1984	1.0000	\$16,352.28	\$3,633.84
1995	18.5	\$40,376.00	22.00	3.50	0.1543	1.0000	\$6,230.75	\$1,780.21
1994	19.5	\$69,705.00	22.00	2.50	0.1102	1.0000	\$7,683.39	\$3,073.36
1993	20.5	\$62,827.00	22.00	1.50	0.0661	1.0000	\$4,155.15	\$2,770.10
1992	21.5	\$89,029.00	22.00	0.50	0.0220	1.0000	\$1,962.68	\$3,925.37
		\$7,318,954.96	22.00	13.10	0.5775	1.0000	\$4,226,515.48	\$322,699.36

**KENTUCKY POWER COMPANY
 GENERATION ARRANGEMENT REPORT
 Depreciation Study as of December 31, 2013**

**Account: KEPCo 101/6 398 Miscellaneous Equipment
 Dispersion: 20.00, SQ
 Average Net Salvage Rate: -3%**

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2013	0.5	\$31,844.00	20.00	19.50	1.0043	1.0000	\$31,979.34	\$1,639.97
2012	1.5	\$8,941.26	20.00	18.50	0.9528	1.0000	\$8,518.79	\$460.47
2011	2.5	\$31,637.78	20.00	17.50	0.9013	1.0000	\$28,513.55	\$1,629.35
2009	4.5	\$84,035.71	20.00	15.50	0.7983	1.0000	\$67,081.51	\$4,327.84
2008	5.5	\$41,951.41	20.00	14.50	0.7468	1.0000	\$31,327.22	\$2,160.50
2007	6.5	\$169,092.60	20.00	13.50	0.6953	1.0000	\$117,561.60	\$8,708.27
2006	7.5	\$59,954.48	20.00	12.50	0.6438	1.0000	\$38,595.70	\$3,087.66
2005	8.5	\$30,390.25	20.00	11.50	0.5923	1.0000	\$17,998.63	\$1,565.10
2004	9.5	\$272,496.50	20.00	10.50	0.5408	1.0000	\$147,352.50	\$14,033.57
2002	11.5	\$305,030.30	20.00	8.50	0.4378	1.0000	\$133,527.00	\$15,709.06
2001	12.5	\$15,126.03	20.00	7.50	0.3863	1.0000	\$5,842.43	\$778.99
2000	13.5	\$13,950.17	20.00	6.50	0.3348	1.0000	\$4,669.82	\$718.43
1997	16.5	\$1,166.00	20.00	3.50	0.1803	1.0000	\$210.17	\$60.05
		\$1,065,616.49	20.00	11.54	0.5942	1.0000	\$633,178.26	\$54,879.26

KENTUCKY POWER COMPANY

DEPRECIATION STUDY AS OF DECEMBER 31, 2013

DEPRECIATION STUDY WORKPAPERS

GENERAL PLANT - ACCOUNT 390

OBSERVED LIFE REPORT

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 2013
 OBSERVED LIFE TABLE - ACCOUNT 390, STRUCTURES & IMPROVEMENTS**

