

**BEFORE THE
PUBLIC SERVICE COMMISSION OF KENTUCKY**

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**PUBLIC SERVICE
COMMISSION**

IN THE MATTER OF

**GENERAL ADJUSTMENTS IN
ELECTRIC RATES OF
KENTUCKY POWER COMPANY**

CASE NO. 2009-00459

**DIRECT TESTIMONY
OF
HUGH E. MCCOY

ON BEHALF OF
KENTUCKY POWER COMPANY**

December 29, 2009

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I. Introduction

1 **Q: PLEASE STATE YOUR NAME, POSITION AND BUSINESS ADDRESS.**

2 A: My name is Hugh E. McCoy. My position is Director of Accounting Policy and
3 Research for the American Electric Power Service Corporation (AEPSC), a wholly
4 owned subsidiary of American Electric Power Company, Inc. (AEP). AEP is the
5 parent company of Kentucky Power Company (Kentucky Power, KPCo or the
6 Company). AEPSC supplies engineering, financing, accounting and similar
7 planning and advisory services to AEP's eleven electric operating companies,
8 including KPCo. My business address is 1 Riverside Plaza, Columbus, Ohio
9 43215.

10

II. Background

11 **Q: PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND**
12 **BUSINESS EXPERIENCE.**

13 A: I graduated magna cum laude from West Virginia University in 1977, with a
14 Bachelor of Science in Business Administration degree in Accounting.

15 From 1977 to 1981, I was employed by Peat, Marwick, Mitchell and Co.,
16 where I was promoted to Audit Supervising Senior. I have been a Certified Public
17 Accountant since 1979 and a member of the American Institute of Certified Public
18 Accountants since 1980.

1 Since 1981, I have been employed by AEPSC. I served from 1981 to early
2 1998 in Accounting Policy and Research, initially as a Treasury Staff Accountant
3 and beginning in 1989 as a Senior Treasury Staff Accountant. In 1998, I was
4 promoted to Manager of Utility Ledgers for AEP's operating companies in Ohio.
5 In 2000, I was promoted to Assistant Controller of Non-Regulated Accounting.
6 Following two years in that position and a one-year rotational assignment to
7 Corporate Finance, I returned to Accounting Policy and Research in my current
8 position in 2003.

9 **Q: WHAT ARE YOUR RESPONSIBILITIES AS DIRECTOR OF**
10 **ACCOUNTING POLICY AND RESEARCH?**

11 A: I am responsible for performing accounting research, recommending accounting
12 policy and procedures, reporting on the financial effects of potential transactions,
13 and developing accounting instructions for certain non-routine transactions and new
14 accounting rules. In addition, I serve as AEP's primary internal advisor with regard
15 to issues surrounding the accounting for employee benefits, including pensions and
16 postretirement benefits.

17 **Q: TO WHOM DO YOU REPORT?**

18 A: I report to John R. Huneck, AEPSC's Managing Director of Accounting Policy and
19 Research.

20 **Q: HAVE YOU PREVIOUSLY TESTIFIED BEFORE ANY REGULATORY**
21 **COMMISSIONS?**

22 A: Yes, I have previously testified on pension and postretirement benefits before the
23 Public Service Commission of Kentucky (the Commission) and before the Indiana
24 Utility Regulatory Commission, the Louisiana Public Service Commission, the

1 Michigan Public Service Commission, the Public Utility Commission of Ohio, the
2 Oklahoma Corporation Commission, the Tennessee Public Service Commission,
3 the Public Utility Commission of Texas, the Virginia State Corporation
4 Commission, the Public Service Commission of West Virginia, and the Federal
5 Energy Regulatory Commission.

6
7 **III. Purpose of Testimony**

8 **Q: WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
9 **PROCEEDING?**

10 A: The purpose of my direct testimony is to address for the Company the amount of
11 pension cost and postretirement benefit cost that the Company has included for
12 ratemaking purposes. In addition, I will support the inclusion in rate base of
13 additional pension cash contributions required to eliminate the shortfall between
14 pension plan assets and the accumulated pension obligations calculated in
15 accordance with generally accepted accounting principles.

16 **Q. ARE YOU SPONSORING ANY EXHIBITS IN THIS PROCEEDING?**

17 A. Yes, I am sponsoring Exhibits HEM-1 through HEM-4. Exhibit HEM-1 is my
18 schedule that compiles pension and postretirement benefit costs from the 2008 and
19 2009 actuarial reports included in Exhibit HEM-2 and Exhibit HEM-3, respectively,
20 and computes pension and postretirement benefit costs for the twelve months ended
21 September 30, 2009. Exhibit HEM-2 consists of the 2008 pension and
22 postretirement benefit actuarial reports prepared by the Company's independent
23 actuary, Towers Perrin, while Exhibit HEM-3 contains these actuarial reports for

1 2009. Exhibit HEM-4 is my schedule of the effect of additional pension
2 contributions recorded as a prepaid pension asset in reducing 2009 pension cost.

3
4 **IV. Pension Cost**

5 **Q. PLEASE DESCRIBE THE COMPANY'S PENSION PLANS.**

6 A. The employees of the Company participate in the AEP defined benefit pension plan
7 that is subject to the Employee Retirement Income Security Act of 1974 (ERISA)
8 and various regulations under the Internal Revenue Code (IRC). The pension plan
9 provides benefits based on either a cash balance design or, for employees who were
10 plan participants on December 31, 2000, under a grandfathered design. The cash
11 balance design provides participants with a notional account that provides annual
12 credits based on compensation, age, and years of service, plus annual interest on the
13 account balance. The grandfathered design provides a final average pay benefit that
14 continues to grow for a ten-year transition period ending December 31, 2010. At
15 retirement, grandfathered participants may choose either the grandfathered benefit
16 or the cash balance benefit.

17 **Q. HOW IS PENSION COST DETERMINED?**

18 A. The Company's pension cost is computed as part of an annual actuarial valuation
19 performed by Towers Perrin, the Company's independent actuary, in accordance
20 with generally accepted accounting principles under Financial Accounting
21 Standards Board (FASB) Accounting Standards Codification 715-30, previously
22 referred to as FASB Statement of Financial Accounting Standards No. 87,
23 Employers' Accounting for Pensions (FAS 87), and when applicable FASB

1 Statement of Financial Accounting Standards No. 88, Employers' Accounting for
2 Settlements and Curtailments of Defined Benefit Pension Plans and for Termination
3 Benefits (FAS 88). As required by FAS 87, ERISA, and actuary professional
4 standards, Towers Perrin performs the valuation using reasonable actuarial methods
5 and assumptions, which are disclosed under Actuarial Assumptions and Methods in
6 the Supplemental Information sections of the actuarial reports included in Exhibit
7 HEM-2 and Exhibit HEM-3. These actuarial assumptions, which are consistent
8 with the requirements of FAS 87, are discussed in more detail later in this
9 testimony.

10 Most of the Company's pension benefit cost is computed directly based on the
11 specific demographics of the Company's actual employees and retirees, so that
12 assignment of a portion of total cost of the AEP plan is not necessary. However,
13 investment return is assigned to the Company and its affiliates based on each
14 company's directly computed liability versus the total plan liability, so that each
15 entity receives its appropriate and equitable share of investment return. This
16 method of determining the Company's pension cost is reasonable, fair, and
17 equitable and results in no cross-subsidization of cost between the Company and its
18 affiliates.

19 **Q. IS IT COMMON TO USE AN INDEPENDENT ACTUARY TO COMPUTE**
20 **PENSION AND POSTRETIREMENT BENEFIT COST?**

21 A. Yes. It is a routine, necessary and accepted business practice at AEP and in the
22 electric utility industry generally to rely on the results of actuarial reports prepared

1 by an independent actuary to establish pension and postretirement benefit cost and
2 funding amounts.

3 **Q. HAS THE REFERENCE SYSTEM FOR GENERALLY ACCEPTED**
4 **ACCOUNTING PRINCIPLES BEEN MODIFIED RECENTLY?**

5 A. Yes. On July 1, 2009, the FASB reconfigured existing generally accepted
6 accounting principles into a single authoritative source called the FASB Accounting
7 Standards Codification (ASC). The ASC does not change existing generally
8 accepted accounting principles but instead introduces a new structure organized in a
9 searchable on-line research system of topics and sections that is intended to reduce
10 the time and effort needed to research accounting rules. Although the ASC does not
11 change the substance of the existing rules, it does introduce a new nomenclature to
12 replace the previous statement references, such as FAS 87. As such, the pension
13 accounting rules previously known as FAS 87 and FAS 88 are now located in
14 FASB ASC 715-30, and FASB Statement of Financial Accounting Standards No.
15 106, Employers' Accounting for Postretirement Benefits Other Than Pensions,
16 (FAS 106) postretirement benefit rules are now located in FASB ASC 715-60.
17 Since the accounting rules themselves have not changed, I will frequently
18 throughout my testimony refer to the accounting rules under generally accepted
19 accounting principles by the previous reference system to which so many of us have
20 grown accustomed.

21 **Q. WHAT ARE THE COMPONENTS OF PENSION COST UNDER FAS 87?**

22 A. FAS 87 pension cost includes the following components:

- 1 • Service cost, or the present value of benefits earned by employees for the
- 2 current year.
- 3 • Interest cost on the projected benefit obligation (PBO). Interest accrues each
- 4 year because the PBO is computed on a discounted, or present value, basis.
- 5 • Investment return expected on trust fund assets.
- 6 • Amortization of deferred costs, including:
- 7 ○ Actuarial gains and losses, or differences between actual and projected
- 8 economic and demographic experience.
- 9 ○ Prior service cost, or fluctuations in the PBO caused by retroactive plan
- 10 design changes.
- 11 ○ Transition asset or obligation, or the catch-up adjustment upon initial
- 12 application of FAS 87.

13 **Q. PLEASE DESCRIBE THE ASSUMPTIONS USED IN THE COMPANY'S**
 14 **FAS 87 ACTUARIAL REPORT.**

15 A. FAS 87 actuarial assumptions fall into two categories: demographic assumptions
 16 and economic assumptions. These assumptions are annually reviewed with the
 17 independent actuary and adjusted as appropriate to ensure that they are reasonable,
 18 both individually and in aggregate, and that they accurately reflect expected future
 19 experience of the plan. These assumptions also apply to postretirement benefit cost
 20 under FAS 106.

21 **Q. PLEASE DESCRIBE THE DEMOGRAPHIC ASSUMPTIONS USED IN**
 22 **THE ACTUARIAL STUDIES AND HOW THEY WERE DEVELOPED.**

1 A. The demographic assumptions used to develop pension and postretirement benefit
2 liabilities are mortality rates, employee withdrawal rates, expected retirement age,
3 and assumptions regarding marital status and spouse's age. The assumptions
4 regarding expected mortality and marital status are considered standard and are
5 used by the majority of large companies for their FAS 87 and FAS 106 actuarial
6 valuations. The employee turnover and retirement assumptions are based on studies
7 of prior AEP demographic experience.

8 **Q. PLEASE DESCRIBE THE ECONOMIC ASSUMPTIONS AND HOW THEY**
9 **WERE DEVELOPED.**

10 A. The economic assumptions used to develop pension and postretirement benefit
11 liabilities include discount rate selection, an assumption regarding the expected
12 long-term rate of return on plan assets, and expected future growth of employee
13 salaries. The discount rate is used to adjust for the time value of money, as most of
14 each plan's expected benefit payments will not be paid for many years. In
15 accordance with FAS 87 and FAS 106, the discount rate is chosen as of the
16 Company's December 31 annual measurement date to be in line with high-quality
17 corporate bond yields. The rate chosen is based on the matching of high quality
18 bond spot rates to the annual projected benefit payments expected for the plans.

19 The long-term rate of return on assets is chosen based on a study of the mix of
20 the assets funding the plan and the expected rate of return on each asset category.
21 Lastly, the salary growth rate takes into account expected changes in compensation
22 levels, including cost-of-living adjustments, merit increases, and promotions. This
23 assumption also is based on prior AEP experience. All three of these economic

1 assumptions are the same or similar for the FAS 87 valuation and the FAS 106
2 valuation, except that the FAS 106 expected return on assets assumption takes into
3 account the different effect of income taxes on postretirement benefit trust funds.

4 **Q. DO THE ACTUARIAL ASSUMPTIONS AND METHODS DISCUSSED**
5 **ABOVE PROVIDE A REASONABLE BASIS FOR DETERMINING THE**
6 **LEVEL OF PENSION COST TO BE INCLUDED IN COST OF SERVICE?**

7 A. Yes. The actuarial assumptions and methods used for the pension valuation are
8 reasonable both individually and in the aggregate. They are consistent with the
9 requirements of generally accepted accounting principles as set forth in FAS 87 and
10 actuarial industry standards.

11 **Q. WHAT AMOUNT OF PENSION COST IS REFLECTED IN THE**
12 **COMPANY'S FILING?**

13 A. Exhibit HEM-1 shows the amount of the Company's actual FAS 87 pension cost for
14 the 2008 and 2009 calendar years from each year's actuarial report. Exhibit HEM-1
15 also computes the Company's pension cost of \$1,912,534 for the twelve months
16 ended September 2009 test year. However, the Company's filing includes the
17 calendar year 2009 pension cost of \$2,218,216 since this updated amount is more
18 representative of the cost to be incurred during the period that rates resulting from
19 this proceeding will be in effect. As discussed below, FAS 88, which covers
20 settlements, curtailments, and terminations, does not apply in 2008 and 2009.

21 The schedule on Exhibit HEM-1 accumulates separate columns for the
22 amount of qualified cost and for the amount of non-qualified cost (also know as
23 excess, supplemental, or SERP (Supplemental Employee Retirement Plan) cost),

1 since a separate actuarial report is prepared for each. Actuarial reports typically are
2 prepared separately for the amount of pension benefits that may be included in a
3 qualified pension trust fund under ERISA versus the excess or supplemental amount
4 related to benefits beyond the statutory qualified plan limits on benefits and pay.
5 This helps to avoid confusion about funding of qualified plans and provides the
6 segregated information required by accounting and reporting rules. The distinction
7 between qualified and non-qualified amounts has no bearing on the amount of costs
8 that are reasonable and necessary to meet the Company's requirements to provide
9 reasonable and adequate pensions for its employees. The qualified amount is
10 simply the portion that is subject to ERISA requirements, protections and income
11 tax incentives. The supplemental amount is the portion of an employee's pension
12 benefit that exceeds the qualified plan limits on benefits and pay.

13 **Q. DOES THE SUPPLEMENTAL PENSION PLAN PROVIDE SEPARATE**
14 **AND ADDITIONAL BENEFITS TO THE COMPANY'S EXECUTIVES?**

15 A. No. The same pension benefit formula applies to all employees regardless of pay
16 level. The supplemental plan simply replaces the portion of pension benefits that
17 otherwise would be lost under the qualified plan limits. For example, the
18 supplemental plan provides pension benefits for pay above 2009's \$245,000
19 qualified plan compensation limit, so that those pension benefits are not lost.

20 **Q. DOES THE 2009 ACTUARIAL REPORT DETERMINE THE FINAL 2009**
21 **PENSION BENEFIT COST THAT WILL BE INCURRED BY THE**
22 **COMPANY?**

1 A. Yes. In accordance with generally accepted accounting principles as set forth in
2 FAS 87, the final pension cost for 2009 recorded on the books for January through
3 December 2009 is based on the April 2009 actuarial report. FAS 87 pension cost
4 would be updated during a year only in the event that a FAS 88 pension settlement,
5 curtailment, or termination occurred before the end of the year. No such settlement,
6 curtailment, or termination has occurred or is expected. All of the underlying actual
7 economic and demographic data included in the April 2009 actuarial report was
8 complete, known and measurable as of December 31, 2008.

9 **Q. PLEASE EXPLAIN WHAT A PENSION SETTLEMENT, CURTAILMENT,**
10 **OR TERMINATION IS AND WHY NONE IS EXPECTED IN 2009.**

11 A. FAS 88 provides the required accounting under generally accepted accounting
12 principles for the following items:

- 13 • Pension plan settlement, which is an irrevocable transaction that relieves the
14 Company of its pension obligation. Examples include (a) making lump-sum
15 payments to participants in exchange for their rights to receive pension plan
16 benefits and (b) purchasing nonparticipating annuity contracts to cover vested
17 benefits.
- 18 • Pension plan curtailment, which is a significant reduction in the expected years
19 of future service of present employees before retirement, or elimination of the
20 earning of pension benefits for a significant number of employees for some or
21 all of their future service. Examples include (a) termination of employees'
22 services earlier than expected and (b) termination or suspension of a plan so that
23 employees do not earn additional benefits for future service.

- 1 • Termination benefits, which are special termination benefits offered only for a
2 short period of time, or contractual termination benefits required only if a
3 specific event occurs.

4 Significant lead-time is required for the planning of an event that would
5 constitute a FAS 88 pension settlement, curtailment, or termination. The
6 Company's management currently has no plans for such an event.

7 **Q. WHY IS PENSION COST HIGHER FOR THE CALENDAR YEAR 2009**
8 **THAN FOR THE TWELVE MONTHS ENDED SEPTEMBER 2009 TEST**
9 **YEAR?**

10 A. Pension cost for the Company increased in 2009 mainly because of increased
11 amortization cost related to the lower than expected investment market return in
12 2008. Deferred investment actuarial losses are amortized to pension cost over 10 to
13 14 years. Pension cost for calendar year 2009 includes twelve months, rather than
14 nine months through September, of deferred 2008 investment actuarial loss
15 amortization.

16 **Q. WHAT IS THE FUNDED POSITION OF THE COMPANY'S PENSION**
17 **PLAN?**

18 A. The funded position declined during 2008. At the end of 2005 and through 2007,
19 the Company's qualified pension plan was a little more than fully funded in terms
20 of the FAS 87 benefit obligation as a result of the substantial 2005 contributions
21 that are discussed in more detail in Section VI of my testimony on rate base
22 treatment of the pension prepayment asset. During 2008, the value of AEP's and
23 most other large employers' pension trust fund investments declined substantially

1 due to decreases in domestic and international equity markets. As a result, the
2 Company's qualified pension funds declined to approximately 75 percent funded at
3 the end of 2008.

4
5 **V. Postretirement Benefit Cost**

6 **Q. PLEASE DESCRIBE THE COMPANY'S POSTRETIREMENT BENEFIT**
7 **PLAN.**

8 A. The employees of the Company participate in AEP's Non-UMWA Postretirement
9 Benefit Plan, which provides medical and life insurance benefits to AEP employees
10 who are not members of the United Mine Workers of America. AEP provides
11 postretirement benefits, including subsidized medical and dental coverage,
12 prescription drug coverage, and life insurance benefits, to employees who retiree
13 directly from an AEP System company after attaining at least age 55 with at least
14 ten years of service.

15 **Q. HOW IS POSTRETIREMENT BENEFIT COST DETERMINED?**

16 A. The Company's postretirement benefit cost is computed as part of an annual
17 actuarial valuation performed by Towers Perrin, the Company's independent
18 actuary, in accordance with generally accepted accounting principles under the
19 requirements of FASB ASC 715-60, or FAS 106 under the familiar previous
20 accounting rule reference system. As required by FAS 106 and actuary industry
21 standards, Towers Perrin performs the valuation using reasonable actuarial methods
22 and assumptions, which are disclosed under Actuarial Assumptions and Methods in
23 the supplemental information sections of the actuarial reports included in Exhibit

1 HEM-2and Exhibit HEM-3. These actuarial assumptions, which are consistent with
2 the requirements of FAS 106, are discussed in more detail later in this testimony.

3 As is the case with the calculation of pension cost that I discussed above, most
4 of the Company's postretirement benefit cost is computed directly based on the
5 specific demographics of the Company's actual employees and retirees. However,
6 investment return is assigned to the Company and its affiliates based on each
7 company's directly computed liability versus the total AEP plan liability, so that
8 each entity receives its appropriate and equitable share of investment return. This
9 method of determining the Company's postretirement benefit cost is reasonable, fair
10 and equitable and results in no cross-subsidization of cost between the Company
11 and its affiliates.

12 **Q. WHAT ARE THE COMPONENTS OF POSTRETIREMENT BENEFIT**
13 **COST?**

14 A. FAS 106 postretirement benefit cost includes the same components as FAS 87
15 pension cost already discussed above, those being service cost, interest cost,
16 investment return, and amortizations. Except for minor differences necessitated by
17 the slightly different nature of pension benefits and postretirement benefits, the
18 requirements of FAS 106 are very similar to those of FAS 87.

19 FAS 106 requires that employers such as the Company record the cost of
20 postretirement benefits on an accrual basis during the working lives of employees.
21 Under FAS 106, employers are required to accrue during employees' years of
22 service a liability for the present value of their future benefits, so that an employer
23 will have accrued the present value of the entire benefit cost by the employee's

1 retirement date. The FASB based the rule on its decision that postretirement
2 benefits are a form of deferred compensation that should be recorded on an accrual
3 basis as the benefits are earned, much like pensions.

4 **Q. PLEASE DESCRIBE THE ASSUMPTIONS USED IN THE FAS 106**
5 **ACTUARIAL REPORT.**

6 A. FAS 106 actuarial assumptions fall into three categories: demographic assumptions,
7 economic assumptions, and health care cost assumptions. These assumptions are
8 reviewed with the independent actuary and adjusted annually to ensure that they are
9 reasonable, both individually and in aggregate, and that they accurately reflect
10 expected future experience of the plan. Demographic assumptions and economic
11 assumptions also apply to pension cost under FAS 87.

12 **Q. WHAT DEMOGRAPHIC AND ECONOMIC ASSUMPTIONS WERE USED**
13 **IN THE POSTRETIREMENT BENEFIT ACTUARIAL STUDY AND HOW**
14 **WERE THEY DEVELOPED?**

15 A. My discussion above of the demographic and economic assumptions used to
16 develop pension liabilities also applies to the assumptions used to develop
17 postretirement benefit liabilities.

18 **Q. PLEASE DESCRIBE HOW THE HEALTH CARE COST ASSUMPTIONS**
19 **USED IN THE FAS 106 STUDY WERE DEVELOPED.**

20 A. The health care trend rate for each future year is the expected annual rate of
21 increase in the per capita health care charges submitted for reimbursement under the
22 plan, before the effect of deductibles and co-payments. These rates are developed
23 based on an analysis of the plan's design and experience, as well as medical cost

1 trend rate information available from the insurance industry and published surveys.
2 These data take into account all appropriate components of medical inflation that
3 might affect retiree medical costs, including pure costs of services, utilization, cost
4 shifting, technological advances, growth and increase in malpractice insurance
5 costs. The rates that are developed are then compared to the rates being used by
6 other large organizations to make sure they are in line with assumptions being used
7 for plans with similar benefits.

8 **Q. DO THE ACTUARIAL ASSUMPTIONS AND METHODS DISCUSSED**
9 **ABOVE PROVIDE A REASONABLE BASIS FOR DETERMINING THE**
10 **LEVEL OF POSTRETIREMENT BENEFIT COST TO BE INCLUDED IN**
11 **COST OF SERVICE?**

12 A. Yes. The actuarial assumptions and methods used for the postretirement benefits
13 valuation are reasonable both individually and in the aggregate. They are consistent
14 with the requirements of generally accepted accounting principles as set forth in
15 FAS 106 and actuarial industry standards.

16 **Q. WHAT AMOUNT OF POSTRETIREMENT BENEFIT COST IS THE**
17 **COMPANY REQUESTING?**

18 A. Exhibit HEM-1 shows the amount of the Company's actual FAS 87 postretirement
19 benefit cost for the 2008 and 2009 calendar years from each year's actuarial report.
20 Exhibit HEM-1 also computes the Company's postretirement benefit cost of
21 \$2,828,744 for the twelve months ended September 2009 test year. However, the
22 Company's filing includes the calendar year 2009 postretirement benefit cost of

1 \$3,232,186 since this updated amount is more representative of the cost to be
2 incurred during the period that rates resulting from this proceeding will be in effect.

3 **Q. WHY IS POSTRETIREMENT BENEFIT COST HIGHER FOR THE**
4 **CALENDAR YEAR 2009 THAN FOR THE TWELVE MONTHS ENDED**
5 **SEPTEMBER 2009 TEST YEAR?**

6 A. Postretirement benefit cost for the Company increased in 2009 mainly because of
7 increased amortization cost related to the lower than expected investment market
8 return in 2008. Deferred investment actuarial losses are amortized to postretirement
9 benefit cost over about 12 years.

10
11 **VI. Rate Base Treatment of the Prepaid Pension Asset**

12 **Q. PLEASE EXPLAIN THE AMOUNT OF ADDITIONAL PENSION**
13 **FUNDING THAT SHOULD BE INCLUDED IN RATE BASE.**

14 A. In accordance with the provisions of generally accepted accounting principles under
15 FAS 87, the Company has recorded as a prepaid pension asset additional cash
16 pension contributions in excess of FAS 87 pension cost in the amount of
17 \$15,390,035 as of September 30, 2009. This total prepaid pension asset amount is
18 before the related accumulated deferred federal income taxes that serve to reduce
19 the combined rate base effect.

20 **Q. WHY DID THE COMPANY MAKE THESE ADDITIONAL PENSION**
21 **CONTRIBUTIONS?**

22 A. These additional cash contributions were made in 2005 to eliminate the funding
23 shortfall that had developed over recent years between pension plan assets and the

1 FAS 87 benefit obligation. As a result of these additional contributions, the
2 Company's qualified pension benefit obligation was fully funded at the end of 2005
3 and through 2007.

4 **Q. IS THIS PREPAID PENSION BALANCE THAT THE COMPANY**
5 **PROPOSES TO INCLUDE IN RATE BASE ENTIRELY SUPPORTED BY**
6 **CASH CONTRIBUTIONS?**

7 A. Yes, the prepaid pension amount to be included in rate base is entirely supported by
8 actual cash contributions in excess of pension cost. Including this amount in rate
9 base will allow ratemaking recognition of the Company's cost of funds on the
10 additional cash contributions. Not included in the Company's request are non-cash
11 accrual adjustments made under FASB Statement of Financial Accounting
12 Standards No. 158, Employers' Accounting for Defined Benefit Pension and Other
13 Postretirement Plans (FAS 158), since such adjustments have no effect on the
14 amount of the Company's cash pension investment or its FAS 87 pension cost.

15 **Q. DID ANY OF THESE ADDITIONAL PENSION CONTRIBUTIONS SERVE**
16 **TO PRE-FUND THE COMPANY'S PENSION OBLIGATIONS IN**
17 **ADVANCE?**

18 A. No. These additional contributions were made to address substantial underfunding
19 that would have continued to exist if the contributions had not been made. They did
20 not relate to anticipating or pre-funding future obligations but rather were made to
21 catch-up funding to the current accumulated benefit obligation. These additional
22 contributions also served to control future pension costs and to reduce future
23 funding requirements that would otherwise need to be reflected in rates. In

1 furtherance of these objectives, the Company made substantial cash contributions in
2 excess of the pension cost currently includible in operations and maintenance
3 expense and cost of service. Including in rate base such pension contributions that
4 will be expensed in future periods will allow ratemaking recognition of the
5 Company's cost of funds for these prepaid contributions. This is appropriate
6 because the Company's customers benefit from the existence of the appropriate
7 pension funding and the lower pension expense that results from the Company
8 having made these contributions. The additional pension contributions have been
9 prudently incurred by the Company to provide service to its customers, are
10 necessary for the provision of service, and constitute property that is used and
11 useful in providing public service.

12 **Q. PLEASE EXPLAIN WHY THE ADDITIONAL PENSION**
13 **CONTRIBUTIONS WERE NECESSARY.**

14 A. As explained above, pension cost included in cost of service for ratemaking
15 purposes is based on generally accepted accounting principles as set forth in FAS 87
16 and, when applicable, FAS 88. However, pension contributions are based on
17 separate ERISA requirements, so the amount of pension cost and the amount of
18 pension cash contribution can often vary. FAS 87 requires that this difference be
19 recorded on the balance sheet as a prepayment if contributions exceed cost or as a
20 liability if cost exceeds contributions.

21 The Company's pension funding shortfall under FAS 87 grew substantially
22 over the period 2000-2003 because of an unprecedented combination of factors that
23 caused the difference between the accumulated pension benefit obligation and the

1 pension fund assets to grow substantially. First, a declining stock market produced
2 pension fund investment returns for virtually all large employers that were negative
3 for this three-year period, which reduced pension assets. Second, in response to
4 concerns about the severe financial effects of the investment market decline,
5 Congress passed interest rate relief legislation that deferred the full effect of the
6 market decline on the amount of minimum required pension contributions, which
7 delayed contributions that would have increased pension assets. Finally, the
8 discount rate used to measure the present value of pension obligations was based on
9 declining interest rates, which caused the discounted obligations to increase. The
10 resulting decline in pension fund assets and the increase in pension obligations
11 caused even previously well-funded pension plans such as the Company's to
12 become significantly underfunded.

13 By 2005, the amount of underfunding had reached the point that it was neither
14 prudent nor reasonable for the Company to rely on the shortfall reversing over time
15 through normal market activity and ERISA-required cash contributions. Moreover,
16 allowing the disparity between pension assets and the accumulated pension
17 obligation to remain at the then current level, or risking possible further growth in
18 the disparity, would have entailed making substantially increased future required
19 pension funding contributions. Accordingly, the Company was presented with a
20 situation in which it needed to take action by making additional contributions to
21 bring the pension fund assets and the accumulated benefit obligation into alignment.
22 Under these circumstances, the making of the additional contributions was clearly
23 prudent and necessary.

1 **Q. DO CUSTOMERS OF THE COMPANY BENEFIT FROM THE**
2 **ADDITIONAL FUNDING OF THE PENSION PLAN?**

3 A. Yes, customers benefit from the investment earnings on the additional fund assets.
4 This has the effect of reducing future pension cost under generally accepted
5 accounting principles in an amount that grows over time through compounding. As
6 computed on Exhibit HEM-4, the additional pension contributions recorded as a
7 prepaid pension asset reduced by approximately \$1,565,000 the 2009 pension cost
8 that the Company would have had to recover from customers. In other words, had
9 the Company not made the additional pension contributions, the Company's total
10 amount of 2009 pension cost would have been approximately \$3,783,571 instead of
11 \$2,218,216.

12

13


VII. Conclusion

14 **Q: DOES THIS CONCLUDE YOUR PRE-FILED DIRECT TESTIMONY?**

15 A: Yes, it does.

AFFIDAVIT

Hugh E. McCoy, upon first being duly sworn, hereby makes oath that if the foregoing questions were propounded to him at a hearing before the Public Service Commission of Kentucky, he would give the answers recorded following each of said questions and that said answers are true.



Hugh E. McCoy

State of Ohio)
)ss
County of Franklin)

Subscribed and sworn to before me, a Notary Public, by Hugh E. McCoy this 17th
day of December 2009.



Notary Public

My Commission Expires _____



PAULINE A LUTZ
NOTARY PUBLIC
STATE OF OHIO
MY COMM. EXP. 9-12-11

Pension and Postretirement Benefit (OPEB) Cost
Kentucky Power Company

Calendar Year 2008 per Actuarial Report	FAS 87 Cost			FAS 106 OPEB Cost
	Qualified	SERP	Total Pension	
KPCo - Distribution	\$450,027	\$5,219	\$455,246	\$999,951
KPCo - Generation	322,452	24	322,476	465,186
KPCo - Transmission	217,765	-	217,765	153,279
Total Company	<u>\$990,244</u>	<u>\$5,243</u>	<u>\$995,487</u>	<u>\$1,618,416</u>

Calendar Year 2009 per Actuarial Report	FAS 87 Cost			FAS 106 OPEB Cost
	Qualified	SERP	Total Pension	
KPCo - Distribution	\$1,247,970	\$2,780	\$1,250,750	\$1,993,243
KPCo - Generation	654,509	20	654,529	959,571
KPCo - Transmission	312,937	0	312,937	279,372
Total Company	<u>\$2,215,416</u>	<u>\$2,800</u>	<u>\$2,218,216</u>	<u>\$3,232,186</u>

12 Months Ended September 2009 Computed from Above	FAS 87 Cost			FAS 106 OPEB Cost
	Qualified	SERP	Total Pension	
KPCo - Distribution	\$1,048,484	\$3,390	\$1,051,874	\$1,744,920
KPCo - Generation	571,495	21	571,516	835,975
KPCo - Transmission	289,144	0	289,144	247,849
Total Company	<u>\$1,909,123</u>	<u>\$3,411</u>	<u>1,912,534</u>	<u>2,828,744</u>
Miscellaneous			(24)	(12,415)
Amount per Books			<u>\$1,912,510</u>	<u>\$2,816,329</u>

Cal. Year 2009 vs. 12 Mths. 9/09 Computed from Above	FAS 87 Cost			FAS 106 OPEB Cost
	Qualified	SERP	Total Pension	
KPCo - Distribution	\$199,486	(\$610)	\$198,876	\$248,323
KPCo - Generation	83,014	(1)	83,013	123,596
KPCo - Transmission	23,793	-	23,793	31,523
Total Company	<u>\$306,293</u>	<u>(\$611)</u>	<u>305,682</u>	<u>403,442</u>
Miscellaneous			24	12,415
Difference from Books			<u>\$305,706</u>	<u>\$415,857</u>

2008 Actuarial Reports

Exhibit HEM-2 includes the following 2008 AEP Actuarial Reports:

- Exhibit HEM-2A Qualified Pension
- Exhibit HEM-2B Supplemental Pension
- Exhibit HEM-2C Non-UMWA Postretirement

*American Electric Power
Retirement Plan — East*

Actuarial Valuation Report

Pension Cost for Fiscal Year Ending December 31, 2008

Employer Contributions for Plan Year Beginning January 1, 2008

June 2008

This report is confidential and intended solely for the information and benefit of the immediate recipient thereof. It may not be distributed to a third party unless expressly allowed under the "Actuarial Certification, Reliances and Distribution" Section herein.



**TOWERS
PERRIN**

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Management Summary of Valuation Results

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<i>FAS 87 Pension Cost and Funded Position.....</i>	<i>MS-3</i>
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Financial Results

This report summarizes financial results for American Electric Power's (AEP) Retirement Plan for East Employees (East Retirement Plan) based on actuarial valuations as of January 1, 2008, and January 1, 2007.

