

**KENTUCKY POWER COMPANY**  
**Demand Side Management**  
**Status Report**

*Case No. 2005-00333*

**August, 2005**

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**American Electric Power**  
101A Enterprise Drive  
PO Box 5190  
Frankfort, KY 40602-5190  
www.aep.com



August 15, 2005

RECEIVED

AUG 15 2005

PUBLIC SERVICE  
COMMISSION

Elizabeth O'Donnell, Executive Director  
Kentucky Public Service Commission  
P. O. Box 615  
211 Sower Boulevard  
Frankfort, KY 40602

Dear Ms. O'Donnell:

Re: Case No. 2005-00333

In the Matter of the Joint Application Pursuant to 1994 House Bill No. 501 for the Approval of Kentucky Power Company (KPCo/Company) Collaborative Demand-Side Management Programs, and for Authority to Implement a Tariff to Recover Costs, Net Lost Revenues and Receive Incentives associated with the Implementation of the KPCo Collaborative Demand-Side Management Programs.

Pursuant to the Commission's Order dated May 22, 1996, enclosed are an original and ten copies of the Joint Applicants' nineteenth six-month status report and the specific program evaluation reports pursuant to Commission order for extending programs past December 31, 2005. The status report and the accompanying evaluation reports describe the operation and progress of the Demand-Side Management Plan.

Specifically, the Joint Applicants seek authority for Kentucky Power, in conjunction with its utility services and pursuant to the 1994 House Bill No. 501, to implement the enclosed revised electric tariff to recover costs associated with the implementation of demand-side management programs, which include net lost revenues and incentives related to those programs.

In this filing, the DSM Collaborative is requesting Commission approval for a three-year extension of Kentucky Power's Targeted Energy Efficiency Program, High Efficiency Heat Pump – Mobile Home Program, Mobile Home New Construction Program and Modified Energy Fitness Program. Evaluation reports for the first two years of the previous three-year extension (2003 – 2004) have been provided to justify the continuation of the programs.

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The DSM Collaborative is also requesting Commission approval to increase annual participation levels for the Modified Energy Fitness Program to 1,000 customers per year due to the customer's overwhelming endorsement of the program. With the current backlog of customers, the Company and the implementation contractor (Honeywell, DMC Services) both agree that the annual achievement of 1,000 energy audits is feasible.

The DSM Collaborative is also requesting Commission approval to discontinue the incentive at the end of the 2005 calendar year for the installation of high efficiency air conditioning in the Mobile Home New Construction Program due to lower than expected participation levels and the revised Federal energy efficiency standards that are scheduled to go into effect on January 23, 2006.

On April 14, 2005, the Department of Energy's Office of Hearing and Appeals (OHA) granted Nordyne's application for exception relief from the 2006 13.0 SEER requirement for split system air-conditioners of the 3 to 5 ton capacity. The OHA granted Nordyne's application, which in effect would permit a 12.0 SEER air-conditioning system to be installed in HUD-Code homes until January 1, 2010. Only Nordyne 12.0 SEER air-conditioning systems will be allowed to be installed in HUD-Code homes. Since 70% of the manufactured housing dealers use Nordyne equipment, this exception eliminates any possibility of upgrading air-conditioning systems next year. Therefore, the DSM Collaborative is recommending the measure for high efficiency air-conditioning be discontinued December 31, 2005.

The commercial DSM programs were discontinued December 31, 2002. The Company has continued to collect lost revenues for the installed energy conservation measures in the Commercial Smart Incentive Program in accordance with the sunset provision contained in the original filing. The Company will discontinue collecting lost revenues December 31, 2005. The DSM Collaborative is requesting Commission approval to cease applying the DSM factor to the commercial sector bills with the last billing cycle in December 2005. Any over or under collection amount would be proposed to be rolled into the residential sector as was done when the industrial sector's DSM programs were discontinued.

After updating the input files with 2005 data and running the B/C calculations, the cost-effectiveness of the programs were high compared to previous evaluation results. To determine which of the 2005 components contributed to the increased cost-effectiveness, the 2002 values were inserted into the calculations one at a time. In doing so, the analysis showed that the marginal costs, emission costs,

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and On Peak and Off Peak system sales contributed significantly (greater than 0.1 impact) to the B/C ratios. The summary also shows the changes in the values of those components. The changes in amounts are computed by subtracting the 2002 values from the 2005 values. Therefore, a positive number indicates an increase in a value from 2002 to 2005. The attached summary (Appendix A of this letter) of the Benefit/Cost ratios explains the significant increase in the cost-effectiveness of the DSM programs. As a package, the four residential programs set forth in this filing have a combined TRC Benefit/Cost Ratio of 3.66 (excluding TRC for air conditioning measure in the Mobile Home New Construction Program).

The revised DSM Adjustment clause factor for each customer sector has been agreed upon and is proposed by the DSM Collaborative (see Exhibit C, Column 4, Lines 12 and 25). The proposed factor for the residential and commercial sectors is the midpoint between the ceiling and the floor calculations as demonstrated on Exhibit C. The floor was calculated by taking the Collaborative's projected remaining fourth quarter position (see Exhibit C, Column 4, Lines 2 and 15) and dividing by the adjusted estimated sector KWH sales for the remaining fourth quarter (see Exhibit C, Column 4, Lines 10 and 23). The ceiling was calculated by taking the Collaborative's projected remaining fourth quarter position (see Exhibit C, Column 4, Lines 4 and 17) and dividing by the adjusted estimated sector KWH sales for the remaining fourth quarter (see Exhibit C, Column 4, Lines 10 and 23).

The Joint Applicants request the Commission to approve the following:

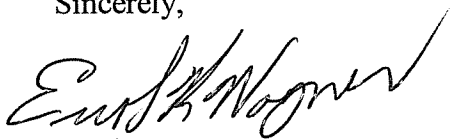
- (1) A request for a three-year extension of the Targeted Energy Efficiency Program, the High Efficiency Heat Pump – Mobile Home Program, the Mobile Home New Construction Program and the Modified Energy Fitness Program.
- (2) The DSM Collaborative's request to increase annual participation levels for the Modified Energy Fitness Program to 1,000 audits per year.
- (3) The DSM Collaborative's request to discontinue the incentive for the installation of high efficiency air conditioning in the Mobile Home New Construction Program at the end of the 2005 calendar year.

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- (4) The four residential programs as set forth in our filing. The four Programs as a package have a TRC Benefit/Cost Ratio of 3.66 (excluding TRC for air conditioning measure in the Mobile Home New Construction Program).
- (5) The Experimental DSM Electric Tariff to become effective September 28, 2005. This will allow the Company to utilize new factors with the first billing cycle in October 2005.

As is customary, the Company requests the Commission return a stamped copy of the revised tariff sheet upon approval. If you have any questions please contact me at (502) 696-7010.

Sincerely,



Errol K. Wagner  
Director of Regulatory Services

enclosure

## **APPENDIX A**



## Summary

The following shows which changes in data contributes to benefit/cost ratios that are higher than those seen historically for Mobile Home Heat Pump and Mobile Home New Construction programs. Updates to marginal costs, emissions, and system sales files were the drivers for the higher B/C ratios.

Marginal costs for the On Peak period increased up to 118% and for Off Peak increased up to 68% due to increases in coal cost and SO<sub>2</sub> and NO<sub>x</sub> allowance costs. Emissions rates for SO<sub>2</sub> increased a maximum of 96% while CO<sub>2</sub> and NO<sub>x</sub> decreased 15% and 33% respectively. System sales utilization decreased 35% and 80% for On Peak and Off Peak, respectively, from the 2002 file. The combination of these changes results in the higher B/C ratios.

## B/C Ratio Analysis

The following shows where the rise in the cost/benefit ratios comes from for the Mobile Home Heat Pump and Mobile Home New Construction DSM programs.

The methodology for taking a closer look at the B/C ratios was to start with all of the 2005 input files and then add in 2002 input files one at a time to see which files had significant impacts (greater than 0.1 impact) on any B/C ratio. The files that commonly drove this magnitude of change were the marginal cost, emissions, and the system sales files. Once all of the 2002 input files were used to determine the B/C ratio, the ratios fell in line with historical magnitudes.

Table 1 shows the B/C ratios for the MHHP program, and how they change by adding back in the 2002 input files.

**Table 1: MHHP B/C Ratios Change with Addition of 2002 Input Files**

	TRC	PART.	UC	RIM
All 2005 Input Files	5.53	3.49	4.42	0.75
Use 02 MC File	-1.29	0.00	-1.02	-0.18
Use 02 SS File	0.38	0.00	0.30	0.06
Use 02 TD File	0.00	0.00	0.00	0.00
Use 02 EM File	-2.87	0.00	-2.30	-0.16
Use 02 XV File	0.00	0.00	0.00	0.00
All 2002 Input Files	1.75	3.49	1.40	0.47

Tables 2 and 3 show the B/C ratios for the MHNC program, heat pump and high efficiency AC respectively, and how they change by adding back in the 2002 input files.

**Table 2: MHNC Heat Pump B/C Ratios Change with Addition of 2002 Input Files**

	TRC	PART.	UC	RIM
All 2005 Input Files	4.14	2.37	6.60	0.78
Use 02 MC File	-0.97	0.00	-1.54	-0.18
Use 02 SS File	0.29	0.00	0.46	0.06
Use 02 TD File	0.00	0.00	0.00	0.00
Use 02 EM File	-2.27	0.00	-3.62	-0.15
Use 02 XV File	0.00	0.00	0.00	0.00
All 2002 Input Files	1.19	2.37	1.90	0.51

**Table 3: MHNC High Efficiency AC B/C Ratios Change with Addition of 2002 Input Files**

	TRC	PART.	UC	RIM
All 2005 Input Files	5.15	1.69	5.35	1.60
Use 02 MC File	-0.33	0.00	-0.35	-0.11
Use 02 SS File	0.13	0.00	0.13	0.04
Use 02 TD File	0.00	0.00	0.00	0.00
Use 02 EM File	-3.44	0.00	-3.58	-0.66
Use 02 XV File	0.00	0.00	0.00	0.00
All 2002 Input Files	1.5	1.69	1.55	0.87

The files that frequently contribute significant changes to the B/C ratios include the marginal cost, emissions, and the system sales files.

## Marginal Cost

The \$/MW energy delta shown in Table 4 results from subtracting the 2002 marginal cost from the 2005 marginal energy cost. Therefore, a positive number indicates an increase in marginal energy costs from 2002.

The marginal energy costs rose with double digit increases for most years and, in some cases, increased over 100% due to increases in coal cost and SO<sub>2</sub> and NO<sub>x</sub> allowance costs. The only period for which there was a decrease was for off peak periods beginning in 2015. With the increase in marginal energy costs, DSM measures became more beneficial for all but the Participant Test.

**Table 4: 2005 Marginal Energy Cost Minus 2002 Marginal Cost in \$/MW**

Year	Winter On Peak	Winter Off Peak	Summer On Peak	Summer Off Peak
2005	\$ 13.00	\$ 9.77	\$ 16.31	\$ 8.08
2006	\$ 20.90	\$ 10.55	\$ 15.54	\$ 7.40
2007	\$ 16.81	\$ 7.17	\$ 9.91	\$ 4.85
2008	\$ 15.19	\$ 8.22	\$ 11.78	\$ 4.77
2009	\$ 14.88	\$ 6.73	\$ 12.28	\$ 3.49
2010	\$ 16.20	\$ 7.51	\$ 10.19	\$ 1.83
2011	\$ 21.20	\$ 8.34	\$ 15.59	\$ 1.49
2012	\$ 25.18	\$ 7.38	\$ 14.47	\$ 0.50
2013	\$ 17.99	\$ 3.75	\$ 15.65	\$ 0.62
2014	\$ 14.61	\$ 1.23	\$ 12.49	\$ (1.58)
2015	\$ 20.72	\$ (5.40)	\$ 11.01	\$ (3.37)
2016	\$ 22.31	\$ (2.06)	\$ 16.57	\$ (1.61)
2017	\$ 23.81	\$ (3.28)	\$ 17.07	\$ (1.41)
2018	\$ 23.95	\$ (5.08)	\$ 16.14	\$ (1.96)
2019	\$ 26.95	\$ (3.33)	\$ 19.23	\$ (0.77)
2020	\$ 29.59	\$ (2.20)	\$ 21.93	\$ 0.38

## Emissions

The \$/MWh delta shown in Table 5 results from subtracting the 2002 emission rates from the 2005 emission rates. Therefore, a positive number indicates an increase in emission rates from 2002.

### Data Descriptions:

SO2	SO2 emissions rates for all units
CO2	CO2 emissions rates for all units
NOx	NOx emissions rates for all units
SO2v	Value of SO2 emissions allowance

In percentage terms, there were decreases for all but SO2 emissions. The largest magnitude of increase was for SO2, with decreases for CO2 and NOX. These changes would affect all but the Participant test.

**Table 5: 2005 Emissions Minus 2002 Emissions**

Year	so2 (lbs/MWh)	co2 (lbs/MWh)	nox (lbs/MWh)	so2v\$ (\$/ton)
2005	-0.2	-450.9	-2.3	467.0
2006	0.5	-491.1	-2.6	502.0
2007	1.0	-669.0	-2.9	486.0
2008	3.9	-312.4	-2.2	469.0
2009	1.1	-329.5	-1.6	475.0
2010	-1.2	-258.0	-3.0	480.0
2011	-4.4	-766.7	-3.8	458.0
2012	-0.6	-690.8	-3.4	368.0
2013	-1.4	-966.0	-3.3	455.0
2014	-1.5	-980.1	-2.9	592.0
2015	1.0	-753.6	-1.5	578.0
2016	1.0	-756.4	-1.5	564.0
2017	1.2	-714.4	-1.3	550.0
2018	2.4	-639.2	-0.8	535.0
2019	2.4	-634.5	-0.8	519.0
2020	2.4	-634.5	-0.8	519.0

## System Sales

The \$/MW delta shown in Table 6 results from subtracting the 2002 system sales from the 2005 system sales. Therefore, a positive number indicates an increase from 2002.