Placement Band 1918 to 2013
 Observation Band 1918 to 2013

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surviving at Beginning of Interval
0	33,841,691	603.00	0.0000	1.0000	100.00
0.5	33,662,650	1,197.00	0.0000	1.0000	100.00
1.5	33,499,834	104,117.00	0.0031	0.9969	99.99
2.5	32,266,192	49,963.00	0.0016	0.9985	99.68
3.5	32,216,229	12,996.00	0.0004	0.9996	99.53
4.5	32,152,620	20,953.00	0.0007	0.9994	99.49
5.5	32,001,293	56,557.00	0.0018	0.9982	99.42
6.5	31,910,493	4,562.00	0.0001	0.9999	99.25
7.5	31,839,067	254,755.00	0.0080	0.9920	99.23
8.5	31,575,257	80,126.00	0.0025	0.9975	98.44
9.5	31,489,424	40,626.00	0.0013	0.9987	98.19
10.5	31,448,798	1,106,266.00	0.0352	0.9648	98.06
11.5	30,338,076	574,350.05	0.0189	0.9811	94.61
12.5	29,752,251	38,335.29	0.0013	0.9987	92.82
13.5	29,328,044	45,865.57	0.0016	0.9984	92.70
14.5	29,282,179	10,595.00	0.0004	0.9996	92.56
15.5	29,206,978	10,519.87	0.0004	0.9996	92.52
16.5	28,881,934	14,573.00	0.0005	0.9995	92.49
17.5	27,777,346	232,384.00	0.0084	0.9916	92.44
18.5	27,065,817	543,669.00	0.0201	0.9799	91.67
19.5	26,492,687	3,648.00	0.0001	0.9999	89.83
20.5	26,477,694	26,412.23	0.0010	0.9990	89.82
21.5	26,315,459	809,566.55	0.0308	0.9692	89.73
22.5	25,141,142	8,957,053.54	0.3563	0.6437	86.97
23.5	4,970,866	16,561.00	0.0033	0.9967	55.98
24.5	4,953,169	18,866.00	0.0038	0.9962	55.80
25.5	4,934,303	13,862.00	0.0028	0.9972	55.58
26.5	4,915,113	178,572.00	0.0363	0.9637	55.43
27.5	4,723,970	4,129.00	0.0009	0.9991	53.41
28.5	4,717,337	175,410.68	0.0372	0.9628	53.37
29.5	4,541,926	972.00	0.0002	0.9998	51.38
30.5	4,528,891	17,512.00	0.0039	0.9961	51.37
31.5	4,504,322	5,647.00	0.0013	0.9988	51.17
32.5	797,364	15,753.22	0.0198	0.9802	51.11
33.5	778,524	37,541.00	0.0482	0.9518	50.10
34.5	726,357	9,576.00	0.0132	0.9868	47.68
35.5	699,960	6,392.00	0.0091	0.9909	47.06
36.5	692,154	143,799.00	0.2078	0.7922	46.63
37.5	548,355	6,902.00	0.0126	0.9874	36.94
38.5	528,478	9,675.00	0.0183	0.9817	36.47
39.5	504,650	32,565.00	0.0645	0.9355	35.81
40.5	467,989	49,972.00	0.1068	0.8932	33.50
41.5	418,017	67,898.00	0.1624	0.8376	29.92
42.5	350,119	71,514.00	0.2043	0.7957	25.06
43.5	276,399	12.00	0.0000	1.0000	19.94

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 2013
 OBSERVED LIFE TABLE - ACCOUNT 390, STRUCTURES & IMPROVEMENTS**

Placement Band 1918 to 2013
 Observation Band 1918 to 2013

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surviving at Beginning of Interval
44.5	263,517	12,999.00	0.0493	0.9507	19.94
45.5	216,462	100.00	0.0005	0.9995	18.96
46.5	210,131	60,001.00	0.2855	0.7145	18.95
47.5	148,466	2,370.00	0.0160	0.9840	13.54
48.5	146,096	48,292.00	0.3306	0.6695	13.32
49.5	97,804	0.00	0.0000	1.0000	8.92
50.5	97,323	0.00	0.0000	1.0000	8.92
51.5	96,530	0.00	0.0000	1.0000	8.92
52.5	96,082	344.00	0.0036	0.9964	8.92
53.5	80,493	0.00	0.0000	1.0000	8.89
54.5	73,589	18,000.00	0.2446	0.7554	8.89
55.5	55,064	784.00	0.0142	0.9858	6.71
56.5	54,133	0.00	0.0000	1.0000	6.62
57.5	54,133	3,940.00	0.0728	0.9272	6.62
58.5	50,193	0.00	0.0000	1.0000	6.13
59.5	50,193	0.00	0.0000	1.0000	6.13
60.5	49,688	0.00	0.0000	1.0000	6.13
61.5	49,591	0.00	0.0000	1.0000	6.13
62.5	49,591	368.00	0.0074	0.9926	6.13
63.5	48,919	0.00	0.0000	1.0000	6.09
64.5	47,803	0.00	0.0000	1.0000	6.09
65.5	47,267	0.00	0.0000	1.0000	6.09
66.5	47,267	0.00	0.0000	1.0000	6.09
67.5	47,267	0.00	0.0000	1.0000	6.09
68.5	46,833	0.00	0.0000	1.0000	6.09
69.5	46,511	0.00	0.0000	1.0000	6.09
70.5	46,511	0.00	0.0000	1.0000	6.09
71.5	44,627	0.00	0.0000	1.0000	6.09
72.5	44,510	0.00	0.0000	1.0000	6.09
73.5	44,080	0.00	0.0000	1.0000	6.09
74.5	43,738	0.00	0.0000	1.0000	6.09
75.5	0	0.00	0.0000	1.0000	6.09