	January 1, 2008	January 1, 2007
FAS 87 Pension Cost		
Amount	\$ 35,634,598	\$ 35,449,208
Percent of covered pay	2.9%	3.1%
FAS 87 Funded Position		
Accumulated benefit obligation [ABO]	\$ 2,947,433,034	\$ 2,855,230,126
Projected benefit obligation [PBO]	3,045,086,276	2,997,063,353
Fair value of assets [FV]	3,241,633,839	3,160,858,560
Overfunded (underfunded) PBO	196,547,563	163,795,207
PBO funded percentage [FV ÷ PBO]	106.5%	105.5%
Employer Contributions		
Minimum required*	\$ 0	\$ 0
Percent of covered pay	0.0%	0.0%
Maximum deductible	\$ 1,431,296,422	\$ 1,355,547,872
Percent of covered pay	117.6%	118.9%
ERISA Funded Position		
Funding target	\$ 2,980,645,668	\$ 2,891,127,456**
Net actuarial value of assets [AV]	2,634,749,975	N/A
Funding shortfall/(excess assets)	345,895,693	N/A
Funding target attainment percentage	108.3%	103.6%**
Adjusted funding target attainment percentage***	108.3%	103.6%**
Actuarial value of assets	3,227,136,887	2,994,330,956
Actuarial value of assets as a percentage of funding target	108.3%	103.6%**

*Assumes credit balance is used to offset minimum required contribution.

** Results prior to 2008 are based on the plan's current liability.

*** Assets are not reduced by credit balance since above 92% transition percentage when credit balance is included.

MS-2

Discussion of Financial Results

The financial results of AEP's East Retirement Plan were affected by the following factors:

- ▶ The mortality table used for the calculation of the funding target was the 2008 IRS Applicable Mortality Table, reflecting final IRS regulations, which caused a small loss due to the mortality improvement.
- ▶ Investment returns during the prior year were higher than expected, which increased the funded percentage and decreased the pension cost.
- ▶ The bond yields on available high-quality bonds used in selecting the FAS 87 discount rate increased during the prior year, resulting in a higher FAS 87 discount rate, which decreased the pension cost.
- ▶ The plan experienced demographic losses primarily due to (i) fewer terminations and retirements than expected and (ii) more retirees from active status electing an annuity than expected. The effect of these losses increased the pension cost.
- ▶ For plan year 2008, AEP is required to make a minimum required contribution of \$96,047,779. However, this contribution will be satisfied by using the plan's credit balance.

FAS 87 Pension Cost and Funded Position

The cost of the pension plan is determined in accordance with Financial Accounting Standard 87. The fiscal 2008 pension cost for the plan is \$35,634,598, or 2.9% of covered pay.

Under FAS 87, as amended by FAS 158, the projected benefit obligation (PBO) funded status of each pension plan at the plan's measurement date is required to be reported as an asset (for overfunded plans) or a liability (for underfunded plans). The PBO is the actuarial present value of benefits attributed to service rendered prior to the measurement date, measured using expected future pay increases for pay-related plans. The plan's overfunded (underfunded) PBO as of January 1, 2008, was \$196,547,563, based on a fair value of plan assets of \$3,241,633,839 and a PBO of \$3,045,086,276.

Fiscal year-end financial reporting and disclosures are prepared before detailed participant data and the full valuation results are available. Therefore, the December 31, 2007, postretirement benefit asset/(liability) was derived from the January 1, 2007, valuation results. The December 31, 2008, financial reporting information will be developed based on the results of the January 1, 2008, valuation, rolled forward to the end of the year and adjusted for the year-end discount rate and asset values, as well as significant changes in plan provisions and participant population.

Change in Pension Cost and Overfunded (Underfunded) PBO

The pension cost increased from \$35,449,208 in fiscal 2007 to \$35,634,598 in fiscal 2008 and the overfunded (underfunded) PBO increased from increased from \$163,795,207 to \$196,547,563, as set forth below:

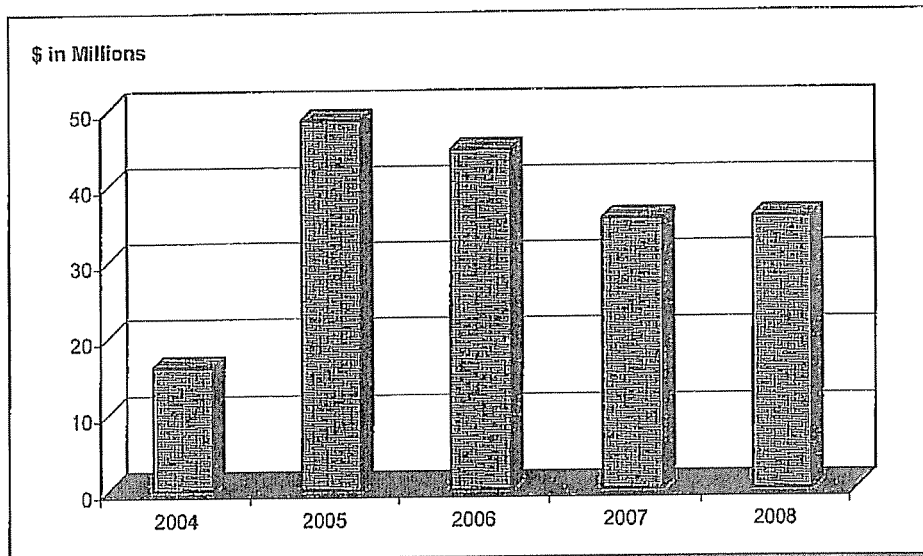
	<i>Pension Cost</i>	<i>Funded Position</i>
Prior year	\$ 35,449,208	\$ 163,795,207
Change due to:		
‣ Expected based on prior valuation	(17,339,858)	1,146,989
‣ Loss (gain) from noninvestment experience	6,003,744	(34,185,815)
‣ Loss (gain) from asset experience	(4,255,981)	28,986,290
‣ Assumption changes	13,367,986	45,625,747
‣ Plan amendments	<u>2,409,499</u>	<u>(8,820,855)</u>
Current year	\$ 35,634,598	\$ 196,547,563

MS-4

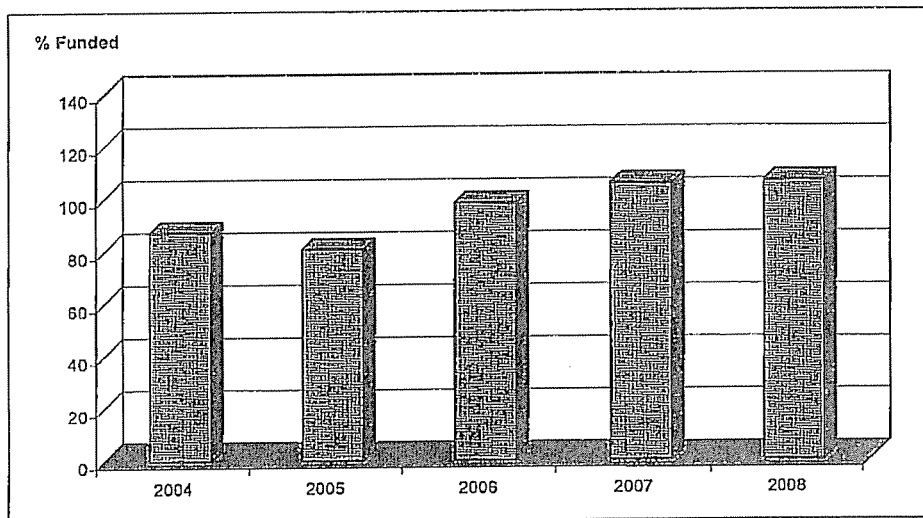
History of Pension Cost and Funded Position

The following charts show the history of the plan's pension cost and PBO funded position:

History of Pension Cost



History of the Projected Benefit Obligation (PBO) Funded Status



History of Pension Cost and PBO Funded Percentage

----- Pension cost -----

<i>Fiscal year</i>	<i>Amount</i>	<i>Percent of covered pay</i>	<i>PBO funded percentage</i>	<i>Discount rate</i>
2008	\$ 35,634,598	2.9%	106.5%	6.00%
2007	35,449,208	3.1	105.5	5.75
2006	44,579,070	4.1	98.3	5.50
2005	48,522,750	4.4	80.8	5.50
2004	16,123,936	1.5	87.2	6.25

MS-6

Employer Contributions and ERISA Funded Position

Under the Pension Protection Act of 2006 (PPA), the funded position is measured by comparing the actuarial value of assets, reduced by the plan's credit balance, with the funding target. The amount by which the funding target exceeds the net actuarial value of assets is the plan's funding shortfall. If the net actuarial value of assets exceeds the funding target, the difference is the plan's excess assets. The actuarial value of assets is an average of the fair market rate over a six-month period, adjusted for contributions and disbursements. The funding target is the present value of benefits accrued or earned as of the valuation date. The target normal cost is the present value of benefits expected to be earned during the plan year. Plans that do not meet certain funded status criteria are considered to be at-risk and are required to use specific actuarial assumptions, and in some cases additional loads, that will generally increase the funding target and target normal cost.

The plan's funding shortfall, excluding the credit balance, is \$345,895,693 as of January 1, 2008. The plan's actuarial value of assets, including the credit balance, is 108.3% of the funding target as of January 1, 2008. This percentage is based on an actuarial value of assets of \$3,227,136,887 and a funding target of \$2,980,645,668.

AEP's funding policy is to contribute an amount equal to the minimum required contribution under PPA. The minimum funding requirement under PPA is generally equal to the target normal cost plus amortization of the plan's funding shortfall and any funding waivers. For overfunded plans, the minimum funding requirement is reduced by the amount of the plan's excess assets. The minimum funding requirement for American Electric Power is \$96,047,779, or 7.9% of covered pay.

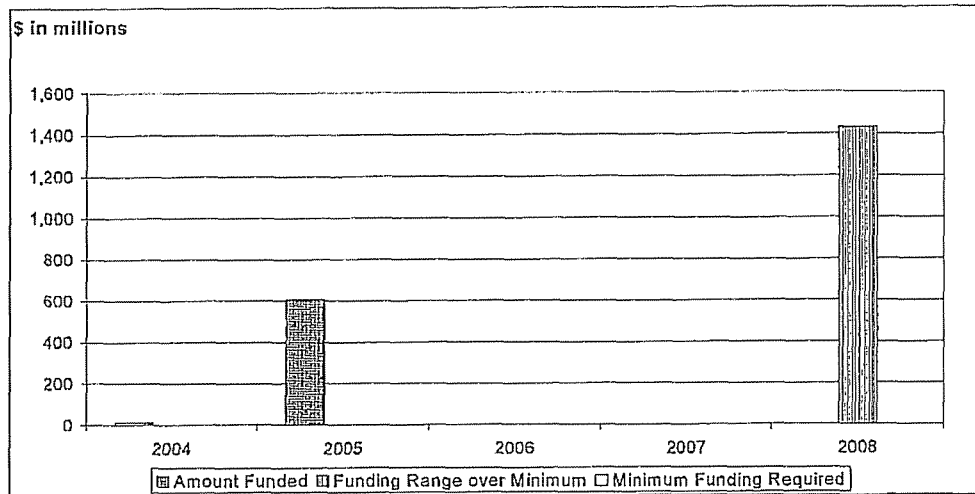
Plan sponsors that have in the past contributed more than the minimum may have a credit balance. Sponsors can elect to apply the plan's credit balance to offset the minimum funding requirement if certain other requirements are met. If AEP elects to fully apply its available credit balance, the remaining cash requirement is \$0.

The maximum deductible contribution under PPA is generally equal to 150% of the funding target, plus the target normal cost, plus an allowance for future pay or benefit increases, less the actuarial value of assets. For plans that are not at-risk, the deductible limit will not be less than the unfunded funding target plus the target normal cost, both determined as if the plan were at-risk. For all plans, the deductible limit will not be less than the minimum funding requirement. Pending issuance of Treasury/IRS guidance, the estimated maximum deductible contribution for the plan is \$1,431,296,422 or 117.6% of covered pay.

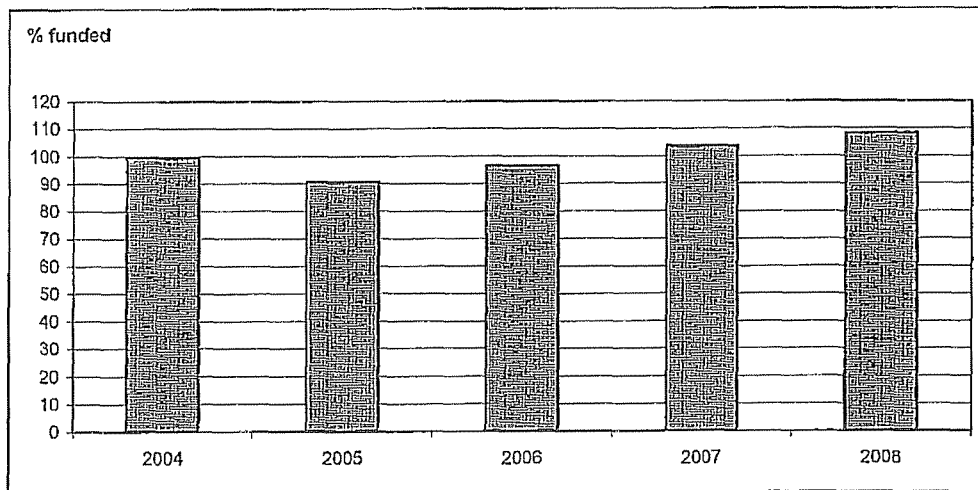
History of Employer Contributions and Funded Position

The following charts show the history of employer contributions and the funding range for 2008, as well as the ERISA funded position.

History of Employer Contributions and Current Year's Funding Range



History of Funding Target* Funded Position



* Results prior to 2008 are based on the plan's current liability.

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**History of Employer Contributions and ERISA Funded Position
and Current Year's Funding Range**

----- Employer contributions -----

<i>Year</i>	<i>Amount</i>	<i>Percent of covered pay</i>	<i>AVA as a % of funding target*</i>	<i>Effective interest rate*</i>
2008:				
▶ Minimum**	\$ 0	0.0%	108.3%	5.93%
▶ Maximum	1,431,296,422	117.6		
2007	0	0.0	103.6	8.50
2006	0	0.0	96.7	8.50
2005	606,600,000	55.5	90.7	8.50
2004	16,123,936	1.5	99.6	8.50

* Results prior to 2008 are based on the plan's current liability.

** Remaining cash requirement assuming sponsor elects full use of available credit balance.

Timing of Contributions

If a plan has a funding shortfall for the current plan year, quarterly contributions will be required in the following plan year. Because the plan has a funding shortfall, quarterly contributions for the 2009 plan year will be required but will not exceed \$24,011,945 per payment, based on this year's valuation results.

The minimum funding requirement for the 2008 plan year must be satisfied in quarterly installments, with a final payment due on or before September 15, 2009. This requirement may be satisfied through contributions and/or an election to apply available credit balance.

The minimum funding schedule, *before reflecting any credit balance elections*, is shown below:

April 15, 2008	\$ 17,315,498
July 15, 2008	17,315,498
October 15, 2008	17,315,498
January 15, 2009	17,315,498
September 15, 2009	32,396,502

Quarterly contributions for 2008 are based on the required contribution for 2007 or 2008, whichever is more favorable.

Benefit Limitations

Under PPA, a plan may become subject to various benefit limitations if its funded status falls below certain thresholds. Plan amendments that increase benefits are prohibited if the effect of the amendment would be to reduce the adjusted funding target attainment percentage (AFTAP) below 80%. Benefit accruals must cease and shutdown benefits are prohibited if the AFTAP falls below 60%. To avoid these benefit limitations, a plan sponsor may either contribute certain additional amounts for the current plan year or provide security outside the plan.

Plans are prohibited from paying lump sums or other accelerated forms of distribution if the AFTAP is below 60%, and only reduced amounts are allowed to be paid if the AFTAP is between 60% and 80%.

The AFTAP for AEP's East Retirement Plan is 108.3% as of January 1, 2008.

PBGC Reporting Requirements

For plan years beginning after 2006, PPA eliminated the PBGC participant notification requirements for plans that are required to pay a PBGC variable premium and have a funded percentage below a specified "gateway" percentage. For plan years beginning in 2008, all defined benefit plans subject to Title IV of ERISA are required to issue annual funding notices (due 120 days after the end of the plan year).

With respect to reporting years beginning before 2008, additional financial and actuarial information must be provided to the PBGC if, at the end of the year, all defined benefit plans within the controlled group have an unfunded vested liability of \$50 million or more using assumptions mandated by the PBGC.

As of January 1, 2008, unfunded vested liabilities for all defined benefit plans within the controlled group were less than \$50 million. Consequently, reporting of additional financial and actuarial information was not required.

For reporting years beginning after 2007, PPA changed the \$50 million threshold. A filing will now be required if the funding target attainment percentage (FTAP) at the end of the preceeding plan year is less than 80% for any plan in the contributing sponsor's controlled group. The FTAP for 2008 is 108.3% as of January 1, 2008.

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Basis for Valuation

Economic Assumptions

The discount rate for pension cost purposes is the rate at which the pension obligations could be effectively settled. This rate is developed from yields on available high-quality bonds and reflects the plan's expected cash flows. It is based on high-grade bond yields, after allowing for call and default risk. The duration of the plan is 9.43 years.

The assumed rate of return on assets and salary increase rate assumptions both reflect long-term expectations. The assumed rate of return on assets for pension cost purposes is the weighted average of expected asset returns. The salary increase rate is based on current expectations of future pay increases. The assumptions selected by AEP for pension cost purposes are:

	December 31, 2007	December 31, 2006
Discount rate	6.00%	5.75%
Rate of return on assets	8.00%	8.50%
Salary increase rate	Rates vary by age from 5.00% to 11.50%	Rates vary by age from 5.00% to 11.50%

Assumptions used to determine statutory contribution limits must be reasonable taking into account the experience of the plan and reasonable expectations. However, certain assumptions (such as interest and mortality) are either prescribed by the IRS or are subject to IRS approval. The interest rates used to determine the funding target and target normal cost are based on a high-quality corporate bond yield curve. The assumptions for contribution purposes are:

	January 1, 2008	January 1, 2007
Effective interest rate	5.93%	5.78%*
Salary increase rate	Rates vary by age from 5.00% to 11.50%	Rates vary by age from 5.00% to 11.50%

*Results prior to 2008 are based on the plan's current liability.

Demographic Assumptions

The cost of providing plan benefits depends on demographic factors such as retirement, mortality and turnover. With the exception of the IRS-required mortality basis used to calculate the funding target, demographic assumptions used in the valuation were selected to reflect the experience of the covered population and reasonable expectations. If actual experience is more favorable than assumed, future plan costs will be lower. Alternatively, if actual experience is less favorable than assumed, future plan costs will be higher.

The mortality basis used to calculate the funding target was changed to the RP2000 table with projections to 2015 for annuitants and 2023 for non-annuitants. For purposes other than the funding target, the mortality assumption was the same as that for determining the funding target. No other demographic assumptions have changed since the prior valuation.

Changes in Benefits Valued

- ▶ Effective January 1, 2008, the qualified pension plans were amended to change the methodology for converting cash balance accounts to single life annuities.
- ▶ Increases in statutory pay and benefit limitations.

MS-12

Actuarial Certification, Reliances and Distribution

American Electric Power retained Towers Perrin to perform a valuation of its pension plan for the purpose of determining (1) its pension cost in accordance with FAS 87 and (2) the minimum required and maximum tax-deductible contributions in accordance with ERISA and allowed by the Internal Revenue Code. This valuation has been conducted in accordance with generally accepted actuarial principles and practices.

The consulting actuaries are members of the Society of Actuaries and other professional actuarial organizations and meet their "General Qualification Standard for Prescribed Statements of Actuarial Opinions" relating to pension plans.

In preparing the results presented in this report, we have relied upon information provided to us regarding plan provisions, plan participants and plan assets. While the scope of our engagement did not call for us to perform an audit or independent verification of this information, we have reviewed this information for reasonableness but have not audited it. The accuracy of the results presented in this report is dependent upon the accuracy and completeness of the underlying information.

The actuarial assumptions and the accounting policies and methods employed in the development of the pension cost have been selected by the plan sponsor, with the concurrence of Towers Perrin. FAS 87 requires that each significant assumption "individually represent the best estimate of a particular future event."


To the extent not prescribed by ERISA, the Internal Revenue Code, and regulatory guidance from the Treasury and the IRS, the funding methods (including asset valuation method, choice among prescribed interest rates and choice among prescribed mortality tables) employed in the development of the contribution limits have been selected by the plan sponsor, with the concurrence of Towers Perrin. To the extent not prescribed by ERISA, the Internal Revenue Code and regulatory guidance from the Treasury and the IRS, the actuarial assumptions employed in the development of the contribution limits have been selected by Towers Perrin, with the concurrence of the plan sponsor. Other than prescribed assumptions, ERISA and the Internal Revenue Code require the use of assumptions each of which is "reasonable (taking into account the experience of the plan and reasonable expectations), and ... which, in combination, offer the actuary's best estimate of anticipated experience under the plan."

The results shown in this report have been developed based on actuarial assumptions that are considered to be reasonable and within the "best-estimate range" as described by the Actuarial Standards of Practice. Other actuarial assumptions could also be considered to be reasonable and within the best-estimate range. Thus, reasonable results differing from those presented in this report could have been developed by selecting different points within the best-estimate ranges for various assumptions.

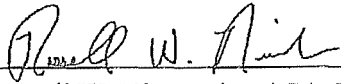
The information contained in this report was prepared for the internal use of American Electric Power and its auditors in connection with our actuarial valuation of the pension plan. It is neither intended nor necessarily suitable for other purposes. American Electric Power may also distribute this actuarial valuation report to the appropriate authorities who have the legal right to require American

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Electric Power to provide them this report, in which case American Electric Power will use best efforts to notify Towers Perrin in advance of this distribution. Further distribution to, or use by, other parties of all or part of this report is expressly prohibited without Towers Perrin's prior written consent.



Joseph A. Perko, FSA, MAAA, EA
Towers Perrin



Russell W. Niswander, ASA, MAAA, EA

June 2008

Supplemental Information

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<i>Pension Cost</i>	<i>SI-4</i>
<i>Present Value of Accumulated Plan Benefits for FAS 35</i>	<i>SI-5</i>
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Asset Values

Asset Values for Calculating Pension Cost and Funded Position

Fair value (excludes
contributions receivable):

‣ As of January 1, 2007	\$ 3,160,858,560
‣ Contributions	0
‣ Disbursements	(192,684,531)
‣ Investment return	<u>273,459,810</u>
‣ As of January 1, 2008	\$ 3,241,633,839
‣ Rate of return	8.9%

Market-related value:

‣ As of January 1, 2007	\$ 3,002,105,003
‣ As of January 1, 2008	3,159,403,610
‣ Rate of return	12.1%

Asset Values for Calculating Employer Contributions

Market value, including
contributions receivable:

‣ As of January 1, 2007	\$ 3,160,858,560
‣ Contributions	0
‣ Disbursements	(192,684,531)
‣ Investment return	<u>273,459,810</u>
‣ As of January 1, 2008	\$ 3,241,633,839
‣ Rate of return	8.9%

Actuarial value:

‣ As of January 1, 2007	\$ 2,994,330,956
‣ As of January 1, 2008	3,227,136,887
‣ Rate of return	14.7%
‣ Rate of return (assuming mid-year cash Flow) for Schedule B of Form 5500	14.7%

SI-2

Basic Results for Pension Cost and Funded Position

	Fiscal 2008	Fiscal 2007
Service Cost		
Amount	\$ 77,681,804	\$ 74,028,096
Obligations		
Accumulated benefit obligation [ABO]:		
▶ Participants currently receiving benefits	\$ 1,348,287,573	\$ 1,329,976,436
▶ Deferred inactive participants	141,627,625	141,798,281
▶ Active participants	<u>1,457,517,836</u>	<u>1,383,455,409</u>
Total ABO	\$ 2,947,433,034	\$ 2,855,230,126
Obligation due to future salary increases	<u>97,653,242</u>	<u>141,833,227</u>
Projected benefit obligation [PBO]	\$ 3,045,086,276	\$ 2,997,063,353
Assets		
Fair value [FV]	\$ 3,241,633,839	\$ 3,160,858,560
Unamortized investment losses (gains)	<u>(82,230,229)</u>	<u>(158,753,557)</u>
Market-related value	\$ 3,159,403,610	\$ 3,002,105,003
Funded Position		
Overfunded (underfunded) PBO	\$ 196,547,563	\$ 163,795,207
PBO funded percentage	106.5%	105.5%
Amounts Not Yet Recognized in Net Periodic Cost		
Net actuarial loss (gain)	\$ 392,665,849	\$ 465,739,012
Prior service cost (credit)	27,488,501	22,616,902
Transition obligation (asset)	<u>0</u>	<u>0</u>
Total	\$ 420,154,350	\$ 488,355,914

Key Economic Assumptions	Fiscal 2008	Fiscal 2007
Discount rate	6.00%	5.75%
Rate of return on assets	8.00%	8.50%
Salary increase rate	Rates vary by age From 5.0% to 11.5%	Rates vary by age From 5.0% to 11.5%

The results above may differ from the amounts disclosed in AEP's 2007 financial statements because disclosures are prepared before the corresponding valuation results are available.

SI-4

Pension Cost

	Fiscal 2008	Fiscal 2007
Pension Cost		
Service cost	\$ 77,681,804	\$ 74,028,096
Interest cost	179,321,986	169,298,435
Expected return on assets	(242,077,670)	(244,473,520)
Amortization:		
‣ Transition obligation (asset)	0	0
‣ Prior service cost (credit)	4,830,372	3,949,256
‣ Net loss (gain)	<u>15,878,106</u>	<u>32,646,941</u>
Pension cost	\$ 35,634,598	\$ 35,449,208
Percent of covered pay	2.9%	3.1%
Per active participant	\$ 2,214	\$ 2,329
Change in Pension Cost		
Pension cost for fiscal 2007	\$ 35,449,208	
Change from fiscal 2007 to fiscal 2008:		
‣ Expected based on prior valuation	(17,339,858)	
‣ Loss (gain) from noninvestment experience	6,003,774	
‣ Loss (gain) from asset experience	(4,255,981)	
‣ Assumption changes	13,367,986	
‣ Plan amendments	<u>2,409,499</u>	
Pension cost for fiscal 2008	\$ 35,634,598	

Present Value of Accumulated Plan Benefits for FAS 35

	January 1, 2008	January 1, 2007
Actuarial Present Value of Accumulated Plan Benefits		
Vested benefits:		
▶ Participants currently receiving benefits	\$ 1,172,701,006	\$ 1,129,447,583
▶ Other participants	<u>1,319,181,845</u>	<u>1,156,868,592</u>
▶ Total vested benefits	\$ 2,491,882,851	\$ 2,286,316,175
Nonvested benefits	<u>39,946,477</u>	<u>58,499,175</u>
Total accumulated benefits	\$ 2,528,829,328	\$ 2,344,815,350
Market value of assets	3,241,633,839	3,160,858,560

Key Assumptions

Interest rate	8.00%	8.50%
Average retirement age	60	60
Mortality	2008 IRS AMT	RP2000

Change in Actuarial Present Value of Accumulated Plan Benefits

Actuarial present value of accumulated plan benefits as of January 1, 2007	\$ 2,344,815,350
Change from 2007 to 2008:	
▶ Additional benefits accumulated (including the effect of noninvestment experience)	94,411,791
▶ Interest due to decrease in the discount period	191,287,206
▶ Benefits paid	(192,684,531)
▶ Assumption changes	83,324,164
▶ Plan amendments	<u>7,675,348</u>
Actuarial present value of accumulated plan benefits as of January 1, 2008	\$ 2,528,829,325

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Basic Results for Minimum Required Employer Contribution

	January 1, 2008	January 1, 2007
Normal Cost and Liabilities		
Normal cost	\$ 96,047,779	\$ 56,172,575
Funding target:		
▶ Participants currently receiving benefits	\$ 1,358,448,531	\$ 1,365,575,301
▶ Deferred inactive participants	139,739,680	146,235,280
▶ Active participants	<u>1,482,457,457</u>	<u>1,379,316,875</u>
Total funding target	\$ 2,980,645,668	\$ 2,891,127,456*
Assets		
Market value	\$ 3,241,633,839	\$ 3,160,858,560
Unrecognized investment losses (gains)	<u>(14,496,952)</u>	<u>(166,527,604)</u>
Actuarial value	\$ 3,227,136,887	\$ 2,994,330,956
Credit Balance		
Funding standard carryover balance	\$ 592,386,912	\$ 609,814,657
Prefunding balance	<u>0</u>	<u>N/A</u>
Total credit balance	\$ 592,386,912	\$ 609,814,657
ERISA Funded Position		
Net actuarial value of assets	\$ 2,634,749,975	\$ N/A
Funding shortfall/(excess assets)	345,895,693	N/A
Assets, including credit balance, as a percentage of funding target	108.3%	103.6%*
Key Economic Assumptions		
Effective interest rate	5.93%	5.78%*
Salary increase rate	Rates vary by age from 5.0% to 11.0%	Rates vary by age from 5.0% to 11.0%

* Results for 2007 are based on the plan's current liability.

Minimum Required Employer Contribution

	January 1, 2008	January 1, 2007
Minimum Required Employer Contribution		
Target normal cost	\$ 96,047,779	\$ N/A
Net shortfall amortization charge	0	N/A
Waiver amortization charge	0	N/A
Excess assets	<u>0</u>	<u>N/A</u>
Minimum funding requirement	\$ 96,047,779	\$ N/A
Available credit balance	592,386,912	N/A
Remaining cash requirement (assuming sponsor elects full use of available credit balance)	0	N/A
Percent of covered pay	0.00%	N/A
Per active participant	\$ 0	N/A

Additional details regarding the calculation of the minimum required employer contribution may be obtained from the Form 5500 Schedule SB filings and attachments.

Schedule of Minimum Funding Requirements*

	Fiscal 2008	Fiscal 2007
April 15, 2008	\$ 17,315,498	\$ 0
July 15, 2008	17,315,498	0
October 15, 2008	17,315,498	0
January 15, 2008	17,315,498	0
September 15, 2009	32,396,502	0

Quarterly contributions for the 2009 plan year will not exceed \$24,011,945 per payment, based on this year's valuation results.

* Before reflecting any credit balance elections for 2008.

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Basic Results for Maximum Deductible Employer Contribution

	January 1, 2008	January 1, 2007
Normal Costs		
Normal cost	\$ 96,047,779	\$ 56,172,575*
Target normal cost as if at-risk (for plans not at-risk)	N/A	N/A
Liabilities		
Funding target	\$ 2,980,645,668	\$ 2,891,127,456*
Funding target reflecting future pay/benefit increases	3,072,062,696	N/A
Funding target as if at-risk (for plans not at-risk)	N/A	N/A
Assets		
Market value	\$ 3,241,633,839	\$ 3,160,858,560
Unrecognized investment losses (gains)	<u>(14,496,952)</u>	<u>(166,527,604)</u>
Actuarial value	\$ 3,227,136,887	\$ 2,994,330,956
Key Economic Assumptions		
Effective interest rate	5.93%	5.78%*
Salary increase rate	Rates vary by age from 5.0% to 11.0%	Rates vary by age from 5.0% to 11.0%

* Results for fiscal 2007 are based on the plan's current liability.

Maximum Deductible Employer Contribution

	January 1, 2008	January 1, 2007
Basic Funding Limit		
Funding target	\$ 2,980,645,668	\$ N/A
Target normal cost	96,047,779	N/A
Statutory cushion amount	<u>1,581,739,862</u>	<u>N/A</u>
Basic funding limit	\$ 4,658,433,309	\$ N/A
At-Risk Funding Limit		
Funding target as if at-risk	\$ N/A	\$ N/A
Target normal cost as if at-risk	<u>N/A</u>	<u>N/A</u>
At-risk funding limit (for plans not at-risk)	\$ N/A	\$ N/A
Maximum Deductible Employer Contribution*		
Maximum funding limit	\$ 4,658,433,309	\$ N/A
Actuarial value of assets	<u>3,227,136,887</u>	<u>N/A</u>
Preliminary maximum contribution	\$ 1,431,296,422	\$ N/A
Minimum funding requirement	96,047,779	N/A
Maximum deductible contribution	1,431,296,422	1,355,547,872
Percent of covered pay	117.6%	118.8%
Per active participant	\$ 88,939	\$ 89,075

The maximum deductible contribution under PPA is generally equal to 150% of the funding target, plus the target normal cost, plus an allowance for future pay or benefit increases, less the actuarial value of assets. For plans that are not at-risk, the deductible limit will not be less than the unfunded funding target plus the target normal cost, both determined as if the plan were at risk. For all plans, the deductible limit will not be less than the minimum funding requirement. The preceding is pending issuance of Treasury/IRS guidance.

*Estimated

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Funded Status for Benefit Limitations

	Fiscal 2008	Fiscal 2007*
Basic Results		
Funding target disregarding at-risk provisions	\$ 2,980,645,668	\$ 2,891,127,456
Actuarial value of assets	3,227,136,837	2,994,330,956
Credit balance	592,386,912	609,814,657
Annuity purchases for non-highly compensated employees during preceding two plan years	0	0
Funded Status		
Funding target attainment percentage	108.3%	103.6%
Adjusted funding target attainment percentage	88.4%	103.6%
Key Economic Assumptions		
Effective interest rate	5.93%	5.78%

* Results for fiscal 2007 are based on plan's current liability, actuarial value of assets limited to be within 10% of market value, and credit balance reduced by present value of any amount waived as of January 1, 2007.