In percentage terms, the Net Realization was a significant increase until 2014, when it decreased slightly relative to the 2002 input file. The utilization rates in the 2002 input file were set at 100%, and have been adjusted downward based on a February 2005 PROMOD run. The 100% utilization accounts for how the B/C ratios for all but the Participant Test increase in the sensitivity analysis when the 2002 system sales file is used.

**Table 6: 2005 System Sales Minus 2002 System Sales**

Year	Net Realization (\$/MWh)	Total (% utilization)	Peak (% utilization)	Off Peak (% utilization)
2005	6.5	-65.0	-35.0	-80.0
2006	8.2	-65.0	-35.0	-80.0
2007	6.8	-65.0	-35.0	-80.0
2008	8.3	-65.0	-35.0	-80.0
2009	8.1	-65.0	-35.0	-80.0
2010	8.8	-65.0	-35.0	-80.0
2011	5.9	-65.0	-35.0	-80.0
2012	4.3	-65.0	-35.0	-80.0
2013	2.1	-65.0	-35.0	-80.0
2014	-0.1	-65.0	-35.0	-80.0
2015	-0.2	-65.0	-35.0	-80.0
2016	-0.3	-65.0	-35.0	-80.0
2017	-0.3	-65.0	-35.0	-80.0
2018	-0.3	-65.0	-35.0	-80.0
2019	-0.3	-65.0	-35.0	-80.0
2020	-0.3	-65.0	-35.0	-80.0

**EXPERIMENTAL DEMAND-SIDE MANAGEMENT ADJUSTMENT CLAUSE (Cont'd.)**  
**(Tariff Experimental D.S.M.C.)**

**RATE. (Cont'd.)**

5. The DSM adjustment shall be filed with the Commission ten (10) days before it is scheduled to go into effect, along with all the necessary supporting data to justify the amount of the adjustments which shall include data and information as may be required by the Commission.
6. Copies of all documents required to be filed with the Commission under this regulation shall be open and made available for public inspection at the office of the Public Service Commission pursuant to the provisions of KRS 61.870 to 61.884.
7. The resulting range for each customer sector per KWH during the three-year Experimental Demand-Side Management Plan is as follows:

		CUSTOMER SECTOR			
		<u>RESIDENTIAL</u>	<u>COMMERCIAL</u>	<u>INDUSTRIAL*</u>	
		(\$ Per Kwh)	(\$ Per KWH)	(\$ Per KWH)	
Floor Factor	=	0.000320	0.000041	- 0 -	( I ) ( I )
Ceiling Factor	=	0.000624	0.000068	- 0 -	( I ) ( I )

8. The DSM Adjustment Clause factor (\$ Per KWH) for each customer sector which fall within the range defined in Item 7 above is as follows:

		CUSTOMER SECTOR			
		<u>RESIDENTIAL</u>	<u>COMMERCIAL</u>	<u>INDUSTRIAL*</u>	
<u>DSM (c)</u>		\$ 306,288	\$ 14,259	- 0 -	( D ) ( I )
S ©		649,080,700	261,854,100	- 0 -	( D ) ( D )
Adjustment Factor	\$	0.000472	0.000055	- 0 -	( I ) ( I )

\*The Industrial Sector has been discontinued pursuant to the Commission's Order dated September 28, 1999

DATE OF ISSUE August 15, 2005 EFFECTIVE DATE September 28, 2005  
 ISSUED BY *Errol K. Wagner* DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY  
 NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. \_\_\_\_\_ dated \_\_\_\_\_



KENTUCKY POWER COMPANY DERIVATION OF 3 SECTOR SURCHARGES FOR 3 YR EXPERIMENT		Exhibit C				PAGE 1 of 13
RESIDENTIAL SECTOR	TOTAL YEARS 1 thru 9,	YEAR 10 (2005) 1st HALF	YEAR 10 (2005) 3rd QTR	YEAR 10 (2005) 4th QTR	TOTAL	
	(1)	(2)	(3)	(4)	(5)	
1 CURRENT PERIOD AMOUNT TO BE RECOVERED	\$6,866,991	\$415,281	\$201,436	\$197,054	\$7,680,762	
2 CUMULATIVE ( OVER)/UNDER COLLECTION	0	168,816	149,830	207,761	0	
3 18 MOS. RETROACTIVE(OVER)/UNDER ADJUSTMENT	(41,824)	0	0	\$0	(\$41,824)	
4 TOTAL TO BE RECOVERED	6,825,167	584,097	351,266	404,815	7,638,938	
5 TOTAL AMOUNT RECOVERED	6,646,518	434,267	0	0	\$7,080,785	
6 EXPECTED FUTURE RECOVERIES	0	0	143,505	306,366	\$449,871	
7 TRANSFER PORTION OF BALANCE FROM INDUSTRIAL	(9,833)	0	0	0	(\$9,833)	
8 (OVER)/UNDER COLLECTION TO BE REFUNDED	\$168,816	\$149,830	\$207,761	\$98,449	\$98,449	
9 AMOUNT TO BE RECOVERED				\$404,815		
10 ADJ. ESTIMATED SECTOR KWH - YEAR 10			569,466,200	649,080,700		
SURCHARGE RANGE ( \$ PER KWH )						
11 FLOOR (CARRYOVER)	COL. 4, L 2 / COL. 4, L 10			0.000320		
12 MIDPOINT - proposed rate			0.000252	0.000472		
13 CEILING (TOTAL COST)	COL. 4, L 4 / COL. 4, L 10			0.000624		
COMMERCIAL SECTOR	TOTAL YEARS 1 thru 9	YEAR 10 (2005) 1st HALF	YEAR 10 (2005) 3rd QTR	YEAR 10 (2005) 4th QTR	TOTAL	
	(1)	(2)	(3)	(4)	(5)	
14 CURRENT PERIOD AMOUNT TO BE RECOVERED	\$2,854,245	\$27,168	\$10,972	\$6,933	\$2,899,318	
15 CUMULATIVE (OVER)/UNDER COLLECTION	0	(5,565)	2,033	10,792	0	
16 18 MOS. RETROACTIVE(OVER)/UNDER ADJUSTMENT	1,520	0	0	0	\$1,520	
17 TOTAL TO BE RECOVERED	2,855,765	21,603	13,005	17,725	2,900,838	
18 TOTAL AMOUNT RECOVERED	2,858,052	19,570	0	0	\$2,877,622	
19 EXPECTED FUTURE RECOVERIES	0	0	2,213	14,402	\$16,615	
20 TRANSFER PORTION OF BALANCE FROM INDUSTRIAL	(3,278)	0	0	0	(\$3,278)	
21 (OVER)/UNDER COLLECTION TO BE REFUNDED	(\$5,565)	\$2,033	\$10,792	\$3,323	\$3,323	
22 AMOUNT TO BE RECOVERED				\$17,725		
23 ADJ. ESTIMATED SECTOR KWH - YEAR 10			368,800,200	261,854,100		
SURCHARGE RANGE ( \$ PER KWH )						
24 FLOOR (CARRYOVER)	COL. 4, L 15 / COL. 4, L 23			0.000041		
25 MIDPOINT - proposed rate			0.000006	0.000055		
26 CEILING (TOTAL COST)	COL. 4, L 17 / COL. 4, L 23			0.000068		
INDUSTRIAL SECTOR	TOTAL YEARS 1 thru 9	YEAR 10 (2005) 1st HALF	YEAR 10 (2005) 3rd QTR	YEAR 10 (2005) 4th QTR	TOTAL	
	(1)	(2)	(3)	(4)	(5)	
27 CURRENT PERIOD AMOUNT TO BE RECOVERED	\$79,026	\$0	\$0	\$0	\$79,026	
28 CUMULATIVE (OVER)/UNDER COLLECTION	0	0	0	0	0	
29 18 MOS. RETROACTIVE(OVER)/UNDER ADJUSTMENT	0	0	0	0	\$0	
30 TOTAL TO BE RECOVERED	79,026	0	0	0	79,026	
31 TOTAL AMOUNT RECOVERED	92,137	0	0	0	\$92,137	
32 EXPECTED FUTURE RECOVERIES	0	0	0	0	\$0	
33 TRANSFER BALANCE TO RESIDENTIAL & COMMERCIAL	13,111	0	0	0	\$13,111	
34 (OVER)/UNDER COLLECTION TO BE REFUNDED	\$0	\$0	\$0	\$0	\$0	
35 AMOUNT TO BE RECOVERED				\$0		
36 ADJ. ESTIMATED SECTOR KWH - YEAR 10			300,935,400	324,936,600		
SURCHARGE RANGE ( \$ PER KWH )						
37 FLOOR (CARRYOVER)				0.000000		
38 MIDPOINT				0.000000		
39 CEILING (TOTAL COST) - proposed rate				0.000000		



1996												
KENTUCKY POWER COMPANY												
ESTIMATED SECTOR SURCHARGES FOR 3 YR PROGRAM												
YEAR 1	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (4)	NET COST REV/YR (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/YR (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * LOST REVENUES (6)X(7) (8)	EFFICIENCY INCENTIVE (EX. C. PG.9B) (9)	MAXIMIZING INCENTIVE (% OF COSTS) (10)	TOTAL * INCENTIVE (11)	TOTAL EST COSTS TO BE RECOVERED (12)
PROGRAM DESCRIPTIONS										(4)X(5)	(9)+(10)	(4)+(8)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	552	148	\$221.65	\$122,351	2,690	398,120	\$0.03	\$12,397	\$43,177		\$43,177	\$177,925
Targeted Energy Efficiency - All Electric	223	101	\$1,026.88	\$228,994	5,570	562,570	\$0.03	\$17,513	\$0	\$11,450	\$11,450	\$257,957
- Non-All Electric	74	35	\$372.19	\$27,542	680	23,800	\$0.03	\$744	\$719		\$719	\$29,005
Compact Fluorescent Bulb	269	73	\$56.06	\$15,081	62	4,526	\$0.03	\$140	\$425		\$425	\$15,646
High - Efficiency Heat Pump - Resistance Heat	539	216	\$73.49	\$39,611	2,275	491,400	\$0.03	\$15,292	\$10,634		\$10,634	\$65,537
- Non Resistance Heat	527	206	\$61.31	\$32,310	813	167,476	\$0.03	\$5,215	\$6,796		\$6,796	\$45,321
High - Efficiency Heat Pump - Mobile Home	356	158	\$496.95	\$176,914	2,160	341,280	\$0.03	\$10,617	\$13,834		\$13,834	\$201,365
Mobile Home New Construction	70	22	\$292.69	\$20,488	0	0				\$1,024	\$1,024	\$21,512
TOTAL RESIDENTIAL PROGRAMS	2,610	959		\$663,291		1,989,174		\$61,918	\$77,585	\$12,474	\$90,059	\$815,268
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	91	19	\$1,258.51	\$114,524	0	0				\$5,726	\$5,726	\$120,250
- Class 2	5	1	\$1,875.40	\$9,377	0	0				\$469	\$469	\$9,846
Smart Financing - Existing Building	1	0	\$5,794.00	\$5,794	22,000	0	\$0.04	\$0	\$506	\$0	\$506	\$6,300
Smart Financing - New Building	0	0		\$0	30,600	0	\$0.04	\$0		\$0	\$0	\$0
TOTAL COMMERCIAL PROGRAMS	97	20		\$129,695		0		\$0	\$506	\$6,195	\$6,701	\$136,396
INDUSTRIAL PROGRAMS -												
(w/EST. Opt-Outs Removed)												
Smart Audit - Class 1	15	1	\$149.40	\$2,241	0	0				\$112	\$112	\$2,353
Smart Audit - Class 2	2	1	\$8,980.00	\$17,960	0	0				\$898	\$898	\$18,858
Smart Financing - General	0	0		\$3,919	28,200	0	\$0.04	\$0	\$0	\$196	\$196	\$4,115
Smart Financing - Compressed Air System	0	0		\$0	164,800	0	\$0.03	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	17	2		\$24,120		0		\$0	\$0	\$1,206	\$1,206	\$25,326
TOTAL COMPANY	2,724	981		\$817,106		1,989,174		\$61,918	\$78,091	\$19,875	\$97,966	\$976,990
* Lost revenue and efficiency incentives are based on initial values per the settlement agreement.												