KENTUCKY POWER COMPANY

DEPRECIATION STUDY AS OF DECEMBER 31, 2013

DEPRECIATION STUDY WORKPAPERS

GENERAL PLANT

AVERAGE AGE OF SURVIVING PLANT

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2013
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

GENERAL PLANT, Account 389, Land Rights

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1979	3,899	34.5	134,516	
1984	678	29.5	20,001	
1985	1,227	28.5	34,970	
1986	22,442	27.5	617,155	
2003	<u>9,138</u>	10.5	<u>95,948</u>	
	37,384		902,590	24.14

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

GENERAL PLANT, Account 390 Structures & Improvements

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1938	43,738	75.5	3,302,219	
1939	342	74.5	25,479	
1940	430	73.5	31,605	
1941	117	72.5	8,483	
1942	1,884	71.5	134,706	
1944	322	69.5	22,379	
1945	434	68.5	29,729	
1948	536	65.5	35,108	
1949	1,116	64.5	71,982	
1950	304	63.5	19,304	
1952	97	61.5	5,966	
1953	505	60.5	30,553	
1957	147	56.5	8,306	
1958	525	55.5	29,138	
1959	6,904	54.5	376,268	
1960	15,245	53.5	815,608	
1961	448	52.5	23,520	
1962	793	51.5	40,840	
1963	481	50.5	24,291	
1966	1,664	47.5	79,040	
1967	6,231	46.5	289,742	
1968	34,056	45.5	1,549,548	
1969	12,870	44.5	572,715	
1970	2,206	43.5	95,961	
1973	4,096	40.5	165,888	
1974	14,153	39.5	559,044	
1975	12,975	38.5	499,538	
1977	1,414	36.5	51,611	
1978	16,821	35.5	597,146	
1979	14,626	34.5	504,597	
1980	3,087	33.5	103,415	
1981	3,701,311	32.5	120,292,610	
1982	7,057	31.5	222,296	
1983	12,063	30.5	367,922	
1985	2,504	28.5	71,364	
1986	12,571	27.5	345,703	
1987	5,328	26.5	141,192	
1989	1,136	24.5	27,832	
1990	11,213,223	23.5	263,510,734	
1991	364,750	22.5	8,206,870	
1992	135,823	21.5	2,920,195	
1993	11,345	20.5	232,573	

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

GENERAL PLANT, Account 390 Structures & Improvements

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1994	29,461	19.5	574,490	
1995	479,145	18.5	8,864,181	
1996	1,090,016	17.5	19,075,274	
1997	314,524	16.5	5,189,646	
1998	64,605	15.5	1,001,384	
2000	385,871	13.5	5,209,260	
2001	11,475	12.5	143,437	
2002	4,456	11.5	51,247	
2004	5,707	9.5	54,218	
2005	9,055	8.5	76,966	
2006	66,864	7.5	501,479	
2007	34,243	6.5	222,580	
2008	130,375	5.5	717,060	
2009	50,612	4.5	227,756	
2011	1,129,526	2.5	2,823,814	
2012	161,619	1.5	242,428	
2013	<u>178,438</u>	0.5	<u>89,219</u>	
	19,811,669		451,507,459	22.79