Actuarial Assumptions and Methods

	Pension Cost	Contributions															
Economic Assumptions																	
Discount rate	6.00%	N/A															
Return on assets	8.00%	N/A															
Funding interest rate basis:																	
‣ Applicable month	N/A	October 2007															
‣ Yield curve basis	N/A	Segment rates															
‣ Transition from current liability rates	N/A	No															
Funding interest rates:																	
‣ First segment rate (10-year rate)	N/A	5.29%															
‣ Second segment rate (20-year rate)	N/A	5.86%															
‣ Third segment rate (30-year rate)	N/A	6.40%															
‣ Effective interest rate	N/A	5.93%															
Annual rates of increase																	
‣ Total compensation	<table border="0" style="margin-left: 20px;"> <tr> <td style="text-align: right;"><i>Age</i></td> <td style="text-align: center;"><i>Rate</i></td> </tr> <tr> <td style="text-align: right;">< 25</td> <td style="text-align: center;">11.50%</td> </tr> <tr> <td style="text-align: right;">25 – 34</td> <td style="text-align: center;">9.50%</td> </tr> <tr> <td style="text-align: right;">35 – 44</td> <td style="text-align: center;">6.50%</td> </tr> <tr> <td style="text-align: right;">> 45</td> <td style="text-align: center;">5.00%</td> </tr> </table>	<i>Age</i>	<i>Rate</i>	< 25	11.50%	25 – 34	9.50%	35 – 44	6.50%	> 45	5.00%	<table border="0" style="margin-left: 20px;"> <tr> <td style="text-align: right;"><i>Rate</i></td> </tr> <tr> <td style="text-align: center;">11.50%</td> </tr> <tr> <td style="text-align: center;">9.50%</td> </tr> <tr> <td style="text-align: center;">6.50%</td> </tr> <tr> <td style="text-align: center;">5.00%</td> </tr> </table>	<i>Rate</i>	11.50%	9.50%	6.50%	5.00%
<i>Age</i>	<i>Rate</i>																
< 25	11.50%																
25 – 34	9.50%																
35 – 44	6.50%																
> 45	5.00%																
<i>Rate</i>																	
11.50%																	
9.50%																	
6.50%																	
5.00%																	
‣ Cash balance crediting rate	5.25%	5.50%															
‣ Lump sum conversion rate	6.50%	6.50%															
‣ Future Social Security wage bases	4.00%	4.00%															
‣ Statutory limits on compensation and benefits	3.00%	N/A															

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Demographic Assumptions

	Pension Cost	Contributions
Preretirement Healthy Mortality	RP2000, projected to 2023	RP2000, projected to 2023
Postretirement Healthy Mortality	RP2000, projected to 2015	RP2000, projected to 2015
Disabled Mortality	RP2000 disabled retiree, no projection	Post-1994 current liability disabled

Termination	Rates varying by age and service:		
		<i>Rate</i>	
	<i>Age</i>	<i>Less than five years of service</i>	<i>Five or more years of service</i>
	<25	12.50%	10.00%
	25-30	12.50%	6.00%
	30-35	12.50%	5.00%
	35-40	12.50%	3.50%
	>40	12.50%	3.00%

Retirement	Rates varying by age; average retirement age 60:	
	<i>Age</i>	<i>Rate</i>
	55-57	7.5%
	58-60	15.0%
	61-63	35.0%
	64-65	25.0%
	66-69	20.0%
	70+	100%

Form of payment	75% lump sum; 25% annuity.
Percent married	80% of male participants; 70% of female participants.
Spouse ages	Wives are assumed to be three years younger than husbands.
Valuation pay	2008 Base Salary Pay (Grandfathered) – estimated as 2007 Base Pay updated one year according to the salary increase assumption. 2008 Expanded Pay (Cash Balance) – sum of the following updated one year according to the salary increase assumption: (i) 2007 base salary (ii) A 12% increase for overtime eligible employees and a target bonus percent increase for incentive-eligible employees.

Actuarial Methods

Pension cost:

- ▶ Service cost and projected benefit obligation Projected unit credit.

- ▶ Market-related value of assets The market value on the valuation date less the following percentages of prior years' investment gains and losses:
 - 80% of the prior year
 - 60% of the second prior year
 - 40% of the third prior year
 - 20% of the fourth prior year.

The investment gain or loss is calculated each year by:

- Rolling forward the prior year's fair value of assets with actual contributions, benefit payments and expected return on investments using the long-term yield assumption
- Comparing the actual fair value of assets to the expected value calculated above.

Contributions:

- ▶ Funding target and target normal cost Present value of accrued benefits.

- ▶ Actuarial value of assets Average of the fair market value of assets on the valuation date and the six immediately preceding months, adjusted for contributions, benefit payments and administrative expenses. The average asset value must be within 10% of fair value, including contributing receivable.

Benefits Not Valued

All benefits were valued except:

- Any liabilities that may be reinstated in the event of reemployment
- The alternate benefit formula for members who did not elect to withdraw their contributions
- Any liabilities relating to member's unwithdrawn contributions
- Liabilities related to special benefits as a result of termination due to restructuring or downsizing.

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Change in Assumptions and Methods Since Prior Valuation

Pension cost	<p>The discount rate for benefit obligations was changed from 5.75% to 6.00%.</p> <p>The mortality table used to value the benefit obligations was updated from RP2000 (no collar adjustment, no projection) to the RP2000 with projections to 2015 for annuitants and to 2023 for nonannuitants.</p>
Contributions	<p>The funded interest rate was changed from 5.78% to the segment rates as of October 2007 (as provided under PPA).</p> <p>The required mortality table used to value the funding target and target normal cost was updated to include one additional year of projected mortality improvements.</p> <p>The actuarial cost method used to calculate the funding target and target normal cost was changed from unit credit to the present value of accrued benefits, as required by PPA.</p>

Data Sources

Towers Perrin used participant and asset data as of January 1, 2008, supplied by AEP. Data were reviewed for reasonableness and consistency, but no audit was performed. Assumptions or estimates were made by Towers Perrin actuaries when data were not available. We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations.

Participant Data

	January 1, 2008	January 1, 2007
Active		
Number	16,093	15,218
Average age	46.5	47.0
Average past service	17.4	18.1
Average future service	10.0	9.9
Covered pay:		
▸ Total	\$ 1,217,927,495	\$ 1,141,216,687
▸ Average	75,681	74,991
Deferred Inactive		
Number	3,542	3,757
Average age	51.6	50.7
Annual benefits:		
▸ Total	\$ 27,784,130	\$ 26,635,235
▸ Average	7,844	7,089
Currently Receiving Benefits		
Number	11,194	11,137
Average age	72.9	72.6
Annual benefits:		
▸ Total	\$ 144,237,539	\$ 143,039,877
▸ Average	12,885	12,844
Total Participants Included in Valuation		
Number	30,829	30,112

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Analysis of Inactive Participant Data

Deferred Inactive

<i>Age last birthday</i>	<i>Number</i>	<i>Annual benefit</i>	<i>Average annual benefit</i>
< 40	124	\$ 1,212,705	\$ 9,780
40 – 44	359	2,273,967	6,334
45 – 49	776	5,207,015	6,710
50 – 54	1,071	8,844,438	8,258
55 – 59	814	7,164,317	8,801
60 – 64	361	2,794,366	7,741
> 64	37	287,323	7,765
Total	3,542	\$ 27,784,130	\$ 7,844

Currently Receiving Benefits

<i>Age last birthday</i>	<i>Number</i>	<i>Annual benefit</i>	<i>Average annual benefit</i>
< 55	94	\$ 347,991	\$ 3,702
55 – 59	582	7,880,386	13,540
60 – 64	1,727	29,747,629	17,225
65 – 69	2,002	25,231,161	12,603
70 – 74	1,935	25,188,981	13,018
75 – 79	1,851	24,947,151	13,748
> 79	3,003	30,894,241	10,288
Total	11,194	\$ 144,237,539	\$ 12,885

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Age Nearest Birthday	2008 Projected Pay										Total
	Completed Years of Service										
	0	1-4	5-9	10-14	15-19	20-24	25-29	30-34	Over 35		
0-24	Number	370	9							379	
	Avg Pay	46,425	51,256							46,540	
25-29	Number	826	228	2						1,056	
	Avg Pay	54,236	58,621	52,269						55,179	
30-34	Number	673	420	66						1,159	
	Avg Pay	58,493	69,316	76,120						63,419	
35-39	Number	549	439	238	127	3				1,356	
	Avg Pay	63,189	75,862	78,007	82,265	68,418				71,691	
40-44	Number	433	410	259	491	314	6			1,913	
	Avg Pay	66,158	76,993	78,020	82,086	82,675	71,424			76,902	
45-49	Number	359	315	204	422	790	806	53		2,949	
	Avg Pay	67,057	83,582	72,897	78,207	84,747	81,098	74,841		79,538	
50-54	Number	213	266	133	300	536	1,116	776	32	3,372	
	Avg Pay	69,737	81,962	74,432	74,966	80,755	84,176	83,183	75,801	81,034	
55-59	Number	112	178	107	167	319	481	731	490	2,585	
	Avg Pay	73,162	77,875	72,335	71,444	79,543	80,521	85,783	85,863	81,475	
60-64	Number	58	93	50	63	131	169	173	463	1,200	
	Avg Pay	88,306	74,296	74,336	65,864	77,411	82,248	78,094	84,009	80,287	
65-69	Number	12	32	8	9	9	11	11	17	109	
	Avg Pay	64,077	74,762	64,996	80,705	87,407	78,779	89,900	75,556	76,461	
Over 69	Number	5	5	2	1	1	1			15	
	Avg Pay	84,759	79,250	47,300	45,724	71,299	65,006			73,112	
Total	Number	3,610	2,395	1,069	1,580	2,103	2,590	1,744	1,002	16,093	
	Avg Pay	60,420	74,948	75,531	77,910	82,155	82,354	83,557	84,510	75,681	

Average Age = 46.5 Average Service = 17.4



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Reconciliation of Participant Data

	<i>Active</i>	<i>Deferred inactive</i>	<i>Currently receiving benefits</i>	<i>Total</i>
Included in January 1, 2007 valuation	15,218	3,757	11,137	30,112
Change due to:				
‣ New hire and rehire	1,610	(21)	0	1,589
‣ Nonvested termination	(195)	0	0	(195)
‣ Vested termination	(93)	93	0	0
‣ Retirement	(212)	(109)	321	0
‣ Disability	0	0	0	0
‣ Death without beneficiary	(4)	(25)	(318)	(347)
‣ Death with beneficiary	(3)	(3)	6	0
‣ Cashout	(239)	(195)	0	(434)
‣ Miscellaneous	11	45	48	104
‣ Net change	875	(215)	57	717
Included in January 1, 2008 valuation	16,093	3,542	11,194	30,829

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Plan Provisions

Effective Date	May 1, 1955. Restated effective January 1, 2001.
Recent Amendments	Effective as of January 1, 2008.
Covered Employees	Employees become Members of the Plan on the first day of the month following completion of one year of service.
Participation Date	Date of becoming a covered employee.
Definitions	
Grandfathered Employee	If on December 31, 2000, either: <ul style="list-style-type: none">■ Participate in AEP System Retirement Plan, or■ In one-year waiting period for AEP System Retirement Plan participation.
Vesting Service	A period of time from employment date to termination date and, in general, includes periods of severance that are not in excess of 12 months.
Accredited Service	Elapsed time from date of hire (from benefit service start date).
Final Average Pay	Average of the highest 36-consecutive months of base pay out of the last 120 months of employment, subject to IRS limits.
Cash Balance Pay	Pay received during the year, including base pay, overtime, shift differential/Sunday premium pay and incentive pay, subject to IRS limits.
Covered Compensation Amount	The average of the Social Security taxable wage base during the 35-year period including the year in which the participant retires, dies, becomes disabled or otherwise terminates employment. This monthly average is calculated to the next lower or equal whole dollar amount and is then rounded to nearest \$50.
Normal Retirement Date (NRD)	The first day of the calendar month whose first day is nearest the later of the member's 65 th birthday or the completion of five years of Vesting Service.

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Cash Balance Account Recordkeeping account to which annual interest credits and annual compensation credits is credited. The cash balance account is updated at the end of each plan year and is equal to:

Cash Balance Account as of the
End of the Prior Plan Year

+

Interest Credits

+

Company Credits

Cash Balance Benefit Cash Balance Account converted to a monthly annuity.

Opening Balance For those participating in or eligible for the AEP System Retirement Plan on December 31, 2000, opening balance is calculated as follows:

- Present value of monthly normal retirement benefit determined as of December 31, 2000, and payable at age 65 (or current age if older)
 - Present value determined based on 5.78% interest and IRS regulated mortality (GAM83 Unisex) data for lump sums (postretirement only)

Plus

- Credit for early retirement subsidy for monthly payments beginning at age 62 (or current age if older)

Plus

- Transition credit based on age, service and pay received in 2000 (see "Company Credits" for credit percentages)
 - Age and service based on completed whole years as of December 31, 2000.

For employees hired on or after January 1, 2001, opening balance is \$0.

Interest Credits Interest credits are applied to beginning of year account balance on December 31 each year.

Based on the average 30-year Treasury Bond rate for November of the previous year.

Minimum of 4%.

Company Credits Applied to account balance on December 31 or termination date if earlier.

Amount is a percentage of eligible pay received during the year, based on age plus years of Vesting Service (age and service in completed whole years as of December 31).

<i>Age Plus Years of Service</i>	<i>Annual Company Credit</i>
Less than 30	3.0%
30 – 39	3.5%
40 – 49	4.5%
50 – 59	5.5%
60 – 69	7.0%
70+	8.5%

Monthly Grandfathered Benefit Sum of (1)+(2)+(3):

- (1) 1.1% of Final Average Pay x Accredited Service up to 35 years
- (2) 0.5% of Final Average Pay Less Covered Compensation x Accredited Service up to 35 years
- (3) 1.33% of Final Average Pay x Accredited Service between 35 and 45 years.

Service continues to accrue and Final Average Pay grows through December 31, 2010.

Long-term Disability and Paid Leaves Compensation equal to base rate of pay as of disability date. Vesting service continues.

Unpaid Leave No compensation for annual compensation credit. Vesting service continues.

Eligibility for Benefits

Normal Retirement All members at or after their Normal Retirement Date.

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Vested	All members who terminate employment after completion of three years of Vesting Service, or upon death.
Early Retirement	Any time after attainment of age 55 and completion of five years of vesting.
Disability	All members who are unable to work at own occupation solely because of sickness or injury for the first 24 months of disability. After 24 months of disability, the participant is eligible if unable to work at any gainful occupation for which the participant may be able, or may reasonably become qualified by education, training or experience, to perform.
Surviving Spouse	The surviving spouse of a Grandfathered Member who retired or is eligible to retire on Normal or Early Retirement and who was married to that spouse for the year preceding commencement and whose grandfathered benefit exceeds his or her Cash Balance Benefit.
Preretirement Death	Beneficiary of deceased member.

Monthly Benefits Paid Upon the Following Events

Normal Retirement	For Grandfathered Employees, the better of the monthly grandfathered benefit or the Cash Balance Benefit determined as of Normal Retirement Date. For all other employees, the Cash Balance Benefit determined as of Normal Retirement Date.
Early Retirement	For Grandfathered Employees, the better of: <ol style="list-style-type: none">(1) The monthly grandfathered retirement benefit reduced by 3% per year for each year commencement precedes age 62, and(2) The Cash Balance Benefit determined as of the Early Retirement Date. For all other employees, the Cash Balance Benefit determined as of the Early Retirement Date.

Deferred Vested Retirement	The accrued Normal Retirement Benefit (better of Cash Balance and Grandfathered Benefits, if eligible), payable at Normal Retirement Date or actuarially reduced and payable at any age.
Disability	<p>The greater of (1) or (2):</p> <p>(1) Accrued Grandfathered Retirement Benefit reduced as in the Early Retirement Benefit. If retirement occurs prior to age 55, the benefit is further reduced actuarially from age 55. The Disability Retirement Benefit will reflect Accredited Service that accrued (at most recent rate of base earnings) to a member while receiving benefits under the Company's LTD plan.</p> <p>(2) The Cash Balance Benefit with continued Company Credits while disabled.</p> <p>Benefit (1) applies for Grandfathered Employees only.</p>
Preretirement Death	<p>Better of (1) or (2):</p> <p>(1) The grandfathered monthly benefit as if the employee commenced a 60% qualified joint and survivor benefit at his earliest retirement date</p> <p>(2) Annuity equivalent of Cash Balance account, or the cash balance account.</p> <p>Benefit (1) applies for a Grandfathered Employee whose beneficiary is his or her spouse.</p>
Surviving Spouse Benefits	A benefit payable for life equal to 30% of the single life annuity payable to the grandfathered member. The spouse's benefit is actuarially reduced for each year by which the spouse is more than ten years younger than the member. Payable to Grandfathered Employees only.

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Form of Payment

■ Grandfathered Employees

The following are available for Grandfathered Employees for both the Grandfathered Benefit and the Cash Balance Benefit:

- Full lump sum payment.
- Combination of partial lump sum (25%, 50% or 75% of full lump sum) with remainder paid as a monthly benefit (see below).
- Monthly payment:
 - Single life annuity.
 - Optional joint annuities (spouse or other beneficiary).
 - Available in 40%, 50%, 60%, 75%, 100%.
 - Can elect pop-up and/or level income options.
 - Automatic company-paid 30% surviving spouse annuity included in Grandfathered Benefit annuity if terminate on or after age 55 and married at least one year. Cash Balance Benefit is actuarially reduced for this feature.

■ Employees Hired on or After January 1, 2001

The following are available for those hired on or after January 1, 2001:

- Full lump sum payment.
- Combination of partial lump sum (25%, 50% or 75% of full lump sum) with remainder paid as a monthly benefit (see below).
- Monthly payment:
 - Single life annuity.
 - Joint annuities (spouse or other beneficiary).
 - Available in 50%, 75%, 100%.

Member Contributions

Prior to January 1, 1978, employee contributions were required as a condition of Membership. In May and June of 1981, Members were permitted an election to withdraw those contributions. Those who did not elect to withdraw have retirement benefits based on a formula that differs from the one appearing in this table. However, the number of nonelecting Members is so small that special plan provisions for that group have not been included in this summary.

Benefits Not Valued

A small portion of the population made employee contributions to the plan. Because the amount of these contributions is not material to the plan, they are not part of the valuation.

Participants who were employees of Columbus Southern Power (CSP) at the time AEP acquired that company have a frozen benefit under the CSP benefit formula at December 31, 1986. Benefits for these participants are the greater of an all-service AEP benefit and a two-part benefit consisting of the frozen CSP benefit plus an AEP benefit accrued from January 1, 1987. Because this applies to a small portion of the population and the CSP frozen benefit is not often the greater benefit for these participants, this benefit is not valued.

Future Plan Changes

No future plan changes were recognized in determining pension cost. Towers Perrin is not aware of any future plan changes that are required to be reflected.

Changes in Benefits Valued Since Prior Year

- ▶ Changes in the IRS pay cap and Section 415 limits.
- ▶ Methodology change for conversion of cash balance amounts into single life annuities.



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AMERICAN ELECTRIC POWER
EAST RETIREMENT PLAN
SUMMARY OF PLAN PARTICIPANTS FOR THE 2008 VALUATION

Location	Vested Actives	Non-Vested Actives	Total Actives	Retirees Receiving Benefits	Beneficiaries	Deferred Vesteds	Total Inactive	Total Participants
AEP Energy Services, Inc.	4	0	4	3	0	35	38	42
AEP Pro Serv, Inc.	1	0	1	0	0	2	2	3
AEP T & D Services, LLC	0	0	0	0	0	0	0	0
American Electric Power Service Corporation	4,263	822	5,085	1,551	369	1,313	3,233	8,318
Appalachian Power Co - Distribution	1,153	64	1,214	1,174	426	311	1,911	3,125
Appalachian Power Co - Generation	882	158	1,040	627	206	27	929	2,079
Appalachian Power Co - Transmission	176	21	197	83	9	0	119	316
CS Communications, Inc.	0	0	0	0	51	23	217	485
Cardinal Operating Company	225	43	268	143	1	4	7	249
AEP Texas Central Company - Distribution	132	110	242	2	0	0	0	0
AEP Texas Central Company - Generation	0	0	0	0	0	0	0	0
AEP Texas Central Company - Nuclear	0	0	0	0	0	0	0	0
AEP Texas Central Company - Transmission	12	28	40	1	0	0	1	41
AEP Texas Southern Power Co - Distribution	658	126	784	950	127	163	1,255	2,039
AEP Texas Southern Power Co - Generation	301	33	334	357	47	89	493	827
AEP Texas Southern Power Co - Transmission	54	4	58	74	16	12	102	160
Conesville Coal Preparation Company	10	0	10	7	0	0	7	17
Cook Coal Terminal	14	2	16	10	0	1	10	26
CSW Energy, Inc.	14	2	16	0	0	1	1	17
Elmwood	94	40	134	3	0	3	6	140
EnerShop Inc.	0	0	0	0	0	0	0	0
Indiana Michigan Power Co - Distribution	655	73	728	704	253	156	1,133	1,861
Indiana Michigan Power Co - Generation	397	37	434	252	83	163	518	952
Indiana Michigan Power Co - Nuclear	942	42	984	248	50	332	630	1,614
Indiana Michigan Power Co - Transmission	143	15	158	83	0	19	111	269
Kentucky Power Co - Distribution	285	21	307	161	68	88	317	624
Kentucky Power Co - Generation	137	15	152	64	23	17	104	256
Kentucky Power Co - Transmission	54	1	55	4	0	6	10	65
Kingsport Power Co - Distribution	45	4	49	45	15	21	81	130
Kingsport Power Co - Generation	9	2	11	7	1	0	8	19
Kingsport Power Co - Transmission	0	0	0	0	0	0	0	0
LIG Liquids Company, L.L.C.	0	0	0	0	0	0	0	0
Louisiana Intrastate Gas Company, L.L.C.	0	0	0	0	0	0	0	0
Merrico	315	288	603	1	0	5	6	579
Ohio Power Co - Distribution	846	59	904	895	304	188	1,387	2,291
Ohio Power Co - Generation	744	111	855	609	193	156	958	1,813
Ohio Power Co - Transmission	187	35	223	105	34	19	159	382
Public Service Co of Oklahoma - Distribution	125	111	236	0	1	5	6	242
Public Service Co of Oklahoma - Generation	40	27	67	0	0	3	3	70
Public Service Co of Oklahoma - Transmission	8	11	19	1	0	0	1	20
Southwestern Electric Power Co - Distribution	84	63	147	0	0	1	1	148
Southwestern Electric Power Co - Generation	50	41	91	0	0	0	0	92
Southwestern Electric Power Co - Transmission	28	35	63	27	0	22	49	112
Southwestern Electric Power Co - Texas - Distribution	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Generation	11	23	34	0	0	0	0	35
Southwestern Electric Power Co - Texas - Transmission	251	62	313	112	37	25	174	487
Water Transportation (Blackhawk)	31	21	52	0	0	0	0	52
AEP Texas North Company - Distribution	0	0	0	0	0	0	0	0
AEP Texas North Company - Generation	6	6	12	62	29	10	101	164
AEP Texas North Company - Transmission	63	0	63	6	8	1	15	15
Wheeling Power Co - Distribution	0	0	0	83	38	14	135	135
Cedar Coal Co	0	0	0	0	0	0	0	0
Central Coal Company	0	0	0	69	14	0	0	121
Central Ohio Coal	0	0	0	68	14	39	121	139
Southern Ohio Coal - Marietta	0	0	0	68	32	57	119	119
Southern Ohio Coal - Meigs	0	0	0	28	10	15	53	53
Windor	0	0	0	14	2	2	21	21
Price River Coal	0	0	0	1	0	42	43	43
Houston Pipeline (HPL)	0	0	0	0	0	0	0	0
Total	13,570	2,523	16,093	8,714	2,480	3,542	14,735	30,829

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AMERICAN ELECTRIC POWER RETIREMENT PLAN-EAST
FUNDED STATUS OF PRESENT VALUE OF ACCUMULATED PLAN BENEFITS (FAS 35) AS OF JANUARY 1, 2008

Location	Present Value of Vested Benefits	Present Value of Non-Vested Benefits	Present Value of Accumulated Plan Benefits	Market Value of Assets	Percent Funded
AEP Energy Services, Inc.	\$1,150,284	\$1,461	\$1,151,745	\$920,785	79.8%
AEP Piv Serv, Inc.	481,242	0	481,242	653,007	137.8%
AEP T & D Services, LLC	0	0	0	0	0.0%
American Electric Power Service Corporation	740,312,181	15,233,577	755,545,758	943,879,009	124.9%
Appalachian Power Co - Distribution	250,220,891	2,400,001	252,620,892	332,897,744	131.7%
Appalachian Power Co - Generation	192,510,151	2,634,749	195,144,900	245,578,795	125.7%
Appalachian Power Co - Transmission	33,751,548	485,405	34,236,954	43,874,933	128.1%
C3 Communications, Inc.	0	0	0	0	0.0%
Cardinal Operating Company	50,462,586	760,643	51,223,229	64,879,809	126.7%
AEP Texas Central Company - Distribution	1,927,337	179,778	2,107,115	2,000,295	97.8%
AEP Texas Central Company - Generation	0	0	0	0	0.0%
AEP Texas Central Company - Nuclear	0	0	0	0	0.0%
AEP Texas Central Company - Transmission	395,622	61,790	457,412	302,687	67.7%
Columbus Southern Power Co - Distribution	181,250,607	1,158,279	182,408,886	246,708,825	135.3%
Columbus Southern Power Co - Generation	84,126,520	907,202	84,933,722	110,721,478	130.4%
Columbus Southern Power Co - Transmission	16,783,943	116,646	16,900,589	26,398,427	139.7%
Conesville Coal Preparation Company	2,584,170	16,256	2,600,426	3,164,363	122.6%
Cook Coal Terminal	2,421,814	40,818	2,462,632	3,141,571	127.1%
CSW Energy, Inc.	205,477	11,392	309,865	560,030	180.7%
Elmwood	1,079,241	102,289	1,181,530	929,395	78.7%
EneShop, Inc.	0	0	0	0	0.0%
Indiana Michigan Power Co - Distribution	138,091,735	1,489,326	139,581,061	182,435,595	130.7%
Indiana Michigan Power Co - Generation	74,707,788	1,185,121	75,892,909	99,230,424	130.7%
Indiana Michigan Power Co - Nuclear	124,374,655	2,340,126	126,714,781	157,775,576	124.5%
Indiana Michigan Power Co - Transmission	27,039,963	330,081	27,370,044	35,280,480	128.9%
Kentucky Power Co - Distribution	50,803,975	704,448	51,508,423	67,631,315	131.3%
Kentucky Power Co - Generation	23,582,858	382,423	23,965,281	31,658,716	129.8%
Kentucky Power Co - Transmission	5,299,714	129,103	5,428,817	6,863,076	126.4%
Kingsport Power Co - Distribution	10,414,862	94,088	10,508,950	13,331,152	126.8%
Kingsport Power Co - Generation	2,428,291	29,179	2,457,470	2,813,925	116.6%
Kingsport Power Co - Transmission	6,672,165	658,895	7,331,060	5,692,913	77.7%
Memco	183,764,485	1,475,949	185,240,434	242,738,581	131.0%
Ohio Power Co - Distribution	170,048,773	1,954,819	172,003,592	219,452,577	127.6%
Ohio Power Co - Generation	40,770,781	777,133	41,547,914	53,155,070	128.0%
Ohio Power Co - Transmission	1,789,809	273,914	2,063,723	1,710,501	82.5%
Public Service Co of Oklahoma - Distribution	804,326	109,624	913,950	922,295	100.9%
Public Service Co of Oklahoma - Generation	466,289	52,541	518,830	619,165	119.4%
Public Service Co of Oklahoma - Transmission	1,169,740	159,463	1,329,203	1,194,795	89.9%
Southwestern Electric Power Co - Distribution	1,102,394	204,023	1,306,417	1,132,541	86.7%
Southwestern Electric Power Co - Generation	1,390,471	84,083	1,474,554	887,542	55.0%
Southwestern Electric Power Co - Texas - Distribution	0	0	0	0	0.0%
Southwestern Electric Power Co - Texas - Transmission	205,069	72,004	277,073	212,029	76.2%
Water Transportation (Blackhawk)	20,667,794	455,410	21,123,204	26,296,957	123.3%
AEP Texas North Company - Distribution	286,943	35,685	322,628	308,684	95.7%
AEP Texas North Company - Generation	0	0	0	0	0.0%
AEP Texas North Company - Transmission	59,901	6,054	65,955	41,484	62.1%
Wheeling Power Co - Distribution	13,005,306	87,236	13,092,542	17,510,820	133.8%
Wheeling Power Co - Transmission	853,272	0	853,272	1,374,458	164.2%
Cedar Coal Co	3,165,076	0	3,165,076	4,355,889	137.6%
Central Coal Company	8,102,763	0	8,102,763	11,670,271	144.0%
Central Ohio Coal	5,495,010	0	5,495,010	8,281,080	150.7%
Southern Ohio Coal - Mardinka	8,835,214	0	8,835,214	13,167,240	149.0%
Southern Ohio Coal - Meigs	2,782,613	0	2,782,613	4,132,251	155.0%
Wickwar	341,646	0	341,646	531,293	155.5%
Pitca River Coal	712,847	0	712,847	2,765,516	388.0%
Houston Pipelines (HPL)	0	0	0	0	0.0%
Total	\$2,491,862,851	\$36,946,477	\$2,528,809,328	\$3,241,603,894	128.2%

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AMERICAN ELECTRIC POWER RETIREMENT PLAN-EAST
SUMMARY OF FAS 87 VALUATION RESULTS AS OF JANUARY 1, 2009

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Location	Actives	Number of Participants Deferred & Rollovers	Total	Service Cost	Accumulated Benefit Obligation	Projected Benefit Obligation	December 31, 2007 (Accrued)Proprietary Pension Cost
AEP Energy Services, Inc.	4	35	42	\$16,528	\$1,357,269	\$1,402,238	(\$622,253)
AEP Pro Serv, Inc.	1	2	3	13,056	616,570	636,998	(45,369)
AEP T & D Services, LLC	0	0	0	0	0	0	(622)
American Electric Power Service Corporation	5,005	1,313	8,318	27,740,644	699,304,575	929,099,995	93,674,762
Appalachian Power Co - Distribution	1,214	3,111	3,125	5,701,902	290,034,589	269,643,697	87,600,808
Appalachian Power Co - Generation	1,150	96	2,079	5,636,765	224,665,784	232,127,971	48,159,975
Appalachian Power Co - Transmission	197	27	316	1,026,080	39,751,974	41,068,711	7,521,648
C3 Communications, Inc.	0	0	0	0	0	0	(43,819)
Cardinal Operating Company	268	23	485	1,352,446	59,902,092	60,853,614	12,307,613
AEP Texas Central Company - Distribution	242	4	248	532,603	3,400,249	3,572,905	(969,045)
AEP Texas Central Company - Generation	0	0	0	0	0	0	(9,240)
AEP Texas Central Company - Nuclear	0	0	0	0	0	0	0
AEP Texas Central Company - Transmission	40	1	41	105,791	661,412	663,326	(186,165)
AEP Texas Central Company - Distribution	764	1,087	2,039	3,223,477	207,613,171	214,698,359	87,050,417
Columbus Southern Power Co - Distribution	334	89	827	1,762,304	86,435,210	98,630,274	32,619,224
Columbus Southern Power Co - Generation	50	12	160	284,925	21,332,400	22,038,177	8,341,172
Columbus Southern Power Co - Transmission	10	0	10	65,955	2,942,516	3,040,006	190,597
Conesville Coal Preparation Company	16	0	25	78,785	2,937,994	3,035,334	510,716
Coak Coal Terminal	16	1	17	69,992	565,884	584,643	(73,190)
CSW Energy, Inc.	134	3	140	288,453	1,567,789	1,619,732	(728,299)
Elmwood	0	0	0	0	0	0	0
EneShop Inc.	720	166	1,851	3,351,912	160,021,734	165,323,514	40,304,443
Indiana Michigan Power Co - Distribution	434	183	652	2,315,991	88,340,078	91,266,829	16,254,547
Indiana Michigan Power Co - Generation	994	332	1,614	6,039,970	151,782,625	158,811,327	6,980,605
Indiana Michigan Power Co - Nuclear	158	19	269	761,472	31,609,047	32,656,306	6,155,416
Indiana Michigan Power Co - Transmission	307	88	624	1,464,022	59,683,020	61,629,471	12,371,109
Kentucky Power Co - Distribution	152	17	256	762,732	27,645,107	28,561,004	3,565,660
Kentucky Power Co - Generation	55	6	65	260,569	6,539,557	6,796,223	181,162
Kentucky Power Co - Transmission	49	21	130	217,367	12,010,735	12,417,068	3,694,095
Kingsport Power Co - Distribution	41	0	41	49,685	2,827,747	2,921,435	565,775
Kingsport Power Co - Transmission	573	5	579	1,841,155	10,109,230	10,444,165	(5,566,977)
Memco	304	1,169	2,201	3,971,458	211,207,412	218,205,056	70,805,332
Ohio Power Co - Distribution	188	967	1,913	4,179,587	197,683,751	204,233,326	51,753,432
Ohio Power Co - Generation	955	902	1,857	1,115,891	47,240,388	48,005,756	12,369,530
Ohio Power Co - Transmission	233	140	382	697,442	3,455,338	3,588,820	(1,355,200)
Public Service Co of Oklahoma - Distribution	236	5	242	697,442	1,442,942	1,490,646	(425,915)
Public Service Co of Oklahoma - Generation	67	3	70	210,279	1,442,942	1,490,646	(425,915)
Public Service Co of Oklahoma - Transmission	19	0	19	65,154	694,514	717,524	27,084
Southwestern Electric Power Co - Distribution	147	1	148	376,083	2,214,653	2,288,028	(628,213)
Southwestern Electric Power Co - Generation	91	1	92	295,537	1,948,815	2,013,382	(915,805)
Southwestern Electric Power Co - Transmission	63	22	112	166,502	2,255,362	2,331,119	(114,733)
Southwestern Electric Power Co - Texas - Distribution	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Generation	34	1	35	103,527	463,902	479,354	(155,525)
Southwestern Electric Power Co - Texas - Transmission	313	25	407	1,094,163	25,714,247	26,566,202	1,571,148
Water Transportation (Blackhawk)	52	0	52	117,029	610,676	630,969	(241,503)
AEP Texas North Company - Distribution	0	0	0	0	0	0	(9,322)
AEP Texas North Company - Generation	12	0	12	33,220	144,449	148,235	(67,525)
AEP Texas North Company - Transmission	63	10	164	279,571	14,795,903	15,207,148	9,060,924
Wheeling Power Co - Distribution	0	0	0	0	0	0	710,448
Wheeling Power Co - Generation	63	1	14	1,048,124	1,082,850	1,082,850	0
Wheeling Power Co - Transmission	0	14	15	0	3,540,611	3,657,917	3,341,928
Cedar Coal Co	0	14	15	0	0	0	3,979
Central Coal Company	0	8	8	0	0	0	0
Central Ohio Coal	0	85	121	0	9,162,409	9,465,974	3,730,370
South Ohio Coal - Marinka	0	57	139	0	6,500,022	6,715,378	2,115,311
South Ohio Coal - Generation	0	0	0	0	0	0	0
South Ohio Coal - Meigs	0	18	101	0	9,990,367	10,321,364	4,174,091
Windsor	0	15	30	0	3,216,814	3,325,459	1,375,916
Price River Coal	0	5	16	0	394,104	407,161	347,538
Houston Pipeline (HPL)	0	42	43	0	849,123	877,256	(669,344)
Total	16,093	3,542	30,029	\$77,681,604	\$2,947,433,034	\$3,045,086,276	\$616,516,523

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AMERICAN ELECTRIC POWER
EAST RETIREMENT PLAN
2008 NET PERIODIC PENSION COST