1997												
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 1997												
Exhibit C PAGE 3A of 13												
YEAR 2 (1st HALF)	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (1)(X)(3)	NET LOST REVENUE MOS (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/6 MOS (2)(X)(6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET* LOST REVENUES (8)(X)(7)	EFFICIENCY INCENTIVE (EX. C. PG.9B) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL* INCENTIVE (9)+(10)	TOTAL EST. COSTS TO BE RECOVERED (4)+(9)+(11)
<b>RESIDENTIAL PROGRAMS</b>												
Energy Fitness	273	651	\$260.68	\$71,167	1,345	875,595	\$0.03	\$27,266	\$21,354	n/a	\$21,354	\$119,787
Targeted Energy Efficiency - All Electric	118	279	\$818.97	\$96,638	2,785	777,015	\$0.03	\$24,188	\$0	\$4,832	\$4,832	\$125,658
- Non-All Electric	26	88	\$88.23	\$2,284	340	29,920	\$0.03	\$935	\$252	n/a	\$252	\$3,481
Compact Fluorescent Bulb	0	269	\$0	\$0	31	8,339	\$0.03	\$258	\$0	n/a	\$0	\$258
High - Efficiency Heat Pump - Resistance Heat	123	590	\$2.58	\$317	1,138	671,420	\$0.03	\$20,895	\$2,427	n/a	\$2,427	\$23,639
- Non Resistance Heat	124	581	\$2.56	\$318	407	236,467	\$0.03	\$7,364	\$2,070	n/a	\$2,070	\$9,752
High - Efficiency Heat Pump - Mobile Home	109	403	\$157.87	\$17,208	1,080	435,240	\$0.03	\$13,540	\$4,236	n/a	\$4,236	\$34,984
Mobile Home New Construction	12	78	\$635.17	\$7,622	0	0	n/a	n/a	\$0	\$381	\$381	\$8,003
<b>TOTAL RESIDENTIAL PROGRAMS</b>	785	2,939		\$195,564		3,033,996		\$94,446	\$30,339	\$5,213	\$35,552	\$325,562
<b>COMMERCIAL PROGRAMS</b>												
Smart Audit - Class 1	243	207	\$264.00	\$64,152	0	0	n/a	n/a	\$0	\$3,208	\$3,208	\$67,360
- Class 2	11	9	\$2,705.00	\$29,755	0	0	n/a	n/a	\$0	\$1,488	\$1,488	\$31,243
Smart Financing - Existing Building	0	1	\$5,629	\$5,629	11,000	11,000	\$0.04	\$469	\$0	\$281	\$281	\$6,379
Smart Financing - New Building	1	0	\$4,692.00	\$4,692	15,300	0	\$0.04	\$0	\$50	n/a	\$50	\$4,742
<b>TOTAL COMMERCIAL PROGRAMS</b>	255	217		\$104,228		11,000		\$469	\$50	\$4,977	\$5,027	\$109,724
<b>INDUSTRIAL PROGRAMS</b>												
Smart Audit - Class 1 (w/Est. Opt-Outs Removed)	9	20	\$279.56	\$2,516	0	0	n/a	n/a	\$0	\$126	\$126	\$2,642
Smart Audit - Class 2	1	2	\$1,133.00	\$1,133	0	0	n/a	n/a	\$0	\$57	\$57	\$1,190
Smart Financing - General	0	0	n/a	\$7,840	14,100	0	\$0.04	\$0	\$0	\$392	\$392	\$8,232
Smart Financing - Compressed Air System	0	0	\$0	\$0	82,400	0	\$0.03	\$0	\$0	\$0	\$0	\$0
<b>TOTAL INDUSTRIAL PROGRAMS</b>	10	22		\$11,489		0		\$0	\$0	\$575	\$575	\$12,064
<b>TOTAL COMPANY</b>	1,050	3,178		\$311,281		3,044,996		\$94,915	\$30,389	\$10,765	\$41,154	\$447,350
* Lost revenue and efficiency incentives are based on initial values per the settlement agreement.												

1997												
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YR PROGRAM												
YEAR 2 (3rd QTR)												
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (4)	NET LOST REV/QTR (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/QTR (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET* LOST REVENUES (6)X(7) (8)	EFFICIENCY INCENTIVE (EX. C. PG.9B) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL* INCENTIVE (9)+(10) (11)	TOTAL EST. COSTS TO BE RECOVERED (12)
			(1)X(3)			(2)X(6)			(9)	(4)X(5%)	(9)+(10)	(12)
												(4)+(9)+(11)
<b>RESIDENTIAL PROGRAMS</b>												
Energy Fitness	257	957	\$184.99	\$47,542	341	326,337	\$0.03	\$10,156	\$5,340	n/a	\$5,340	\$63,038
Targeted Energy Efficiency - All Electric	51	369	\$1,090.08	\$55,594	1,392	519,648	\$0.03	\$15,960	\$0	\$2,780	\$2,780	\$74,354
- Non-All Electric	15	108	\$193.33	\$2,900	170	16,360	\$0.03	\$574	\$25	n/a	\$25	\$3,499
Compact Fluorescent Bulb	0	269	n/a	\$0	16	4,304	\$0.03	\$133	\$0	\$0	\$0	\$133
High - Efficiency Heat Pump - Resistance Heat	109	717	\$55.05	\$6,000	547	392,199	\$0.03	\$12,213	\$787	n/a	\$787	\$19,000
- Non Resistance Heat	84	695	\$66.18	\$5,559	221	153,595	\$0.03	\$4,786	\$2,445	n/a	\$2,445	\$12,790
High - Efficiency Heat Pump - Mobile Home	77	509	\$689.62	\$53,101	625	318,125	\$0.03	\$9,894	\$2,503	n/a	\$2,503	\$65,498
Mobile Home New Construction	0	82	n/a	\$6,092	0	0			\$0	\$305	\$305	\$6,397
<b>TOTAL RESIDENTIAL PROGRAMS</b>	<b>593</b>	<b>3,706</b>		<b>\$176,788</b>		<b>1,726,568</b>		<b>\$53,736</b>	<b>\$11,100</b>	<b>\$3,085</b>	<b>\$14,185</b>	<b>\$244,709</b>
<b>COMMERCIAL PROGRAMS</b>												
Smart Audit - Class 1	98	383	\$413.13	\$40,487	0	0			\$0	\$2,024	\$2,024	\$42,511
- Class 2	5	19	\$2,705.00	\$13,525	0	0			\$0	\$676	\$676	\$14,201
Smart Financing - Existing Building	2	2	\$3,067.00	\$6,134	11,100	22,200	\$0.04	\$940	\$1,627	n/a	\$1,627	\$8,701
Smart Financing - New Building	0	1	n/a	\$0	7,650	7,650	\$0.04	\$327	\$0	\$0	\$0	\$327
<b>TOTAL COMMERCIAL PROGRAMS</b>	<b>105</b>	<b>405</b>		<b>\$60,146</b>		<b>29,850</b>		<b>\$1,267</b>	<b>\$1,627</b>	<b>\$2,700</b>	<b>\$4,327</b>	<b>\$65,740</b>
<b>INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)</b>												
Smart Audit - Class 1	3	26	\$666.00	\$1,998	0	0			\$0	\$100	\$100	\$2,098
Smart Audit - Class 2	0	3	n/a	\$0	0	0			\$0	\$0	\$0	\$0
Smart Financing - General	0	0	n/a	\$4,785	14,625	0	\$0.04	\$0	\$0	n/a	\$0	\$4,785
Smart Financing - Compressed Air System	0	0		\$0	41,200	0	\$0.04	\$0	\$0	\$0	\$0	\$0
<b>TOTAL INDUSTRIAL PROGRAMS</b>	<b>3</b>	<b>29</b>		<b>\$6,783</b>		<b>0</b>		<b>\$0</b>	<b>\$0</b>	<b>\$100</b>	<b>\$100</b>	<b>\$6,883</b>
<b>TOTAL COMPANY</b>	<b>701</b>	<b>4,140</b>		<b>\$243,717</b>		<b>1,756,418</b>		<b>\$55,003</b>	<b>\$12,727</b>	<b>\$5,985</b>	<b>\$18,612</b>	<b>\$317,332</b>
* Lost revenue and efficiency incentives are based on prospective values.												

1997												
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YR PROGRAM												
Exhibit C PAGE 3C of 13												
YEAR 2 (4th QTR)	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (4)	NET LOST REV/QTR (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/QTR (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * LOST REVENUES (8)	EFFICIENCY INCENTIVE (EX. C, PG.9B) (9)	MAXIMIZING INCENTIVE (5% OF COSTS) (10)	TOTAL * INCENTIVE (11)	TOTAL EST. COSTS TO BE RECOVERED (12)
PROGRAM DESCRIPTIONS				(1)X(3)		(2)X(5)		(6)X(7)	(9)+(10)	(4)X(5%)	(9)+(10)	(4)+(8)+(11)
<b>RESIDENTIAL PROGRAMS</b>												
Energy Fitness	432	1,287	\$259.53	\$112,115	341	438,867	\$0.03	\$13,658	\$8,977	n/a	\$8,977	\$134,750
Targeted Energy Efficiency - All Electric	124	443	\$924.15	\$114,595	1,393	617,099	\$0.03	\$19,198	\$0	\$5,730	\$5,730	\$139,523
- Non-All Electric	78	146	\$103.55	\$8,077	170	24,820	\$0.03	\$775	\$129	n/a	\$129	\$6,981
Compact Fluorescent Bulb	0	269	n/a	\$0	17	4,573	\$0.03	\$141	\$0	\$0	\$0	\$141
High - Efficiency Heat Pump - Resistance Heat	111	823	\$106.90	\$11,866	547	450,181	\$0.03	\$14,019	\$801	n/a	\$801	\$26,686
- Non Resistance Heat	102	782	\$142.21	\$14,505	221	172,822	\$0.03	\$5,385	\$2,969	n/a	\$2,969	\$22,859
High - Efficiency Heat Pump - Mobile Home	50	585	\$406.70	\$20,335	625	353,125	\$0.03	\$10,982	\$1,625	n/a	\$1,625	\$32,942
Mobile Home New Construction	0	82	n/a	(\$749)	0	0	0	0	0	(\$37)	(\$37)	(\$786)
<b>TOTAL RESIDENTIAL PROGRAMS</b>	<b>897</b>	<b>4,397</b>		<b>\$280,744</b>		<b>2,061,487</b>		<b>\$64,158</b>	<b>\$14,501</b>	<b>\$5,693</b>	<b>\$20,194</b>	<b>\$365,096</b>
<b>COMMERCIAL PROGRAMS</b>												
Smart Audit - Class 1	71	473	\$230.92	\$16,395	0	0	0	0	0	\$820	\$820	\$17,215
- Class 2	21	33	\$2,705.00	\$56,805	0	0	0	0	0	\$2,940	\$2,940	\$59,645
Smart Financing - Existing Building	9	8	\$2,282.56	\$20,543	11,100	86,800	\$0.04	\$3,761	\$7,320	n/a	\$7,320	\$31,624
Smart Financing - New Building	0	1	n/a	\$0	7,650	7,650	\$0.04	\$327	\$0	n/a	\$0	\$327
<b>TOTAL COMMERCIAL PROGRAMS</b>	<b>101</b>	<b>515</b>		<b>\$93,743</b>		<b>96,450</b>		<b>\$4,088</b>	<b>\$7,320</b>	<b>\$3,660</b>	<b>\$10,980</b>	<b>\$108,811</b>
<b>INDUSTRIAL PROGRAMS</b>												
Smart Audit - Class 1 (w/Est. Opt-Outs Removed)	18	37	\$524.22	\$9,436	0	0	0	0	0	\$472	\$472	\$9,908
Smart Audit - Class 2	0	3	n/a	\$1,094	0	0	0	0	0	\$55	\$55	\$1,149
Smart Financing - General	0	0	n/a	\$11,802	14,625	0	\$0.04	\$0	\$0	n/a	\$0	\$11,802
Smart Financing - Compressed Air System	0	0	n/a	\$0	41,200	0	\$0.04	\$0	\$0	\$0	\$0	\$0
<b>TOTAL INDUSTRIAL PROGRAMS</b>	<b>18</b>	<b>40</b>		<b>\$22,332</b>		<b>0</b>		<b>\$0</b>	<b>\$0</b>	<b>\$527</b>	<b>\$527</b>	<b>\$22,859</b>
<b>TOTAL COMPANY</b>	<b>1,016</b>	<b>4,952</b>		<b>\$396,819</b>		<b>2,157,937</b>		<b>\$68,246</b>	<b>\$21,821</b>	<b>\$9,880</b>	<b>\$31,701</b>	<b>\$496,766</b>
* Lost revenue and efficiency incentives are based on prospective values.												

1998												
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM												
YEAR 3 (1st HALF)												
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (4)	NET LOST REV/6 MOS (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/6 MOS (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * LOST REVENUES (8)	EFFICIENCY INCENTIVE (EX. C. PG.9B) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL * INCENTIVE (11)	TOTAL EST. COSTS TO BE RECOVERED (12)
			(1)X(3)		(2)X(5)	(2)X(5)	(6)X(7)	(9)X(5%)	(9)X(10)	(9)X(10)	(4)X(8)X(11)	
RESIDENTIAL PROGRAMS												
Energy Fitness	544	1,768	\$184.44	\$100,334	682	1,205,776	\$0.03	\$37,524	\$11,304	\$11,304	n/a	\$149,162
Targeted Energy Efficiency - All Electric	122	565	\$1,132.92	\$138,216	2,784	1,572,960	\$0.03	\$48,935	\$0	\$6,911	\$6,911	\$194,062
- Non-All Electric	24	203	\$112.92	\$2,710	340	69,020	\$0.03	\$2,156	\$40	\$40	n/a	\$4,906
Compact Fluorescent Bulb	0	269	\$0.00	\$0	32	8,608	\$0.03	\$266	\$0	\$0	\$0	\$266
High - Efficiency Heat Pump - Resistance Heat	21	887	\$70.10	\$1,472	1,084	970,378	\$0.03	\$30,218	\$152	\$152	n/a	\$31,842
- Non Resistance Heat	26	848	\$70.00	\$1,820	442	374,816	\$0.03	\$11,679	\$757	\$757	n/a	\$14,256
High - Efficiency Heat Pump - Mobile Home	66	616	\$535.30	\$35,330	1,250	770,000	\$0.03	\$23,947	\$2,145	\$2,145	n/a	\$61,422
Mobile Home New Construction	0	82	n/a	\$0	0	0	n/a	0	\$0	\$0	\$0	\$0
TOTAL RESIDENTIAL PROGRAMS	803	5,238		\$279,882		4,971,558		\$154,725	\$14,398	\$21,309	\$6,911	\$455,916
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	204	597	\$194.13	\$39,602	0	0	n/a	0	\$0	\$1,980	\$1,980	\$41,582
- Class 2	28	60	\$1,600.00	\$44,800	0	0	n/a	0	\$0	\$2,240	\$2,240	\$47,040
Smart Financing - Existing Building	8	16	\$5,681.50	\$44,652	22,200	355,200	\$0.04	\$15,043	\$6,506	\$6,506	n/a	\$66,201
Smart Financing - New Building	1	1	\$4,564.00	\$4,564	15,300	15,300	\$0.04	\$654	\$29	\$29	\$0	\$5,247
TOTAL COMMERCIAL PROGRAMS	241	674		\$133,618		370,500		\$15,697	\$6,535	\$10,755	\$4,220	\$160,070
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	12	51	\$246.08	\$2,953	0	0	n/a	0	\$0	\$148	\$148	\$3,101
Smart Audit - Class 2	1	3	\$1,800.00	\$1,800	0	0	n/a	0	\$0	\$90	\$90	\$1,990
Smart Financing - General	0	0	\$0.00	\$0	29,250	0	\$0.04	\$0	\$0	\$67	\$67	\$1,405
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	82,400	0	\$0.04	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	13	54		\$6,091	0	0		\$0	\$0	\$305	\$305	\$6,396
TOTAL COMPANY	1,057	5,966		\$419,591		5,342,058		\$170,422	\$20,933	\$32,369	\$11,436	\$622,382
* Lost revenue and efficiency incentives are based on prospective values.												