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

GENERAL PLANT, Account 391 Office Furniture & Equipment

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1994	6,656	19.5	129,792	
1998	54,995	15.5	852,423	
1999	127,468	14.5	1,848,286	
2000	4,468	13.5	60,322	
2001	108,532	12.5	1,356,647	
2002	379,084	11.5	4,359,462	
2004	278,932	9.5	2,649,855	
2005	26,368	8.5	224,130	
2007	163,270	6.5	1,061,256	
2008	3,651	5.5	20,080	
2010	126,219	3.5	441,768	
2013	<u>403,689</u>	0.5	<u>201,845</u>	
	1,683,333		13,205,866	7.85

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2013
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

GENERAL PLANT, Account 392 Transportation Equipment

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
2007	3,836	6.5	24,932	
2011	<u>10,932</u>	2.5	<u>27,330</u>	
	14,768		52,262	3.54

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

GENERAL PLANT, Account 393 Stores Equipment

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1992	4,331	21.5	93,117	
1994	27,200	19.5	530,400	
1995	25,233	18.5	466,811	
2004	39,481	9.5	375,066	
2006	9,820	7.5	73,649	
2008	43,145	5.5	237,300	
2010	4,831	3.5	16,908	
2011	5,855	2.5	14,636	
2012	<u>4,653</u>	1.5	<u>6,980</u>	
	164,548		1,814,867	11.03

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

GENERAL PLANT, Account 394, Tools, Shop & Garage Equipment

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1990	23,112	23.5	543,132	
1991	65,186	22.5	1,466,685	
1992	21,422	21.5	460,573	
1994	2,744	19.5	53,508	
1996	26,579	17.5	465,133	
1997	113,910	16.5	1,879,515	
1998	135,419	15.5	2,098,995	
1999	242,441	14.5	3,515,391	
2000	209,916	13.5	2,833,860	
2001	154,805	12.5	1,935,065	
2002	8,901	11.5	102,356	
2003	108,887	10.5	1,143,312	
2004	401,348	9.5	3,812,802	
2005	139,569	8.5	1,186,334	
2006	30,325	7.5	227,436	
2007	142,821	6.5	928,337	
2008	766,795	5.5	4,217,371	
2009	43,589	4.5	196,152	
2010	42,142	3.5	147,499	
2011	332,561	2.5	831,401	
2012	388,408	1.5	582,612	
2013	<u>152,818</u>	0.5	<u>76,409</u>	
	3,553,696		28,703,878	8.08

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

GENERAL PLANT, Account 395, Laboratory Equipment

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1990	24,300	23.5	571,050	
1991	31,455	22.5	707,738	
1992	23,978	21.5	515,527	
1996	28,363	17.5	496,353	
1998	9,244	15.5	143,282	
1999	3,800	14.5	55,100	
2002	7,357	11.5	84,611	
2004	11,433	9.5	108,618	
2005	<u>1,834</u>	8.5	<u>15,587</u>	
	141,765		2,697,866	19.03

**KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2013
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

GENERAL PLANT, Account 396, Power Operated Equipment

<u>VINTAGE</u> <u>YEAR</u>	<u>SURVIVING</u> <u>BALANCE</u>	<u>AGE</u> <u>(YEARS)</u>	<u>DOLLAR</u> <u>YEARS</u>	<u>AVERAGE AGE</u> <u>(YEARS)</u>
2002	<u>5,931</u>	11.5	<u>68,210</u>	
	5,931		68,210	11.50