Location	Service Cost	Projected Benefit Obligation	Market-Related Value of Assets	Interest Cost	Expected Return on Assets	Amortization of Initial Transition (Assess) Obligation	Amortization of Prior Service Cost	Amortization of Gains/Loss Amortization	Net Periodic Pension Cost
AEP Energy Services, Inc.	\$16,528	\$1,402,238	\$697,428	\$81,471	(\$58,762)	\$0	\$3,603	\$7,312	\$40,152
AEP Pro Serv, Inc.	13,059	630,990	646,189	37,320	(40,512)	0	118	3,322	4,313
AEP T & D Services, LLC	27,740,644	929,089,996	919,935,710	54,845,664	(70,485,696)	0	1,374,830	4,844,640	18,419,101
American Electric Power Services Corporation	5,701,802	289,643,897	324,550,621	17,594,186	(24,067,466)	0	484,528	1,562,444	415,464
Appalachian Power Co - Distribution	5,639,785	232,127,871	233,349,220	13,653,524	(18,339,253)	0	361,860	1,210,393	2,525,409
Appalachian Power Co - Generation	1,026,080	41,068,711	42,761,064	2,417,263	(3,276,411)	0	59,438	214,146	440,506
Appalachian Power Co - Transmission	0	0	0	0	0	0	0	0	0
C3 Communications, Inc.	1,352,446	60,853,614	63,234,000	3,572,608	(4,845,073)	0	88,904	317,311	487,286
Cardinal Operating Company	552,603	3,512,905	2,009,032	232,309	(153,856)	0	14,569	16,317	644,040
AEP Texas Central Company - Distribution	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Nuclear	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Transmission	165,791	683,326	295,301	45,314	(22,695)	0	2,034	3,563	134,076
AEP Texas Central Company - Distribution	3,223,477	214,690,359	240,450,982	12,513,964	(18,423,648)	0	362,865	1,119,510	(1,203,742)
AEP Texas Central Company - Generation	1,782,304	99,630,274	107,812,816	5,823,521	(9,269,423)	0	159,518	519,506	16,427
AEP Texas Central Company - Nuclear	284,925	22,039,177	25,728,781	1,291,940	(1,371,375)	0	38,043	114,920	(251,545)
AEP Texas Central Company - Transmission	65,955	3,040,006	3,084,093	178,357	(236,367)	0	3,832	15,852	27,689
Centerville Coal Preparation Company	78,785	3,061,879	3,061,879	178,825	(234,605)	0	4,063	15,027	49,895
Cook Coal Terminal	69,992	584,643	545,824	39,740	(41,822)	0	1,962	3,049	91,921
CSW Energy, Inc.	286,493	1,619,732	905,819	109,576	(69,405)	0	7,552	8,446	344,622
Elmwood	0	0	0	0	0	0	0	0	0
EnerSho, Inc.	3,361,012	165,323,514	177,807,769	9,666,548	(13,623,866)	0	252,233	862,053	537,980
Indiana Michigan Power Co - Distribution	2,315,091	91,266,929	96,713,295	5,373,910	(7,410,297)	0	138,960	475,807	804,461
Indiana Michigan Power Co - Generation	6,038,970	156,811,327	153,773,297	9,351,591	(11,782,315)	0	251,142	817,567	4,878,047
Indiana Michigan Power Co - Nuclear	781,472	32,656,306	34,385,523	1,920,133	(2,634,664)	0	49,377	170,261	286,599
Indiana Michigan Power Co - Transmission	1,464,022	61,629,421	65,915,716	3,623,091	(5,050,546)	0	82,116	321,357	450,027
Kentucky Power Co - Distribution	769,732	28,561,034	30,271,327	1,683,809	(2,319,467)	0	46,371	140,827	322,452
Kentucky Power Co - Generation	208,586	6,756,223	6,698,981	404,081	(512,518)	0	10,405	35,229	217,765
Kentucky Power Co - Transmission	217,387	12,417,968	12,892,802	725,572	(995,539)	0	18,926	64,751	31,077
Kingsport Power Co - Distribution	49,695	2,821,495	2,890,006	170,614	(217,605)	0	3,478	15,233	21,415
Kingsport Power Co - Generation	1,841,155	10,444,165	5,549,404	705,473	(625,426)	0	40,370	54,549	2,216,331
Kingsport Power Co - Transmission	3,871,459	210,205,958	236,561,054	12,758,275	(18,127,152)	0	364,456	1,137,785	104,832
Manitou	4,178,507	204,233,335	213,865,744	11,967,914	(16,388,209)	0	324,557	1,064,941	1,148,781
Ohio Power Co - Distribution	1,115,881	48,805,795	51,806,690	2,866,703	(3,969,497)	0	70,650	264,490	346,637
Ohio Power Co - Generation	647,442	1,490,546	1,667,111	242,172	(127,736)	0	16,955	18,614	787,167
Ohio Power Co - Transmission	210,219	1,990,546	899,899	87,674	(68,875)	0	4,761	7,773	251,612
Public Service Co of Oklahoma - Distribution	65,164	717,524	603,751	44,945	(46,260)	0	1,947	3,741	69,597
Public Service Co of Oklahoma - Generation	295,537	2,013,392	1,154,448	153,030	(89,222)	0	10,153	11,991	462,775
Public Service Co of Oklahoma - Transmission	166,502	2,331,119	985,028	143,424	(66,280)	0	4,264	12,155	260,065
Southwestern Electric Power Co - Distribution	103,527	479,354	206,650	33,471	(15,854)	0	1,902	2,500	125,566
Southwestern Electric Power Co - Generation	1,054,153	26,566,202	25,620,148	1,586,073	(1,963,069)	0	50,606	138,525	866,307
Southwestern Electric Power Co - Transmission	117,029	630,909	300,654	42,950	(23,052)	0	2,987	3,280	143,204
Water Transmission (blackhawk)	0	0	0	0	0	0	0	0	0
AEP Texas North Company - Distribution	33,220	149,235	40,432	10,477	(3,098)	0	406	778	41,783
AEP Texas North Company - Generation	279,531	15,287,146	17,074,227	893,902	(1,308,250)	0	26,313	79,712	(25,792)
AEP Texas North Company - Transmission	0	1,062,690	1,339,592	62,182	(102,641)	0	0	1,972	3,946
Whessling Power Co - Distribution	0	3,657,917	4,245,394	210,052	(325,208)	0	6,900	19,074	(67,182)
Whessling Power Co - Generation	0	0	0	0	0	0	0	0	0
Whessling Power Co - Transmission	0	0	0	0	0	0	0	0	0
Cedar Coal Co	0	0	0	0	0	0	0	0	0
Central Coal Company	0	0	0	0	0	0	0	0	0
Central Ohio Coal	0	9,465,974	11,374,232	543,575	(871,509)	0	13,405	48,359	(265,170)
Southern Ohio Coal - Marietta	0	6,715,378	8,071,015	385,624	(618,412)	0	7,950	35,016	(189,922)
Southern Ohio Coal - Morgans	0	10,321,264	12,833,220	592,995	(993,299)	0	16,988	53,010	(318,707)
Southern Ohio Coal - Morgans	0	3,325,459	4,202,863	100,061	(322,020)	0	1,204	17,340	(108,088)
Windor	0	407,181	617,816	23,381	(39,676)	0	1,124	2,123	(13,046)
Price River Coal	0	877,256	2,695,363	50,376	(206,522)	0	4,574	4,574	(46,996)
Houston Pipeline (HPL)	0	0	0	0	0	0	0	0	0
Total	\$77,881,804	\$3,046,066,276	\$5,159,403,610	\$179,321,906	(\$242,077,670)	\$0	\$4,830,372	\$15,878,105	\$35,634,598

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AMERICAN ELECTRIC POWER
EAST RETIREMENT PLAN
10-YEAR PENSION COST FORECAST

ML-5

Localities	Estimated Net Periodic Pension Cost									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
FAS 87 Cost	2000	2010	2011	2012	2013	2014	2015	2016	2017	2018
AEP Energy Services, Inc.	\$40,162	\$37,465	\$31,314	\$30,787	\$30,440	\$31,479	\$32,000	\$33,874	\$34,723	\$33,369
AEP Pro Serv, Inc.	4,113	3,271	(308)	1,063	1,807	2,842	3,014	5,108	5,828	5,277
AEP T & D Services, LLC	0	0	0	0	0	0	0	0	0	0
American Electric Power Service Corporation	10,419,101	17,273,129	10,632,721	12,073,216	14,176,834	15,822,487	17,692,750	19,838,249	21,303,259	20,780,223
Appalachian Power Co - Distribution	415,454	(97,512)	(1,700,765)	(1,302,005)	(1,050,540)	(589,212)	(99,520)	400,117	788,447	420,714
Appalachian Power Co - Generation	2,525,400	2,182,329	736,012	1,174,707	1,425,238	1,815,283	2,244,052	2,723,800	3,025,054	2,805,052
Appalachian Power Co - Transmission	440,506	380,915	120,777	203,769	240,650	320,317	397,802	484,784	540,205	593,044
C3 Communications, Inc.	0	0	0	0	0	0	0	0	0	0
Cardinal Operating Company	497,286	402,341	42,392	147,377	207,667	302,414	413,190	534,214	600,403	547,713
AEP Texas Central Company - Distribution	644,640	656,116	593,074	616,344	539,262	691,948	600,658	712,310	791,195	747,855
AEP Texas Central Company - Generation	0	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Nuclear	0	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Transmission	134,076	136,020	118,042	126,520	132,775	137,309	142,173	147,183	151,400	155,220
Columbus Southern Power Co - Distribution	(1,203,742)	(1,600,500)	(2,015,041)	(2,428,109)	(2,283,297)	(1,689,048)	(1,681,186)	(1,298,640)	(1,089,072)	(1,403,568)
Columbus Southern Power Co - Generation	16,427	(158,965)	(973,638)	(652,120)	(472,600)	(322,641)	(166,577)	15,084	118,400	(6,701)
Columbus Southern Power Co - Transmission	(261,545)	(295,380)	(300,665)	(375,043)	(301,190)	(331,898)	(280,086)	(281,448)	(243,866)	(270,961)
Conesville Coal Preparation Company	27,689	22,873	5,108	10,425	13,443	16,158	23,370	26,227	32,639	28,979
Coak Coal Terminal	42,895	36,939	18,088	25,440	20,864	34,233	40,420	50,641	50,641	48,222
CSW Energy, Inc.	87,921	84,272	87,947	87,002	81,591	85,703	100,203	104,041	108,022	110,887
Elmwood	344,522	352,927	302,154	330,980	342,781	355,500	358,842	382,083	394,027	402,750
EmerShop Inc.	0	0	0	0	0	0	0	0	0	0
Indiana Michigan Power Co - Distribution	537,980	284,277	(655,673)	(405,764)	(255,322)	1,708	285,932	605,185	700,118	606,037
Indiana Michigan Power Co - Generation	894,481	703,152	180,959	388,932	470,322	630,645	606,724	1,003,337	1,127,908	1,045,320
Indiana Michigan Power Co - Nuclear	4,078,947	4,542,346	3,281,053	3,735,085	3,946,936	4,346,763	4,728,099	5,145,089	5,465,884	5,403,378
Indiana Michigan Power Co - Transmission	286,500	237,870	30,573	99,057	192,667	187,787	246,377	318,228	359,322	327,655
Kentucky Power Co - Distribution	450,027	356,988	(20,289)	60,956	166,480	271,063	389,277	515,213	595,345	530,503
Kentucky Power Co - Generation	322,852	282,053	84,340	158,718	190,610	242,480	299,277	362,570	403,133	376,888
Kentucky Power Co - Transmission	217,765	212,764	151,711	177,200	189,553	205,957	223,000	242,138	258,200	255,004
Kingsport Power Co - Distribution	31,077	0,110	(64,471)	(39,730)	(64,471)	(73,779)	(6,580)	20,533	40,770	29,448
Kingsport Power Co - Transmission	21,415	16,238	1,410	4,978	7,229	11,041	15,293	20,318	27,689	19,688
Memba	2,216,331	2,269,162	1,844,091	2,130,082	2,200,071	2,286,905	2,371,611	2,458,900	2,504,005	2,503,220
Ohio Power Co - Distribution	104,832	(276,487)	(1,414,589)	(1,140,889)	(976,576)	(655,476)	(289,697)	103,934	325,061	51,239
Ohio Power Co - Generation	1,146,791	813,160	(330,478)	(25,889)	158,255	460,024	814,641	1,204,239	1,431,328	1,200,855
Ohio Power Co - Transmission	340,037	271,217	(20,707)	64,225	112,896	282,138	381,555	441,159	441,159	381,134
Public Service Co of Oklahoma - Distribution	797,187	816,093	840,412	787,088	783,551	821,729	881,774	904,844	928,766	928,766
Public Service Co of Oklahoma - Generation	251,612	259,909	284,505	240,322	240,100	258,465	288,366	278,675	287,321	283,263
Public Service Co of Oklahoma - Transmission	69,537	70,525	58,265	64,875	67,437	70,587	73,891	77,372	79,670	81,344
Southwestern Electric Power Co - Distribution	402,775	473,242	406,418	444,462	490,085	476,588	493,955	511,615	524,864	536,923
Southwestern Electric Power Co - Generation	393,373	371,942	318,121	347,772	399,086	373,939	386,770	400,344	400,595	418,212
Southwestern Electric Power Co - Texas - Distribution	260,005	281,610	228,569	244,389	250,730	257,821	285,334	273,234	278,595	283,754
Southwestern Electric Power Co - Texas - Transmission	0	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Transmission	125,566	128,009	110,811	121,187	125,386	128,089	134,504	139,431	143,020	147,532
Wor Par Transmission (Blackhawk)	968,307	844,722	684,940	705,228	744,700	803,282	870,614	842,076	851,845	807,173
AEP Texas North Company - Distribution	143,204	146,646	151,080	137,809	142,576	147,075	153,023	158,565	163,128	166,776
AEP Texas North Company - Generation	0	0	0	0	0	0	0	0	0	0
AEP Texas North Company - Transmission	41,763	42,839	37,666	46,413	41,761	45,175	44,955	46,202	47,772	48,957
Whseling Power Co - Distribution	(28,782)	(55,556)	(57,517)	(115,864)	(103,294)	(60,220)	(94,877)	(25,700)	(0,000)	(30,688)
Whseling Power Co - Transmission	(32,941)	(35,794)	(36,969)	(36,084)	(36,084)	(37,929)	(36,807)	(35,322)	(35,322)	(37,933)
Cedar Coal Co	(97,182)	(89,451)	(104,620)	(106,142)	(110,236)	(107,445)	(104,245)	(100,251)	(99,525)	(106,965)
Central Coal Company	0	0	0	0	0	0	0	0	0	0
Central Ohio Coal	(265,179)	(289,246)	(314,204)	(315,793)	(314,521)	(308,089)	(297,935)	(284,987)	(264,761)	(304,761)
Southern Ohio Coal - Mardinka	(168,822)	(205,802)	(212,770)	(224,761)	(223,313)	(217,943)	(203,778)	(192,516)	(182,339)	(216,339)
Southern Ohio Coal - Meigs	(310,797)	(348,148)	(398,787)	(375,903)	(376,072)	(366,377)	(350,099)	(343,602)	(341,252)	(340,369)
Windsor	(100,980)	(110,593)	(123,658)	(128,194)	(125,826)	(125,059)	(124,068)	(124,266)	(124,266)	(124,266)
Pine River Coal	(13,048)	(14,468)	(14,468)	(14,468)	(14,468)	(14,468)	(14,468)	(14,468)	(14,468)	(14,468)
Houston Pipeline (HPL)	(146,888)	(149,687)	(150,777)	(151,007)	(151,011)	(148,214)	(146,558)	(143,459)	(142,518)	(146,509)
Total	\$36,034,589	\$31,762,746	\$11,733,522	\$17,927,099	\$21,333,870	\$29,611,108	\$32,424,957	\$39,905,900	\$42,900,894	\$40,272,537

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AMERICAN ELECTRIC POWER
EAST RETIREMENT PLAN
ESTIMATED 2009 NET PERIODIC PENSION COST

Location	Service Cost	Projected Benefit Obligation	Market-Related Value of Assets	Interest Cost	Expected Return on Assets	Initial Transition (Asset)/ Obligation	Prior Service Cost	Gain/Loss Amortization	Net Periodic Pension Cost
AEP Energy Services, Inc.	\$17,180	\$1,394,955	\$800,528	\$91,025	(\$68,968)	\$0	\$3,603	\$4,515	\$37,465
AEP Pte Serv, Inc.	13,570	633,609	648,421	37,139	(49,960)	0	110	2,096	3,271
AEP T & D Services, LLC	0	0	0	0	0	0	0	0	0
American Electric Power Service Corporation	28,650,270	924,274,075	923,113,587	54,688,160	(70,697,969)	0	1,374,839	3,057,829	17,273,129
Appalachian Power Co - Distribution	5,928,874	289,087,490	325,671,767	17,443,042	(24,942,036)	0	484,928	986,100	(87,612)
Appalachian Power Co - Generation	5,664,336	230,922,155	240,175,041	13,595,204	(18,394,224)	0	381,960	763,973	2,182,339
Appalachian Power Co - Transmission	1,667,123	40,655,392	42,908,800	2,405,421	(3,286,232)	0	59,438	135,164	380,915
C3 Communications, Inc.	0	0	0	0	0	0	0	0	0
Cardinal Operating Company	1,416,944	60,537,520	63,452,449	3,554,810	(4,859,596)	0	88,904	200,260	402,341
AEP Texas Central Company - Distribution	553,907	3,494,658	2,014,968	232,288	(154,319)	0	14,868	11,562	658,116
AEP Texas Central Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Nuclear	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Transmission	110,023	679,777	285,321	45,317	(22,694)	0	2,034	2,240	136,929
Columbus Southern Power Co - Distribution	3,352,418	213,893,179	241,281,308	12,447,263	(18,478,872)	0	382,865	705,610	(1,609,599)
Columbus Southern Power Co - Generation	1,853,595	99,112,776	109,285,597	5,763,226	(8,283,287)	0	169,518	327,901	(158,965)
Columbus Southern Power Co - Transmission	296,322	21,924,701	25,817,660	1,274,983	(1,977,282)	0	38,043	72,555	(295,389)
Conesville Coal Preparation Company	68,593	3,024,216	3,094,746	177,450	(237,016)	0	3,832	10,005	22,873
Cook Coal Terminal	81,938	3,019,568	3,072,466	177,957	(235,309)	0	4,063	9,860	38,638
CSW Energy, Inc.	93,592	591,608	547,708	35,741	(41,947)	0	1,062	1,924	94,272
Elmwood	209,991	1,611,319	908,948	102,667	(89,613)	0	7,562	5,331	352,927
EnerShop, Inc.	0	0	0	0	0	0	0	0	0
Indiana Michigan Power Co - Distribution	3,495,452	164,464,793	178,421,997	9,637,186	(13,664,703)	0	252,233	544,108	264,277
Indiana Michigan Power Co - Generation	2,408,631	90,792,871	97,047,347	5,347,695	(7,432,509)	0	138,960	300,375	763,162
Indiana Michigan Power Co - Nuclear	6,281,368	155,086,818	154,304,500	9,311,174	(11,817,630)	0	251,142	516,093	4,542,348
Indiana Michigan Power Co - Transmission	812,731	32,486,693	34,504,306	1,910,646	(2,642,561)	0	48,377	107,478	237,670
Kentucky Power Co - Distribution	1,522,593	61,309,305	66,143,421	3,605,154	(5,085,688)	0	92,716	202,853	356,998
Kentucky Power Co - Generation	783,241	28,412,693	30,376,400	1,675,771	(2,326,420)	0	46,371	93,989	282,963
Kentucky Power Co - Transmission	291,792	6,721,130	6,712,088	402,386	(514,055)	0	18,405	22,236	212,764
Kingsport Power Co - Distribution	226,062	12,353,467	13,037,868	721,785	(888,524)	0	18,928	40,870	9,119
Kingsport Power Co - Transmission	51,863	2,906,261	2,949,818	169,720	(218,257)	0	3,478	9,615	16,238
Mannix	1,914,801	10,389,816	5,567,571	705,017	(926,469)	0	40,370	34,374	2,260,162
Ohio Power Co - Distribution	4,130,315	217,071,658	237,399,314	12,692,079	(18,181,480)	0	364,450	718,151	(276,487)
Ohio Power Co - Generation	4,346,770	203,472,609	214,624,603	11,906,995	(16,437,331)	0	324,557	672,167	813,760
Ohio Power Co - Transmission	1,160,516	48,582,250	51,965,654	2,652,408	(3,981,399)	0	79,050	160,623	271,217
Public Service Co of Oklahoma - Distribution	573,340	3,551,278	1,672,870	242,399	(228,119)	0	16,695	11,749	815,063
Public Service Co of Oklahoma - Generation	218,690	1,462,903	902,004	97,634	(69,081)	0	4,761	4,909	256,909
Public Service Co of Oklahoma - Transmission	67,771	713,797	605,837	44,845	(46,389)	0	1,947	2,261	70,525
Southwestern Electric Power Co - Distribution	351,958	2,276,144	1,169,470	153,090	(89,489)	0	10,153	7,530	473,242
Southwestern Electric Power Co - Generation	387,358	2,002,924	1,107,625	132,559	(84,829)	0	9,327	6,626	371,042
Southwestern Electric Power Co - Texas - Distribution	173,162	2,319,011	868,017	142,995	(66,470)	0	4,264	7,672	261,516
Southwestern Electric Power Co - Texas - Transmission	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Generation	107,668	476,964	207,364	33,539	(15,861)	0	1,902	1,576	128,806
Whitir, Transporation (Blackhawk)	1,096,319	20,428,212	25,700,652	1,578,237	(1,964,934)	0	50,606	87,434	844,722
AEP Texas North Company - Distribution	121,710	627,632	301,893	42,986	(23,121)	0	2,897	2,076	146,648
AEP Texas North Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas North Company - Transmission	34,549	148,460	40,572	10,501	(3,107)	0	406	491	42,839
Wheeling Power Co - Distribution	290,712	15,207,744	17,193,210	889,267	(1,312,171)	0	26,313	50,313	(65,566)
Wheeling Power Co - Generation	0	1,077,225	1,344,220	61,800	(102,049)	0	1,872	3,564	(95,704)
Wheeling Power Co - Transmission	0	3,638,917	4,260,059	200,793	(326,263)	0	8,980	12,039	(96,451)
Cedar Coal Co	0	0	0	0	0	0	0	0	0
Central Ohio Coal	0	0	0	0	0	0	0	0	0
Central Ohio Coal - Martinsburg	0	9,416,806	11,413,523	540,315	(874,121)	0	13,405	31,154	(289,246)
Southern Ohio Coal - Meigs	0	6,680,497	8,096,099	383,312	(620,266)	0	7,950	22,101	(206,902)
Southern Ohio Coal - Mingo	0	10,267,753	12,877,569	589,141	(986,246)	0	16,988	33,959	(346,148)
Windcor	0	3,308,166	4,217,382	189,816	(322,894)	0	5,640	10,845	(116,599)
Ptce River Coal	0	405,046	519,605	23,241	(39,795)	0	1,124	1,340	(14,099)
Houston Pipeline (HPL)	0	872,689	2,704,674	50,074	(207,141)	0	4,574	2,887	(149,607)
Total	\$80,795,076	\$3,020,260,525	\$3,170,317,635	\$170,440,263	(\$242,803,288)	\$0	\$4,030,372	\$10,021,907	\$31,286,326

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AMERICAN ELECTRIC POWER
EAST RETIREMENT PLAN
ESTIMATED 2010 NET PERIODIC PENSION COST

Location	Service Cost	Projected Benefit Obligation	Market-Related Value of Assets	Interest Cost	Expected Return on Assets	Initial Transition (Asset)/Liability	Prior Service Cost	Gain/Loss Amortization	Net Periodic Pension Cost
AEP Energy Services, Inc.	\$17,977	\$1,396,964	\$996,817	\$80,579	(\$86,662)	\$0	\$3,603	\$3,261	\$3,657
AEP Pro Serv, Inc.	14,121	630,059	645,749	36,949	(49,440)	0	118	1,481	3,229
AEP T & D Services, LLC	0	0	0	0	0	0	0	0	0
American Electric Power Service Corporation	30,004,480	618,979,405	919,310,016	54,491,861	(70,364,366)	0	1,374,039	2,160,565	17,587,149
Appalachian Power Co - Distribution	6,167,069	286,379,907	324,329,875	17,353,507	(24,831,409)	0	484,628	696,003	(129,501)
Appalachian Power Co - Generation	6,099,910	239,599,926	239,166,424	13,519,193	(18,312,638)	0	361,960	539,789	2,207,223
Appalachian Power Co - Transmission	1,109,606	40,621,354	42,732,000	2,393,616	(3,271,656)	0	58,438	95,503	386,712
CS Communications, Inc.	0	0	0	0	0	0	0	0	0
Cardinal Operating Company	1,473,622	69,100,742	63,191,000	3,536,848	(4,838,042)	0	89,604	141,511	403,943
AEP Texas Central Company - Distribution	576,063	3,474,639	2,096,666	232,340	(153,635)	0	14,669	8,169	677,607
AEP Texas Central Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Nuclear	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Transmission	114,424	675,883	295,100	45,330	(22,594)	0	2,034	1,589	140,784
Columbus Southern Power Co - Distribution	3,486,513	212,359,672	240,287,137	12,380,518	(18,396,811)	0	362,666	499,268	(1,667,648)
Columbus Southern Power Co - Generation	1,927,740	88,545,012	107,830,418	5,762,022	(8,256,423)	0	186,518	231,604	(174,550)
Columbus Southern Power Co - Transmission	308,175	21,799,105	25,711,261	1,268,031	(1,669,512)	0	38,043	51,251	(303,913)
Conesville Coal Preparation Company	71,337	3,006,692	3,081,985	176,561	(235,664)	0	3,832	7,069	22,835
Cook Coal Terminal	85,214	3,002,270	3,055,795	177,092	(234,266)	0	4,063	7,058	39,163
CSW Energy, Inc.	97,335	578,275	545,453	38,752	(41,761)	0	1,360	97,647	97,647
Edinwood	311,991	1,602,088	905,203	105,788	(69,304)	0	7,592	3,767	364,702
EnoShop Inc.	0	0	0	0	0	0	0	0	0
Indiana Michigan Power Co - Distribution	3,635,271	165,522,662	177,866,930	9,687,854	(13,604,094)	0	252,233	384,450	255,713
Indiana Michigan Power Co - Generation	2,504,976	90,272,769	95,641,474	5,921,561	(7,389,543)	0	130,660	212,236	776,178
Indiana Michigan Power Co - Nuclear	6,532,932	155,103,197	153,660,707	8,271,129	(11,785,214)	0	251,142	364,665	4,654,549
Indiana Michigan Power Co - Transmission	845,240	32,300,584	34,362,135	1,901,100	(2,630,841)	0	49,377	75,940	240,807
Kentucky Power Co - Distribution	1,593,486	69,958,098	65,870,984	3,697,264	(5,043,220)	0	92,156	143,315	562,962
Kentucky Power Co - Generation	824,971	29,249,922	30,251,238	1,667,679	(2,316,101)	0	46,371	96,417	289,337
Kentucky Power Co - Transmission	303,463	6,682,628	6,684,431	400,708	(511,775)	0	10,405	15,711	218,515
Kingsport Power Co - Distribution	235,104	12,292,700	12,984,146	717,999	(984,095)	0	18,926	28,977	6,810
Kingsport Power Co - Generation	57,570	2,889,612	2,938,076	168,828	(217,289)	0	3,478	6,794	15,658
Kingsport Power Co - Transmission	1,991,393	10,330,398	706,754	706,754	(424,509)	0	40,370	24,287	2,338,296
Maricopa	4,295,529	215,028,171	236,420,142	12,625,668	(16,100,846)	0	364,455	507,422	(307,571)
Ohio Power Co - Distribution	4,520,641	202,008,642	213,740,267	11,846,116	(16,364,425)	0	324,557	474,932	801,824
Ohio Power Co - Generation	1,206,937	48,274,120	51,771,453	2,638,137	(3,863,736)	0	79,060	113,495	273,893
Ohio Power Co - Transmission	709,273	3,530,934	3,530,934	242,864	(127,551)	0	16,695	6,301	840,412
Public Service Co of Oklahoma - Distribution	227,439	1,474,408	899,287	97,615	(66,776)	0	4,761	3,466	264,505
Public Service Co of Oklahoma - Generation	70,481	709,709	603,340	44,750	(46,193)	0	1,947	1,669	72,654
Public Service Co of Oklahoma - Transmission	407,637	2,263,105	1,163,656	153,189	(89,092)	0	10,153	5,321	487,207
Southwestern Electric Power Co - Distribution	319,063	1,991,660	1,103,061	132,560	(84,453)	0	9,327	4,982	381,770
Southwestern Electric Power Co - Generation	160,089	2,305,725	684,440	142,592	(66,193)	0	4,264	5,421	266,172
Southwestern Electric Power Co - Texas - Distribution	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Transmission	111,975	474,132	206,509	33,618	(15,811)	0	1,902	1,115	132,799
Southwestern Electric Power Co - Transmission	1,140,172	26,276,619	25,602,723	1,572,585	(1,960,201)	0	50,606	61,778	264,940
Water Transportation (Blackhawk)	126,570	624,037	300,650	43,054	(23,018)	0	2,987	1,467	151,068
AEP Texas North Company - Distribution	0	0	0	0	0	0	0	0	0
AEP Texas North Company - Generation	35,031	147,009	40,405	10,628	(3,093)	0	406	347	44,118
AEP Texas North Company - Transmission	302,341	15,120,627	17,062,614	864,651	(1,206,351)	0	26,313	35,549	(57,517)
Wheeling Power Co - Distribution	0	1,071,055	1,399,691	61,434	(162,492)	0	1,872	2,518	(36,669)
Wheeling Power Co - Transmission	0	3,618,072	4,242,506	207,526	(324,816)	0	8,980	6,506	(89,804)
Cedar Coal Co	0	0	0	0	0	0	0	0	0
Central Coal Company	0	9,362,062	11,366,495	537,036	(870,244)	0	13,405	22,013	(297,791)
Central Ohio Coal	0	6,642,220	8,065,526	380,965	(617,514)	0	7,950	7,950	(212,963)
Southern Ohio Coal - Marietta	0	10,209,934	12,824,489	595,565	(991,872)	0	18,988	24,002	(355,316)
Southern Ohio Coal - Meigs	0	3,289,235	4,200,004	188,564	(321,562)	0	7,733	5,640	(119,524)
Windsor	0	407,726	517,464	23,100	(39,018)	0	1,124	947	(14,448)
Pine River Coal	0	867,700	2,693,530	49,770	(206,223)	0	4,574	2,640	(149,039)
Houston Pipeline (HPL)	0	0	0	0	0	0	0	0	0
Total	\$64,020,639	\$3,011,916,462	\$3,157,264,714	\$177,576,938	(\$241,726,361)	\$0	\$4,630,372	\$7,061,161	\$31,782,746

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AMERICAN ELECTRIC POWER
EAST RETIREMENT PLAN
ESTIMATED 2011 NET PERIODIC PENSION COST