1998												
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM												
YEAR 3(2nd HALF)	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (4)	NET LOST REV/6 MOS (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/6 MOS (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * LOST REVENUES (6)X(7) (8)	EFFICIENCY INCENTIVE (EX. C. PG.9B) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL * INCENTIVE (9)+(10) (11)	TOTAL EST. COSTS TO BE RECOVERED (12)
PROGRAM DESCRIPTIONS				(1)X(3)		(2)X(5)				(4)X(5%)	(9)+(10)	(4)+(8)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	448	2,277	\$301.30	\$134,982	682	1,552,914	\$0.03	\$48,327	\$9,309	\$0	\$9,309	\$192,618
Targeted Energy Efficiency - All Electric	131	697	\$1,187.51	\$155,564	2,784	1,940,448	\$0.03	\$60,367	\$0	\$7,778	\$7,778	\$223,709
- Non-All Electric	42	238	\$139.62	\$5,964	340	80,920	\$0.03	\$2,528	\$70	\$0	\$70	\$8,462
Compact Fluorescent Bulb	0	269	\$0.00	\$0	32	8,608	\$0.03	\$266	\$0	\$0	\$0	\$266
High - Efficiency Heat Pump - Resistance Heat	108	940	\$147.45	\$15,925	1,094	1,028,360	\$0.03	\$32,023	\$780	\$0	\$780	\$48,728
- Non Resistance Heat	64	894	\$72.27	\$4,625	442	395,148	\$0.03	\$12,313	\$1,863	\$0	\$1,863	\$18,801
High - Efficiency Heat Pump - Mobile Home	173	764	\$514.50	\$89,009	1,250	955,000	\$0.03	\$29,701	\$5,623	\$0	\$5,623	\$124,333
Mobile Home New Construction	33	11	\$549.45	\$18,132	0	0	n/a	0	\$0	\$907	\$907	\$19,039
TOTAL RESIDENTIAL PROGRAMS	999	6,090		\$424,101		5,961,398		\$185,525	\$17,645	\$8,685	\$26,330	\$635,956
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	178	795	\$534.85	\$95,203	0	0	n/a	0	\$0	\$4,760	\$4,760	\$99,963
- Class 2	9	73	\$2,800.00	\$25,200	0	0	n/a	0	\$0	\$1,260	\$1,260	\$26,460
Smart Financing - Existing Building	29	32	\$1,878.66	\$54,487	22,200	710,400	\$0.04	\$30,085	\$23,585	\$0	\$23,585	\$108,157
Smart Financing - New Building	5	6	\$1,529.20	\$7,646	15,300	91,800	\$0.04	\$3,926	\$144	\$0	\$144	\$11,716
TOTAL COMMERCIAL PROGRAMS	221	906		\$182,536		802,200		\$34,011	\$23,729	\$6,020	\$29,749	\$246,296
INDUSTRIAL PROGRAMS												
Smart Audit - Class 1 (w/Est. Opt-Outs Removed)	3	59	\$852.33	\$2,557	0	0	n/a	0	\$0	\$128	\$128	\$2,685
Smart Audit - Class 2	0	4	\$0.00	\$0	0	0	n/a	0	\$0	\$0	\$0	\$0
Smart Financing - General	1	0	\$0.00	\$2,430	29,250	0	\$0.04	\$0	\$383	\$0	\$383	\$2,813
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	82,400	0	\$0.04	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	4	63		\$4,987		0		\$0	\$383	\$128	\$511	\$5,496
TOTAL COMPANY	1,224	7,059		\$611,624		6,763,598		\$219,536	\$41,757	\$14,833	\$56,590	\$887,750
* Lost revenue and efficiency incentives are based on prospective values.												

1999

KENTUCKY POWER COMPANY  
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM

Exhibit C  
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PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (4)	NET LOST REV/HALF (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/HALF (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * LOST REVENUES (6)X(7) (8)	EFFICIENCY INCENTIVE (EX. C. PG.9B) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL * INCENTIVE (9)+(10) (11)	TOTAL EST. COSTS TO BE RECOVERED (12)
				(1)X(3)		(2)X(6)		(8)X(7)	(9)	(4)X(5)	(9)+(10)	(4)+(8)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	306	2,694	\$312.58	\$95,650	707	1,904,658	\$0.03	\$59,273	\$10,370	\$0	\$10,370	\$165,293
Targeted Energy Efficiency - All Electric	75	773	\$1,907.41	\$143,056	630	486,990	\$0.03	\$15,150	\$0	\$7,153	\$7,153	\$165,369
- Non-All Electric	12	249	\$112.00	\$1,344	306	76,194	\$0.03	\$2,380	\$60	\$0	\$60	\$3,784
Compact Fluorescent Bulb	0	269	\$0.00	\$0	31	8,339	\$0.03	\$258	\$0	\$0	\$0	\$258
High - Efficiency Heat Pump - Resistance Heat	99	1,002	\$273.74	\$27,100	1,200	1,202,400	\$0.03	\$37,443	\$4,375	\$0	\$4,375	\$68,918
- Non Resistance Heat	2	853	\$50.00	\$100	442	377,026	\$0.03	\$11,748	\$0	\$5	\$5	\$11,853
High - Efficiency Heat Pump - Mobile Home	101	826	\$545.99	\$55,145	1,475	1,218,350	\$0.03	\$37,891	\$8,505	\$0	\$8,505	\$101,541
Mobile Home New Construction ***	98	45	\$587.20	\$57,546	1,756	79,020	\$0.03	\$2,458	\$4,353	\$0	\$4,353	\$64,357
TOTAL RESIDENTIAL PROGRAMS	693	6,711		\$379,941		5,352,977		\$166,601	\$27,663	\$7,158	\$34,821	\$581,363
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	186	964	\$204.71	\$38,076	0	0	n/a	0	\$0	\$1,904	\$1,904	\$39,980
- Class 2	16	87	\$2,705.00	\$43,280	0	0	n/a	0	\$0	\$2,164	\$2,164	\$45,444
Smart Financing - Existing Building	6	51	\$5,109.67	\$30,658	13,282	677,382	\$0.04	\$88,687	\$1,395	\$0	\$1,395	\$60,740
Smart Financing - New Building	3	9	\$0.00	\$2,350	14,101	126,909	\$0.04	\$5,428	\$787	\$0	\$787	\$8,565
TOTAL COMMERCIAL PROGRAMS	211	1,111		\$114,364		804,291		\$34,115	\$2,182	\$4,068	\$6,250	\$154,729
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	0	60	\$0.00	\$0	0	0	n/a	0	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	4	\$0.00	\$0	0	0	n/a	0	\$0	\$0	\$0	\$0
Smart Financing - General	0	1	\$0.00	\$0	0	0	\$0.04	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.04	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	0	65		\$0		0		\$0	\$0	\$0	\$0	\$0
TOTAL COMPANY	904	7,920		\$494,305		6,215,216		\$200,716	\$29,845	\$11,226	\$41,071	\$736,082

\* Lost revenue and efficiency incentives are based on prospective values.  
 \*\* Cumulative participants include a reduction for the cumulative participants as of 06/30/96.  
 \*\*\* Participants since 09/01/98.

1999												
KENTUCKY POWER COMPANY												
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM												
YEAR 4 (2nd HALF)	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (4)	NET LOST REV/HALF (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/HALF (2)X(5) (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * LOST REVENUES (6)X(7) (8)	EFFICIENCY INCENTIVE (EX. C, PG.9B) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL * INCENTIVE (11)	TOTAL EST. COSTS TO BE RECOVERED (12)
PROGRAM DESCRIPTIONS				(1)X(3)					(9)+(10)	(4)X(5)+(11)		(4)+(8)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	0	2,519	\$0.00	\$972	707	1,780,933	\$0.03	\$5,423	\$0	\$0	\$0	\$56,395
Targeted Energy Efficiency - All Electric	66	700	\$1,222.76	\$80,702	630	441,000	\$0.03	\$13,720	\$0	\$4,035	\$4,035	\$99,457
- Non-All Electric	8	220	\$67.50	\$540	306	67,320	\$0.03	\$2,103	\$0	\$0	\$0	\$2,683
Compact Fluorescent Bulb	0	123	\$0.00	\$0	31	3,813	\$0.03	\$118	\$0	\$0	\$0	\$118
High - Efficiency Heat Pump - Resistance Heat	140	810	\$211.14	\$29,560	1,200	972,000	\$0.03	\$30,268	\$6,187	\$0	\$6,187	\$66,015
- Non Resistance Heat	0	593	\$0.00	\$0	447	265,071	\$0.03	\$8,260	\$0	\$0	\$0	\$8,260
High - Efficiency Heat Pump - Mobile Home	134	739	\$539.07	\$72,236	1,475	1,090,025	\$0.03	\$33,900	\$11,284	\$0	\$11,284	\$117,420
Mobile Home New Construction ***	123	196	\$581.42	\$71,515	1,755	343,980	\$0.03	\$10,698	\$5,464	\$0	\$5,464	\$97,677
TOTAL RESIDENTIAL PROGRAMS	471	5,900		\$255,525		4,564,142		\$154,490	\$22,975	\$4,035	\$27,010	\$437,025
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	188	1,129	\$356.11	\$66,948	0	0	n/a	0	\$0	\$3,347	\$3,347	\$70,295
- Class 2	21	103	\$2,705.00	\$56,805	0	0	n/a	0	\$0	\$2,840	\$2,840	\$59,645
Smart Financing - Existing Building	25	66	\$2,726.04	\$68,151	13,282	876,612	\$0.04	\$37,125	\$5,814	\$0	\$5,814	\$111,090
Smart Financing - New Building	8	13	\$3,087.00	\$24,696	14,101	183,313	\$0.04	\$7,840	\$2,099	\$0	\$2,099	\$34,535
TOTAL COMMERCIAL PROGRAMS	242	1,311		\$216,600		1,059,925		\$44,965	\$7,913	\$6,187	\$14,100	\$275,665
INDUSTRIAL PROGRAMS - (w/Est. Opt-Ovis Removed)												
Smart Audit - Class 1	0	57	\$0.00	\$0	0	0	n/a	0	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	4	\$0.00	\$0	0	0	n/a	0	\$0	\$0	\$0	\$0
Smart Financing - General	0	1	\$0.00	\$0	0	0	\$0.04	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.04	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	0	62		\$0		0		\$0	\$0	\$0	\$0	\$0
TOTAL COMPANY	713	7,273		\$472,125		6,024,067		\$199,455	\$30,888	\$10,222	\$41,110	\$712,690

\* Lost revenue and efficiency incentives are based on prospective values.  
 \*\* Cumulative participants include a reduction for the cumulative participants as of 12/31/96.  
 \*\*\* Participants since 09/01/98.