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

GENERAL PLANT, Account 397, Communication Equipment

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1992	89,029	21.5	1,914,124	
1993	62,827	20.5	1,287,954	
1994	69,705	19.5	1,359,248	
1995	40,376	18.5	746,956	
1996	82,417	17.5	1,442,298	
1997	65,864	16.5	1,086,756	
1998	1,600,039	15.5	24,800,605	
1999	26,942	14.5	390,656	
2000	152,601	13.5	2,060,109	
2001	55,586	12.5	694,826	
2002	54,040	11.5	621,455	
2003	370,361	10.5	3,888,790	
2004	505,619	9.5	4,803,382	
2005	373,814	8.5	3,177,417	
2006	818,515	7.5	6,138,863	
2007	187,517	6.5	1,218,860	
2008	1,334,401	5.5	7,339,204	
2009	101,882	4.5	458,470	
2010	202,024	3.5	707,084	
2011	177,764	2.5	444,410	
2012	102,608	1.5	153,912	
2013	<u>845,025</u>	0.5	<u>422,512</u>	
	7,318,955		65,157,891	8.90

**KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2013
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT**

GENERAL PLANT, Account 398, Miscellaneous Equipment

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1997	1,166	16.5	19,239	
2000	13,950	13.5	188,327	
2001	15,126	12.5	189,075	
2002	305,030	11.5	3,507,849	
2004	272,497	9.5	2,588,717	
2005	30,390	8.5	258,317	
2006	59,954	7.5	449,659	
2007	169,093	6.5	1,099,102	
2008	41,951	5.5	230,733	
2009	84,036	4.5	378,161	
2011	31,638	2.5	79,094	
2012	8,941	1.5	13,412	
2013	<u>31,844</u>	0.5	<u>15,922</u>	
	1,065,616		9,017,607	8.46

KENTUCKY POWER COMPANY

DEPRECIATION STUDY

DECEMBER 31, 2013

GENERAL PLANT SALVAGE ANALYSIS

KENTUCKY POWER COMPANY
General Plant Net Salvage Test
December 31, 2013 Depreciation Study

Original Cost Retired by Plant Account

Year	<u>390</u>	<u>391</u>	<u>392</u>	<u>393</u>	<u>394</u>	<u>395</u>	<u>396</u>	<u>397</u>	<u>398</u>	<u>Total</u>
2000	0	15,335	0	0	2,272	5,215	0	0	0	22,822
2001	182,029	0	0	0	0	0	0	47,157	0	229,186
2002	160,071	0	0	0	0	0	0	51,409	0	211,480
2003	1,426,227	5,790	38,129	7,347	5,105	2,558	0	244,213	0	1,729,369
2004	10,330,436	3,747	0	779	3,477	3,405	0	874,410	0	11,216,254
2005	149,701	561,105	0	76,004	243,042	103,242	0	496,756	77,967	1,707,817
2006	4,747	36,455	0	2,061	81,850	19,296	0	87,741	16,572	248,722
2007	7,133	4,666	0	0	7,054	3,352	0	13,974	8,732	44,911
2008	19,618	15,821	0	14,160	75,087	19,393	0	16,506	2,038	162,623
2009	0	17,754	0	0	48,429	13,489	0	75,853	4,371	159,896
2010	25,349	141,643	5,819	792	69,679	51,612	0	73,742	49,620	418,256
2011	1,916	0	0	0	8,923	55,513	0	149,769	2,110	218,231
2012	675,528	0	0	0	0	0	0	213,323	7,239	896,090
2013	<u>57,639</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>386,231</u>	<u>1,822</u>	<u>445,692</u>
TOTAL	<u>13,040,394</u>	<u>802,316</u>	<u>43,948</u>	<u>101,143</u>	<u>544,918</u>	<u>277,075</u>	<u>0</u>	<u>2,731,084</u>	<u>170,471</u>	<u>17,711,349</u>
Net Salvage Total 2000 to 2013 After Adjustments	<u>972,743</u>	<u>802,316</u>	<u>43,948</u>	<u>101,143</u>	<u>544,918</u>	<u>277,075</u>	<u>0</u>	<u>1,622,664</u>	<u>170,471</u>	<u>4,535,278</u>