Location	Service Cost	Projected Benefit Obligation	Market-Related Value of Assets	Interest Cost	Expected Return on Assets	Initial Transition (Asset)/ Obligation	Prior Service Cost	Gain/Loss Amortization	Net Periodic Pension Cost
AEF Energy Services, Inc.	\$14,659	\$1,379,604	\$694,900	\$79,877	(\$60,546)	\$0	\$3,603	\$1,621	\$31,314
AEF Pro Serv, Inc.	11,500	626,752	644,425	35,613	(49,355)	0	116	735	(309)
AEF T & D Services, LLC	0	0	0	0	0	0	0	0	0
American Electric Power Service Corporation	24,603,510	914,155,459	917,426,452	53,845,292	(70,265,111)	0	1,374,839	1,074,191	10,632,721
Appalachian Power Co - Distribution	5,055,997	284,824,963	323,665,359	17,200,568	(24,789,325)	0	346,437	346,437	(1,700,785)
Appalachian Power Co - Generation	5,001,106	228,394,278	236,985,358	13,877,071	(18,281,603)	0	381,950	258,378	736,912
Appalachian Power Co - Transmission	910,043	40,408,433	42,644,447	2,369,925	(3,266,111)	0	59,439	47,482	120,777
C3 Communications, Inc.	0	0	0	0	0	0	0	0	0
Cardinal Operating Company	1,208,370	59,874,832	63,061,529	3,503,605	(4,828,843)	0	89,904	70,357	42,392
AEF Texas Central Company - Distribution	472,372	3,455,403	2,002,554	225,346	(153,374)	0	14,569	4,061	563,074
AEF Texas Central Company - Generation	0	0	0	0	0	0	0	0	0
AEF Texas Central Company - Nuclear	0	0	0	0	0	0	0	0	0
AEF Texas Central Company - Transmission	93,027	672,335	294,485	43,845	(22,555)	0	2,004	790	110,042
Columbus Southern Power Co - Distribution	2,850,040	211,245,106	239,794,816	12,280,560	(18,365,733)	0	362,865	249,226	(2,615,041)
Columbus Southern Power Co - Generation	1,580,747	98,027,800	107,510,469	5,713,330	(9,242,430)	0	150,518	115,109	(673,638)
Columbus Southern Power Co - Transmission	252,703	21,684,684	25,659,601	1,259,203	(1,955,176)	0	36,043	25,481	(390,655)
Conesville Coal Preparation Company	58,496	2,991,110	3,075,690	174,919	(235,564)	0	3,832	3,515	5,188
Cook Coal Terminal	69,875	2,906,513	3,053,527	175,308	(233,868)	0	4,063	3,509	18,888
CSW Energy, Inc.	79,815	575,239	544,335	37,573	(41,690)	0	1,952	676	78,335
Elmwood	255,832	1,593,660	903,348	105,084	(60,187)	0	7,552	1,873	302,154
EnergyShop Inc.	0	0	0	0	0	0	0	0	0
Indiana Michigan Power Co - Distribution	2,980,922	162,654,416	177,324,770	9,501,070	(13,591,039)	0	252,293	181,141	(655,673)
Indiana Michigan Power Co - Generation	2,054,000	89,708,973	95,448,455	5,268,499	(7,387,003)	0	136,960	105,510	180,056
Indiana Michigan Power Co - Nuclear	5,356,922	154,209,141	153,353,857	9,156,964	(11,745,275)	0	251,142	181,300	3,201,053
Indiana Michigan Power Co - Transmission	693,097	32,131,055	34,291,731	1,892,725	(2,626,382)	0	49,377	37,556	36,673
Kentucky Power Co - Distribution	1,295,459	60,638,161	65,735,922	3,552,355	(5,004,973)	0	82,116	71,254	(20,289)
Kentucky Power Co - Generation	676,476	28,101,652	30,189,256	1,650,653	(2,312,176)	0	46,371	33,021	94,346
Kentucky Power Co - Transmission	249,840	6,547,555	6,670,736	395,563	(510,907)	0	10,405	7,811	151,711
Kingsport Power Co - Distribution	192,785	12,210,235	12,957,542	714,070	(932,410)	0	18,926	14,357	(54,471)
Kingsport Power Co - Generation	44,075	2,874,446	2,832,261	167,400	(216,821)	0	3,478	3,378	1,410
Kingsport Power Co - Transmission	1,632,942	10,276,179	5,533,270	693,032	(423,750)	0	40,370	12,075	1,944,681
Mercer	3,522,334	214,695,401	235,935,743	12,516,513	(18,070,169)	0	364,455	252,281	(1,414,505)
Ohio Power Co - Distribution	3,705,895	200,848,404	213,302,337	11,738,602	(16,336,691)	0	324,557	235,127	(330,479)
Ohio Power Co - Generation	899,688	48,020,754	51,665,379	2,811,137	(3,957,019)	0	79,050	56,427	(20,707)
Ohio Power Co - Transmission	574,224	3,512,402	1,662,554	234,400	(127,335)	0	16,695	4,127	702,112
Public Service Co of Oklahoma - Distribution	166,489	1,466,070	996,447	94,822	(60,559)	0	4,761	1,723	210,147
Public Service Co of Oklahoma - Generation	57,795	705,983	602,104	43,809	(46,115)	0	1,947	890	56,265
Public Service Co of Oklahoma - Transmission	334,262	2,251,227	1,161,272	148,208	(85,941)	0	10,153	2,645	406,418
Southwestern Electric Power Co - Distribution	262,315	1,980,989	1,100,601	128,660	(84,310)	0	9,327	2,328	318,121
Southwestern Electric Power Co - Generation	147,573	2,293,925	662,659	140,028	(66,071)	0	4,264	2,695	229,589
Southwestern Electric Power Co - Texas - Distribution	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Generation	91,919	471,544	206,086	32,319	(15,784)	0	1,902	554	110,811
Southwestern Electric Power Co - Texas - Transmission	834,841	26,139,906	25,550,265	1,552,899	(1,956,979)	0	50,605	30,715	126,080
Water Transportation (Blackhawk)	103,764	620,761	300,034	41,559	(22,979)	0	2,987	729	0
AEF Texas North Company - Distribution	0	0	0	0	0	0	0	0	0
AEF Texas North Company - Generation	29,463	146,635	40,322	10,112	(3,089)	0	495	173	37,056
AEF Texas North Company - Transmission	247,919	15,041,260	17,027,655	876,955	(1,304,137)	0	26,313	17,874	(135,275)
Wheeling Power Co - Distribution	0	1,065,433	61,111	1,335,938	(102,319)	0	1,872	0	(98,064)
Wheeling Power Co - Generation	0	3,599,082	4,233,814	206,436	(324,265)	0	0,900	4,229	(104,620)
Wheeling Power Co - Transmission	0	0	0	0	0	0	0	0	0
Cedar Coal Co	0	9,313,721	11,343,207	594,216	(869,769)	0	13,405	10,844	(310,204)
Central Coal Company	0	6,607,366	8,049,091	378,985	(616,466)	0	7,950	7,764	(221,770)
Southern Ohio Coal - Distribution	0	10,155,353	12,798,223	582,490	(980,208)	0	15,908	11,833	(669,797)
Southern Ohio Coal - Generation	0	3,271,972	4,191,399	187,673	(321,017)	0	5,640	5,845	(123,856)
Southern Ohio Coal - Nuclear	0	400,612	516,404	22,978	(39,551)	0	1,124	471	(14,978)
Price River Coal	0	663,146	2,699,011	49,508	(205,073)	0	4,574	1,014	(150,777)
Houston Pipeline (HPL)	0	0	0	0	0	0	0	0	0
Total	\$68,896,924	\$2,995,108,478	\$3,150,785,851	\$175,002,302	(\$241,316,695)	\$0	\$4,830,372	\$3,520,617	\$11,733,522

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AMERICAN ELECTRIC POWER
EAST RETIREMENT PLAN
ESTIMATED 2012 NET PERIODIC PENSION COST

Location	Services Cost	Projected Benefit Obligation	Market-Related Value of Assets	Interest Cost	Expected Return on Assets	Initial Transition (Asset) Obligation	Prior Service Cost	Gain/Loss Amortization	Net Periodic Pension Cost
AEP Energy Services, Inc.	\$16,271	\$1,365,892	\$885,224	\$79,245	(807,841)	\$0	\$1,635	\$1,486	\$30,707
AEP Pro Serv, Inc.	12,953	620,467	636,121	36,312	(49,846)	0	0	675	1,063
AEP T & D Services, LLC	27,309,895	905,017,938	0	0	0	0	\$0	0	0
American Electric Power Services Corporation	5,613,266	231,977,195	008,451,020	53,454,373	(60,542,170)	0	\$766,708	894,410	12,973,215
Appalachian Power Co - Distribution	5,351,228	226,111,170	320,498,653	17,056,410	(24,554,273)	0	\$245,021	317,462	(1,303,095)
Appalachian Power Co - Generation	1,010,147	40,004,219	236,361,127	13,282,204	(16,083,606)	0	\$31,085	43,514	1,176,705
Appalachian Power Co - Transmission	0	0	42,227,244	2,351,530	(3,232,507)	0	0	0	203,768
C3 Communications, Inc.	1,341,290	59,276,302	62,444,581	3,475,468	(4,780,149)	0	\$46,233	64,476	147,377
Cardinal Operating Company	524,333	3,421,951	1,962,953	226,262	(151,786)	0	\$13,634	3,722	616,344
AEP Texas Central Company - Distribution	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Nuclear	104,146	665,614	291,614	44,134	(22,323)	0	\$1,844	724	128,526
AEP Texas Central Company - Transmission	3,173,424	209,133,427	237,448,839	12,172,467	(18,176,772)	0	\$177,264	227,478	(2,425,109)
Columbus Southern Power Co - Distribution	1,754,629	97,047,880	105,565,607	5,664,774	(8,157,626)	0	\$80,537	105,561	(552,125)
Columbus Southern Power Co - Generation	280,501	21,467,927	25,407,576	1,246,931	(1,944,957)	0	\$19,161	23,351	(375,013)
Columbus Southern Power Co - Transmission	64,931	2,951,210	3,045,590	173,502	(233,141)	0	\$1,812	3,221	10,425
Conesville Coal Preparation Company	77,562	2,856,659	3,023,654	173,865	(231,462)	0	\$2,159	3,216	25,440
Cook Coal Terminal	88,595	589,489	539,010	37,731	(41,261)	0	\$1,918	619	87,602
CSW Energy, Inc.	283,074	1,577,749	694,511	105,741	(68,475)	0	\$7,042	1,716	330,998
Elnwood	0	0	0	0	0	0	0	0	0
EnerShop Inc.	3,308,823	161,038,367	175,697,973	9,422,733	(13,441,307)	0	\$127,821	175,165	(406,764)
Indiana Michigan Power Co - Distribution	2,280,029	88,901,311	95,605,063	5,227,919	(7,311,000)	0	\$73,383	95,700	356,932
Indiana Michigan Power Co - Generation	5,946,163	152,746,814	151,853,554	8,098,553	(11,624,430)	0	\$149,543	166,146	3,735,985
Indiana Michigan Power Co - Nuclear	769,338	31,809,862	33,856,246	1,857,906	(2,599,369)	0	\$26,573	34,600	98,057
Indiana Michigan Power Co - Transmission	1,441,289	60,932,001	65,092,610	3,524,529	(4,982,872)	0	\$26,412	65,298	89,656
Kentucky Power Co - Distribution	750,893	27,820,739	29,893,007	1,636,185	(2,288,387)	0	\$25,620	30,251	156,718
Kentucky Power Co - Generation	276,212	6,581,103	6,605,474	363,159	(505,651)	0	\$6,387	7,158	177,266
Kentucky Power Co - Transmission	213,902	12,068,087	12,030,774	705,780	(902,189)	0	\$9,522	13,157	(39,738)
Kingsport Power Co - Distribution	46,923	2,645,712	2,804,552	165,962	(214,609)	0	\$1,687	3,095	4,879
Kingsport Power Co - Generation	3,809,790	10,173,455	5,478,137	897,210	(419,428)	0	\$38,689	11,066	2,130,082
Kingsport Power Co - Transmission	4,114,688	198,839,654	211,215,543	12,410,520	(17,884,248)	0	\$184,947	231,185	(1,148,689)
Mempho	637,389	4,477,281	1,846,209	235,912	(128,025)	0	\$169,652	216,391	(25,805)
Ohio Power Co - Distribution	207,014	1,452,008	887,677	95,119	(61,932)	0	\$4,562	1,570	240,322
Ohio Power Co - Generation	64,152	698,026	596,214	43,751	(45,640)	0	\$1,652	760	64,675
Ohio Power Co - Transmission	371,031	2,228,723	1,149,911	149,055	(89,025)	0	\$9,878	2,424	444,462
Public Service Co of Oklahoma - Distribution	290,948	1,891,196	1,090,032	129,125	(83,442)	0	\$9,008	2,133	347,772
Public Service Co of Oklahoma - Generation	183,917	2,270,837	854,229	139,587	(65,391)	0	\$3,778	2,470	244,360
Public Service Co of Oklahoma - Transmission	0	0	0	0	0	0	\$0	0	0
Southwestern Electric Power Co - Distribution	101,919	466,820	204,070	32,515	(15,622)	0	\$1,766	500	121,167
Southwestern Electric Power Co - Generation	1,037,784	25,877,612	23,300,300	1,543,176	(1,936,745)	0	\$29,865	28,148	702,228
Southwestern Electric Power Co - Transmission	115,212	614,536	297,088	41,841	(22,743)	0	\$2,831	668	137,609
Water Transportation (Blackhawk)	0	0	0	0	0	0	0	0	0
AEP Texas North Company - Distribution	32,704	145,367	39,927	10,210	(3,056)	0	\$398	158	40,413
AEP Texas North Company - Generation	275,191	14,890,909	16,861,069	860,539	(1,200,718)	0	\$19,929	16,107	(115,964)
AEP Texas North Company - Transmission	0	0	0	0	0	0	0	0	(38,888)
Wheeling Power Co - Distribution	0	1,054,763	1,322,868	60,475	(101,266)	0	\$765	1,147	(109,142)
Wheeling Power Co - Generation	0	0	0	0	0	0	0	0	0
Wheeling Power Co - Transmission	0	3,563,105	4,192,393	204,288	(320,929)	0	\$3,623	3,876	(315,735)
Cedar Coal Co	0	0	0	0	0	0	\$0	0	0
Central Coal Company	0	9,220,618	11,232,233	528,658	(650,830)	0	\$5,409	10,029	(224,761)
Central Ohio Coal	0	6,541,317	7,970,255	375,042	(970,123)	0	\$3,207	7,115	(375,803)
Southern Ohio Coal - Marinka	0	10,053,837	12,673,015	576,430	(317,714)	0	\$6,854	10,936	(126,194)
Southern Ohio Coal - Meigs	0	3,238,264	4,150,394	185,721	(317,714)	0	\$2,276	3,523	(15,520)
Windsor	0	556,607	551,352	22,739	(39,144)	0	0	431	(151,967)
Price River Coal	0	2,681,714	2,681,714	40,983	(203,755)	0	\$1,846	928	0
Houston Pipeline (HPL)	0	0	0	0	0	0	0	0	0
Total	\$76,475,595	\$2,966,159,341	\$3,119,560,659	\$174,447,315	(\$238,833,843)	\$0	\$2,612,549	\$3,226,361	\$17,927,966

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AMERICAN ELECTRIC POWER
EAST RETIREMENT PLAN
ESTIMATED 2013 NET PERIODIC PENSION COST

Location	Service Cost	Projected Benefit Obligation	Market-Related Value of Assets	Interest Cost	Expected Return on Assets	Initial Transition (Asset)/ Obligation	Prior Service Cost	Gain/Loss Amortization	Net Periodic Pension Cost
AEP Energy Services, Inc.	\$16,922	\$1,354,768	\$975,854	\$79,622	(\$67,013)	\$0	\$399	\$1,517	\$30,446
AEP Pro Serv, Inc.	13,567	616,434	630,655	36,041	(48,253)	0	42	669	1,837
AEP T & D Services, LLC	0	0	0	0	0	0	0	0	0
American Electric Power Service Corporation	28,402,292	807,621,531	807,621,531	53,078,949	(89,859,048)	0	394,336	1,005,246	14,176,834
Appalachian Power Co - Distribution	5,037,797	289,500,076	316,740,801	16,969,052	(24,235,059)	0	94,450	324,202	(1,050,548)
Appalachian Power Co - Generation	5,773,277	224,269,665	233,595,542	13,185,512	(17,872,843)	0	88,140	251,152	1,495,238
Appalachian Power Co - Transmission	1,050,553	39,678,415	41,733,157	2,334,487	(3,193,094)	0	13,259	44,435	2,49,650
AT&T Communications, Inc.	0	0	0	0	0	0	0	0	0
Central Operating Company - Distribution	1,394,942	58,793,541	61,713,937	3,449,860	(4,721,832)	0	18,876	65,841	207,667
Central Operating Company - Generation	545,305	3,353,963	1,959,761	225,791	(148,945)	0	13,309	3,801	638,262
AEP Texas Central Company - Distribution	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Nuclear	108,314	660,183	208,202	44,049	(22,051)	0	1,724	739	182,775
AEP Texas Central Company - Transmission	3,300,361	207,430,193	234,670,526	12,078,572	(17,955,092)	0	60,558	232,204	(2,283,297)
Columbus Southern Power Co - Distribution	1,824,914	95,257,488	105,918,718	5,021,844	(8,058,137)	0	30,884	107,705	(472,800)
Columbus Southern Power Co - Generation	291,721	21,259,066	25,110,281	1,237,190	(1,921,237)	0	7,291	23,845	(361,190)
Columbus Southern Power Co - Transmission	67,528	2,937,093	3,003,955	172,218	(230,287)	0	705	3,289	13,443
Censusville Coal Preparation Company	80,664	2,932,579	2,988,275	172,712	(228,639)	0	953	3,284	28,984
Cook Coal Terminal	92,198	564,851	532,703	37,587	(40,758)	0	1,891	633	91,561
CSW Energy, Inc.	295,333	1,504,089	894,044	106,024	(67,640)	0	6,722	1,752	342,791
Elmwood	0	0	0	0	0	0	0	0	0
EncShop Inc.	3,441,176	159,728,830	173,533,475	9,352,401	(13,277,378)	0	49,608	178,873	(255,322)
Indiana Michigan Power Co - Distribution	2,371,230	100,177,277	94,308,300	5,199,024	(7,221,836)	0	32,157	88,747	470,322
Indiana Michigan Power Co - Generation	6,184,031	451,502,805	150,076,765	9,039,233	(11,482,951)	0	85,671	169,863	3,894,936
Indiana Michigan Power Co - Nuclear	800,711	31,550,795	33,658,935	1,854,277	(2,567,659)	0	10,609	35,393	132,670
Indiana Michigan Power Co - Transmission	1,498,941	59,843,095	64,331,160	3,498,763	(4,922,102)	0	24,184	66,860	166,466
Kentucky Power Co - Distribution	780,924	27,594,160	29,544,120	1,625,392	(2,260,478)	0	12,800	30,902	190,640
Kentucky Power Co - Generation	287,261	6,527,505	6,528,186	390,695	(489,484)	0	3,861	169,353	169,353
Kentucky Power Co - Transmission	222,551	11,897,584	12,680,646	700,429	(970,221)	0	3,610	13,435	(30,194)
Kingsport Power Co - Distribution	50,890	2,822,358	2,771,737	164,697	(212,071)	0	582	3,161	7,229
Kingsport Power Co - Generation	1,895,059	10,090,600	5,415,027	686,417	(414,314)	0	37,939	11,300	2,206,071
Kingsport Power Co - Transmission	4,065,182	210,818,178	230,893,920	12,316,659	(17,956,137)	0	70,630	236,088	(876,578)
Memco	4,279,275	197,319,440	208,744,178	11,555,157	(15,971,418)	0	72,268	220,972	156,255
Ohio Power Co - Distribution	1,142,495	47,153,539	50,561,317	2,768,213	(3,968,543)	0	17,595	52,805	112,956
Ohio Power Co - Generation	682,884	3,448,971	1,627,036	235,882	(124,488)	0	15,611	793,551	793,551
Ohio Power Co - Transmission	216,294	1,440,183	877,290	94,808	(67,123)	0	4,436	1,613	249,108
Public Service Co of Oklahoma - Distribution	66,718	693,234	589,238	43,559	(45,084)	0	1,467	776	67,437
Public Service Co of Oklahoma - Generation	385,072	2,210,572	1,195,456	148,822	(66,952)	0	9,868	2,476	460,085
Public Service Co of Oklahoma - Transmission	302,595	1,945,223	1,077,278	129,839	(64,325)	0	8,807	2,178	359,986
Southwestern Electric Power Co - Distribution	170,473	2,252,204	844,234	193,852	(64,594)	0	3,473	2,522	250,736
Southwestern Electric Power Co - Generation	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Distribution	105,886	463,126	201,682	32,621	(16,431)	0	1,681	519	125,385
Southwestern Electric Power Co - Texas - Generation	1,079,286	25,665,859	25,004,270	1,533,026	(1,913,125)	0	16,925	28,743	744,766
Southwestern Electric Power Co - Transmission	119,870	609,551	293,622	41,806	(22,466)	0	2,793	142,576	142,576
Water Transportation (Blackhawk)	0	0	0	0	0	0	0	0	0
AEP Texas North Company - Distribution	34,012	144,183	39,460	10,214	(3,079)	0	392	161	41,761
AEP Texas North Company - Generation	286,199	14,769,633	16,663,783	862,954	(1,274,878)	0	5,981	16,540	(103,294)
AEP Texas North Company - Transmission	0	1,946,192	1,307,390	59,935	(100,031)	0	53	1,172	(30,041)
Wheeling Power Co - Distribution	0	0	0	0	0	0	0	0	0
Wheeling Power Co - Generation	0	0	0	0	0	0	0	0	0
Wheeling Power Co - Transmission	0	0	0	0	0	0	0	0	0
Cedar Coal Co	0	0	0	0	0	0	0	0	0
Central Coal Company	0	0	0	0	0	0	0	0	0
Central Ohio Coal	0	0	0	0	0	0	0	0	0
Southern Ohio Coal - Marenka	0	0	0	0	0	0	0	0	0
Southern Ohio Coal - Meigs	0	0	0	0	0	0	0	0	0
Winpser	0	0	0	0	0	0	0	0	0
Prairie River Coal	0	0	0	0	0	0	0	0	0
Houston Pipelina (HPL)	0	0	0	0	0	0	0	0	0
Total	\$79,534,609	\$2,942,001,213	\$3,083,455,213	\$173,187,220	(\$235,921,075)	\$0	\$1,218,275	\$3,394,652	\$21,313,878

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AMERICAN ELECTRIC POWER
EAST RETIREMENT PLAN
ESTIMATED 2014 NET PERIODIC PENSION COST

Location	Service Cost	Projected Benefit Obligation	Market-Related Value of Assets	Interest Cost	Expected Return on Assets	Initial Transition (Asset/Liability) Obligation	Prior Service Cost	Gain/Loss Amortization	Net Periodic Pension Cost
AEP Energy Services, Inc.	\$17,509	\$1,344,563	\$864,713	\$78,013	(\$66,089)	\$0	\$398	\$1,558	\$3,479
AEP Pro Serv, Inc.	13,902	610,799	622,833	35,778	(17,587)	0	42	788	2,842
AEP T & D Services, LLC	0	0	0	0	0	0	0	0	0
American Electric Power Service Corporation	29,539,394	890,895,359	866,401,158	52,714,133	(67,746,700)	0	394,395	1,032,274	15,922,487
Appalachian Power Co - Distribution	6,071,309	287,219,300	342,719,727	16,802,947	(23,900,837)	0	84,450	332,919	(\$99,212)
Appalachian Power Co - Generation	6,004,208	222,960,263	230,624,165	13,091,397	(17,626,362)	0	88,140	257,905	1,815,288
Appalachian Power Co - Transmission	1,892,575	39,378,522	41,202,308	2,317,901	(3,149,049)	0	13,259	45,629	320,317
C3 Communications, Inc.	0	0	0	0	0	0	18,875	67,611	305,414
Cardinal Operating Company	1,450,740	59,350,955	60,929,830	3,424,921	(4,656,733)	0	13,309	3,903	661,948
AEP Texas Central Company - Distribution	567,118	3,368,416	1,094,832	225,394	(147,877)	0	0	0	0
AEP Texas Central Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Nuclear	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Transmission	112,847	655,220	284,566	43,977	(21,747)	0	1,724	759	137,360
Columbus Southern Power Co - Distribution	3,432,375	205,867,641	231,695,945	11,985,945	(17,707,477)	0	60,569	238,540	(1,989,048)
Columbus Southern Power Co - Generation	1,897,807	95,592,400	103,979,054	5,579,803	(7,947,009)	0	30,684	170,694	(327,641)
Columbus Southern Power Co - Transmission	303,300	21,132,688	24,760,865	1,227,878	(1,894,741)	0	7,291	24,487	(331,896)
Conesville Coal Preparation Company	70,229	2,914,968	2,971,668	170,967	(227,121)	0	705	3,370	18,159
Cook Coal Terminal	83,891	2,910,488	2,950,264	171,493	(225,489)	0	963	3,372	34,233
CSW Energy, Inc.	95,824	325,927	325,927	37,594	(40,195)	0	1,981	650	95,763
Elmwood	307,148	1,553,111	872,789	105,540	(66,707)	0	6,722	1,800	355,500
Enershop, Inc.	0	0	0	0	0	0	0	0	0
Indiana Michigan Power Co - Distribution	3,576,023	159,523,624	171,326,114	9,283,865	(13,084,273)	0	49,608	183,682	1,705
Indiana Michigan Power Co - Generation	2,466,079	87,913,046	93,187,751	5,153,240	(7,122,241)	0	32,157	101,402	630,645
Indiana Michigan Power Co - Nuclear	6,431,392	150,361,530	148,167,775	8,978,781	(11,324,306)	0	69,671	174,225	4,346,763
Indiana Michigan Power Co - Transmission	832,116	31,313,126	33,132,062	1,841,009	(2,532,248)	0	10,608	36,283	187,767
Kentucky Power Co - Distribution	1,558,698	59,094,553	63,512,892	3,473,720	(4,864,222)	0	24,184	66,473	271,063
Kentucky Power Co - Generation	812,181	27,365,295	29,166,324	1,614,970	(2,229,384)	0	12,900	31,733	242,460
Kentucky Power Co - Transmission	236,781	6,478,334	6,445,146	388,134	(492,956)	0	3,861	7,500	205,657
Kingsport Power Co - Distribution	231,454	11,907,207	12,519,347	605,200	(856,840)	0	3,610	13,797	(12,779)
Kingsport Power Co - Generation	52,915	2,801,274	2,736,480	163,464	(209,146)	0	552	3,248	11,041
Kingsport Power Co - Transmission	1,860,472	10,014,588	685,931	685,931	(408,600)	0	70,630	11,004	2,266,905
Mentco	4,228,829	209,230,105	227,956,328	12,225,133	(17,422,595)	0	242,436	242,436	(655,478)
Ohio Power Co - Distribution	4,450,446	195,039,092	206,088,933	11,470,555	(15,751,189)	0	72,268	226,913	469,024
Ohio Power Co - Generation	1,188,186	46,786,336	49,918,173	2,748,265	(3,815,193)	0	17,695	54,225	193,488
Ohio Power Co - Transmission	223,905	1,429,335	1,606,340	93,523	(122,771)	0	15,611	3,965	821,728
Public Service Co of Oklahoma - Distribution	69,387	688,012	686,131	43,377	(64,462)	0	1,467	797	70,567
Public Service Co of Oklahoma - Generation	401,307	2,183,820	1,122,000	148,633	(957,759)	0	9,868	2,542	476,586
Public Service Co of Oklahoma - Transmission	314,889	1,930,570	1,063,575	128,590	(81,288)	0	8,807	2,237	373,039
Southwestern Electric Power Co - Distribution	177,292	2,235,238	833,495	139,169	(63,703)	0	3,473	2,690	257,821
Southwestern Electric Power Co - Generation	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Distribution	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Generation	110,236	469,638	199,117	32,639	(15,218)	0	1,681	573	129,669
Southwestern Electric Power Co - Texas - Transmission	1,122,460	25,473,513	24,686,213	1,524,194	(1,085,741)	0	16,625	29,516	805,262
Water Transportation (Blackhawk)	124,670	604,959	289,887	41,784	(22,156)	0	2,733	701	147,576
AEP Texas North Company - Distribution	0	0	0	0	0	0	0	0	0
AEP Texas North Company - Generation	35,373	143,087	143,087	10,221	(2,878)	0	382	166	43,175
AEP Texas North Company - Transmission	297,046	14,696,375	16,451,918	858,555	(1,257,395)	0	5,981	16,985	(90,228)
Wheeling Power Co - Distribution	0	1,036,311	1,290,760	59,466	(98,651)	0	53	1,203	(37,928)
Wheeling Power Co - Transmission	0	3,507,464	4,060,636	200,878	(312,643)	0	256	4,064	(107,446)
Cedar Coal Co	0	0	0	0	0	0	0	0	0
Central Coal Company	0	8,076,631	10,959,605	519,833	(837,631)	0	382	10,517	(306,899)
Southern Ohio Coal - Maitinka	0	6,435,168	7,776,601	368,781	(944,373)	0	226	7,461	(217,904)
Southern Ohio Coal - Meigs	0	9,895,838	12,365,416	565,808	(945,076)	0	483	11,468	(365,317)
Southern Ohio Coal - Meigs	0	3,188,680	4,049,655	182,821	(309,511)	0	161	3,695	(123,036)
Windsor	0	390,414	409,940	22,360	(38,133)	0	32	452	(15,288)
Pitca River Coal	0	841,174	2,597,109	48,175	(150,494)	0	130	975	(143,214)
Houston Pipeline (HPL)	0	0	0	0	0	0	0	0	0
Total	\$62,715,994	\$2,919,839,404	\$3,044,233,378	\$171,961,128	(\$232,567,526)	\$0	\$1,218,275	\$3,383,235	\$26,611,108

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AMERICAN ELECTRIC POWER
EAST RETIREMENT PLAN
ESTIMATED 2015 NET PERIODIC PENSION COST

Location	Service Cost	Projected Benefit Obligation	Market-Related Value of Assets	Interest Cost	Expected Return on Assets	Initial Transition (Asset)/ Obligation	Prior Service Cost	Gain/Loss Amortization	Net Periodic Pension Cost
AEP Energy Services, Inc.	\$16,303	\$1,333,895	\$851,807	\$77,407	(\$65,048)	\$0	\$318	\$1,623	\$32,606
AEP Pro Serv, Inc.	14,458	605,982	613,340	35,516	(46,937)	0	40	0	3,914
AEP T & D Services, LLC	0	0	0	0	0	0	0	0	0
American Electric Power Service Corporation	30,719,918	683,817,018	873,170,844	52,353,100	(\$6,579,208)	0	350,227	1,075,632	17,809,750
Appalachian Power Co. - Distribution	6,314,161	205,039,651	308,052,111	16,678,715	(23,524,228)	0	84,931	346,002	(89,520)
Appalachian Power Co. - Generation	6,244,376	220,814,297	227,191,917	12,988,101	(17,348,621)	0	81,450	268,738	2,244,052
Appalachian Power Co. - Transmission	1,156,278	39,007,082	40,587,327	2,301,464	(3,089,426)	0	12,132	47,546	397,992
C3 Communications, Inc.	0	0	0	0	0	0	0	0	0
Cardinal Operating Company	1,508,769	57,887,888	60,018,513	3,400,184	(4,383,357)	0	17,142	70,451	413,190
AEP Texas Central Company - Distribution	589,803	3,341,591	1,905,953	225,001	(146,547)	0	13,275	4,057	686,659
AEP Texas Central Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Nuclear	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Transmission	117,153	650,022	280,269	43,917	(21,404)	0	1,716	791	142,173
Columbus Southern Power Co. - Distribution	3,569,670	264,234,374	228,227,387	11,895,853	(17,426,458)	0	53,189	248,559	(1,661,186)
Columbus Southern Power Co. - Generation	1,973,719	84,774,440	102,427,075	5,538,403	(7,827,787)	0	27,745	115,343	(166,577)
Columbus Southern Power Co. - Transmission	315,525	20,905,020	24,420,860	1,218,217	(1,864,085)	0	6,540	25,515	(298,066)
Conexvillo Coal Preparation Company	73,038	2,891,841	2,827,313	169,726	(223,543)	0	629	3,519	23,370
Cook Coal Terminal	87,246	2,887,356	2,906,229	170,289	(231,933)	0	887	3,514	40,000
CSW Energy, Inc.	99,657	556,148	518,077	37,542	(39,563)	0	1,869	677	100,203
Elmwood	319,492	1,540,788	859,772	106,480	(65,656)	0	6,701	1,875	368,842
Enershop Inc.	0	0	0	0	0	0	0	0	0
Indiana Michigan Power Co. - Distribution	3,721,976	157,265,687	168,768,821	9,215,841	(12,887,945)	0	44,663	191,397	285,932
Indiana Michigan Power Co. - Generation	2,584,723	86,318,712	91,796,043	5,116,005	(7,010,015)	0	29,551	806,724	606,724
Indiana Michigan Power Co. - Nuclear	6,668,647	149,166,572	145,956,241	9,922,134	(11,145,868)	0	81,633	181,543	4,728,009
Indiana Michigan Power Co. - Transmission	865,480	31,064,685	32,637,537	1,827,856	(2,492,347)	0	9,662	37,807	248,377
Kentucky Power Co. - Distribution	1,621,254	58,625,693	62,564,896	3,448,870	(4,777,794)	0	22,636	71,349	386,277
Kentucky Power Co. - Generation	844,647	27,165,011	28,732,061	1,603,658	(2,184,177)	0	12,083	299,277	289,277
Kentucky Power Co. - Transmission	310,701	6,426,935	6,348,947	386,700	(484,894)	0	3,701	7,822	223,090
Kingsport Power Co. - Distribution	240,712	11,812,734	12,332,485	580,005	(841,763)	0	3,237	14,376	6,568
Kingsport Power Co. - Generation	55,032	2,779,049	162,239	162,239	(205,961)	0	491	3,302	15,253
Kingsport Power Co. - Transmission	2,038,890	9,635,132	5,266,352	685,460	(602,162)	0	63,460	252,619	2,371,811
Memco	4,397,883	207,570,060	224,554,472	12,134,230	(17,147,978)	0	37,531	56,519	(299,687)
Ohio Power Co. - Distribution	4,628,464	184,279,300	203,012,875	11,386,587	(15,502,966)	0	66,112	236,444	814,641
Ohio Power Co. - Generation	1,235,724	46,427,035	49,173,100	2,728,481	(3,755,077)	0	16,503	56,503	282,136
Ohio Power Co. - Transmission	716,976	1,417,984	1,592,364	235,440	(120,636)	0	15,564	4,133	851,286
Public Service Co of Oklahoma - Distribution	232,682	1,417,984	855,203	94,504	(65,164)	0	4,428	1,726	269,366
Public Service Co of Oklahoma - Generation	72,162	882,553	573,059	43,204	(43,761)	0	1,455	831	73,891
Public Service Co of Oklahoma - Transmission	417,359	2,176,513	1,035,263	148,498	(91,402)	0	8,861	2,649	493,955
Southwestern Electric Power Co. - Distribution	327,277	1,915,263	1,847,700	128,376	(90,007)	0	8,785	2,331	386,770
Southwestern Electric Power Co. - Generation	184,384	2,217,504	821,055	137,497	(62,689)	0	3,464	2,699	265,334
Southwestern Electric Power Co. - Texas - Distribution	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co. - Texas - Generation	114,646	465,991	186,145	32,656	(14,976)	0	1,976	555	134,564
Southwestern Electric Power Co. - Texas - Transmission	1,167,366	25,271,404	24,317,750	1,513,502	(1,387,011)	0	18,001	30,756	870,614
Water Transmission (Blackhawk)	129,598	600,169	285,550	41,775	(21,807)	0	730	0	153,023
AEP Texas North Company - Distribution	0	0	0	0	0	0	0	0	0
AEP Texas North Company - Generation	36,788	141,062	38,377	10,233	(2,931)	0	392	173	44,655
AEP Texas North Company - Transmission	309,552	14,542,075	16,206,260	950,180	(1,237,582)	0	5,485	17,608	(54,657)
Wheeling Power Co. - Distribution	0	1,030,073	1,271,494	58,967	(87,087)	0	0	1,254	(36,867)
Wheeling Power Co. - Transmission	0	3,478,635	4,028,590	199,184	(307,777)	0	43	4,235	(104,245)
Cedar Coal Co	0	0	0	0	0	0	0	0	0
Central Coal Company	0	9,004,616	10,796,023	515,474	(824,432)	0	64	10,959	(297,953)
Central Ohio Coal	0	6,389,080	7,060,726	365,669	(600,184)	0	36	7,774	(211,506)
Southern Ohio Coal - Marietta	0	9,816,316	12,180,852	582,055	(800,007)	0	81	11,949	(356,099)
Southern Ohio Coal - Meigs	0	3,163,301	3,989,211	181,050	(304,634)	0	27	3,650	(119,668)
Windor	0	387,317	491,453	22,372	(37,553)	0	5	471	(14,864)
Prize River Coal	0	894,500	2,589,345	47,771	(195,367)	0	22	1,016	(146,558)
Houston Pipeline (HPL)	0	0	0	0	0	0	0	0	0
Total	\$66,024,633	\$2,995,673,215	\$2,998,795,528	\$170,746,212	(\$229,001,361)	\$0	\$1,100,132	\$3,525,340	\$32,424,957

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AMERICAN ELECTRIC POWER
EAST RETIREMENT PLAN
ESTIMATED 2016 NET PERIODIC PENSION COST