Year 2000												
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM												
YEAR 5 (1st half)	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (4)	NET LOST REV/HALF (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/HALF (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * LOST REVENUES (8)	EFFICIENCY INCENTIVE (EX. C. PG.9B) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL * INCENTIVE (11)	TOTAL EST. COSTS TO BE RECOVERED (12)
PROGRAM DESCRIPTIONS								(6)X(7)	(9)	(4)X(5%)	(9)+(10)	(4)+(8)+(11)
<b>RESIDENTIAL PROGRAMS</b>												
Energy Fitness	0	2,161	\$0.00	\$0	707	1,527,827	\$0.03	\$47,546	\$0	\$0	\$0	\$47,546
Targeted Energy Efficiency - All Electric	66	659	\$1,272.61	\$83,992	630	415,170	\$0.03	\$12,916	\$0	\$4,200	\$4,200	\$101,108
- Non-All Electric	28	202	\$90.82	\$2,543	306	61,812	\$0.03	\$1,931	\$141	\$0	\$141	\$4,615
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump - Resistance Heat - Non Resistance Heat	38	683	\$200.00	\$7,600	1,200	819,600	\$0.03	\$25,522	\$1,679	\$0	\$1,679	\$34,801
High - Efficiency Heat Pump - Mobile Home	45	683	\$500.00	\$22,500	1,475	1,007,425	\$0.03	\$31,331	\$3,789	\$0	\$3,789	\$57,820
Mobile Home New Construction ***	101	302	\$530.20	\$53,550	1,755	530,010	\$0.03	\$16,483	\$4,486	\$0	\$4,486	\$74,519
TOTAL RESIDENTIAL PROGRAMS	278	5,098		\$170,185		4,517,400		\$140,576	\$10,095	\$4,200	\$14,295	\$325,056
<b>COMMERCIAL PROGRAMS</b>												
Smart Audit - Class 1	144	1,126	\$397.19	\$57,195	0	0	n/a	0	\$0	\$2,860	\$2,860	\$60,055
- Class 2	8	112	\$2,705.00	\$21,640	0	0	n/a	0	\$0	\$1,082	\$1,082	\$22,722
Smart Financing - Existing Building	16	86	\$1,307.31	\$20,917	13,282	1,142,252	\$0.04	\$48,374	\$3,721	\$0	\$3,721	\$73,012
Smart Financing - New Building	4	20	\$6,298.75	\$25,195	14,101	282,020	\$0.04	\$12,062	\$1,049	\$0	\$1,049	\$38,306
TOTAL COMMERCIAL PROGRAMS	172	1,344		\$124,947		1,424,272		\$60,436	\$4,770	\$3,942	\$8,712	\$194,095
<b>INDUSTRIAL PROGRAMS</b>												
Smart Audit - Class 1 (w/Est. Opt-Outs Removed)	0	0	\$0.00	\$0	0	0	n/a	0	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	0	\$0.00	\$0	0	0	n/a	0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.00	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	0	0		\$0		0		\$0	\$0	\$0	\$0	\$0
TOTAL COMPANY	450	6,382		\$295,132		5,941,672		\$201,012	\$14,865	\$8,142	\$23,007	\$519,151

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

Year 2000												
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM												
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (4)	NET LOST REV/HALF (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/HALF (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * LOST REVENUES (6)(7) (8)	EFFICIENCY INCENTIVE (EX. C. PG.9B) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL * INCENTIVE (9)+(10) (11)	TOTAL EST. COSTS TO BE RECOVERED (4)+(8)+(11) (12)
<b>RESIDENTIAL PROGRAMS</b>												
Energy Fitness	0	1,525	\$0.00	\$0	706	1,076,650	\$0.03	\$33,505	\$0	\$0	\$0	\$33,505
Targeted Energy Efficiency - All Electric	99	583	\$1,115.41	\$110,426	630	367,290	\$0.03	\$11,426	\$0	\$5,521	\$5,521	\$127,373
- Non-All Electric	21	170	\$94.67	\$1,988	306	52,020	\$0.03	\$1,625	\$105	\$0	\$105	\$3,718
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump - Resistance Heat	25	481	\$200.00	\$5,000	1,200	577,200	\$0.03	\$17,974	\$1,105	\$0	\$1,105	\$24,079
- Non Resistance Heat	0	147	\$0.00	\$0	446	65,562	\$0.03	\$2,043	\$0	\$0	\$0	\$2,043
High - Efficiency Heat Pump - Mobile Home	43	572	\$495.35	\$21,300	1,476	844,272	\$0.03	\$26,257	\$3,621	\$0	\$3,621	\$51,178
Mobile Home New Construction ***	94	403	\$575.00	\$54,050	1,755	707,265	\$0.03	\$21,996	\$4,175	\$0	\$4,175	\$80,221
TOTAL RESIDENTIAL PROGRAMS	282	3,881		\$192,764		3,690,259		\$114,826	\$9,006	\$5,521	\$14,527	\$222,117
<b>COMMERCIAL PROGRAMS</b>												
Smart Audit - Class 1	159	1,026	\$165.24	\$26,273	0	0	n/a	0	\$0	\$1,314	\$1,314	\$27,587
- Class 2	29	98	\$2,705.00	\$78,445	0	0	n/a	0	\$0	\$3,922	\$3,922	\$82,367
Smart Financing - Existing Building	24	97	\$914.54	\$21,949	13,282	1,288,354	\$0.04	\$54,562	\$5,581	\$0	\$5,581	\$82,092
Smart Financing - New Building	0	21	\$0.00	\$7,269	14,102	296,142	\$0.04	\$12,666	\$0	\$0	\$0	\$19,935
TOTAL COMMERCIAL PROGRAMS	212	1,242		\$133,936		1,684,496		\$67,228	\$5,581	\$5,236	\$10,817	\$211,981
<b>INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)</b>												
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	0	0	\$0	\$0	0
- Class 2	0	0	\$0.00	\$0	0	0	n/a	0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.00	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	0	0		\$0		0		\$0	0	\$0	0	0
TOTAL COMPANY	494	5,123		\$326,700		5,274,755		\$182,054	\$14,587	\$10,757	\$25,344	\$534,098

\* Lost revenue and efficiency incentives are based on prospective values.  
 \*\* Cumulative participants include a reduction for the cumulative participants as of 12/31/97  
 \*\*\* Participants since 09/01/98.

Year 2001												
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM												
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (4)	NET LOST REV/QTR (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/HALF (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * LOST REVENUES (8)	EFFICIENCY INCENTIVE (EX. C. PG.9B) (9)	MAXIMIZING INCENTIVE (% OF COSTS) (10)	TOTAL * INCENTIVE (11)	TOTAL EST. COSTS TO BE RECOVERED (12)
			(1)X(3)			(2)X(5)	(7)	(5)X(7)	(9)	(4)X(5)	(9)X(10)	(4)+(8)+(11)
RESIDENTIAL PROGRAMS												
Energy Fitness	0	1,044	\$0.00	\$0	707	738,108	\$0.03112	\$22,970	\$0	\$0	\$0	\$22,970
Targeted Energy Efficiency - All Electric	62	535	\$1,276.94	\$73,170	630	337,050	\$0.03111	\$10,486	\$0	\$3,959	\$3,959	\$33,615
Non-All Electric	18	137	\$97.89	\$1,582	306	41,922	\$0.03124	\$1,310	\$90	\$0	\$90	\$2,992
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump - Resistance Heat - Non Resistance Heat	23	438	\$201.04	\$4,624	1200	525,600	\$0.03114	\$16,367	\$1,016	\$0	\$1,016	\$22,007
High - Efficiency Heat Pump - Mobile Home	0	81	\$0.00	\$0	447	36,207	\$0.03116	\$1,128	\$0	\$0	\$0	\$1,128
Mobile Home New Construction ***	53	568	\$472.15	\$25,024	1475	823,050	\$0.03110	\$25,597	\$4,463	\$0	\$4,463	\$55,084
TOTAL RESIDENTIAL PROGRAMS	83	488	\$537.04	\$44,574	1755	856,440	\$0.03110	\$26,635	\$3,687	\$0	\$3,687	\$74,896
COMMERCIAL PROGRAMS	239	3,281	\$154.974	\$358,377		3,358,377		\$104,493	\$9,256	\$3,959	\$13,215	\$272,682
Smart Audit - Class 1	134	1,017	\$321.82	\$43,124	0	0	n/a	\$0	\$0	\$2,156	\$2,156	\$45,280
Smart Audit - Class 2	28	105	\$1,510.00	\$42,280	0	0	n/a	\$0	\$0	\$2,114	\$2,114	\$44,394
Smart Financing - Existing Building	15	112	\$2,309.00	\$34,635	13,282	1,487,584	\$0.04235	\$62,999	\$3,488	\$0	\$3,488	\$101,122
Smart Financing - New Building	8	25	\$4,016.13	\$32,129	14,101	352,525	\$0.04277	\$15,077	\$2,099	\$0	\$2,099	\$49,305
TOTAL COMMERCIAL PROGRAMS	185	1,259	\$152.168	\$152,168		1,840,109		\$78,076	\$5,587	\$4,270	\$9,857	\$240,101
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	0	0	\$0	\$0				\$0	\$0	\$0	\$0	\$0
TOTAL COMPANY	424	4,540	\$307.142	\$307,142		5,198,486		\$182,569	\$14,843	\$8,229	\$23,072	\$512,783

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

Year 2001												
KENTUCKY POWER COMPANY												
ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM												
YEAR 6 (2nd Half)	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACT. PROGRAM COSTS (4)	NET LOST REV/QTR (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/HALF (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * LOST REVENUES (8)	EFFICIENCY INCENTIVE (EX. C. PG.9B) (9)	MAXIMIZING INCENTIVE (% OF COSTS) (10)	TOTAL * INCENTIVE (11)	TOTAL EST. COSTS TO BE RECOVERED (12)
PROGRAM DESCRIPTIONS			(1)X(3)			(2)X(5)	(6)X(7)		(4)X(5%)	(9)+(10)	(4)+(8)+(11)	
RESIDENTIAL PROGRAMS												
Energy Fitness	0	535	\$0.00	\$0	706	377,710	\$0.03112	\$11,754	\$0	\$0	\$0	\$11,754
Targeted Energy Efficiency - All Electric	88	486	\$1,018.86	\$89,660	630	306,180	\$0.03111	\$9,525	\$0	\$4,483	\$4,483	\$103,668
- Non-All Electric	46	122	\$81.46	\$3,747	306	37,332	\$0.03124	\$1,166	\$231	\$0	\$231	\$5,144
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump - Resistance Heat	30	412	\$173.33	\$5,200	1,200	494,400	\$0.03114	\$15,396	\$1,326	\$0	\$1,326	\$21,922
- Non Resistance Heat	0	35	\$0.00	\$0	446	15,610	\$0.03116	\$486	\$0	\$0	\$0	\$486
High - Efficiency Heat Pump - Mobile Home	47	469	\$510.64	\$24,000	1,476	692,244	\$0.03110	\$21,529	\$3,958	\$0	\$3,958	\$49,487
Mobile Home New Construction ***	92	568	\$555.43	\$51,100	1,755	996,840	\$0.03110	\$31,002	\$4,087	\$0	\$4,087	\$86,189
TOTAL RESIDENTIAL PROGRAMS	303	2,627		\$173,707		2,920,316		\$90,858	\$9,602	\$4,483	\$14,085	\$278,650
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	131	966	\$454.04	\$59,479	0	0	n/a	\$0	\$0	\$2,974	\$2,974	\$62,453
- Class 2	5	111	\$9,817.20	\$49,086	0	0	n/a	\$0	\$0	\$2,454	\$2,454	\$51,540
Smart Financing - Existing Building	15	109	\$1,664.27	\$24,964	13,282	1,447,738	\$0.04235	\$61,312	\$3,488	\$0	\$3,488	\$89,764
- New Building	18	34	\$1,799.28	\$32,387	14,102	479,468	\$0.04277	\$20,507	\$4,722	\$0	\$4,722	\$57,616
TOTAL COMMERCIAL PROGRAMS	169	1,220		\$165,916		1,927,206		\$81,819	\$8,210	\$5,428	\$13,638	\$261,373
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
- Class 2	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
- Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	0	0		\$0		0		\$0	\$0	\$0	\$0	\$0
TOTAL COMPANY	472	3,847		\$339,623		4,847,522		\$172,677	\$17,812	\$9,911	\$27,723	\$540,023

\* Lost revenue and efficiency incentives are based on prospective values.  
 \*\* Cumulative participants include a reduction for the cumulative participants as of 12/31/98  
 \*\*\* Participants since 07/01/98.

Year 2002

KENTUCKY POWER COMPANY  
ESTIMATED SECTOR SURCHARGES  
FOR 3 YEAR PROGRAM

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

\* Lost revenue and efficiency incentives are based on prospective values.  
\*\* Cumulative participants include a reduction for the cumulative participants as of 06/30/1999.  
\*\*\* Participants since 01/01/1999.

Year 2002												
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM												
YEAR 7 (2nd Half)												
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ACTUAL PROGRAM COSTS (4)	NET LOST REV/QTR (KWH/PARTIC) (5)	TOTAL ENERGY SAVINGS KWH/HALF (2)X(5) (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * REVENUES (EX. C. PG.9B) (8)	EFFICIENCY INCENTIVE (EX. C. PG.9B) (9)	MAXIMIZING INCENTIVE (5% OF COSTS) (10)	TOTAL * INCENTIVE (9)+(10) (11)	TOTAL ACTUAL COSTS TO BE RECOVERED (12)
RESIDENTIAL PROGRAMS												
Energy Fitness	0	0	\$0.00	\$0	706	0	\$0.03112	\$0	\$0	\$0	\$0	\$0
Targeted Energy Efficiency - All Electric	76	457	\$1,039.33	\$78,989	1,028	469,796	\$0.03111	\$14,615	\$0	\$3,949	\$3,949	\$97,553
- Non-All Electric	13	156	\$85.92	\$1,117	315	49,140	\$0.03124	\$1,535	\$56	\$0	\$56	\$2,708
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump - Resistance Heat - Non Resistance Heat	0	177	\$0.00	(\$352)	1,200	212,400	\$0.03114	\$5,614	\$0	\$0	\$0	\$5,262
High - Efficiency Heat Pump - Mobile Home	43	308	\$603.84	\$25,965	1,144	352,352	\$0.03110	\$10,958	\$1,244	\$0	\$1,244	\$38,167
Mobile Home New Construction ***	61	519	\$644.46	\$39,312	1,809	938,871	\$0.03110	\$29,199	\$248	\$0	\$248	\$68,759
TOTAL RESIDENTIAL PROGRAMS	193	1,617		\$145,031		2,022,559		\$62,921	\$1,548	\$3,949	\$5,497	\$213,449
COMMERCIAL PROGRAMS												
Smart Audit - Class 1	0	766	\$0.00	\$74,422	0	n/a	n/a	\$0	\$0	\$3,721	\$3,721	\$78,143
- Class 2	0	90	\$0.00	\$0	0	n/a	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - Existing Building	25	97	\$909.76	\$22,744	13,282	1,288,354	\$0.04295	\$54,562	\$5,814	\$0	\$5,814	\$83,120
Smart Financing - New Building	16	44	\$2,424.94	\$38,799	14,102	620,488	\$0.04277	\$26,538	\$4,197	\$0	\$4,197	\$69,534
TOTAL COMMERCIAL PROGRAMS	41	1,017		\$135,965		1,908,842		\$81,100	\$10,011	\$3,721	\$13,732	\$230,797
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)												
Smart Audit - Class 1	0	0	\$0.00	\$0	0	n/a	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	0	\$0.00	\$0	0	n/a	n/a	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	0	0		\$0		0		\$0	\$0	\$0	\$0	\$0
TOTAL COMPANY	234	2,634		\$280,996		3,931,401		\$144,021	\$11,559	\$7,670	\$19,229	\$444,246

\* Lost revenue and efficiency incentives are based on prospective values.  
\*\* Cumulative participants include a reduction for the cumulative participants as of 12/31/1999.  
\*\*\* Participants since 07/01/1999.