EVALUATION BASED ON 2000-2013 ACTUAL

	<u>390</u>	<u>391</u>	<u>392</u>	<u>393</u>	<u>394</u>	<u>395</u>	<u>396</u>	<u>397</u>	<u>398</u>	<u>Total</u>
Total Retmts	13,040,394	802,316	43,948	101,143	544,918	277,075	0	2,731,084	170,471	17,711,349
Net Salvage, %	0%	0%	0%	0%	-9%	0%	0%	3%	-3%	

KENTUCKY POWER COMPANY
General Plant Gross Removal Test
December 31, 2013 Depreciation Study

Original Cost Retired by Plant Account

Year	<u>390</u>	<u>391</u>	<u>392</u>	<u>393</u>	<u>394</u>	<u>395</u>	<u>396</u>	<u>397</u>	<u>398</u>	<u>Total</u>
2000	0	15,335	0	0	2,272	5,215	0	0	0	22,822
2001	182,029	0	0	0	0	0	0	47,157	0	229,186
2002	160,071	0	0	0	0	0	0	51,409	0	211,480
2003	1,426,227	5,790	38,129	7,347	5,105	2,558	0	244,213	0	1,729,369
2004	10,330,436	3,747	0	779	3,477	3,405	0	874,410	0	11,216,254
2005	149,701	561,105	0	76,004	243,042	103,242	0	496,756	77,967	1,707,817
2006	4,747	36,455	0	2,061	81,850	19,296	0	87,741	16,572	248,722
2007	7,133	4,666	0	0	7,054	3,352	0	13,974	8,732	44,911
2008	19,618	15,821	0	14,160	75,087	19,393	0	16,506	2,038	162,623
2009	0	17,754	0	0	48,429	13,489	0	75,853	4,371	159,896
2010	25,349	141,643	5,819	792	69,679	51,612	0	73,742	49,620	418,256
2011	1,916	0	0	0	8,923	55,513	0	149,769	2,110	218,231
2012	675,528	0	0	0	0	0	0	213,323	7,239	896,090
2013	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>386,231</u>	<u>1,822</u>	<u>445,692</u>
TOTAL	<u>12,982,755</u>	<u>802,316</u>	<u>43,948</u>	<u>101,143</u>	<u>544,918</u>	<u>277,075</u>	<u>0</u>	<u>2,731,084</u>	<u>170,471</u>	<u>17,711,349</u>
Removal 2000 to 2013	<u>153,758</u>	<u>2,404</u>	<u>0</u>	<u>0</u>	<u>47,312</u>	<u>0</u>	<u>0</u>	<u>77,749</u>	<u>5,477</u>	<u>286,700</u>

EVALUATION BASED ON 2000-2013 ACTUAL

	<u>390</u>	<u>391</u>	<u>392</u>	<u>393</u>	<u>394</u>	<u>395</u>	<u>396</u>	<u>397</u>	<u>398</u>	<u>Total</u>
Total Retmts	12,982,755	802,316	43,948	101,143	544,918	277,075	0	2,731,084	170,471	17,653,710
Gross Removal, %	1%	0%	0%	0%	9%	0%	0%	3%	3%	

KENTUCKY POWER COMPANY
General Plant Gross Salvage Test
December 31, 2013 Depreciation Study