Location	Service Cost	Projected Benefit Obligation	Market-Related Value of Assets	Interest Cost	Expected Return on Assets	Initial Transition (Asset)/ Obligation	Prior Service Cost	Gain/Loss Amortization	Net Periodic Pension Cost
AEP Energy Services, Inc.	\$19,035	\$1,323,825	\$837,533	\$76,029	(\$53,895)	\$0	\$304	\$1,703	\$33,974
AEP Pro Serv, Inc.	15,037	601,377	603,133	35,257	(46,009)	0	39	774	5,108
AEP T & D Services, LLC	31,948,716	0	0	0	0	0	0	0	0
American Electric Power Service Corporation	6,565,728	877,144,694	858,641,105	52,011,769	(65,498,030)	0	348,360	1,120,284	19,938,219
Appalachian Power Co - Distribution	6,494,151	269,807,801	302,826,051	16,580,507	(23,107,830)	0	82,729	363,893	466,017
Appalachian Power Co - Generation	1,181,730	38,772,147	223,401,564	12,999,500	(17,041,539)	0	79,712	281,892	2,723,000
Appalachian Power Co - Transmission	0	0	39,311,946	2,285,874	(3,044,566)	0	11,874	49,073	484,764
C3 Communications, Inc.	0	0	0	0	0	0	0	0	0
Cardinal Operating Company	1,568,120	57,450,678	59,020,776	3,376,689	(4,502,228)	0	16,794	73,900	534,214
AEP Texas Central Company - Distribution	613,395	3,316,463	1,874,238	224,038	(142,871)	0	12,781	4,266	712,310
AEP Texas Central Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Nuclear	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Transmission	121,839	645,114	275,625	43,000	(21,025)	0	1,650	830	147,183
Columbus Southern Power Co - Distribution	3,712,457	202,502,420	224,429,637	11,800,003	(17,110,960)	0	51,133	260,726	(1,266,640)
Columbus Southern Power Co - Generation	2,032,068	94,059,046	100,722,609	5,498,816	(7,603,335)	0	26,926	120,989	16,064
Columbus Southern Power Co - Transmission	328,146	29,806,746	24,914,492	1,209,187	(1,831,875)	0	6,330	26,764	(261,448)
Conesville Coal Preparation Company	75,980	2,870,009	2,878,602	168,547	(219,505)	0	614	3,692	29,227
Cook Coal Terminal	90,786	2,865,598	2,857,869	169,140	(210,004)	0	871	3,686	46,423
CSW Energy, Inc.	103,043	551,050	509,456	37,508	(38,662)	0	1,842	710	104,841
Elmwood	332,209	1,529,157	845,405	106,494	(64,484)	0	6,512	1,867	392,688
EnerShip Inc.	0	0	0	0	0	0	0	0	0
Indiana Michigan Power Co - Distribution	3,670,855	155,078,610	165,960,572	0,151,150	(12,659,818)	0	43,232	200,766	606,185
Indiana Michigan Power Co - Generation	2,697,311	86,163,279	90,269,325	5,082,248	(6,885,932)	0	28,877	110,033	1,003,337
Indiana Michigan Power Co - Nuclear	6,956,193	148,042,433	143,527,500	8,857,907	(10,948,576)	0	70,837	190,420	5,145,950
Indiana Michigan Power Co - Transmission	900,016	30,830,164	32,084,442	1,815,373	(2,440,231)	0	9,412	39,657	316,228
Kentucky Power Co - Distribution	1,686,104	59,183,102	61,923,804	3,425,266	(4,693,164)	0	22,145	74,842	515,213
Kentucky Power Co - Generation	678,433	28,963,900	20,294,839	1,592,988	(2,155,338)	0	11,852	34,684	362,570
Kentucky Power Co - Transmission	323,129	6,378,415	383,414	383,414	(476,352)	0	3,639	8,205	242,135
Kingsport Power Co - Distribution	250,340	11,723,555	12,127,270	695,060	(925,093)	0	3,146	15,000	28,533
Kingsport Power Co - Generation	57,233	2,759,068	2,650,780	161,071	(202,207)	0	4,471	3,548	20,116
Kingsport Power Co - Transmission	2,120,446	9,860,127	5,178,718	695,442	(935,043)	0	36,462	12,683	2,459,980
Memo	4,573,902	208,003,022	220,817,040	12,047,888	(16,944,444)	0	61,474	284,085	103,614
Ohio Power Co - Distribution	4,813,603	182,812,600	199,634,700	11,306,750	(15,228,550)	0	64,419	246,016	1,204,239
Ohio Power Co - Generation	1,285,153	46,076,537	48,556,033	2,709,605	(3,600,609)	0	16,047	59,269	381,555
Ohio Power Co - Transmission	745,055	3,370,186	1,556,033	235,479	(118,697)	0	15,002	4,335	881,774
Public Service Co of Oklahoma - Generation	242,177	1,407,288	830,003	94,371	(64,001)	0	4,318	1,810	276,675
Public Service Co of Oklahoma - Transmission	75,049	677,400	563,524	43,050	(42,897)	0	1,389	871	77,372
Public Service Co of Oklahoma - Distribution	434,054	2,160,081	1,096,862	146,418	(82,806)	0	9,474	2,779	511,815
Southwestern Electric Power Co - Generation	340,388	1,900,784	1,030,266	128,223	(79,591)	0	8,350	2,445	400,844
Southwestern Electric Power Co - Texas - Distribution	191,799	2,200,763	807,392	136,893	(91,599)	0	3,351	2,831	273,234
Southwestern Electric Power Co - Texas - Transmission	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Distribution	119,231	452,540	192,004	32,713	(14,713)	0	1,618	562	139,431
Waller Transmission (Blackhawk)	1,214,051	25,080,619	23,913,087	1,504,393	(1,824,141)	0	15,302	32,262	942,076
AEP Texas North Company - Distribution	134,782	595,629	280,889	41,169	(21,421)	0	2,648	765	158,565
AEP Texas North Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas North Company - Transmission	38,259	140,890	37,739	10,250	(2,879)	0	391	181	46,202
Wheeling Power Co - Distribution	321,834	14,432,290	15,036,565	844,131	(1,215,676)	0	5,346	18,564	(25,700)
Wheeling Power Co - Transmission	0	1,022,297	1,250,336	58,400	(95,378)	0	0	1,315	(5,575)
Cedar Coal Co.	0	3,453,366	3,692,527	197,577	(302,270)	0	0	4,442	(100,251)
Central Coal Company	0	0	0	0	0	0	0	0	0
Central Ohio Coal	0	0	0	0	0	0	0	0	0
Southern Ohio Coal - Martinsburg	0	0	0	0	0	0	0	0	0
Southern Ohio Coal - Meigs	0	0	0	0	0	0	0	0	0
Southern Ohio Coal - Meigs	0	0	0	0	0	0	0	0	0
Windsor	0	0	0	0	0	0	0	0	0
Price River Coal	0	0	0	0	0	0	0	0	0
Houston Pipeline (HPL)	0	0	0	0	0	0	0	0	0
Total	\$89,465,619	\$2,874,804,953	\$2,940,894,965	\$169,594,250	(\$224,047,843)	\$0	\$1,086,871	\$3,697,803	\$38,005,000

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AMERICAN ELECTRIC POWER
EAST RETIREMENT PLAN
ESTIMATED 2017 NET PERIODIC PENSION COST

Location	Source Cost	Projected Benefit Obligation	Market-Related Value of Assets	Interest Cost	Expected Return on Assets	Initial Transition (Asset)/ Obligation	Prior Service Cost	Gain/Loss Amortization	Net Periodic Pension Cost
AEP Energy Services, Inc.	\$19,707	\$1,314,085	\$821,860	\$76,308	(\$53,486)	\$0	\$304	\$1,800	\$34,723
AEP Pro Serv, Inc.	15,638	595,953	591,777	35,045	(45,713)	0	39	818	5,828
AEP T & D Services, LLC	0	0	0	0	0	0	0	0	0
American Electric Power Service Corporation	33,226,664	870,601,412	642,473,107	51,711,111	(65,077,917)	0	250,532	1,192,659	21,303,259
Appalachian Power Co - Distribution	6,829,307	280,806,554	297,222,057	16,455,003	(22,959,280)	0	70,634	384,712	788,447
Appalachian Power Co - Generation	6,753,817	217,594,874	219,194,989	12,831,061	(16,931,997)	0	74,044	293,028	3,025,064
Appalachian Power Co - Transmission	1,223,959	36,466,695	35,160,417	2,272,057	(3,024,996)	0	11,419	52,728	540,205
CS Communications, Inc.	0	0	0	0	0	0	0	0	0
Cardinal Operating Company	1,631,885	57,028,005	57,909,435	3,355,800	(4,473,288)	0	15,877	78,130	608,403
AEP Texas Central Company - Distribution	637,931	3,292,064	1,830,947	224,826	(142,052)	0	5,078	4,510	731,195
AEP Texas Central Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Nuclear	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Transmission	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Distribution	126,712	640,368	270,495	43,883	(20,880)	0	907	877	151,490
Columbus Southern Power Co - Distribution	3,860,955	201,201,182	220,203,704	11,731,142	(17,009,916)	0	43,096	275,651	(1,095,072)
Columbus Southern Power Co - Generation	2,134,774	83,366,040	99,826,095	5,463,437	(7,633,948)	0	24,290	127,915	116,469
Columbus Southern Power Co - Transmission	341,272	20,653,657	23,562,307	1,201,073	(1,820,100)	0	5,493	28,295	(243,566)
Consolidated Coal Preparation Company	70,898	2,848,804	2,824,399	167,498	(218,174)	0	614	3,953	32,839
Coal Terminal	94,366	2,944,515	2,804,055	189,127	(216,603)	0	955	3,997	50,641
CSW Energy, Inc.	107,789	547,889	499,863	37,510	(38,913)	0	1,105	751	108,622
Edward	345,488	1,517,806	823,545	106,501	(64,070)	0	3,927	2,000	394,027
EnorShop Inc.	0	0	0	0	0	0	0	0	0
Indiana Michigan Power Co - Distribution	4,025,688	154,930,324	162,895,592	9,093,514	(12,578,443)	0	37,099	212,358	760,118
Indiana Michigan Power Co - Generation	2,774,004	86,520,363	88,569,584	5,091,658	(6,841,671)	0	28,761	117,177	1,127,900
Indiana Michigan Power Co - Nuclear	7,204,441	146,953,263	140,824,926	3,820,730	(10,978,201)	0	57,584	201,330	5,445,964
Indiana Michigan Power Co - Transmission	935,017	30,603,342	31,490,114	1,804,295	(2,432,494)	0	8,576	41,927	358,322
Kentucky Power Co - Distribution	1,753,649	57,755,040	60,365,332	3,404,352	(4,662,997)	0	21,315	79,126	595,345
Kentucky Power Co - Generation	913,571	26,765,523	27,722,810	1,583,458	(2,141,484)	0	10,918	36,669	403,133
Kentucky Power Co - Transmission	335,055	6,331,488	6,125,740	381,455	(473,191)	0	3,227	8,674	256,200
Kingsport Power Co - Distribution	280,394	11,637,303	11,098,917	680,639	(919,147)	0	2,930	15,943	40,718
Kingsport Power Co - Transmission	59,523	2,737,777	2,600,087	160,027	(200,007)	0	389	22,782	22,782
Memo	2,205,264	9,787,595	5,081,205	686,094	(392,504)	0	21,752	13,400	2,554,005
Ohio Power Co - Distribution	4,756,858	204,487,428	216,659,915	11,970,393	(16,736,172)	0	53,823	280,153	325,061
Ohio Power Co - Generation	5,005,147	191,394,050	195,075,647	11,235,612	(15,130,664)	0	58,019	262,215	1,431,320
Ohio Power Co - Transmission	1,336,559	46,737,545	47,444,345	2,683,003	(3,664,899)	0	13,832	62,662	441,156
Public Service Co of Oklahoma - Distribution	775,481	3,345,401	1,506,733	235,746	(117,534)	0	6,968	4,563	904,844
Public Service Co of Oklahoma - Generation	251,664	1,396,935	823,207	84,324	(63,590)	0	2,809	1,914	287,321
Public Service Co of Oklahoma - Transmission	79,051	672,416	552,013	42,933	(42,710)	0	485	921	78,678
Southwestern Electric Power Co - Distribution	451,416	2,144,189	1,066,395	140,489	(82,375)	0	4,097	2,938	524,564
Southwestern Electric Power Co - Generation	353,983	1,885,809	1,010,867	128,191	(78,086)	0	2,022	2,585	400,595
Southwestern Electric Power Co - Texas - Distribution	199,430	2,194,571	792,189	136,383	(91,184)	0	1,973	2,893	279,585
Southwestern Electric Power Co - Texas - Transmission	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Transmission	124,001	449,219	169,249	32,793	(14,618)	0	631	615	143,620
Water Transportation (Blackhawk)	1,262,653	24,896,097	23,462,922	1,496,461	(1,812,416)	0	10,849	34,108	901,646
AEP Texas North Company - Distribution	140,173	591,246	275,521	41,843	(21,293)	0	1,563	810	163,126
AEP Texas North Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas North Company - Transmission	39,700	139,853	37,028	10,277	(2,850)	0	374	192	47,772
Wheeling Power Co - Distribution	334,611	14,326,110	15,656,504	838,710	(1,207,862)	0	4,759	19,627	(8,005)
Wheeling Power Co - Transmission	0	1,014,776	1,226,793	36,053	(94,765)	0	0	1,380	(35,322)
Cedar Coal Co	0	3,427,959	3,887,914	186,105	(300,327)	0	0	4,666	(99,525)
Central Coal Company	0	0	0	0	0	0	0	0	0
Central Ohio Coal	0	8,870,888	10,416,473	507,483	(804,634)	0	0	12,153	(284,937)
Southern Ohio Coal - Mairinka	0	6,293,211	7,391,401	360,020	(570,950)	0	0	8,622	(202,316)
Southern Ohio Coal - Mings	0	9,072,504	11,752,504	593,342	(907,846)	0	0	13,252	(941,252)
Windor	0	3,116,401	3,846,964	178,282	(297,318)	0	0	4,270	(114,766)
Price River Coal	0	381,565	474,214	21,828	(36,631)	0	0	523	(14,280)
Houston Pipeline (HPL)	0	822,107	2,169,402	47,031	(190,675)	0	0	1,125	(142,518)
Total	\$93,044,243	\$2,653,654,591	\$2,893,360,281	\$466,373,993	(\$223,501,926)	\$0	\$681,116	\$3,909,577	\$42,806,994

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AMERICAN ELECTRIC POWER
EAST RETIREMENT PLAN
ESTIMATED 2016 NET PERIODIC PENSION COST

Location	Service Cost	Projected Benefit Obligation	Market-Related Value of Assets	Interest Cost	Expected Return on Assets	Initial Transition (Asset)/ Obligation	Prior Service Cost	Gain/Loss Amortization	Net Periodic Pension Cost
AEP Energy Services, Inc.	\$20,588	\$4,306,055	\$823,208	\$75,932	(\$64,667)	\$0	\$3	\$1,512	\$33,369
AEP Pro Serv, Inc.	16,263	993,303	597,125	34,889	(46,565)	0	0	687	5,277
AEP T & D Services, LLC	0	0	0	0	0	0	0	0	0
American Electric Power Service Corporation	34,555,731	865,370,940	850,086,754	51,509,005	(65,288,392)	0	2,757	1,002,042	20,780,223
Appalachian Power Co - Distribution	7,102,573	276,090,649	269,808,111	16,380,518	(23,386,450)	0	0	323,168	420,774
Appalachian Power Co - Generation	7,024,074	216,205,699	221,175,890	12,776,750	(17,246,933)	0	0	250,352	2,605,052
Appalachian Power Co - Transmission	1,278,159	39,251,716	39,514,317	2,262,527	(3,001,263)	0	0	44,203	503,341
C3 Communications, Inc.	0	0	0	0	0	0	0	0	0
Cardinal Operating Company	1,097,160	56,679,523	58,432,772	3,341,241	(4,556,493)	0	175	65,631	547,713
AEP Texas Central Company - Distribution	663,448	3,271,947	1,955,565	225,246	(144,694)	0	66	3,789	747,855
AEP Texas Central Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Nuclear	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Transmission	131,781	636,455	272,879	43,971	(21,279)	0	0	0	155,220
Columbus Southern Power Co - Distribution	4,015,394	198,971,776	222,953,720	11,675,380	(17,326,307)	0	474	231,554	(1,403,506)
Columbus Southern Power Co - Generation	2,220,165	97,796,410	99,719,202	5,438,356	(7,775,942)	0	287	107,452	(9,701)
Columbus Southern Power Co - Transmission	354,923	20,527,460	23,775,243	1,195,221	(1,653,955)	0	60	23,769	(275,981)
Conesville Coal Preparation Company	82,150	2,831,465	2,849,923	166,765	(222,232)	0	7	3,279	29,976
Cook Coal Terminal	80,140	2,827,134	2,829,395	167,431	(220,632)	0	8	3,274	46,222
CSW Energy, Inc.	112,100	344,541	504,381	37,593	(39,331)	0	13	631	110,997
Enbridge	359,318	1,508,631	937,042	106,914	(65,271)	0	43	1,747	402,750
EnerShop Inc.	0	0	0	0	0	0	0	0	0
Indiana Michigan Power Co - Distribution	4,166,717	153,883,603	164,307,163	9,033,016	(12,612,407)	0	408	178,303	606,037
Indiana Michigan Power Co - Generation	2,684,954	85,006,725	89,370,002	5,030,557	(6,968,928)	0	284	98,432	1,045,320
Indiana Michigan Power Co - Nuclear	7,523,510	146,035,285	142,097,984	9,790,234	(11,000,540)	0	744	169,122	5,403,378
Indiana Michigan Power Co - Transmission	973,457	30,416,337	31,774,656	1,766,622	(2,477,739)	0	84	35,220	327,655
Kentucky Power Co - Distribution	1,023,691	57,402,121	60,910,863	3,380,841	(4,748,731)	0	235	86,468	530,593
Kentucky Power Co - Generation	850,114	26,691,969	27,973,345	1,576,967	(2,181,316)	0	120	376,689	376,689
Kentucky Power Co - Transmission	348,487	6,282,798	6,181,098	360,178	(491,992)	0	35	7,287	255,004
Kingsport Power Co - Distribution	270,789	11,586,192	12,006,450	677,499	(906,244)	0	32	13,393	25,448
Kingsport Power Co - Transmission	61,904	2,721,047	2,624,371	159,285	(204,644)	0	4	3,151	19,609
Merica	2,293,474	9,727,776	5,127,125	688,047	(989,805)	0	239	11,264	2,593,220
Ohio Power Co - Distribution	4,947,132	203,237,881	218,617,900	11,915,650	(17,047,471)	0	592	235,336	51,239
Ohio Power Co - Generation	5,206,393	189,224,512	197,645,807	11,165,669	(15,412,101)	0	638	220,267	1,200,955
Ohio Power Co - Transmission	1,380,021	45,496,060	47,873,107	2,881,391	(3,793,058)	0	152	52,637	391,134
Public Service Co of Oklahoma - Distribution	806,500	3,324,998	1,560,531	236,468	(120,128)	0	77	3,850	926,766
Public Service Co of Oklahoma - Generation	261,959	1,388,389	830,647	94,459	(64,773)	0	31	1,608	293,263
Public Service Co of Oklahoma - Transmission	81,173	668,307	557,909	42,897	(43,595)	0	5	774	81,344
Southwestern Electric Power Co - Distribution	469,472	2,131,097	1,976,033	148,845	(83,897)	0	45	2,468	536,023
Southwestern Electric Power Co - Generation	368,142	1,675,280	1,920,002	128,404	(79,598)	0	32	2,171	419,212
Southwestern Electric Power Co - Texas - Distribution	207,407	2,171,222	793,348	136,143	(62,332)	0	22	2,514	283,754
Southwestern Electric Power Co - Texas - Transmission	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Transmission	128,961	446,474	190,959	32,836	(14,891)	0	9	517	147,532
Water Transportation (Blackhawk)	1,313,128	24,743,957	23,674,859	1,491,400	(1,846,127)	0	119	26,652	987,173
AEP Texas North Company - Distribution	145,780	587,634	278,011	41,978	(21,678)	0	17	560	165,776
AEP Texas North Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas North Company - Transmission	41,361	138,999	37,362	10,324	(2,813)	0	4	161	46,957
Wheeling Power Co - Distribution	348,204	14,230,568	15,777,814	834,897	(1,230,328)	0	53	16,487	(30,698)
Wheeling Power Co - Transmission	0	1,000,575	1,237,879	57,727	(96,528)	0	0	1,163	(37,533)
Cedar Coal Co.	0	3,407,012	3,923,049	195,003	(305,913)	0	0	3,945	(105,965)
Central Coal Company	0	0	0	0	0	0	0	0	0
Central Ohio Coal	0	8,816,682	10,510,600	504,630	(919,600)	0	0	0	0
Southern Ohio Coal - Martinsburg	0	6,254,755	7,458,189	357,596	(581,578)	0	0	10,209	(304,761)
Southern Ohio Coal - Maigs	0	9,513,398	11,858,825	550,231	(924,732)	0	0	7,243	(216,339)
Windor	0	3,097,356	3,883,746	177,280	(302,946)	0	0	11,132	(663,369)
Price River Coal	0	379,233	476,500	21,708	(37,313)	0	0	439	(121,882)
Houston Pipeline (HPL)	0	817,083	2,490,709	46,766	(194,221)	0	0	946	(146,509)
Total	\$65,766,013	\$2,836,216,969	\$2,919,516,122	\$167,971,032	(\$227,659,152)	\$0	\$9,655	\$3,284,150	\$40,272,537

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*American Electric Power
East Excess Benefit Plan*

Actuarial Valuation Report

Pension Cost for Fiscal Year Ending December 31, 2008

June 2008

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Supplemental Information

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Basic Results for Pension Cost

This report summarizes financial results for American Electric Power's (AEP) Excess Benefit Plan for East Employees based on actuarial valuations for fiscal years 2007 and 2008.

	January 1, 2008	January 1, 2007
Service Cost	\$ 1,227,319	\$ 1,338,544
Obligations		
Accumulated benefit obligation [ABO]:		
▶ Participants currently receiving benefits	\$ 27,616,213	\$ 29,280,748
▶ Deferred inactive participants	0	0
▶ Active participants	<u>20,338,962</u>	<u>17,182,289</u>
Total ABO	\$ 47,955,175	\$ 46,463,037
Obligation due to future salary increases	<u>3,376,364</u>	<u>6,685,392</u>
Projected benefit obligation [PBO]	\$ 51,331,539	\$ 53,148,429
Amounts Not Yet Recognized in Net Periodic Cost		
Net actuarial loss (gain)	\$ 19,262,311	\$ 22,172,440
Prior service cost (credit)	4,383,186	5,616,041
Transition obligation (asset)	<u>0</u>	<u>0</u>
Total	\$ 23,645,497	\$ 27,788,481
Key Economic Assumptions		
Discount rate	6.00%	5.75%
Salary increase rate	Rates vary by age from 5.0% to 11.5%	Rates vary by age from 5.0% to 11.5%

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Pension Cost

	Fiscal 2008	Fiscal 2007
Pension Cost		
Service cost	\$ 1,227,319	\$ 1,338,544
Interest cost	2,983,461	2,849,422
Expected return on assets	0	0
Amortization:		
▶ Transition obligation (asset)	0	0
▶ Prior service cost (credit)	1,392,274	1,377,796
▶ Net loss (gain)	<u>1,411,363</u>	<u>1,697,130</u>
Pension cost	\$ 7,014,417	\$ 7,262,892
Percent of covered pay	0.6%	0.6%

Change in Pension Cost

Pension cost for fiscal 2007	\$ 7,262,892
Change from fiscal 2007 to fiscal 2008:	
▶ Expected based on prior valuation	(56,634)
▶ Loss (gain) from noninvestment experience	(29,206)
▶ Assumption changes	(196,680)
▶ Plan amendments	<u>34,045</u>
Pension cost for fiscal 2008	\$ 7,014,417

Actuarial Assumptions and Methods

Economic Assumptions

Discount rate 6.00%

Annual rates of increase in:

▶ Total compensation	Rates varying by age	
	Age	Rate
	<25	11.50%
	25-34	9.50%
	35-44	6.50%
	>45	5.00%
▶ Cash balance crediting rate		5.25%
▶ Lump sum conversion rate		6.50%
▶ Future Social Security wage bases		4.00%
▶ Indexed limits on compensation and benefits		3.00%

Demographic Assumptions

Mortality 2008 IRS Applicable Mortality Tables

Termination Rates varying by age and service

Age	Rate	
	Under five years of service	Five or more years of service
<25	12.50%	10.00%
25-30	12.50%	6.00%
30-35	12.50%	5.00%
35-40	12.50%	3.50%
>40	12.50%	3.00%

Retirement Rates varying by age

Age	Rate
55-57	7.5%
58-60	15.0%
61-63	35.0%
64-65	25.0%
66-69	20.0%
70+	100%

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Form of payment	75% lump sum; 25% annuity
Percent married	80% of male participants; 70% of female participants
Spouse ages	Wives are assumed to be three years younger than husbands
Valuation pay	<p>2008 Base Salary Pay (Grandfathered) – estimated as the sum of the following updated one year according to the salary increase assumption:</p> <ul style="list-style-type: none">(i) 2007 base salary(ii) Target bonus percentage times 2007 base pay (if base pay was greater than IRC 401(a)(17) pay limit in prior year)(iii) Executives who participate in an uncapped incentive plan will have incentive limited to 1x base pay <p>2008 Expanded Pay (Cash Balance) – sum of the following updated one year according to the salary increase assumption:</p> <ul style="list-style-type: none">(i) 2007 base salary(ii) Target bonus percentage times 2007 base pay(iii) Effective January 1, 2004, pay for all executives is limited to the greater of 2x base pay or \$1 million

Actuarial Methods

Service cost and projected benefit obligation

Projected unit credit

Benefits Not Valued

All benefits described in the Plan Provisions section of this report were valued. Towers Perrin has reviewed the plan provisions with AEP and is not aware of any significant benefits required to be valued that were not.

Changes in Assumptions and Methods Since Prior Valuation

- The discount rate for benefit obligations was changed from 5.75% to 6.00%.
- The mortality table used to value the benefit obligations was updated from RP2000, no collar adjustment, no projection to the 2008 IRS Applicable Mortality Tables.

Data Sources

Towers Perrin used participant data as of January 1, 2008, supplied by AEP. Data were reviewed for reasonableness and consistency, but no audit were performed. Assumptions or estimates were made by Towers Perrin actuaries when data was not available. We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations.

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Participant Data

	January 1, 2008	January 1, 2007
Active		
Number	16,093	15,218
Average age	46.5	47.0
Average past service	17.4	18.1
Average future service	10.0	9.9
Covered pay:		
‣ Total	\$ 1,231,797,471	\$ 1,156,361,605
‣ Average	76,552	75,986
Deferred Inactive		
Number	0	0
Average age	N/A	N/A
Annual benefits:		
‣ Total	N/A	N/A
‣ Average	N/A	N/A
Currently Receiving Benefits		
Number	43	44
Average age	69.4	68.1
Annual benefits:		
‣ Total	\$ 4,167,960	\$ 4,224,859
‣ Average	96,929	96,020
Total Participants Included in Valuation		
Number	16,136	15,262

Plan Provisions

The East Excess Benefit Plan provides a benefit determined in accordance with the provisions of American Electric Power's East qualified defined benefit plan, without recognition of the statutory maximums on benefits and pay, less the benefit payable from the qualified plan. MICP awards are also included in the definition of pay for the grandfathered benefit for executives with base pay in excess of the IRS limit. Certain executives have contracts providing additional benefits.

Prior to 2004, all executives had their cash balance pay limited to \$1,000,000. In addition, pay was limited for executives in an uncapped incentive plan to two times base pay for both the final average pay formula and the cash balance formula. Base pay rate is determined at the earlier of year-end or date of termination.

Effective January 1, 2004, pay for all executives is limited to the greater of two times base pay or \$1 million for the cash balance formula only. The executives in the uncapped incentive plan continue to have two times pay limit apply to the final average pay formula.

Future Plan Changes

No future plan changes were recognized in determining pension cost. Towers Perrin is not aware of any future plan changes that are required to be reflected.

Changes in Benefits Valued Since Prior Year

- Changes in the IRS pay cap and Section 415 limits.
- Methodology change for conversion of cash balance accounts into single life annuities.

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Actuarial Certification, Reliances and Distribution

American Electric Power retained Towers Perrin to perform a valuation of its pension plan for the purpose of determining its pension cost in accordance with FAS 87. This valuation has been conducted in accordance with generally accepted actuarial principles and practices.

The consulting actuaries are members of the Society of Actuaries and other professional actuarial organizations and meet their "General Qualification Standard for Prescribed Statements of Actuarial Opinions" relating to pension plans.

In preparing the results presented in this report, we have relied upon information provided to us regarding plan provisions, plan participants and plan assets. While the scope of our engagement did not call for us to perform an audit or independent verification of this information, we have reviewed this information for reasonableness but have not audited it. The accuracy of the results presented in this report is dependent upon the accuracy and completeness of the underlying information.

The actuarial assumptions and the accounting policies and methods employed in the development of the pension cost have been selected by the plan sponsor, with the concurrence of Towers Perrin. FAS 87 requires that each significant assumption "individually represent the best estimate of a particular future event."

The results shown in this report have been developed based on actuarial assumptions that are considered to be reasonable and within the "best-estimate range" as described by the Actuarial Standards of Practice. Other actuarial assumptions could also be considered to be reasonable and within the best-estimate range. Thus, reasonable results differing from those presented in this report could have been developed by selecting different points within the best-estimate ranges for various assumptions.

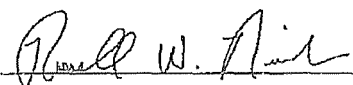
The information contained in this report was prepared for the internal use of American Electric Power and its auditors in connection with our actuarial valuation of the pension plan. It is neither intended nor necessarily suitable for other purposes. American Electric Power may also distribute this actuarial valuation report to the appropriate authorities who have the legal right to require American Electric Power to provide them this report, in which case American Electric Power will use best efforts to notify Towers Perrin in advance of this distribution. Further distribution to, or use by, other parties of all or part of this report is expressly prohibited without Towers Perrin's prior written consent.