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

\* Lost revenue and efficiency incentives are based on prospective values.

\*\* Cumulative participants include a reduction for the cumulative participants as of 06/30/2000.

\*\*\* Participants since 01/01/2000.

Year 2003													Exhibit C	
KENTUCKY POWER COMPANY													PAGE	
ESTIMATED SECTOR SURCHARGES FOR 3													9B of	
YEAR PROGRAM													13	
YEAR 8 (2nd HALF)													TOTAL	
PROGRAM DESCRIPTIONS													ACTUAL	
RESIDENTIAL PROGRAMS													COSTS TO BE	
NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS (3)	TOTAL ACTUAL PROGRAM COSTS (4)	NET COST REV/HALF (KWH/PARTICIPANT) (5)	TOTAL ENERGY SAVINGS (KWH/HALF) (6)	NET LOSS REVENUE (\$/KWH) (7)	TOTAL NET * REVENUES (8)	EFFICIENCY INCENTIVE (EX. C. PG.11) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	INCENTIVE TOTAL * (9)+(10)	TOTAL * (11)	RECOVERED (12)		
		PER PARTICIPANT (3)	PROGRAM COSTS (4)	(KWH/PARTICIPANT) (5)	(KWH/HALF) (6)	(\$/KWH) (7)	REVENUES (8)	(EX. C. PG.11) (9)	(5% of COSTS) (10)	INCENTIVE TOTAL * (11)	RECOVERED (12)			
			(1)X(3)		(2)X(5)	(6)X(7)	(9)+(10)	(4)X(5%)		(4)+(9)+(11)				
0	0	\$0.00	\$0	706	0	\$0.03112	\$0	\$0	\$0	\$0	\$0	\$0		
69	473	\$974.94	\$67,271	1,028	486,244	\$0.03111	\$15,127	\$0	\$3,364	\$3,364	\$85,762	\$7,195		
69	167	\$76.10	\$5,251	316	52,772	\$0.03124	\$1,649	\$295	\$0	\$295	\$7,195	\$0		
0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0		
0	63	\$0.00	\$0	1,200	75,600	\$0.03114	\$2,354	\$0	\$0	\$0	\$2,354	\$0		
0	0	\$0.00	\$0	446	0	\$0.03116	\$0	\$0	\$0	\$0	\$0	\$0		
29	256	\$453.45	\$13,150	1,144	292,864	\$0.03110	\$9,108	\$839	\$0	\$839	\$23,097	\$0		
64	419	\$649.59	\$41,574	1,810	758,390	\$0.03110	\$23,586	\$260	\$0	\$260	\$65,420	\$150		
1	0	\$150.00	\$150	158	0	\$0.03124	\$0	\$0	\$0	\$0	\$0	\$0		
441	324	\$431.43	\$190,262	1,194	366,856	\$0.03116	\$12,054	\$9,287	\$0	\$9,287	\$211,603	\$0		
673	1,702		\$317,658		2,052,726		\$63,878	\$10,681	\$3,364	\$14,045	\$395,581	\$0		
TOTAL RESIDENTIAL PROGRAMS													\$71,660	\$71,660
COMMERCIAL PROGRAMS													\$0	\$0
Smart Audit - Class 1	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	\$0		
- Class 2	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	\$0		
Smart Financing - Existing Building	0	\$0.00	\$0	13,282	1,022,714	\$0.04235	\$43,312	\$0	\$0	\$0	\$43,312	\$0		
Smart Financing - New Building	0	\$0.00	\$0	14,102	662,794	\$0.04277	\$28,348	\$0	\$0	\$0	\$28,348	\$0		
TOTAL COMMERCIAL PROGRAMS													\$0	\$0
INDUSTRIAL PROGRAMS													\$0	\$0
(w/Est. Opt-Outs Removed)													\$0	\$0
Smart Audit - Class 1	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	\$0		
Smart Audit - Class 2	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	\$0		
Smart Financing - General	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0		
Smart Financing - Compressed Air System	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	\$0		
TOTAL INDUSTRIAL PROGRAMS													\$0	\$0
TOTAL COMPANY													\$135,538	\$14,045
													\$3,364	\$467,241

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



Year 2004													Exhibit C	
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM													PAGE 10A of 13	
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER (2)	TOTAL ESTIMATED PROGRAM COSTS (3)	PER PARTICIPANT COSTS (3)	TOTAL ESTIMATED PROGRAM COSTS (4)	NET COST REV/QTR (5)	TOTAL ENERGY SAVINGS (6)	NET REVENUE (\$/KWH) (7)	TOTAL NET REVENUES (8)	EFFICIENCY INCENTIVE (EX. C. PG.11) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	INCENTIVE TOTAL (11)	TOTAL COSTS TO BE RECOVERED (12)	
RESIDENTIAL PROGRAMS	0	0	\$0.00	\$0.00	\$0	707	0	\$0.03112	\$0	\$0	\$0	\$0	\$0	
Energy Fitness														
Targeted Energy Efficiency	72	463	\$751.54	\$751.54	\$54,111	1,028	475,964	\$0.03111	\$14,807	\$0	\$2,706	\$2,706	\$71,624	
- All Electric														
- Non-All Electric	10	179	\$78.60	\$78.60	\$786	314	56,206	\$0.03124	\$1,756	\$43	\$0	\$43	\$2,585	
Compact Fluorescent Bulb	0	0	\$0.00	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
High - Efficiency Heat Pump	0	42	\$0.00	\$0.00	\$0	1,200	50,400	\$0.03114	\$1,569	\$0	\$0	\$0	\$1,569	
- Resistance Heat	0	0	\$0.00	\$0.00	\$0	447	0	\$0.03116	\$0	\$0	\$0	\$0	\$0	
- Non Resistance Heat														
High - Efficiency Heat Pump	41	247	\$428.05	\$428.05	\$17,550	1,144	282,568	\$0.03110	\$8,788	\$1,186	\$0	\$1,186	\$27,524	
- Mobile Home														
Mobile Home New Construction ***	68	394	\$503.68	\$503.68	\$34,250	1,808	712,352	\$0.03110	\$22,154	\$276	\$0	\$276	\$56,660	
- Heat Pump	1	1	\$150.00	\$150.00	\$150	157	157	\$0.03124	\$5	\$0	\$0	\$0	\$155	
- Air Conditioner														
Modified Energy Fitness	334	735	\$417.76	\$417.76	\$139,531	1,194	877,590	\$0.03116	\$27,346	\$7,034	\$0	\$7,034	\$173,911	
TOTAL RESIDENTIAL PROGRAMS	526	2,061			\$246,378		2,455,237		\$76,425	\$8,539	\$2,706	\$11,245	\$394,048	
COMMERCIAL PROGRAMS	0	338	\$0.00	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	
Smart Audit - Class 1	0	30	\$0.00	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	
- Class 2	0	54	\$0.00	\$0.00	\$0	13,282	717,228	\$0.04295	\$30,375	\$0	\$0	\$0	\$30,375	
Smart Financing - Existing Building	0	43	\$0.00	\$0.00	\$0	14,101	606,343	\$0.04277	\$25,933	\$0	\$0	\$0	\$25,933	
Smart Financing - New Building														
TOTAL COMMERCIAL PROGRAMS	0	465			\$0		1,323,571		\$56,308	\$0	\$0	\$0	\$56,308	
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)	0	0	\$0.00	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	
Smart Audit - Class 1	0	0	\$0.00	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	
Smart Audit - Class 2	0	0	\$0.00	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0	
Smart Financing - General	0	0	\$0.00	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
Smart Financing - Compressed Air System	0	0	\$0.00	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0	
TOTAL INDUSTRIAL PROGRAMS	0	0			\$0		0		\$0	\$0	\$0	\$0	\$0	
TOTAL COMPANY	526	2,526			\$246,378		3,778,808		\$132,733	\$8,539	\$2,706	\$11,245	\$390,356	

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

Year 2004												
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM												
PAGE 10B of 13												
NEW PARTICIPANT NUMBER	CUMULATIVE PARTICIPANT NUMBER **	TOTAL ESTIMATED PROGRAM COSTS	PER PARTICIPANT COSTS (3)	TOTAL ESTIMATED PROGRAM COSTS (4)	NET LOST REVENUE (KWH/PARTIC) REV/QTR	TOTAL ENERGY SAVINGS KWH/ HALF (6)	NET LOST REVENUE (\$/KWH) (7)	TOTAL NET * REVENUES (8)	EFFICIENCY INCENTIVE (EX. C, PG.11) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	INCENTIVE TOTAL * (11)	TOTAL ACTUAL COSTS TO BE RECOVERED (12)
(1)	(2)	(3)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
PROGRAM DESCRIPTIONS	NUMBER	TOTAL ESTIMATED PROGRAM COSTS	PER PARTICIPANT COSTS	TOTAL ESTIMATED PROGRAM COSTS	NET LOST REVENUE (KWH/PARTIC) REV/QTR	TOTAL ENERGY SAVINGS KWH/ HALF	NET LOST REVENUE (\$/KWH)	TOTAL NET * REVENUES	EFFICIENCY INCENTIVE (EX. C, PG.11)	MAXIMIZING INCENTIVE (5% of COSTS)	INCENTIVE TOTAL *	TOTAL ACTUAL COSTS TO BE RECOVERED
RESIDENTIAL PROGRAMS	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Energy Fitness	0	0	\$0.00	\$0	707	0	\$0.03112	\$0	\$0	\$0	\$0	\$0
Targeted Energy Efficiency	72	463	\$751.54	\$54,111	1,028	475,964	\$0.03111	\$14,807	\$0	\$2,706	\$2,706	\$71,624
- All Electric	10	179	\$78.60	\$786	314	56,206	\$0.03124	\$1,756	\$43	\$0	\$43	\$2,565
- Non-All Electric	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump	0	42	\$0.00	\$0	1,200	50,400	\$0.03114	\$1,569	\$0	\$0	\$0	\$1,569
- Resistance Heat	0	0	\$0.00	\$0	447	0	\$0.03116	\$0	\$0	\$0	\$0	\$0
- Non Resistance Heat	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump	41	247	\$428.05	\$17,550	1,144	282,568	\$0.03110	\$8,788	\$1,186	\$0	\$1,186	\$27,524
- Mobile Home	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Mobile Home New Construction **	68	394	\$503.68	\$34,250	1,808	712,352	\$0.03110	\$22,154	\$276	\$0	\$276	\$56,680
- Heat Pump	1	1	\$150.00	\$150	157	157	\$0.03124	\$5	\$0	\$0	\$0	\$155
- Air Conditioner	334	795	\$417.76	\$139,531	1,194	877,590	\$0.03116	\$27,346	\$7,034	\$0	\$7,034	\$173,911
Modified Energy Fitness	526	2,061	\$246.378	\$246,378	2,455	2,455,237	\$0.03116	\$76,425	\$8,539	\$2,706	\$11,245	\$334,048
TOTAL RESIDENTIAL PROGRAMS	0	0	\$0	\$0	0	0	\$0	\$0	\$0	\$0	\$0	\$0
COMMERCIAL PROGRAMS	0	338	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 1	0	30	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
- Class 2	0	54	\$0.00	\$0	13,282	717,228	\$0.04235	\$30,375	\$0	\$0	\$0	\$30,375
Smart Financing - Existing Building	0	43	\$0.00	\$0	14,101	606,343	\$0.04277	\$25,933	\$0	\$0	\$0	\$25,933
Smart Financing - New Building	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
TOTAL COMMERCIAL PROGRAMS	0	465	\$0	\$0	0	1,323,571	\$0	\$56,308	\$0	\$0	\$0	\$56,308
INDUSTRIAL PROGRAMS	0	0	\$0.00	\$0	0	0	\$0	\$0	\$0	\$0	\$0	\$0
(w/Est. Opt-Outs Removed)	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 1	0	0	\$0.00	\$0	0	0	n/a	\$0	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	0	\$0.00000	\$0	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	0	0	\$0	\$0	0	0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL COMPANY	526	2,526	\$246.378	\$246,378	3,778	8,008	\$132,733	\$8,539	\$2,706	\$11,245	\$390,356	