Original Cost Retired by Plant Account

Year	<u>390</u>	<u>391</u>	<u>392</u>	<u>393</u>	<u>394</u>	<u>395</u>	<u>396</u>	<u>397</u>	<u>398</u>	<u>Total</u>
2000	0	15,335	0	0	2,272	5,215	0	0	0	22,822
2001	182,029	0	0	0	0	0	0	47,157	0	229,186
2002	160,071	0	0	0	0	0	0	51,409	0	211,480
2003	1,426,227	5,790	38,129	7,347	5,105	2,558	0	244,213	0	1,729,369
2004	10,330,436	3,747	0	779	3,477	3,405	0	874,410	0	11,216,254
2005	149,701	561,105	0	76,004	243,042	103,242	0	496,756	77,967	1,707,817
2006	4,747	36,455	0	2,061	81,850	19,296	0	87,741	16,572	248,722
2007	7,133	4,666	0	0	7,054	3,352	0	13,974	8,732	44,911
2008	19,618	15,821	0	14,160	75,087	19,393	0	16,506	2,038	162,623
2009	0	17,754	0	0	48,429	13,489	0	75,853	4,371	159,896
2010	25,349	141,643	5,819	792	69,679	51,612	0	73,742	49,620	418,256
2011	1,916	0	0	0	8,923	55,513	0	149,769	2,110	218,231
2012	675,528	0	0	0	0	0	0	213,323	7,239	896,090
2013	<u>57,639</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>386,231</u>	<u>1,822</u>	<u>445,692</u>
TOTAL	<u>13,040,394</u>	<u>802,316</u>	<u>43,948</u>	<u>101,143</u>	<u>544,918</u>	<u>277,075</u>	<u>0</u>	<u>2,731,084</u>	<u>170,471</u>	<u>17,711,349</u>
Salvage 2000 to 2013	<u>164,702</u>	<u>422</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>158,233</u>	<u>0</u>	<u>323,357</u>

EVALUATION BASED ON 2000-2013 ACTUAL

	<u>390</u>	<u>391</u>	<u>392</u>	<u>393</u>	<u>394</u>	<u>395</u>	<u>396</u>	<u>397</u>	<u>398</u>	<u>Total</u>
Total Retmnts	13,040,394	802,316	43,948	101,143	544,918	277,075	0	2,731,084	170,471	17,711,349
Gross Salvage, %	1%	0%	0%	0%	0%	0%	0%	6%	0%	

Kentucky Power Company
Depreciation Study at December 31, 2013
General Plant Removal and Salvage by Account
From CPR Transaction Archive
Years 2000 to 2013

<u>Account</u>	<u>Removal</u>	<u>Salvage</u>
390	\$153,758	\$164,702
391	\$2,404	\$422
392	\$0	\$0
393	\$0	\$0
394	\$47,312	\$0
395	\$0	\$0
396	\$0	\$0
397	\$77,749	\$158,233
398	<u>\$5,477</u>	<u>\$0</u>
	\$286,700	\$323,357

Taken from PowerPlant's CPR Transaction Archive
after adjustments.

**Kentucky Power Company
 Adjustments to General Plant Salvage and Removal
 December 31, 2013 Depreciation Study**

Account	Work Order #	WO Description	Original Cost Amount	Removal Amount	Salvage Amount	Comments
390	W0009397	Sale of Ashland Office Building	\$10,328,436	-\$1,212,060	\$0	Sale of Building - unusual transaction, exclude
390	03500337	Sale of Pikeville Office Building	\$1,258,275	-\$548,391	\$0	Sale of Building - unusual transaction, exclude
390	03345521	Sale of West Liberty Office Building	\$158,502	-\$221,216	-\$113,932	Sale of Building - unusual transaction, exclude
390	030500041	Sale of Prestonsburg Office Building	\$176,506	-\$202,115	-\$51,510	Sale of Building - unusual transaction, exclude
390	W0013254	Sale of Hazard Office Building	<u>\$145,932</u>	<u>-\$180,660</u>	<u>\$0</u>	Sale of Building - unusual transaction, exclude
		Total Account 390 Adjustments	\$12,067,651	-\$2,364,442	-\$165,442	
397	W0009397	Sale of Ashland Office Building	\$230,291	-\$100,367	\$0	Sale of Building - unusual transaction, exclude
397	03500337	Sale of Pikeville Office Building	<u>\$878,129</u>	<u>-\$102,613</u>	<u>\$0</u>	Sale of Building - unusual transaction, exclude
		Total Account 397 Adjustments	\$1,108,420	-\$202,980	\$0	