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Towers Perrin

June 2008



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AEP East Excess Benefit Plan, June 2008


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AMERICAN ELECTRIC POWER
EAST EXCESS PLAN
10-YEAR PENSION COST FORECAST

Location	Estimated Net Periodic Pension Cost									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Coal	50	50	50	50	50	50	50	50	50	50
AEP Energy Services, Inc.	0	0	0	0	0	0	0	0	0	0
AEP Pto Serv, Inc.	0	0	0	0	0	0	0	0	0	0
AEP T & D Services, LLC	6,945,712	5,762,561	5,651,614	5,553,630	5,289,642	4,907,053	4,972,634	4,961,335	4,940,120	5,002,898
American Electric Power Services Corporation	0	0	0	0	0	0	0	0	0	0
Appalachian Power Co - Distribution	60	57	55	54	53	52	52	52	53	53
Appalachian Power Co - Generation	277	263	240	243	233	230	233	232	234	235
Appalachian Power Co - Transmission	0	0	0	0	0	0	0	0	0	0
C3 Communications, Inc.	0	0	0	0	0	0	0	0	0	0
Cardinal Operating Company	67	64	60	59	59	57	57	57	60	61
AEP Texas Central Company - Distribution	0	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Generation	0	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Nuclear	0	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Transmission	0	0	0	0	0	0	0	0	0	0
Columbia Southern Power Co - Distribution	165	162	154	151	148	148	147	147	148	141
Columbia Southern Power Co - Generation	0	0	0	0	0	0	0	0	0	0
Columbia Southern Power Co - Transmission	0	0	0	0	0	0	0	0	0	0
Conesville Coal Preparation Company	189	184	175	171	169	167	167	166	163	170
Cook Coal Terminal	0	0	0	0	0	0	0	0	0	0
CSW Energy, Inc.	14,723	14,233	13,605	13,353	13,154	13,046	13,009	12,992	13,063	12,852
Elmwood	0	0	0	0	0	0	0	0	0	0
EnerShop, Inc.	0	0	0	0	0	0	0	0	0	0
Indiana Michigan Power Co - Distribution	4,242	3,765	3,450	3,369	3,228	3,034	3,025	3,022	3,065	3,098
Indiana Michigan Power Co - Generation	152	147	140	137	135	134	134	133	134	133
Indiana Michigan Power Co - Nuclear	6,337	5,405	5,269	5,160	4,839	4,714	4,697	4,754	5,687	5,602
Indiana Michigan Power Co - Transmission	0	0	0	0	0	0	0	0	0	0
Kentucky Power Co - Distribution	5,219	3,452	2,581	2,539	1,929	1,132	1,129	1,128	1,139	1,153
Kentucky Power Co - Generation	24	23	21	21	20	20	20	20	20	20
Kentucky Power Co - Transmission	0	0	0	0	0	0	0	0	0	0
Kingsport Power Co - Distribution	0	0	0	0	0	0	0	0	0	0
Kingsport Power Co - Transmission	14,831	14,240	13,442	13,172	12,915	12,742	12,702	12,724	13,370	13,760
Memco	0	0	0	0	0	0	0	0	0	0
Ohio Power Co - Distribution	0	0	0	0	0	0	0	0	0	0
Ohio Power Co - Generation	7,078	3,957	2,460	2,469	1,309	(30)	(30)	(25)	40	41
Ohio Power Co - Transmission	0	0	0	0	0	0	0	0	0	0
Public Service Co of Oklahoma - Distribution	9,252	7,997	7,594	7,446	7,229	7,266	7,244	7,240	7,369	7,543
Public Service Co of Oklahoma - Generation	0	0	0	0	0	0	0	0	0	0
Public Service Co of Oklahoma - Transmission	0	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Distribution	0	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Generation	0	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Distribution	0	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Transmission	0	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Transmission	646	627	610	595	576	571	569	568	573	561
Water Transportation (Blackhawk)	0	0	0	0	0	0	0	0	0	0
AEP Texas North Company - Distribution	0	0	0	0	0	0	0	0	0	0
AEP Texas North Company - Generation	0	0	0	0	0	0	0	0	0	0
AEP Texas North Company - Transmission	0	0	0	0	0	0	0	0	0	0
Wheeling Power Co - Distribution	0	0	0	0	0	0	0	0	0	0
Wheeling Power Co - Transmission	0	0	0	0	0	0	0	0	0	0
Cedar Coal Co	0	0	0	0	0	0	0	0	0	0
Central Coal Company	0	0	0	0	0	0	0	0	0	0
Central Ohio Coal	0	0	0	0	0	0	0	0	0	0
Seaboard Ohio Coal - Marlinia	0	0	0	0	0	0	0	0	0	0
Seaboard Ohio Coal - Melfis	6,439	6,244	6,075	5,821	5,732	5,693	5,666	5,659	5,709	5,789
Winzecc	0	0	0	0	0	0	0	0	0	0
Price River Coal	0	0	0	0	0	0	0	0	0	0
Houston Pipeline (HPL)	0	0	0	0	0	0	0	0	0	0
Total	\$7,014,417	\$5,265,121	\$5,777,379	\$5,616,391	\$5,341,646	\$5,036,023	\$5,071,255	\$5,010,607	\$4,990,563	\$5,054,153

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AMERICAN ELECTRIC POWER
EAST EXCESS PLAN
ESTIMATED 2009 NET PERIODIC PENSION COST

Location	Service Cost	Projected Benefit Obligation	Market-Related Value of Assets	Interest Cost	Expected Return on Assets	Initial Transition (Asset)/ Obligation	Prior Service Cost	Gain/Loss Amortization	Net Periodic Pension Cost
AEP Energy Services, Inc.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AEP Fco Serv, Inc.	0	0	0	0	0	0	0	0	0
AEP T & D Services, LLC	1,275,616	49,200,469	0	2,848,430	0	0	807,327	1,271,990	6,203,070
American Electric Power Service Corporation									
Appalachian Power Co - Distribution	14	516	0	30	0	0	1	13	57
Appalachian Power Co - Generation	60	2,321	0	134	0	0	9	60	203
Appalachian Power Co - Transmission	0	0	0	0	0	0	0	0	0
C3 Communications, Inc.	0	0	0	0	0	0	0	0	0
Cardinal Operating Company	16	592	0	34	0	0	(1)	15	64
AEP Texas Central Company - Distribution	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Nuclear	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Transmission	0	0	0	0	0	0	0	0	0
Colombus Southern Power Co - Distribution	38	1,300	0	80	0	0	10	36	162
Colombus Southern Power Co - Generation	0	0	0	0	0	0	0	0	0
Colombus Southern Power Co - Transmission	0	0	0	0	0	0	0	0	0
Colombus Southern Power Co - Transmission	0	0	0	0	0	0	0	0	0
Conesville Coal Preparation Company	43	1,678	0	87	0	0	0	43	184
Cook Coal Terminal	0	0	0	0	0	0	0	0	0
CSW Energy, Inc.	3,270	126,632	0	7,324	0	0	423	3,268	14,283
Elmwood	0	0	0	0	0	0	0	0	0
EnerShip Inc.	0	0	0	0	0	0	0	0	0
Indiana Michigan Power Co - Distribution	700	30,514	0	1,785	0	0	443	787	3,785
Indiana Michigan Power Co - Generation	34	1,313	0	76	0	0	4	34	147
Indiana Michigan Power Co - Nuclear	1,428	55,143	0	3,189	0	0	(284)	1,423	5,757
Indiana Michigan Power Co - Transmission	0	0	0	0	0	0	0	0	0
Kentucky Power Co - Distribution	284	11,330	0	656	0	0	2,209	283	3,452
Kentucky Power Co - Generation	5	194	0	11	0	0	1	5	23
Kentucky Power Co - Transmission	0	0	0	0	0	0	0	0	0
Kingsport Power Co - Distribution	0	0	0	0	0	0	0	0	0
Kingsport Power Co - Transmission	0	0	0	0	0	0	0	0	0
Memco	3,514	135,725	0	7,049	0	0	(627)	3,602	14,240
Ohio Power Co - Distribution	0	0	0	0	0	0	0	0	0
Ohio Power Co - Generation	11	403	0	23	0	0	3,613	10	3,957
Ohio Power Co - Transmission	0	0	0	0	0	0	0	0	0
Public Service Co of Oklahoma - Distribution	1,924	74,293	0	4,207	0	0	(140)	1,917	7,897
Public Service Co of Oklahoma - Generation	0	0	0	0	0	0	0	0	0
Public Service Co of Oklahoma - Transmission	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Distribution	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Generation	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Distribution	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Generation	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Transmission	148	5,727	0	331	0	0	0	140	627
Water Transportation (Blackhawk)	0	0	0	0	0	0	0	0	0
AEP Texas North Company - Distribution	0	0	0	0	0	0	0	0	0
AEP Texas North Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas North Company - Transmission	0	0	0	0	0	0	0	0	0
Whessling Power Co - Distribution	0	0	0	0	0	0	0	0	0
Whessling Power Co - Transmission	0	0	0	0	0	0	0	0	0
Cedar Coal Co	0	0	0	0	0	0	0	0	0
Central Coal Company	0	0	0	0	0	0	0	0	0
Central Ohio Coal	0	0	0	0	0	0	0	0	0
Southern Ohio Coal - Maitland	0	0	0	0	0	0	0	0	0
Southern Ohio Coal - Meigs	0	0	0	0	0	0	0	0	0
Windser	1,476	57,004	0	3,207	0	0	0	1,471	6,244
Pico River Coal	0	0	0	0	0	0	0	0	0
Houston Pipeline (HPL)	0	0	0	0	0	0	0	0	0
Total	\$1,280,695	\$49,774,274	\$0	\$2,876,632	\$0	\$0	\$613,368	\$1,204,416	\$6,265,121

Towers Perrin

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AMERICAN ELECTRIC POWER
EAST EXCESS PLAN
ESTIMATED 2010 NET PERIODIC PENSION COST

Location	Service Cost	Projected Benefit Obligation	Market-Related Value of Assets	Interest Cost	Expected Return on Assets	Initial Transition (Assess)/ Obligation	Prior Service Cost	Gain/Loss Amortization	Act/ Periodic Pension Cost
AEP Energy Services, Inc.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AEP Pte Serv, Inc.	0	0	0	0	0	0	0	0	0
AEP T & D Services, LLC	0	47,170,003	0	2,740,303	0	0	532,033	1,163,634	5,702,591
American Electric Power Service Corporation	1,330,309	0	0	0	0	0	0	0	0
Appalachian Power Co - Distribution	14	494	0	29	0	0	1	12	56
Appalachian Power Co - Generation	63	2,223	0	129	0	0	0	55	254
Appalachian Power Co - Transmission	0	0	0	0	0	0	0	0	0
CCJ Communications, Inc.	0	0	0	0	0	0	0	0	0
Cardinal Operating Company	17	557	0	33	0	0	(2)	14	62
AEP Texas Central Company - Distribution	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Nuclear	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Transmission	0	0	0	0	0	0	0	0	0
Columbus Southern Power Co - Distribution	37	1,330	0	77	0	0	10	33	157
Columbus Southern Power Co - Generation	0	0	0	0	0	0	0	0	0
Columbus Southern Power Co - Transmission	0	0	0	0	0	0	0	0	0
Conesville Coal Preparation Company	45	1,507	0	94	0	0	0	40	179
Cook Coal Terminal	0	0	0	0	0	0	0	0	0
CSW Energy, Inc.	3,442	121,259	0	7,050	0	0	423	2,981	13,916
Elmwood	0	0	0	0	0	0	0	0	0
EmorShop Inc.	0	0	0	0	0	0	0	0	0
Indiana Michigan Power Co - Distribution	929	29,220	0	1,701	0	0	274	721	3,525
Indiana Michigan Power Co - Generation	35	1,257	0	73	0	0	4	31	143
Indiana Michigan Power Co - Nuclear	1,489	52,803	0	3,074	0	0	(471)	1,302	5,405
Indiana Michigan Power Co - Transmission	0	0	0	0	0	0	0	0	0
Kentucky Power Co - Distribution	308	10,958	0	633	0	0	1,380	258	2,589
Kentucky Power Co - Generation	6	186	0	11	0	0	1	5	22
Kentucky Power Co - Transmission	0	0	0	0	0	0	0	0	0
Kingsport Power Co - Distribution	0	0	0	0	0	0	0	0	0
Kingsport Power Co - Generation	0	0	0	0	0	0	0	0	0
Kingsport Power Co - Transmission	3,600	129,968	0	7,567	0	0	(697)	3,205	13,775
Moroco	0	0	0	0	0	0	0	0	0
Ohio Power Co - Distribution	11	366	0	22	0	0	2,410	10	2,461
Ohio Power Co - Generation	0	0	0	0	0	0	0	0	0
Ohio Power Co - Transmission	2,020	71,140	0	4,142	0	0	(140)	1,755	7,775
Public Service Co of Oklahoma - Distribution	0	0	0	0	0	0	0	0	0
Public Service Co of Oklahoma - Generation	0	0	0	0	0	0	0	0	0
Public Service Co of Oklahoma - Transmission	0	0	0	0	0	0	0	0	0
Public Service Co of Oklahoma - Nuclear	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Distribution	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Generation	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Distribution	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Generation	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Transmission	155	5,464	0	319	0	0	0	135	610
Water Transportation (Blackhawk)	0	0	0	0	0	0	0	0	0
AEP Texas North Company - Distribution	0	0	0	0	0	0	0	0	0
AEP Texas North Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas North Company - Transmission	0	0	0	0	0	0	0	0	0
Wheeling Power Co - Distribution	0	0	0	0	0	0	0	0	0
Wheeling Power Co - Generation	0	0	0	0	0	0	0	0	0
Wheeling Power Co - Transmission	0	0	0	0	0	0	0	0	0
Cedar Coal Co	0	0	0	0	0	0	0	0	0
Central Coal Company	0	0	0	0	0	0	0	0	0
Central Ohio Coal	0	0	0	0	0	0	0	0	0
Southern Ohio Coal - Martinsburg	0	0	0	0	0	0	0	0	0
Southern Ohio Coal - Morgans	1,550	54,595	0	3,179	0	0	(471)	1,346	6,075
Windar	0	0	0	0	0	0	0	0	0
Pine River Coal	0	0	0	0	0	0	0	0	0
Houston Pipeline (HPL)	0	0	0	0	0	0	0	0	0
Total	\$1,353,119	\$47,662,278	\$0	\$2,775,035	\$0	\$0	\$595,954	\$1,175,350	\$5,039,565

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AMERICAN ELECTRIC POWER
EAST EXCESS PLAN
ESTIMATED 2011 NET PERIODIC PENSION COST

Location	Service Cost	Projected Benefit Obligation	Market-Related Value of Assets	Interest Cost	Expected Return on Assets	Initial Transition (Act-01) Obligation	Prior Service Cost	Gain/Loss Amortization	Net Periodic Pension Cost
AEP Energy Services, Inc.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AEP Pro Serv, Inc.	0	0	0	0	0	0	0	0	0
AEP T & D Services, LLC	1,400,065	45,000,073	0	2,661,000	0	0	532,638	1,060,741	5,001,014
American Electric Power Service Corporation	0	0	0	0	0	0	0	0	0
Appalachian Power Co. - Distribution	15	470	0	20	0	0	7	11	55
Appalachian Power Co. - Generation	60	2,153	0	125	0	0	50	248	248
Appalachian Power Co. - Transmission	0	0	0	0	0	0	0	0	0
C3 Communications, Inc.	0	0	0	0	0	0	0	0	0
Cardinal Operating Company	17	540	0	32	0	0	(2)	13	00
AEP Texas Central Company - Distribution	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Nuclear	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Transmission	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Distribution	39	1,289	0	75	0	0	10	30	154
Columbus Southern Power Co. - Distribution	0	0	0	0	0	0	0	0	0
Columbus Southern Power Co. - Generation	0	0	0	0	0	0	0	0	0
Columbus Southern Power Co. - Transmission	0	0	0	0	0	0	0	0	0
Conesville Coal Preparation Company	47	1,557	0	91	0	0	0	36	175
Creek Coal Terminal	0	0	0	0	0	0	0	0	0
CSW Energy, Inc.	3,614	117,448	0	6,041	0	0	423	2,726	13,605
Elimwood	0	0	0	0	0	0	0	0	0
Enershop Inc.	0	0	0	0	0	0	0	0	0
Indiana Michigan Power Co. - Distribution	871	28,301	0	1,649	0	0	274	637	3,450
Indiana Michigan Power Co. - Generation	37	1,218	0	71	0	0	4	23	140
Indiana Michigan Power Co. - Nuclear	1,574	51,143	0	2,879	0	0	(471)	1,187	5,269
Indiana Michigan Power Co. - Transmission	0	0	0	0	0	0	0	0	0
Kentucky Power Co. - Distribution	324	10,527	0	613	0	0	1,380	244	2,561
Kentucky Power Co. - Generation	6	180	0	10	0	0	1	4	21
Kentucky Power Co. - Transmission	0	0	0	0	0	0	0	0	0
Kingsport Power Co. - Distribution	0	0	0	0	0	0	0	0	0
Kingsport Power Co. - Transmission	0	0	0	0	0	0	0	0	0
Manass	3,075	125,891	0	7,333	0	0	(607)	2,022	13,442
Ohio Power Co. - Distribution	0	0	0	0	0	0	0	0	0
Ohio Power Co. - Generation	12	374	0	22	0	0	2,418	8	2,450
Ohio Power Co. - Transmission	0	0	0	0	0	0	0	0	0
Public Service Co of Oklahoma - Distribution	2,121	68,004	0	4,014	0	0	(140)	1,509	7,594
Public Service Co of Oklahoma - Generation	0	0	0	0	0	0	0	0	0
Public Service Co of Oklahoma - Transmission	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co. - Distribution	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co. - Generation	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co. - Transmission	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co. - Texas - Distribution	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co. - Texas - Transmission	0	0	0	0	0	0	0	0	0
Union Transmission (Blackhawk)	163	5,311	0	309	0	0	0	123	595
AEP Texas North Company - Distribution	0	0	0	0	0	0	0	0	0
AEP Texas North Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas North Company - Transmission	0	0	0	0	0	0	0	0	0
Wheeling Power Co. - Distribution	0	0	0	0	0	0	0	0	0
Wheeling Power Co. - Transmission	0	0	0	0	0	0	0	0	0
Wheeling Power Co. - Transmission	0	0	0	0	0	0	0	0	0
Central Ohio Coal	0	0	0	0	0	0	0	0	0
Central Ohio Coal	0	0	0	0	0	0	0	0	0
Central Ohio Coal	0	0	0	0	0	0	0	0	0
Southern Ohio Coal - Marietta	1,020	52,060	0	3,000	0	0	0	1,227	5,695
Southern Ohio Coal - Marietta	0	0	0	0	0	0	0	0	0
Prico River Coal	0	0	0	0	0	0	0	0	0
Houston Pipeline (HPL)	0	0	0	0	0	0	0	0	0
Total	\$1,420,775	\$46,164,200	\$0	\$2,890,141	\$0	\$0	\$535,854	\$1,071,609	\$5,717,370

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Location	Service Cost	Projected Benefit Obligation	Market-Related Value of Assets	Interest Cost	Expected Return on Assets	Initial Transition (Asset)/ Obligation	Prior Service Cost	Gain/Loss Amortization	Net Periodic Pension Cost
AMERICAN ELECTRIC POWER EAST EXCESS PLAN ESTIMATED 2012 NET PERIODIC PENSION COST									ML-6
AEP Energy Services, Inc.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AEP Pro Serv, Inc.	0	0	0	0	0	0	0	0	0
AEP T & D Services, LLC	0	0	0	0	0	0	0	0	0
American Electric Power Service Corporation	1,470,605	44,192,720	0	2,585,876	0	0	532,630	868,331	5,563,630
Appalachian Power Co. - Distribution	16	463	0	27	0	0	1	10	54
Appalachian Power Co. - Generation	89	2,082	0	122	0	0	7	46	243
Appalachian Power Co. - Transmission	0	0	0	0	0	0	0	0	0
C3 Communications, Inc.	0	0	0	0	0	0	0	0	0
Cardinal Operating Company	18	531	0	31	0	0	(2)	12	59
AEP Texas Central Company - Distribution	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Nuclear	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Transmission	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Distribution	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Nuclear	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Transmission	0	0	0	0	0	0	0	0	0
Columbus Southern Power Co. - Distribution	41	1,245	0	73	0	0	10	27	151
Columbus Southern Power Co. - Generation	0	0	0	0	0	0	0	0	0
Columbus Southern Power Co. - Transmission	0	0	0	0	0	0	0	0	0
Comoxville Coal Preparation Company	50	1,506	0	89	0	0	0	33	171
Cook Coal Terminal	0	0	0	0	0	0	0	0	0
CSW Energy, Inc.	3,705	113,564	0	6,646	0	0	423	2,469	13,353
Elmwood	0	0	0	0	0	0	0	0	0
EnruiShop Inc.	0	0	0	0	0	0	0	0	0
Indiana Michigan Power Co. - Distribution	914	27,370	0	1,002	0	0	274	600	3,389
Indiana Michigan Power Co. - Generation	39	1,379	0	60	0	0	4	25	137
Indiana Michigan Power Co. - Nuclear	1,653	49,461	0	2,094	0	0	(471)	1,094	5,160
Indiana Michigan Power Co. - Transmission	0	0	0	0	0	0	0	0	0
Kentucky Power Co. - Distribution	340	10,180	0	505	0	0	1,380	223	2,539
Kentucky Power Co. - Generation	6	174	0	10	0	0	1	4	21
Kentucky Power Co. - Transmission	0	0	0	0	0	0	0	0	0
Kingsport Power Co. - Distribution	0	0	0	0	0	0	0	0	0
Kingsport Power Co. - Generation	0	0	0	0	0	0	0	0	0
Kingsport Power Co. - Transmission	4,068	121,739	0	7,424	0	0	(687)	2,668	13,172
Ohio Power Co. - Distribution	0	0	0	0	0	0	0	0	0
Ohio Power Co. - Generation	12	362	0	21	0	0	2,418	8	2,459
Ohio Power Co. - Transmission	0	0	0	0	0	0	0	0	0
Public Service Co of Oklahoma - Distribution	2,227	66,637	0	3,899	0	0	(140)	1,460	7,448
Public Service Co of Oklahoma - Generation	0	0	0	0	0	0	0	0	0
Public Service Co of Oklahoma - Transmission	0	0	0	0	0	0	0	0	0
Public Service Co of Oklahoma - Distribution	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co. - Distribution	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co. - Generation	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co. - Transmission	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co. - Texas - Transmission	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co. - Transmission	171	5,137	0	301	0	0	0	113	585
Water Transmission (Blackhawk)	0	0	0	0	0	0	0	0	0
AEP Texas North Company - Distribution	0	0	0	0	0	0	0	0	0
AEP Texas North Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas North Company - Transmission	0	0	0	0	0	0	0	0	0
Winning Power Co. - Distribution	0	0	0	0	0	0	0	0	0
Winning Power Co. - Transmission	0	0	0	0	0	0	0	0	0
Cedar Coal Co	0	0	0	0	0	0	0	0	0
Central Coal Company	0	0	0	0	0	0	0	0	0
Central Ohio Coal	0	0	0	0	0	0	0	0	0
Southern Ohio Coal - Martinsburg	0	0	0	0	0	0	0	0	0
Southern Ohio Coal - Martinsburg	0	0	0	0	0	0	0	0	0
Southern Ohio Coal - Meigs	1,709	51,130	0	2,802	0	0	0	1,120	5,821
Pitca River Coal	0	0	0	0	0	0	0	0	0
Windsor	0	0	0	0	0	0	0	0	0
Houston Pipeline (HPL)	0	0	0	0	0	0	0	0	0
Total	\$1,481,014	\$44,845,400	\$0	\$2,612,471	\$0	\$0	\$535,954	\$970,252	\$5,610,391

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AMERICAN ELECTRIC POWER
EAST EXCESS PLAN
ESTIMATED 2013 NET PERIODIC PENSION COST

Location	Service Cost	Projected Benefit Obligation	Market-Related Value of Assets	Interest Cost	Expected Return on Assets	Initial Transition (Asset/Liability) Obligation	Prior Service Cost	Gain/Loss Amortization	Net Periodic Pension Cost
AEP Energy Services, Inc.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AEP Pio Serv, Inc.	0	0	0	0	0	0	0	0	0
AEP T & D Services, LLC	0	0	0	0	0	0	0	0	0
American Electric Power Service Corporation	1,550,519	43,025,984	0	2,521,220	0	0	335,015	861,880	5,260,642
Appalachian Power Co - Distribution	17	450	0	26	0	0	5	42	53
Appalachian Power Co - Generation	73	2,027	0	119	0	0	0	0	238
Appalachian Power Co - Transmission	0	0	0	0	0	0	0	0	0
C3 Communications, Inc.	0	0	0	0	0	0	0	0	0
Cardinal Operating Company	19	517	0	30	0	0	(2)	11	56
AEP Texas Central Company - Distribution	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Nuclear	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Transmission	0	0	0	0	0	0	0	0	0
Columbus Southern Power Co - Distribution	43	1,213	0	71	0	0	10	25	149
Columbus Southern Power Co - Generation	0	0	0	0	0	0	0	0	0
Columbus Southern Power Co - Nuclear	0	0	0	0	0	0	0	0	0
Columbus Southern Power Co - Transmission	0	0	0	0	0	0	0	0	0
Comanche Coal Preparation Company	52	1,469	0	86	0	0	0	30	109
Cook Coal Terminal	0	0	0	0	0	0	0	0	0
CSW Energy, Inc.	3,985	110,595	0	6,480	0	0	423	2,257	13,154
Elmwood	0	0	0	0	0	0	0	0	0
EnorShop Inc.	0	0	0	0	0	0	0	0	0
Indiana Michigan Power Co - Distribution	600	26,647	0	1,561	0	0	153	548	3,220
Indiana Michigan Power Co - Generation	41	1,147	0	67	0	0	4	24	135
Indiana Michigan Power Co - Nuclear	1,736	48,155	0	2,622	0	0	(605)	987	4,939
Indiana Michigan Power Co - Transmission	0	0	0	0	0	0	0	0	0
Kentucky Power Co - Distribution	357	9,612	0	591	0	0	787	203	1,928
Kentucky Power Co - Generation	6	169	0	10	0	0	1	3	20
Kentucky Power Co - Transmission	0	0	0	0	0	0	0	0	0
Kingsport Power Co - Distribution	0	0	0	0	0	0	0	0	0
Kingsport Power Co - Transmission	0	0	0	0	0	0	0	0	0
Mempho	4,272	118,525	0	0,945	0	0	(731)	2,423	12,915
Ohio Power Co - Distribution	0	0	0	0	0	0	0	0	0
Ohio Power Co - Generation	13	352	0	21	0	0	1,348	7	1,389
Ohio Power Co - Transmission	0	0	0	0	0	0	0	0	0
Public Service Co of Oklahoma - Distribution	2,339	64,875	0	3,602	0	0	(140)	1,330	7,329
Public Service Co of Oklahoma - Generation	0	0	0	0	0	0	0	0	0
Public Service Co of Oklahoma - Transmission	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Distribution	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Generation	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Transmission	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Distribution	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Generation	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Transmission	0	0	0	0	0	0	0	0	0
Water Transmission (Blackhawk)	180	5,001	0	293	0	0	0	103	575
AEP Texas North Company - Distribution	0	0	0	0	0	0	0	0	0
AEP Texas North Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas North Company - Transmission	0	0	0	0	0	0	0	0	0
Wheeling Power Co - Distribution	0	0	0	0	0	0	0	0	0
Wheeling Power Co - Generation	0	0	0	0	0	0	0	0	0
Wheeling Power Co - Transmission	0	0	0	0	0	0	0	0	0
Central Coal Co	0	0	0	0	0	0	0	0	0
Central Coal Company	0	0	0	0	0	0	0	0	0
Central Ohio Coal	0	0	0	0	0	0	0	0	0
Southern Ohio Coal - Madhoka	1,704	48,780	0	2,817	0	0	0	1,020	5,732
Southern Ohio Coal - Meigs	0	0	0	0	0	0	0	0	0
Whitaker	0	0	0	0	0	0	0	0	0
Ptace River Coal	0	0	0	0	0	0	0	0	0
Houston Pipitina (HPL)	0	0	0	0	0	0	0	0	0
Total	\$1,569,405	\$43,465,810	\$0	\$2,547,059	\$0	\$0	\$337,207	\$960,815	\$5,341,640

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AMERICAN ELECTRIC POWER
EAST EXCESS PLAN
ESTIMATED 2016 NET PERIODIC PENSION COST

ML-B

Location	Service Cost	Projected Benefit Obligation	Market-Related Value of Assets	Interest Cost	Expected Return on Assets	Initial Transition (Asset)/ Obligation	Prior Service Cost	Gain/Loss Amortization	Net Periodic Pension Cost
AEP Energy Services, Inc.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AEP Pio Star, Inc.	0	0	0	0	0	0	0	0	0
AEP T & D Services, LLC	0	0	0	0	0	0	0	0	0
American Electric Power Service Corporation	1,700,417	41,543,641	0	2,461,855	0	0	75,360	725,765	4,972,434
Appalachian Power Co - Distribution	10	435	0	116	0	0	1	34	52
Appalachian Power Co - Generation	80	1,957	0	0	0	0	0	0	233
Appalachian Power Co - Transmission	0	0	0	0	0	0	0	0	0
C3 Communications, Inc.	0	0	0	0	0	0	0	0	0
Cardinal Operating Company	21	500	0	30	0	0	(3)	0	57
AEP Texas Central Company - Distribution	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Nuclear	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Transmission	0	0	0	0	0	0	0	0	0
Calumet Southern Power Co - Distribution	40	1,171	0	69	0	0	10	20	147
Calumet Southern Power Co - Generation	0	0	0	0	0	0	0	0	0
Calumet Southern Power Co - Transmission	0	0	0	0	0	0	0	0	0
Canonsville Coal Preparation Company	50	1,415	0	84	0	0	0	25	167
Cook Coal Terminal	0	0	0	0	0	0	0	0	0
CSW Energy, Inc.	4,363	106,775	0	6,327	0	0	423	1,865	13,009
Elmwood	0	0	0	0	0	0	0	0	0
Energisep Inc.	0	0	0	0	0	0	0	0	0
Indiana Michigan Power Co - Distribution	1,058	25,728	0	1,525	0	0	(0)	449	3,025
Indiana Michigan Power Co - Generation	45	1,107	0	66	0	0	4	18	134
Indiana Michigan Power Co - Nuclear	1,914	46,465	0	2,755	0	0	(764)	812	4,687
Indiana Michigan Power Co - Transmission	0	0	0	0	0	0	0	0	0
Kentucky Power Co - Distribution	394	0,576	0	567	0	0	0	167	1,129
Kentucky Power Co - Generation	7	164	0	10	0	0	0	3	20
Kentucky Power Co - Transmission	0	0	0	0	0	0	0	0	0
Kingsport Power Co - Distribution	0	0	0	0	0	0	0	0	0
Kingsport Power Co - Generation	0	0	0	0	0	0	0	0	0
Kingsport Power Co - Transmission	4,710	114,442	0	6,782	0	0	(780)	1,999	12,702
Mercia	0	0	0	0	0	0	0	0	0
Ohio Power Co - Distribution	0	0	0	0	0	0	0	0	0
Ohio Power Co - Generation	14	340	0	20	0	0	(70)	6	(33)
Ohio Power Co - Transmission	0	0	0	0	0	0	0	0	0
Public Service Co of Oklahoma - Distribution	2,578	62,643	0	3,712	0	0	(140)	1,094	7,204
Public Service Co of Oklahoma - Generation	0	0	0	0	0	0	0	0	0
Public Service Co of Oklahoma - Transmission	0	0	0	0	0	0	0	0	0
Public Service Co of Oklahoma - Distribution	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Distribution	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Generation	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Transmission	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Distribution	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Generation	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Transmission	186	4,029	0	266	0	0	0	84	569
Water Transportation (Blackhawk)	0	0	0	0	0	0	0	0	0
AEP Texas North Company - Distribution	0	0	0	0	0	0	0	0	0
AEP Texas North Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas North Company - Transmission	0	0	0	0	0	0	0	0	0
Whandling Power Co - Distribution	0	0	0	0	0	0	0	0	0
Whandling Power Co - Generation	0	0	0	0	0	0	0	0	0
Whandling Power Co - Transmission	0	0	0	0	0	0	0	0	0
Windsor	0	0	0	0	0	0	0	0	0
Cedar Coal Co	0	0	0	0	0	0	0	0	0
Central Coal Company	0	0	0	0	0	0	0	0	0
Central Ohio Coal	0	0	0	0	0	0	0	0	0
Southern Ohio Coal - Martinsburg	0	0	0	0	0	0	0	0	0
Southern Ohio Coal - Malsburg	1,970	48,065	0	2,848	0	0	0	840	5,666
Windsor	0	0	0	0	0	0	0	0	0
Pitca River Coal	0	0	0	0	0	0	0	0	0
Houston Pipeline (HPL)	0	0	0	0	0	0	0	0	0
Total	\$1,726,861	\$41,866,279	\$0	\$2,167,078	\$0	\$0	\$74,015	\$733,201	\$5,021,255

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AMERICAN ELECTRIC POWER
EAST EXCESS PLAN
ESTIMATED 2016 NET PERIODIC PENSION COST

Location	Service Cost	Projected Benefit Obligation	Market-Related Value of Assets	Interest Cost	Expected Return on Assets	Initial Transition Asset/ Obligation	Prior Service Cost	Gain/Loss Amortization	Net Periodic Pension Cost
AEP Energy Services, Inc.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AEP P&S, Inc.	0	0	0	0	0	0	0	0	0
AEP T & D Services, LLC	1,784,910	41,192,878	0	2,440,176	0	0	71,253	655,578	4,581,035
American Electric Power Service Corporation	0	0	0	0	0	0	0	0	0
Appalachian Power Co - Distribution	64	1,841	0	28	0	0	1	7	52
Appalachian Power Co - Generation	0	0	0	0	0	0	0	0	0
Appalachian Power Co - Transmission	0	0	0	0	0	0	0	0	0
CD Communications, Inc.	0	0	0	0	0	0	0	0	0
Cardinal Operating Company	22	495	0	28	0	0	(2)	8	57
AEP Texas Central Company - Distribution	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Nuclear	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Transmission	0	0	0	0	0	0	0	0	0
Columbus Southern Power Co - Distribution	50	1,161	0	69	0	0	10	18	147
Columbus Southern Power Co - Generation	0	0	0	0	0	0	0	0	0
Columbus Southern Power Co - Transmission	0	0	0	0	0	0	0	0	0
Conservillo Coal Preparation Company	61	1,403	0	83	0	0	0	22	166
Cook Coal Terminal	0	0	0	0	0	0	0	0	0
CSW Energy, Inc.	4,813	105,074	0	6,272	0	0	423	1,695	12,092
Elmwood	0	0	0	0	0	0	0	0	0
EmarShop Inc.	0	0	0	0	0	0	0	0	0
Indiana Michigan Power Co - Distribution	1,111	25,512	0	1,511	0	0	0	0	3,022
Indiana Michigan Power Co - Generation	47	1,098	0	65	0	0	4	405	133
Indiana Michigan Power Co - Nuclear	2,009	46,103	0	2,731	0	0	(720)	734	4,754
Indiana Michigan Power Co - Transmission	0	0	0	0	0	0	0	0	0
Kentucky Power Co - Distribution	414	9,485	0	562	0	0	1	151	1,126
Kentucky Power Co - Generation	7	162	0	10	0	0	0	3	20
Kentucky Power Co - Transmission	0	0	0	0	0	0	0	0	0
Kingsport Power Co - Distribution	0	0	0	0	0	0	0	0	0
Kingsport Power Co - Generation	0	0	0	0	0	0	0	0	0
Kingsport Power Co - Transmission	4,845	113,470	0	6,722	0	0	(740)	1,806	12,724
Mentco	0	0	0	0	0	0	0	0	0
Ohio Power Co - Distribution	15	337	0	20	0	0	(65)	5	(25)
Ohio Power Co - Generation	0	0	0	0	0	0	0	0	0
Ohio Power Co - Transmission	2,707	62,114	0	3,000	0	0	(135)	983	7,240
Public Service Co of Oklahoma - Distribution	0	0	0	0	0	0	0	0	0
Public Service Co of Oklahoma - Generation	0	0	0	0	0	0	0	0	0
Public Service Co of Oklahoma - Transmission	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Distribution	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Generation	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Transmission	208	4,708	0	284	0	0	0	76	568
Southwestern Electric Power Co - Texas - Distribution	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Generation	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Transmission	0	0	0	0	0	0	0	0	0
Water Transportation (Blackhawk)	0	0	0	0	0	0	0	0	0
AEP Texas North Company - Distribution	0	0	0	0	0	0	0	0	0
AEP Texas North Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas North Company - Transmission	0	0	0	0	0	0	0	0	0
Whiting Power Co - Distribution	0	0	0	0	0	0	0	0	0
Whiting Power Co - Generation	0	0	0	0	0	0	0	0	0
Whiting Power Co - Transmission	0	0	0	0	0	0	0	0	0
Windermere Coal Co	0	0	0	0	0	0	0	0	0
Central Coal Company	0	0	0	0	0	0	0	0	0
Central Ohio Coal	0	0	0	0	0	0	0	0	0
Southern Ohio Coal - Mardian	0	0	0	0	0	0	0	0	0
Southern Ohio Coal - Mays	2,077	47,659	0	2,823	0	0	0	750	5,659
Windser	0	0	0	0	0	0	0	0	0
Pitca River Coal	0	0	0	0	0	0	0	0	0
Houston Pipelino (RPL)	0	0	0	0	0	0	0	0	0
Total	\$1,813,300	\$41,915,023	\$0	\$2,465,177	\$0	\$0	\$70,028	\$562,265	\$5,010,307

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AMERICAN ELECTRIC POWER
EAST EXCESS PLAN
ESTIMATED 2018 NET PERIODIC PENSION COST

Location	Service Cost	Projected Benefit Obligation	Market-Related Value of Assets	Interest Cost	Expected Return on Assets	Initial Transition Obligation	Fiber Service Cost	Gain/Loss Amortization	Net Periodic Pension Cost
AEP Energy Services, Inc.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AEP Pro Serv., Inc.	0	0	0	0	0	0	0	0	0
AEP T & D Services, LLC	0	0	0	0	0	0	0	0	0
American Electric Power Service Corporation	1,978,898	41,378,038	0	2,497,122	0	0	157	526,721	5,002,808
Appalachian Power Co - Distribution	21	433	0	26	0	0	0	6	53
Appalachian Power Co - Generation	83	1,950	0	116	0	0	0	25	235
Appalachian Power Co - Transmission	0	0	0	0	0	0	0	0	0
CS Communications, Inc.	0	0	0	0	0	0	0	0	0
Central Operating Company	24	498	0	30	0	0	0	6	81
AEP Texas Central Company - Distribution	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Nuclear	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Transmission	0	0	0	0	0	0	0	0	0
Columbus Southern Power Co - Distribution	55	1,166	0	70	0	0	0	15	141
Columbus Southern Power Co - Generation	0	0	0	0	0	0	0	0	0
Columbus Southern Power Co - Transmission	0	0	0	0	0	0	0	0	0
Conocochee Coal Preparation Company	67	1,410	0	85	0	0	0	18	170
Cook Coal Terminal	0	0	0	0	0	0	0	0	0
CSX Energy, Inc.	5,085	106,352	0	6,418	0	0	5	1,354	12,862
Elmwood	0	0	0	0	0	0	0	0	0
EnergyShop Inc.	0	0	0	0	0	0	0	0	0
Indiana Michigan Power Co - Distribution	1,225	25,627	0	1,547	0	0	0	326	3,003
Indiana Michigan Power Co - Generation	52	1,103	0	67	0	0	0	14	133
Indiana Michigan Power Co - Nuclear	2,215	46,312	0	2,785	0	0	2	500	5,602
Indiana Michigan Power Co - Transmission	456	8,532	0	575	0	0	0	121	1,153
Kentucky Power Co - Distribution	8	163	0	10	0	0	0	2	20
Kentucky Power Co - Generation	0	0	0	0	0	0	0	0	0
Kentucky Power Co - Transmission	0	0	0	0	0	0	0	0	0
Kingsport Power Co - Distribution	0	0	0	0	0	0	0	0	0
Kingsport Power Co - Transmission	0	0	0	0	0	0	0	0	0
Komoco	5,452	113,069	0	6,879	0	0	(2)	1,451	13,789
Ohio Power Co - Distribution	0	0	0	0	0	0	0	0	0
Ohio Power Co - Generation	16	339	0	20	0	0	0	4	41
Ohio Power Co - Transmission	0	0	0	0	0	0	0	0	0
Public Service Co of Oklahoma - Distribution	2,894	62,305	0	3,765	0	0	(1)	784	7,543
Public Service Co of Oklahoma - Generation	0	0	0	0	0	0	0	0	0
Public Service Co of Oklahoma - Transmission	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Distribution	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Generation	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Distribution	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Generation	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Transmission	0	0	0	0	0	0	0	0	0
Utah Transmission (Blackhawk)	230	4,810	0	280	0	0	0	61	581
AEP Texas North Company - Distribution	0	0	0	0	0	0	0	0	0
AEP Texas North Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas North Company - Transmission	0	0	0	0	0	0	0	0	0
Wheeling Power Co - Distribution	0	0	0	0	0	0	0	0	0
Wheeling Power Co - Transmission	0	0	0	0	0	0	0	0	0
Weldar Coal Co	0	0	0	0	0	0	0	0	0
Central Coal Company	0	0	0	0	0	0	0	0	0
Central Ohio Coal	0	0	0	0	0	0	0	0	0
Southern Ohio Coal - Marietta	0	0	0	0	0	0	0	0	0
Southern Ohio Coal - Holjes	2,200	47,875	0	2,089	0	0	0	609	5,709
Windpea	0	0	0	0	0	0	0	0	0
Plico River Coal	0	0	0	0	0	0	0	0	0
Houston Pipeline (HPL)	0	0	0	0	0	0	0	0	0
Total	\$1,989,173	\$41,802,090	\$0	\$2,522,700	\$0	\$0	\$161	\$532,119	\$5,054,158

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*American Electric Power
Non-UMWA Postretirement Plan*

Actuarial Valuation Report

Postretirement Welfare Cost for Fiscal Year Ending December 31, 2008

Employer Contributions for Plan Year Beginning January 1, 2008

July 2008

This report is confidential and intended solely for the information and benefit of the immediate recipient thereof. It may not be distributed to a third party unless expressly allowed under the "Actuarial Certification, Reliances and Distribution" Section herein.