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

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

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

Year 2005										Exhibit C PAGE 11B of 13	
KENTUCKY POWER COMPANY ESTIMATED SECTOR SURCHARGES FOR 3 YEAR PROGRAM											
YEAR 10 (3rd QTR)											
PROGRAM DESCRIPTIONS											
NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS PER PARTICIPANT (3)	TOTAL ESTIMATED PROGRAM COSTS (4)	NET LOSS (KWH/ PARTICIPANT) (5)	REV/QTRS (KWH/ PARTICIPANT) (6)	TOTAL ENERGY SAVINGS (KWH/ QTR) (7)	NET LOSS REVENUE (\$/KWH) (8)	TOTAL NET * REVENUES (6)X(7) (9)	EFFICIENCY INCENTIVE (EX. C. PG.11) (10)	MAXIMIZING INCENTIVE (5% of COSTS) (11)	TOTAL * COSTS TO BE RECOVERED (4)+(8)+(11) (12)
<b>RESIDENTIAL PROGRAMS</b>											
Energy Fitness	0	0	\$0.00	0	353	0	\$0.03112	\$0	\$0	\$0	\$0
Targeted Energy Efficiency											
- All Electric	36	495	\$1,208.33	448	221,760	0	\$0.03111	\$6,899	\$2,175	\$2,175	\$52,574
- Non-All Electric	15	234	\$125.00	133	31,122	0	\$0.03124	\$972	\$296	\$0	\$3,143
Compact Fluorescent Bulb	0	0	\$0.00	0	0	0	\$0.00000	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump	0	0	\$0.00	0	600	0	\$0.03114	\$0	\$0	\$0	\$0
- Resistance Heat	0	0	\$0.00	0	223	0	\$0.03116	\$0	\$0	\$0	\$0
- Non Resistance Heat	0	0	\$0.00	0	0	0	\$0.00000	\$0	\$0	\$0	\$0
High - Efficiency Heat Pump	18	223	\$450.00	572	127,556	0	\$0.03110	\$3,967	\$1,426	\$0	\$13,493
- Mobile Home											
<b>Mobile Home New Construction **</b>											
- Heat Pump	36	374	\$550.00	905	338,470	0	\$0.03110	\$10,526	\$4,499	\$0	\$34,825
- Air Conditioner	0	2	\$0.00	79	158	0	\$0.03124	\$5	\$0	\$0	\$5
Modified Energy Fitness	183	1,730	\$400.00	306	529,380	0	\$0.03116	\$16,495	\$7,701	\$0	\$97,396
TOTAL RESIDENTIAL PROGRAMS	288	3,058	\$146,475	1,248,446	1,248,446	0	\$0.03116	\$38,864	\$13,922	\$2,175	\$201,436
<b>COMMERCIAL PROGRAMS</b>											
Smart Audit - Class 1	0	0	\$0.00	0	0	0	n/a	\$0	\$0	\$0	\$0
- Class 2	0	0	\$0.00	0	0	0	n/a	\$0	\$0	\$0	\$0
Smart Financing - Existing Building	0	24	\$0.00	6,641	159,384	0	\$0.04235	\$6,750	\$0	\$0	\$6,750
Smart Financing - New Building	0	14	\$0.00	7,051	98,714	0	\$0.04277	\$4,222	\$0	\$0	\$4,222
TOTAL COMMERCIAL PROGRAMS	0	38	\$0	258,098	258,098	0	\$0.03116	\$10,972	\$0	\$0	\$10,972
<b>INDUSTRIAL PROGRAMS -</b>											
<b>(w/Est. Opt-Outs Removed)</b>											
Smart Audit - Class 1	0	0	\$0.00	0	0	0	n/a	\$0	\$0	\$0	\$0
Smart Audit - Class 2	0	0	\$0.00	0	0	0	n/a	\$0	\$0	\$0	\$0
Smart Financing - General	0	0	\$0.00	0	0	0	\$0.00000	\$0	\$0	\$0	\$0
Smart Financing - Compressed Air System	0	0	\$0.00	0	0	0	\$0.00000	\$0	\$0	\$0	\$0
TOTAL INDUSTRIAL PROGRAMS	0	0	\$0	0	0	0	\$0	\$0	\$0	\$0	\$0
TOTAL COMPANY	288	3,096	\$146,475	1,506,544	1,506,544	0	\$0.03116	\$49,836	\$13,922	\$2,175	\$212,408

\* Lost revenue and efficiency incentives are based on prospective values.  
\*\* Cumulative participants include a reduction for the cumulative participants as of 09/30/2002.  
\*\*\* Participants since 07/01/2002.

Year 2005													Exhibit C
KENTUCKY POWER COMPANY													PAGE
ESTIMATED SECTOR SURCHARGES FOR 3													11C of
YEAR PROGRAM													13
YEAR 10 (4th QTR)													TOTAL
PROGRAM DESCRIPTIONS	NEW PARTICIPANT NUMBER (1)	CUMULATIVE PARTICIPANT NUMBER ** (2)	TOTAL ESTIMATED PROGRAM COSTS (3)	TOTAL ESTIMATED PROGRAM COSTS (4)	REV/QTRS (KWH/PARTICIPANT) (5)	NET LOST REVENUE (\$/KWH) (7)	TOTAL ENERGY SAVINGS KWH/QTR (6)	REVENUES (8)	EFFICIENCY INCENTIVE (EX. C, PG.11) (9)	MAXIMIZING INCENTIVE (5% of COSTS) (10)	TOTAL * (9)+(10)	RECOVERED COSTS TO BE (12)	
			PER PARTICIPANT (3)	PROGRAM (4)	(KWH/PARTICIPANT) (5)	REVENUE (7)	(KWH/QTR) (6)	(\$/KWH) (8)	INCENTIVE (9)	INCENTIVE (5% of COSTS) (10)	INCENTIVE (11)	(4)+(8)+(11)	
RESIDENTIAL PROGRAMS													
Energy Fitness	0	0	\$0.00	\$0	353	\$0.03112	0	\$0	\$0	\$0	\$0	\$0	
Targeted Energy Efficiency	36	487	\$1,069.44	\$38,500	448	\$0.03111	218,176	\$6,787	\$0	\$1,925	\$1,925	\$47,212	
- All Electric	15	239	\$125.00	\$1,875	133	\$0.03124	31,787	\$993	\$296	\$0	\$296	\$3,164	
- Non-All Electric	0	0	\$0.00	\$0	0	\$0.00000	0	\$0	\$0	\$0	\$0	\$0	
Compact Fluorescent Bulb	0	0	\$0.00	\$0	0	\$0.00000	0	\$0	\$0	\$0	\$0	\$0	
High - Efficiency Heat Pump	0	0	\$0.00	\$0	600	\$0.03114	0	\$0	\$0	\$0	\$0	\$0	
- Resistance Heat	0	0	\$0.00	\$0	223	\$0.03116	0	\$0	\$0	\$0	\$0	\$0	
- Non Resistance Heat	0	0	\$0.00	\$0	0	\$0.00000	0	\$0	\$0	\$0	\$0	\$0	
High - Efficiency Heat Pump	18	218	\$450.00	\$8,100	572	\$0.03110	124,696	\$3,878	\$1,426	\$0	\$1,426	\$13,404	
- Mobile Home													
Mobile Home New Construction ***													
- Heat Pump	36	381	\$550.00	\$19,800	905	\$0.03110	344,805	\$10,723	\$4,499	\$0	\$4,499	\$35,022	
- Air Conditioner	0	2	\$0.00	\$0	79	\$0.03124	158	\$5	\$0	\$0	\$0	\$5	
Modified Energy Fitness	181	1,912	\$400.00	\$72,400	306	\$0.03116	585,072	\$18,231	\$7,616	\$0	\$7,616	\$98,247	
TOTAL RESIDENTIAL PROGRAMS	286	3,239		\$140,675			1,304,694	\$40,617	\$13,837	\$1,925	\$15,762	\$197,054	
COMMERCIAL PROGRAMS													
Smart Audit - Class 1	0	0	\$0.00	\$0	0	n/a	0	\$0	\$0	\$0	\$0	\$0	
- Class 2	0	0	\$0.00	\$0	0	n/a	0	\$0	\$0	\$0	\$0	\$0	
Smart Financing - Existing Building	0	15	\$0.00	\$0	6,641	\$0.04235	99,615	\$4,219	\$0	\$0	\$0	\$4,219	
Smart Financing - New Building	0	9	\$0.00	\$0	7,051	\$0.04277	63,459	\$2,714	\$0	\$0	\$0	\$2,714	
TOTAL COMMERCIAL PROGRAMS	0	24		\$0			163,074	\$6,933	\$0	\$0	\$0	\$6,933	
INDUSTRIAL PROGRAMS - (w/Est. Opt-Outs Removed)													
Smart Audit - Class 1	0	0	\$0.00	\$0	0	n/a	0	\$0	\$0	\$0	\$0	\$0	
Smart Audit - Class 2	0	0	\$0.00	\$0	0	n/a	0	\$0	\$0	\$0	\$0	\$0	
Smart Financing - General	0	0	\$0.00	\$0	0	\$0.00000	0	\$0	\$0	\$0	\$0	\$0	
Smart Financing - Compressed Air System	0	0	\$0.00	\$0	0	\$0.00000	0	\$0	\$0	\$0	\$0	\$0	
TOTAL INDUSTRIAL PROGRAMS	0	0		\$0			0	\$0	\$0	\$0	\$0	\$0	
TOTAL COMPANY	286	3,263		\$140,675			1,467,768	\$47,550	\$13,837	\$1,925	\$15,762	\$203,987	

\* Lost revenue and efficiency incentives are based on prospective values.  
 \*\* Cumulative participants include a reduction for the cumulative participants as of 12/31/2002.  
 \*\*\* Participants since 10/01/2002.

PROGRAM DESCRIPTIONS	EFFICIENCY INCENTIVE \$ / PARTICIPANT (1)	2002		2003		2005		NUMBER OF NEW PARTICIPANTS												YEAR 10						
		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)		(20)	(21)	(22)	(23)	(24)	(25)
RESIDENTIAL PROGRAMS																										
Energy Fitness	\$78.22	\$207.8	\$33.89	\$33.89	\$33.89	273	689	544	448	306	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- All Electric	\$0.00	\$0.00	\$0.00	\$0.00	223	118	175	122	131	75	66	99	92	88	88	63	76	100	69	69	72	72	88	36	36	36
- Non-All Electric	\$97.1	\$1.66	\$5.02	\$4.28	74	26	93	24	42	12	8	28	21	46	32	7	7	7	7	7	10	10	57	15	15	
Compact Fluorescent Bulb	\$1.58	n/a	n/a	n/a	269	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
High - Efficiency Heat Pump	\$19.73	\$7.22	\$44.19	\$44.19	539	123	220	21	108	99	140	38	25	30	1	0	0	0	0	0	0	0	0	0	0	0
- Resistance Heat	\$16.69	\$29.11	n/a	n/a	527	124	186	26	64	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
High - Efficiency Heat Pump	\$38.86	\$32.50	\$84.21	\$28.92	356	109	127	66	173	101	134	45	43	47	43	43	34	29	41	41	41	41	34	18	18	
- Mobile Home																										
Mobile Home New Construction	n/a	n/a	\$44.42	\$4.06	0	0	0	0	33	98	123	101	94	83	92	57	61	46	64	68	68	67	36	36	36	
- Heat Pump				\$0.41																						
- Air Conditioner				\$0.41																						
Modified Energy Fitness				\$21.06	\$42.08																					
TOTAL RESIDENTIAL PROGRAMS																										
*** Participants since 09/01/08																										
COMMERCIAL PROGRAMS																										
Smart Audit - Class 1	\$0.00	n/a	n/a	n/a	91	243	169	204	178	186	188	144	159	134	131	125	0	0	0	0	0	0	0	0	0	0
- Class 2	\$0.00	n/a	n/a	n/a	5	11	26	28	9	18	21	8	23	28	5	8	0	0	0	0	0	0	0	0	0	0
Smart Financing - Existing Building	\$306.34	\$813.28	\$232.54	\$232.54	1	0	11	8	29	5	23	16	24	15	15	7	25	0	0	0	0	0	0	0	0	0
Smart Financing - New Building	\$50.33	\$28.76	\$262.33	\$262.33	0	1	0	1	5	3	8	4	0	8	18	5	16	0	0	0	0	0	0	0	0	0
TOTAL COMMERCIAL PROGRAMS																										
INDUSTRIAL PROGRAMS																										
(w/Est. Opt-Outs Removed)																										
Smart Audit - Class 1	\$0.00	n/a	n/a	n/a	15	9	21	12	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Class 2	\$0.00	n/a	n/a	n/a	2	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Smart Financing - General	\$178.65	\$382.80	n/a	n/a	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Smart Financing - Compressed Air System	\$4,850.21	\$4,048.80	n/a	n/a	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL INDUSTRIAL PROGRAMS																										
ANNUAL SHARED SAVINGS (\$)																										



KENTUCKY POWER COMPANY		Exhibit C		
FORECAST OF 2005 KENTUCKY RETAIL ENERGY SALES IN KWH FOR RESIDENTIAL, COMMERCIAL AND INDUSTRIAL SECTORS		PAGE 13 of		13
PROGRAM YR 10 - 2005				
LINE NO.	YEAR	RESIDENTIAL SECTOR	COMMERCIAL SECTOR	INDUSTRIAL SECTOR
1	TOTAL ULTIMATE SALES (KWH)*	2,490,600,000	1,369,200,000	3,219,300,000
2	LESS NON-METERED **	14,943,600	8,215,200	19,315,800
3	TOTAL ESTIMATED RETAIL KWH SALES	2,475,656,400	1,360,984,800	3,199,984,200
4	LESS OPT - OUT CUSTOMERS KWH	0	0	2,059,689,192
5	KWH BEFORE LOST REVENUE IMPACTS	2,475,656,400	1,360,984,800	1,140,295,008
6	LESS LOST REVENUE IMPACTS	11,420,681	1,496,550	0
7	ADJUSTED KWH BY SECTOR	2,464,235,719	1,359,488,250	1,140,295,008
8	LINE 7/LINE 1	98.9%	99.3%	35.4%
PROGRAM YR 10 (3rd QTR)				
9	TOTAL ULTIMATE SALES (KWH)*	575,800,000	371,400,000	850,100,000
10	LINE 8	98.9%	99.3%	35.4%
11	ADJUSTED KWH BY SECTOR	569,466,200	368,800,200	300,935,400
PROGRAM YR 10 (4th QTR)				
12	TOTAL ULTIMATE SALES (KWH)*	656,300,000	263,700,000	917,900,000
13	LINE 8	98.9%	99.3%	35.4%
14	ADJUSTED KWH BY SECTOR	649,080,700	261,854,100	324,936,600
* SOURCE: 2005 LOAD FORECAST COMPILED BY AEP CORPORATE PLANNING AND BUDGETING DEPT.				
** .60% ESTIMATED TO BE NON-METERED (OL) DETERMINED FROM BILLED JURISDICTIONAL TARIFF SUMMARY FOR 12 MOS. ENDED DECEMBER 2004.				





# AMERICAN ELECTRIC POWER - KENTUCKY

## Demand Side Management

### Status Report

As of June 30, 2005

### INDEX

<u>PAGE</u>	<u>DESCRIPTION</u>
1	Definitions
3	Summary Information (All Programs) <u>Active Programs:</u>
<b>Residential Programs</b>	
5	Energy Fitness
8	Targeted Energy Efficiency
11	Compact Fluorescent Bulb
14	High Efficiency Heat Pump
17	Mobile Home High Efficiency Heat Pump
20	Mobile Home New Construction
23	Modified Energy Fitness Program
<b>Commercial Programs</b>	
26	Smart Audit
29	Smart Incentive
<b>Industrial Programs</b>	
32	Smart Audit
35	Smart Incentive

## DEFINITIONS

- 1) YTD Costs
  - Year-to-Date costs recorded January 1, 2005 through June 30, 2005.
- 2) YTD Impacts
  - Estimated in place load impacts for Year-to-Date participants.
- 3) PTD Costs
  - Costs recorded from the inception of the program through June 30, 2005.
- 4) PTD Impacts
  - Estimated in place load impacts for Program-to-Date participants.

## COMMENTS

Our calculations are based on actual participants and costs as of June 30, 2005. The Residential, Commercial, and Industrial total DSM costs in this status report do not agree with the total costs in the Financial Report due to a one month lag in reporting.

The estimated actual in-place energy (kWh) savings is the summation of the monthly average net energy savings associated with participating customers for each DSM program (including T&D losses). The average monthly net energy savings is the product of 1/12 of the annual kWh per participant (shown in Exhibit E) and 1/2 of the new participants for the current month, plus the cumulative participants from the previous months. The average monthly net energy savings is then increased by 10% to include T&D losses. The estimated actual in-place energy (kWh) savings are calculated in accordance with the Sunset Provision contained in the joint application, filed September 27, 1995.

The estimated anticipated peak demand (kW) reduction is a product of the number of net participating customers (excluding free riders) and projected winter/summer demand reductions filed for each program (refer to Section III to V of the joint application). The anticipated peak demand (kW) reductions includes 11% T&D loss savings.

The calculation of YTD and PTD estimated in place energy (kWh) savings and anticipated peak demand (kW) reductions contained in this status report reflect, wherever applicable, the program evaluation results of each individual program as described in the August 16, 1999, June 30, 2002, and June 30, 2005 DSM collaborative report.

The individual DSM lost revenue, efficiency incentive and maximizing incentives as of June 30, 1997 are calculated based on the initial values from Exhibit E in the joint application, filed September 27, 1995. A retroactive adjustment of the initial values of the efficiency incentives, and net lost revenue KWH impacts was used for each program for the first eighteen months (1/1/96 to 6/30/97). The lost revenue, efficiency incentive, and maximizing incentive for the period 1/1/05 to 06/30/05 are calculated using the revised values contained in Schedule C of the status report.

The program lost revenue is the product of the number of participating customers, the average net energy savings (kWh) per customer and the net lost revenue (\$/kWh). The number of participating customers is equal to ½ the new participants for the current month, plus the cumulative participants from previous months. The program-to-date lost revenues are calculated in accordance with the Sunset Provision contained in the joint application, filed September 27, 1995.

The efficiency incentive is the product of the number of participants for the month and the efficiency rate (\$/participant). The maximizing incentive is calculated as 5% of actual program cost for the month.

**AMERICAN ELECTRIC POWER - KENTUCKY**  
**SUMMARY INFORMATION (ALL PROGRAMS)**

AS OF JUNE 30, 2005

DESCRIPTION	YTD	PTD
Total Revenue Collected	<u>\$453,837</u>	<u>\$10,050,544</u>
Total Program Costs	310,137	6,913,971
Total Lost Revenues	99,629	2,743,444
Total Efficiency/ Maximizing Incentive	<u>32,683</u>	<u>544,992</u>
Total DSM Costs As Of June 30, 2005	<u>\$442,449</u>	<u>\$10,202,407</u>

DESCRIPTION	YTD	PTD
Actual In-Place Energy Savings:	277,528 kWh	206,964,248 kWh
w/ T&D Line Losses:	305,281 kWh	227,660,673 kWh
Total kW Reductions:		
Winter	459	14,878
w/ T&D Line Losses:	509	16,515
Summer	66	3,494
w/T&D Line Losses:	73	3,878



# AMERICAN ELECTRIC POWER - KENTUCKY

## PROGRAM INFORMATION

PROGRAM:	Energy Fitness
PARTICIPANT DEFINITION:	Number of Households
CUSTOMER SECTOR:	Residential
REPORTING PERIOD:	January - June, 2005

### 2005

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	YTD	PTD
New Participants	0	0	0	0	0	0	0						0	2,812

### Impacts

Estimated in Place Energy (kWh) Savings		Anticipated Peak Demand (kW) Reduction			
YTD	PTD	YTD		PTD	
		Summer	Winter	Summer	Winter
0	32,049,263	0	0	441	1,932

# AMERICAN ELECTRIC POWER - KENTUCKY

Energy Fitness	
Reporting Period:	January - June, 2005

Costs			
Description	Year-To-Date	Retroactive Adjustment	Program-To-Date
Total Evaluation	0.00	0.00	18,189.00
Equipment/Vendor:	0.00	0.00	665,964.00
Promotional:	0.00	0.00	0.00
Customer Incentives:	0.00	0.00	0.00
Other Costs:	0.00	0.00	960.00
<b>Total Program Costs:</b>	<b>0.00</b>	<b>0.00</b>	<b>685,113.00</b>
Lost Revenues:	0.00	(19,322.00)	363,029.00
Efficiency Incentive:	0.00	(46,349.00)	63,482.00
Maximizing Incentive:	0.00	0.00	0.00
<b>Total Costs:</b>	<b>0.00</b>	<b>(65,671.00)</b>	<b>1,111,624.00</b>





# AMERICAN ELECTRIC POWER - KENTUCKY

## COMMENTS:

This program was discontinued May 14, 1999.



# AMERICAN ELECTRIC POWER - KENTUCKY

## PROGRAM INFORMATION

PROGRAM:	Targeted Energy Efficiency
PARTICIPANT DEFINITION:	Number of Households
CUSTOMER SECTOR:	Residential - Low Income
REPORTING PERIOD:	January - June, 2005

### 2005

Participants	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	YTD	PTD
All Electric	3	12	13	13	14	33							88	1,782
Non All Electric	2	5	10	24	5	11							57	652

### Impacts

Estimated in Place Energy (kWh) Savings	Anticipated Peak Demand (kW) Reduction			
	YTD	PTD	YTD	PTD
			Summer	Winter
49,388	43,524,868	12	47	502
				2,274

# AMERICAN ELECTRIC POWER - KENTUCKY

	Targeted Energy Efficiency
Reporting Period:	January - June, 2005

Costs			
Description	Year-To-Date	Retroactive Adjustment	Program-To-Date
Total Evaluation	11,489.00	0.00	198,988.00
Equipment/Vendor:	89,395.00	0.00	1,840,618.00
Promotional:	0.00	0.00	0.00
Customer Incentives:	0.00	0.00	0.00
Other Costs:	288.00	0.00	8,767.00
<b>Total Program Costs:</b>	<b>101,172.00</b>	<b>0.00</b>	<b>2,048,373.00</b>
Lost Revenues:	15,114.00	1,944.00	392,857.00
Efficiency Incentive:	1,125.00	184.00	4,080.00
Maximizing Incentives:	4,881.00	0.00	98,478.00
<b>Total Costs:</b>	<b>122,292.00</b>	<b>2,128.00</b>	<b>2,543,788.00</b>

## AMERICAN ELECTRIC POWER - KENTUCKY

### COMMENTS:

The Targeted Energy Efficiency Program provides a variety of services, including a home energy audit, weatherization, and seal-up to targeted low income customers.

The Equipment / Vendor cost categories includes the cost of labor and materials of measures installed, participant energy education costs, and vendor administration costs. The YTD costs are \$85,834 for all-electric homes and \$3,561 for non-all-electric homes.

The YTD Estimated in Place Energy (kWh) Savings for the all-electric participants and non-all-electric participants is 41,888 and 7,500 respectively.

The YTD Anticipated Peak Demand (kW) Reduction summer/winter for all-electric and non-all-electric participants is 8/42 and 4/5 respectively.

The YTD Lost Revenue for all-electric participants and non-all-electric participants is \$13,296 and \$1,818 respectively.

The YTD Efficiency Incentive for non-all-electric participants is \$1,125 and the Maximizing Incentive for all-electric participants is \$4,881.

The projected participant and budgetary level for 2006 has been revised to reflect what the Collaborative believes to be reasonably achievable goals. The projected participant and budgetary level is 150 all-electric homes, 75 non-all-electric homes, and \$195,000 respectively.

# AMERICAN ELECTRIC POWER - KENTUCKY

## PROGRAM INFORMATION

PROGRAM:	Compact Fluorescent Bulb
PARTICIPANT DEFINITION:	Number of Bulbs Installed
CUSTOMER SECTOR:	Residential
REPORTING PERIOD:	January - June, 2005

### 2005

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	YTD	PTD
New Participants	0	0	0	0	0	0	0						0	269

### Impacts

Estimated in Place Energy (kWh) Savings		Anticipated Peak Demand (kW) Reduction			
		YTD		PTD	
YTD	PTD	Summer	Winter	Summer	Winter
0	172,353	0	0	3	3

# AMERICAN ELECTRIC POWER - KENTUCKY

Compact Fluorescent Bulb	
Reporting Period:	January - June, 2005

Description	Costs		
	Year-To-Date	Retroactive Adjustment	Program-To-Date
Total Evaluation	0.00	0.00	60.00
Equipment/Vendor:	0.00	0.00	15,021.00
Promotional:	0.00	0.00	0.00
Customer Incentives:	0.00	0.00	0.00
Other Costs:	0.00	0.00	0.00
<b>Total Program Costs:</b>	<b>0.00</b>	<b>0.00</b>	<b>15,081.00</b>
Lost Revenues:	0.00	25.00	1,605.00
Efficiency Incentive:	0.00	8.00	433.00
Maximizing Incentive:	0.00	0.00	0.00
<b>Total Costs:</b>	<b>0.00</b>	<b>33.00</b>	<b>17,119.00</b>



# AMERICAN ELECTRIC POWER - KENTUCKY

## COMMENTS:

This program was discontinued December 31, 1996.

# AMERICAN ELECTRIC POWER - KENTUCKY

PROGRAM INFORMATION	
PROGRAM:	High Efficiency Heat Pumps - Retrofit
PARTICIPANT DEFINITION:	Number of Units Installed
CUSTOMER SECTOR:	Residential
REPORTING PERIOD:	January - June, 2005

Participant	2005												YTD	PTD
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.		
Resistance	0	0	0	0	0	0							0	1,367
Non-Resistance	0	0	0	0	0	0							0	929

Impacts			
Actual in Place Energy (kWh) Savings		Anticipated Peak Demand (kW) Reduction	
YTD	PTD	YTD	
		Summer	Winter
0	35,211,254	0	2,995



# AMERICAN ELECTRIC POWER - KENTUCKY

High Efficiency Heat Pumps - Retrofit	
Reporting Period:	January - June, 2005

Description	Costs		
	Year-To-Date	Retroactive Adjustment	Program-To-Date
Total Evaluation	0.00	0.00	12,885.00
Equipment/Vendor:	0.00	0.00	129,767.00
Promotional:	0.00	0.00	0.00
Customer Incentives:	0.00	0.00	70,500.00
Other Costs:	0.00	0.00	1,160.00
<b>Total Program Costs:</b>	<b>0.00</b>	<b>0.00</b>	<b>214,312.00</b>
Lost Revenues:	0.00	(269.00)	368,960.00
Efficiency Incentive:	0.00	(2,196.00)	48,017.00
Maximizing Incentive:	0.00	0.00	5.00
<b>Total Costs:</b>	<b>0.00</b>	<b>(2,465.00)</b>	<b>631,294.00</b>



# AMERICAN ELECTRIC POWER - KENTUCKY

## COMMENTS:

This program was discontinued December 31, 2001.

# AMERICAN ELECTRIC POWER - KENTUCKY

## PROGRAM INFORMATION

PROGRAM:	Mobile Home High Efficiency Heat Pumps
PARTICIPANT DEFINITION:	Number of Units Installed
CUSTOMER SECTOR:	Residential
REPORTING PERIOD:	January - June, 2005

### 2005

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	YTD	PTD
New Participants	6	3	4	2	7	12							34	1,524

### Impacts

Estimated in Place Energy (kWh) Savings		Anticipated Peak Demand (kW) Reduction			
YTD	PTD	YTD		PTD	
		Summer	Winter	Summer	Winter
19,719	29,289,563	3	58	201	2,820

# AMERICAN ELECTRIC POWER - KENTUCKY

	Mobile Home High Efficiency Heat Pumps
Reporting Period:	January - June, 2005

Costs				
Description	Year-To-Date	Retroactive Adjustment	Program-To-Date	
Total Evaluation	4,197.00	0.00	45,492.00	
Equipment/Vendor:	1,650.00	0.00	18,005.00	
Promotional:	0.00	0.00	0.00	
Customer Incentives:	13,200.00	0.00	684,300.00	
Other Costs:	0.00	0.00	1,167.00	
<b>Total Program Costs:</b>	<b>19,047.00</b>	<b>0.00</b>	<b>748,964.00</b>	
Lost Revenues:	8,226.00	5,820.00	350,853.00	
Efficiency Incentive:	2,693.00	18,331.00	93,436.00	
Maximizing Incentive:	0.00	0.00	0.00	
<b>Total Costs:</b>	<b>29,966.00</b>	<b>24,151.00</b>	<b>1,193,253.00</b>	