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Management Summary of Valuation Results

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Financial Results

This report summarizes the financial results for American Electric Power's (AEP) Non-UMWA Postretirement Plan based on actuarial valuations as of January 1, 2008, and January 1, 2007. Results for both years reflect changes resulting from the Medicare Prescription Drug, Improvement, and Modernization Act of 2003.

	January 1, 2008	January 1, 2007
FAS 106 Postretirement Welfare Cost		
Amount	\$ 72,086,194	\$ 75,093,644
Per active participant	3,470	3,694
FAS 106 Funded Position		
Accumulated postretirement benefit obligation [APBO]	\$1,752,692,812	\$1,724,319,958
Fair value of assets [FV]	1,396,961,869	1,306,780,351
APBO funded percentage [FV ÷ APBO]	79.7%	75.8%
Prepaid (Accrued) Postretirement Benefit Cost		
	\$ (67,407)	\$ (1,743,362)
Employer Contributions		
Funding policy — contributions to retiree VEBAs and 401(h) accounts	\$ 84,400,833*	\$ 81,350,175
Prior nondeductible contributions	95,586,325	123,878,760
Deductible contributions	2,580,000 (est.)	109,642,610 (act.)

*Includes estimated 2007 RDS payment of \$8,590,000 as well as estimated \$3,724,639 contribution from additional 2006 RDS payment.

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Discussion of Financial Results

The financial results of AEP's Non-UMWA Postretirement Plan for the current year were affected by the following factors:

- ▶ Long-term corporate bond yields increased during the prior year, resulting in a higher FAS 106 discount rate, which decreased the postretirement welfare cost.
- ▶ Claims experience was generally more favorable than expected. Additionally, AEP increased participant cost-sharing levels for prescription drug coverage effective January 1, 2008. These created an actuarial gain and reduced postretirement welfare cost.
- ▶ Fewer employees terminated than expected, which created an actuarial loss and increased postretirement welfare cost.
- ▶ The mortality basis used to calculate the obligations was changed to the RP2000 table with projections to 2015 for annuitants (postretirement) and 2023 for nonannuitants (preretirement). This change increased postretirement welfare costs.

Basis for Valuation

Economic Assumptions

The discount rate for postretirement welfare cost purposes is the rate at which the postretirement welfare obligation could be effectively settled. This rate is developed from yields on available high-quality bonds and reflects the plan's expected cash flows. The duration of AEP's postretirement welfare plan is 12.8 years. The following benchmark bond yields illustrate the change in the markets during 2007:

	December 31, 2007	December 31, 2006
30-year Treasury	4.45%	4.68%
Merrill Lynch 10+ year high quality	6.18%	5.85%
Moody's Aa	5.80%	5.72%

The assumed rate of return on assets for postretirement welfare cost purposes is the weighted average of expected long-term asset returns, net of taxes. The salary increase rate is a long-term rate based on current expectations of future pay increases. The assumptions selected by AEP for postretirement welfare cost purposes are:

	January 1, 2008	January 1, 2007
Discount rate for obligations	6.20%	5.85%
Rate of return on assets	8.00%	8.00%
	weighted return	weighted return
Salary increase rate	Rates varying by age from 5.00% to 11.50%	Rates varying by age from 5.00% to 11.50%

MS-4

Assumptions used to determine the statutory contribution limits must be reasonable taking into account the experience of the plan and reasonable expectations. The discount rate used to determine normal cost and actuarial accrued liability is based on the long-term expected return on assets, net of taxes. The assumptions for contribution purposes are:

	December 31, 2008	December 31, 2007
Discount rate for normal cost and actuarial accrued liability:		
VEBA		
▶ Life insurance	7.59%	7.59%
▶ Union medical	7.59%	7.59%
▶ Nonunion medical	7.21%	7.21%
401(h)	8.78%	8.78%
Salary increase rate	Rates varying by age from 5.00% to 11.50%	Rates varying by age from 5.00% to 11.50%

Health Care Cost Trend Rate Assumptions

The health care cost trend assumptions used in the valuation are:

	January 1, 2008	January 1, 2007
2007 trend	N/A	7.50%
2008 trend	7.00%	7.00%
Ultimate trend	5.00%	5.00%
Year ultimate reached	2012	2012

Demographic Assumptions

The cost of providing plan benefits depends on demographic factors such as retirement, mortality, turnover and plan participation. Demographic assumptions used in the valuation were selected to reflect the experience of the covered population and reasonable expectations. If actual experience is more favorable than assumed, plan costs will be lower. Alternatively, if actual experience is less favorable than assumed, future plan costs will be increased.

AEP has updated its mortality assumptions to reflect The Pension Protection Act of 2006 (PPA).

Assets

In the year ended December 31, 2007, the plan's portfolio achieved a 8.2% investment return (net of expenses and taxes), while the capital markets performed as follows:

Large equities [S&P 500]	5.49%
Intermediate/small equities [Russell 2500]	1.38%
Non-U.S. equities [EAFE]	11.17%
Bonds [Lehman Brothers Aggregate]	6.97%
Cash equivalents [Citi 3-Month T-Bill]	4.74%

Plan Changes

There have been no significant changes in plan provisions since the previous year.

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FAS 106 Postretirement Welfare Cost and Funded Position

Postretirement welfare cost is the amount recognized in AEP's financial statement as the cost of postretirement welfare plans and is determined in accordance with Financial Accounting Standard No. 106. The fiscal 2008 postretirement welfare cost for the plan is \$72,086,194 or \$3,470 per active participant.

Funded position, on a FAS 106 basis, is measured by comparing the fair value of assets with the accumulated postretirement benefit obligation (APBO). The APBO is the portion of the total present value of projected benefits allocated to prior years as of the measurement date.

The plan's funded percentage is 79.7% as of January 1, 2008, based on the fair value of assets of \$1,396,961,869 and an APBO of \$1,752,692,812.

Change in Postretirement Welfare Cost

The postretirement welfare cost decreased from \$75,093,644 in fiscal 2007 to \$72,086,194 in fiscal 2008 because:

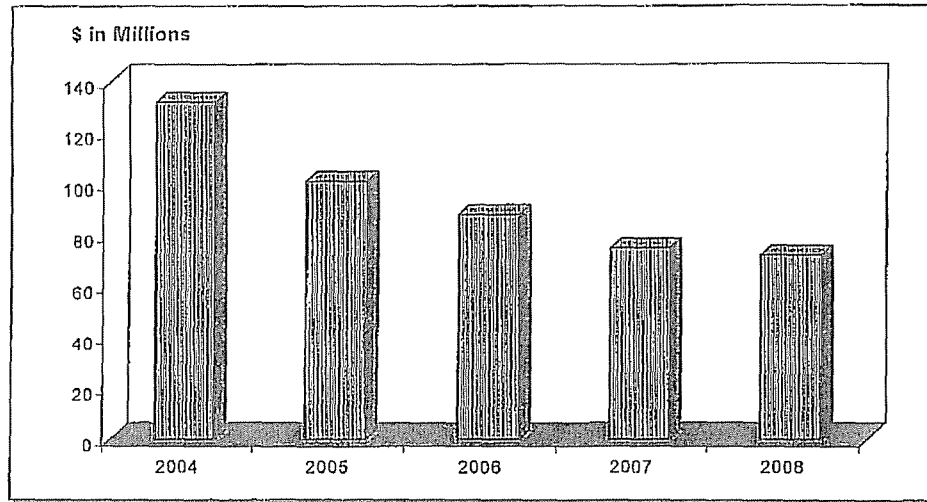
- ▶ Expected changes based on prior year's assumptions, methods, plan provisions and contributions decreased the postretirement welfare cost \$3,500,358.
- ▶ Noninvestment experience increased the postretirement welfare cost \$7,190,443, primarily due to fewer terminations than expected.
- ▶ The fair value of plan assets were lower than expected, which increased the postretirement welfare cost \$1,907,737.
- ▶ Assumption changes decreased the postretirement welfare cost \$2,827,727. The discount rate was increased from 5.85% to 6.20%. In addition, the mortality table was updated to a version of RP2000 with improved mortality projection.
- ▶ Changes in per capita claims costs decreased the postretirement welfare cost \$5,777,545. Much of this was due to lower prescription drug costs, as AEP increased the cost-sharing levels for participants.

The net decrease in postretirement welfare cost is \$3,007,450 or 4.0% from the prior year.

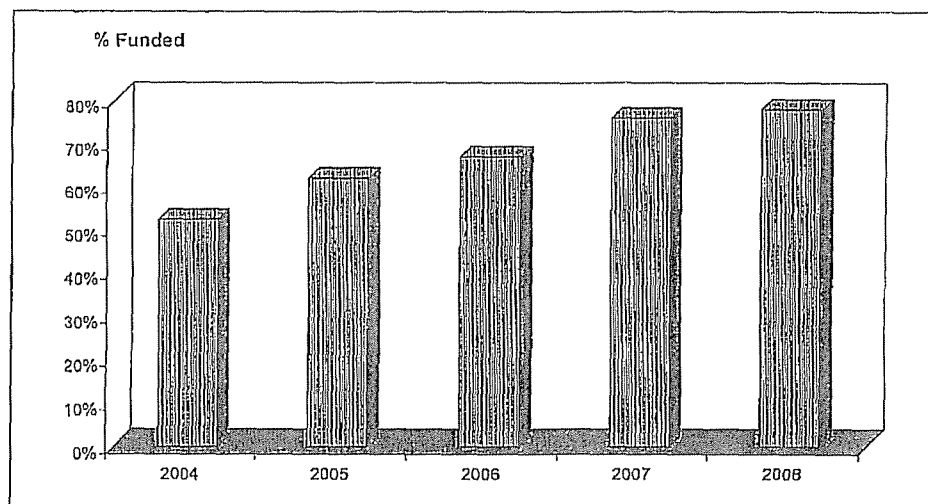
History of Postretirement Welfare Cost and Funded Position

The following charts show the history of the plan's postretirement welfare cost and funded position.

Postretirement Welfare Cost



Accumulated Postretirement Benefit Obligation Funded Percentage



MS-8

**History of Postretirement Welfare Cost
and APBO Funded Percentage**

-- *Postretirement Welfare Cost* --
(\$ in millions)

<i>Fiscal year</i>	<i>Amount</i>	<i>APBO funded percentage</i>	<i>Discount rate</i>
2008	\$72.1	79.7%	6.20%
2007	75.1	75.8%	5.85%
2006	87.8	67.6%	5.65%
2005	101.2	62.1%	5.80%
2004	132.4	52.4%	6.25%

Employer Contributions

Employer contributions are the amount paid by the company to provide for postretirement benefits, net of participant cash contributions. Participants are required to contribute toward the cost of the plan. Employer contributions are used to fund the cost of benefits in excess of participant contributions.

The company's funding policy is to contribute the FAS 106 cost for the Non-UMWA Postretirement Plan as well as the RDS payments expected to be received during the year. In 2008, AEP will receive an additional \$4,338,000 in 2006 RDS payments that have not been issued as of December 31, 2007. For 2008 the contribution under the funding policy is \$84,400,833, which includes the estimated 2007 RDS of \$8,590,000 and the additional estimated 2006 RDS of \$3,724,639.

The \$72,086,191 contribution of the FAS 106 cost is projected to be made through contributions at the beginning of each month to AEP's VEBAs and 401(h) accounts as follows:

2008 Employer Contribution Schedule

Month	Nonunion	Union	Nonunion	Union	Insurance	West	East	Total
January	\$4,688,672	\$0	\$125,000	\$15,000	\$800,000	\$0	\$0	\$5,628,672
February	4,688,672	0	125,000	15,000	800,000	0	0	5,628,672
March	4,688,672	0	125,000	15,000	800,000	0	0	5,628,672
April	5,928,666	0	125,000	15,000	0	0	0	6,068,666
May	5,928,666	0	125,000	15,000	0	0	0	6,068,666
June	6,011,835	0	125,000	15,000	0	0	0	6,151,835
July	6,011,835	0	125,000	15,000	0	0	0	6,151,835
August	6,011,835	0	125,000	15,000	0	0	0	6,151,835
September	6,011,835	0	125,000	15,000	0	0	0	6,151,835
October	6,011,835	0	125,000	15,000	0	0	0	6,151,835
November	6,011,834	0	125,000	15,000	0	0	0	6,151,834
December	<u>6,011,834</u>	<u>0</u>	<u>125,000</u>	<u>15,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,151,834</u>
Total	\$68,006,191	\$0	\$1,500,000	\$180,000	\$2,400,000	\$0	\$0	\$72,086,191

Notes:

- Total of amounts shown above being contributed equals actual 2008 non-UMWA postretirement welfare cost.
- In addition to the amounts shown above, AEP will contribute both the 2007 Retiree Drug Subsidy (estimated to be \$8.6 million) and the balance of the 2006 Retiree Drug Subsidy (approximately \$3.7 million) to the Medical nonunion VEBA (CWR1745362) after receiving these payments from CMS.

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Actuarial Certification, Reliances and Distribution

American Electric Power retained Towers Perrin to perform a valuation of its postretirement welfare benefit plans for the purpose of determining (1) the value of benefit obligations and its postretirement welfare cost in accordance with FAS 106 and (2) the maximum tax-deductible contribution allowed by the Internal Revenue Code. This valuation has been conducted in accordance with generally accepted actuarial principles and practices.

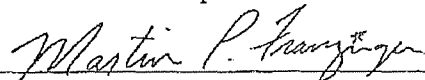
The consulting actuaries are members of the Society of Actuaries and other professional actuarial organizations and meet their "General Qualification Standard for Public Statements of Actuarial Opinion" relating to postretirement welfare plans.

In preparing the results presented in this report, we have relied upon information provided to us regarding plan provisions, plan participants and plan assets. While the scope of our engagement did not call for us to perform an audit or independent verification of this information, we have reviewed this information for reasonableness but have not audited it. The accuracy of the results presented in this report is dependent upon the accuracy and completeness of the underlying information.

The actuarial assumptions and the accounting policies and methods employed in the development of the postretirement welfare cost have been selected by the plan sponsor, with the concurrence of Towers Perrin. FAS 106 requires that each significant assumption "individually represent the best estimate of a particular future event." The actuarial assumptions and methods employed in the development of the contribution limits have been selected by Towers Perrin, with the concurrence of the plan sponsor. The Internal Revenue Code requires the use of assumptions each of which is reasonable (taking into account the experience of the plan and reasonable expectations) and which, in combination, offer the actuary's best estimate of anticipated experience under the plan.

The results shown in this report have been developed based on actuarial assumptions that are considered to be reasonable and within the "best-estimate range" as described by the Actuarial Standards of Practice. Other actuarial assumptions could also be considered to be reasonable and within the best-estimate range. Thus, reasonable results differing from those presented in this report could have been developed by selecting different points within the best-estimate ranges for various assumptions.

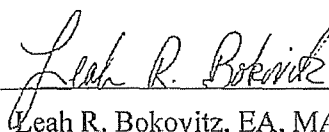
The information contained in this report was prepared for the internal use of American Electric Power and its auditors in connection with our actuarial valuation of the postretirement welfare plan. It is neither intended nor necessarily suitable for other purposes. American Electric Power may also distribute this actuarial valuation report to the appropriate authorities who have the legal right to require American Electric Power to provide them with this report, in which case American Electric Power will use best efforts to notify Towers Perrin in advance of this distribution. Further distribution to, or use by, other parties of all or part of this report is expressly prohibited without Towers Perrin's prior written consent.



Martin P. Franzinger, ASA, MAAA

Towers Perrin

July 2008



Leah R. Bokovitz, EA, MAAA

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SI-1

Basic Results for Postretirement Welfare Cost

	January 1, 2008	January 1, 2007
Service Cost		
Total	\$ 41,190,146	\$ 41,772,811
Accumulated Postretirement Benefit Obligation [APBO]		
Medical:		
‣ Current retirees	\$ 716,284,575	\$ 671,261,307
‣ Other participants fully eligible for benefits	197,516	182,046
‣ Other active participants	<u>744,924,996</u>	<u>741,808,165</u>
‣ Total	\$1,461,407,087	\$1,413,251,518
Life Insurance:		
‣ Current retirees	\$ 175,914,759	\$ 187,376,396
‣ Other participants fully eligible for benefits	101,821	84,797
‣ Other active participants	<u>96,717,418</u>	<u>105,190,676</u>
‣ Total	\$ 272,733,998	\$ 292,651,869
Dental:		
‣ Current retirees	\$ 15,683,421	\$ 15,097,497
‣ Other participants fully eligible for benefits	3,494	3,597
‣ Other active participants	<u>2,864,812</u>	<u>3,315,477</u>
‣ Total	\$ 18,551,727	\$ 18,416,571
Total:		
‣ Current retirees	\$ 907,882,755	\$ 873,735,200
‣ Other participants fully eligible for benefits	302,831	270,440
‣ Other active participants	<u>844,507,226</u>	<u>850,314,318</u>
‣ Total	\$1,752,692,812	\$1,724,319,958

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	January 1, 2008	January 1, 2007
Assets		
Fair value [FV]	\$1,396,961,869	\$1,306,780,351
FAS 106 Funded Position		
Unfunded APBO [APBO – FV]	\$ 355,730,943	\$ 417,539,607
APBO funded percentage [FV ÷ APBO]	79.7%	75.8%
Key Economic Assumptions		
Discount rate	6.20%	5.85%
Rate of return on assets	8.00%	8.00%
Health care cost trend rate:		
‣ First year	7.00%	7.50%
‣ Ultimate	5.00%	5.00%
‣ Year ultimate reached	2012	2012

Fiscal 2007

**Development of Prepaid (Accrued)
Postretirement Benefit Cost**

Prepaid (accrued) postretirement benefit cost, beginning of year	\$ (1,743,362)
Changes during fiscal 2007:	
‣ Income (cost) recognized	(75,093,644)
‣ Curtailment/settlement cost	0
‣ Acquisition/divestitures during 2007	0
‣ Employer contributions	76,769,599
‣ Adjustment	<u>0</u>
Prepaid (accrued) postretirement benefit cost, end of year	\$ (67,407)

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	January 1, 2008	January 1, 2007
Amounts Not Yet Recognized in Net Periodic Cost		
Unrecognized net actuarial loss (gain)	261,336,950	295,424,668
Unrecognized prior service cost (credit)	3,923,390	4,357,825
Unrecognized transition obligation (asset)	<u>90,403,196</u>	<u>116,013,752</u>
Total	\$ 355,663,536	\$ 415,796,245

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Postretirement Welfare Cost

	Fiscal 2008	Fiscal 2007
Postretirement Welfare Cost		
Service cost	\$ 41,190,146	\$ 41,772,811
Interest cost	108,575,781	101,034,008
Expected return on assets	(111,186,626)	(104,383,044)
Amortization:		
‣ Transition obligation (asset)	25,610,556	25,610,556
‣ Prior service cost (credit)	434,435	434,435
‣ Net loss (gain)	<u>7,461,902</u>	<u>10,624,878</u>
Postretirement welfare cost	\$ 72,086,194	\$ 75,093,644
Per active participant	\$ 3,470	\$ 3,694

Change in Postretirement Welfare Cost

Postretirement welfare cost for fiscal 2007	\$ 75,093,644
Change from fiscal 2007 to fiscal 2008:	
‣ Expected based on prior valuation	(3,500,358)
‣ Demographic experience loss (gain)	7,190,443
‣ Experience loss (gain) from assets	1,907,737
‣ Assumption changes	(2,827,727)
‣ Claims cost changes	(5,777,545)
‣ Plan amendments	<u>0</u>
Postretirement welfare cost for fiscal 2008	\$ 72,086,194

Information for the Deferred Tax Calculation

The following information is provided for purposes of determining the deferred portion of the tax provision and the deferred tax asset associated with the postretirement welfare cost.

	Including MMA Subsidy	Excluding MMA Subsidy
Postretirement Welfare Cost		
Fiscal 2008	\$ 72,086,194	\$ 108,115,644
Fiscal 2007	75,093,644	110,445,858
Funded Position		
Overfunded (underfunded) APBP	\$ 355,730,943	\$ 661,550,876
Amounts Not Yet Recognized in Net Periodic Cost		
Unamortized loss (gain)	\$ 261,336,950	\$ 428,581,418
Unamortized prior cost (credit)	3,923,390	3,923,390
Unamortized transition obligation (asset)	<u>90,403,196</u>	<u>90,403,196</u>
Total	\$ 355,663,536	\$ 522,908,004

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Basic Results for Employer Contributions – VEBAs

	Estimated December 31, 2008	Actual December 31, 2007
Qualified Asset Account Limits	\$1,199,830,209	\$1,177,308,766
Assets		
Market Value	\$1,295,615,585	\$1,216,322,065
Unrecognized investment losses (gains)	<u>0</u>	<u>0</u>
Actuarial value [AV]	\$1,295,615,585	\$1,216,322,065
Funded Position		
Unfunded account limits [QAAL - FV]	(\$95,785,376)	(\$39,013,299)
Employer Contributions (to all funding vehicles)		
a. Maximum deduction available ¹	\$84,201,783	\$173,897,897
b. Qualified additions (prior years' carryover)	17,281,333	109,358,007
c. Qualified additions (current year)	<u>2,580,000</u>	<u>7,966,863</u>
d. Total deductions available [b. + c.]	\$19,861,333	\$117,324,870
e. Other (nondeductible) current year additions	81,820,833	73,264,539
f. Total additions [c. + e.]	\$84,400,833	\$81,231,402
- Life insurance VEBA	2,400,000	7,444,444
- Union medical/dental VEBAs	180,000	522,419
- Nonunion medical/dental VEBAs	81,820,833	73,264,539
- West 401(h)	0	0
- East 401(h)	0	0

¹ Includes amounts not contributed.

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2007 VEBA Deduction Limits

	Life Insurance	Union Medical + Dental	Nonunion Medical + Dental
Qualified Asset Account Limit (QAAL)			
December 31, 2007, actuarial accrued liability (AAL) or present value of projected benefits (PVPB)	AAL \$162,790,600	PVPB \$419,643,717	AAL \$594,874,449
Unrecognized liability	<u>0</u>	<u>0</u>	<u>0</u>
QAAL	\$162,790,600	\$419,643,717	\$594,874,449
Assets			
Market value - December 31, 2007	\$155,280,940	\$370,580,351	\$690,460,774
Unrecognized investment losses / (gains)	<u>0</u>	<u>0</u>	<u>0</u>
Actuarial value [AV]	\$155,280,940	\$370,580,351	\$690,460,774
Funded Position			
Unfunded account limit [QAAL - AV]	\$7,509,660	\$49,063,366	(\$95,586,325)
Contributions received in trust, but not yet deducted			
2004	\$7,682,260	\$0	\$50,123,297
2005	0	0	38,410,307
2006	118,773	0	35,345,156
2007	<u>7,444,444</u>	<u>522,419</u>	<u>73,264,539</u>
Total	\$15,245,477	\$522,419	\$197,143,299
2007 Employer Deductions for and Contributions to VEBAs			
a. Maximum deduction available ¹			
[Unfunded account limit + Contributions received, but not yet deducted]	\$22,755,137	\$49,585,786	\$101,556,974
b. Qualified additions (prior years' carryover)			
2004	\$7,682,260	\$0	\$50,123,297
2005	0	0	38,410,307
2006	<u>118,773</u>	<u>0</u>	<u>13,023,370</u>
Total	\$7,801,033	\$0	\$101,556,974
c. Qualified additions (current year)	<u>7,444,444</u>	<u>522,419</u>	<u>0</u>
d. Total deductions available in 2007 [b. + c.]	\$15,245,477	\$522,419	\$101,556,974
e. Other (nondeductible) current year additions	0	0	73,264,539
f. Total current year additions [c. + e.]	\$7,444,444	\$522,419	\$73,264,539

¹ Includes amounts not contributed.

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Cumulative Nondeductible Contributions

Contribution Year	Contributions Made by December 31, 2007, but Not Deducted as of December 31, 2006	Deductible in 2007 ¹	Remaining Nondeductible Contributions as of December 31, 2007
Nonunion Retiree Medical + Dental VEBAs			
2003	\$0	\$0	\$0
2004	50,123,297	50,123,297	0
2005	38,410,307	38,410,307	0
2006 ²	35,345,156	13,023,370	22,321,786
2007	<u>73,264,539</u>	<u>0</u>	<u>73,264,539</u>
Total	\$197,143,299	\$101,556,974	\$95,586,325
Retiree Life Insurance VEBA			
2003	\$0	\$0	\$0
2004	7,682,260	7,682,260	0
2005	0	0	0
2006	118,773	118,773	0
2007	<u>7,444,444</u>	<u>7,444,444</u>	<u>0</u>
Total	\$15,245,477	\$15,245,477	\$0

¹ Prior years' nondeductible contributions to the Nonunion Medical + Dental VEBA are now deductible primarily due to liability losses generated by 2007 demographic experience

² Approximately \$17.3 million in 2006 contributions expected to be deductible as of December 31, 2008

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2008 Maximum Deductible Contributions — 401(h)

	West Plan	East Plan
1. Present Value of Projected Benefits 1/1/2008	\$139,127,813	\$206,371,843
2. Fair Value of Assets 1/1/2008	112,676,750	67,963,055
3. Unfunded (Surplus) PVPB (1) - (2)	26,451,063	138,408,788
4. Average Present Value of Future Service	8	16
5. Preliminary maximum		
a) 10% of unfunded (3) x 0.10	\$2,645,106	\$13,840,879
b) Aggregate Normal Cost (3) / (4)	3,306,383	8,439,560
c) Greater of (a), (b)	3,306,383	13,840,879
6. Prelim max 2008: (5c) * 1.0878	3,596,683	15,056,108
7. Subordination Test (shown below)	0	0
8. Maximum Deductible Contribution, lesser (6), (7)	\$0	\$0

Subordination Test

Year-by-year minimum of actual pension plan contribution
and pension plan normal cost with interest

1992	\$9,766,169	N/A
1993	22,392,743	N/A
1994	21,208,326	N/A
1995	21,683,436	N/A
1996	20,271,648	N/A
1997	0	N/A
1998	0	N/A
1999	0	N/A
2000	0	N/A
2001	0	N/A
2002	0	N/A
2003	19,197,145	39,165,054 *
2004	18,614,338	56,614,811
2005	16,222,550	55,872,817
2006	0	0
2007	0	0
2008	0	0
Cumulative pension contributions not for past service:	\$149,356,355	\$151,652,681
	x 1/3	x 1/3
	\$49,785,452	\$50,550,894
Cumulative 401(h) contributions before plan year 2008:	49,785,452	50,550,894
Subordination limit	\$0	\$0

* Includes only portion of normal cost and contributions after 401(h) account adoption dates
for indicated years

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**Expected Benefits, Disbursements, Administrative Expenses
and Participant Contributions**

	January 1, 2008	January 1, 2007
Medical and Dental		
Gross disbursements	\$ 105,896,805	\$ 93,383,378
Participant contributions	<u>(19,777,240)</u>	<u>(16,786,106)</u>
Net disbursements	\$ 86,119,565	\$ 76,597,272
Life Insurance		
Gross disbursements	\$ 13,132,039	\$ 14,312,392
Participant contributions	<u>(3,198,698)</u>	<u>(3,166,556)</u>
Net disbursements	\$ 99,333,341	\$ 11,145,836
Gross without RDS		
Gross disbursements	\$ 119,028,844	\$ 107,695,770
Participant contributions	<u>(22,975,938)</u>	<u>(19,952,662)</u>
Net disbursements	\$ 96,052,906	\$ 87,743,108
RDS*		
Gross disbursements	\$ (9,428,957)	\$ (8,586,678)
Participant contributions	<u>0</u>	<u>0</u>
Net disbursements	\$ (9,428,957)	\$ (8,586,678)
Net with RDS		
Gross disbursements	\$ 109,599,887	\$ 99,109,092
Participant contributions	<u>(22,975,938)</u>	<u>(19,952,662)</u>
Net disbursements	\$ 86,623,949	\$ 79,156,430

* 2007 RDS payments expected to be received in 2008.



Actuarial Assumptions and Methods

	FAS 106 Cost		Employer Contributions
Economic Assumptions			
Discount rate		6.20%	N/A
Return on plan assets:			
▶ 401(h) accounts		N/A	8.78%
▶ Life insurance and union medical/dental		N/A	7.59%
▶ Nonunion medical/dental		N/A	7.21%
▶ Aggregate		8.00%	N/A
Salary increase rate	<i>Age</i>	<i>Rate</i>	
	<25	11.50%	
	25-34	9.50	
	35-44	6.50	
	>45	5.00	
Medical cost trend rate	2008	7.00%	7.00%*
	2009	6.50	6.50*
	2010	6.00	6.00*
	2011	5.50	5.50*
	2012+	5.00	5.00*
Dental cost trend rate	2008-2010	6.00%	6.00%*
	2011	5.50	5.50*
	2012+	5.00	5.00*

*0% trend assumed for nonunion VEBA account limit.

Health Care Benefit Assumptions

Average annual 2008 per capita claims cost:	Age	Claims Cost
▶ Prior to age 65	< 50	\$4,738
	50 – 54	5,459
	55 – 59	6,506
	60 – 64	8,287
	Average pre-65	7,347

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	<i>Age</i>	<i>COB</i>	<i>MOB</i>	<i>Medicare Part D Subsidy</i>
▶ Age 65 and after (net of Medicare)	65 – 69	\$3,452	\$2,463	\$(616)
	70 – 74	3,737	2,620	(634)
	75 – 79	3,880	2,680	(630)
	80 – 84	3,873	2,630	(597)
	≥ 85	3,850	2,527	(532)
	Average post-65	3,736	2,582	(609)

- ▶ Dental All \$262
- ▶ Medicare covered charges trend rate Same as medical cost increases.
- ▶ Retiree contribution trend rate Same as applicable medical cost increases.
- Administrative expenses Included in claims costs shown above.

Demographic Assumptions

Mortality Preretirement: RP2000, projected to 2023.
Postretirement: RP2000, projected to 2015.

Disabled mortality (through age 65) Rates vary by age and sex as indicated by the following sample values:

<i>Age</i>	<i>Male</i>	<i>Female</i>
30	2.60%	2.60%
40	2.60	2.60
50	3.10	3.10
60	6.20	6.20

Termination Rates apply to employees not eligible to retire and vary by age as indicated by the following sample values:

<i>Age</i>	<i>0-5 Years</i>	<i>5+ Years</i>
20	12.5%	10%
30	12.5	5
40	12.5	3
50	12.5	3
60	12.5	3



Disability

Rates apply to employees not eligible to retire and vary by age and sex as indicated by the following sample values:

Age	Male	Female
20	0.060%	0.090%
30	0.060	0.090
40	0.074	0.110
50	0.178	0.270
60	0.690	1.035

Retirement

Rates that vary by age as follows:

Age	Rate
55 - 57	7.5%
58 - 60	15.0
61 - 63	35.0
64 - 65	25.0
66 - 69	20.0
70	100.0

Rates apply to employees with five or more years of service.

Spouse ages

Wives three years younger than husbands.

Participation rates

Participation for current retirees is based on valuation census data; participation for future retirees is assumed to be 95%.

The percentage of employees who will enroll for family coverage is assumed to vary by sex and to change from year to year as follows:

Male Employees: 74% for employees retiring in 2006, reducing by 1% each year to a minimum of 69% for employees retiring in 2011 and later.

Female Employees: 53.75% for employees retiring in 2006 reducing by 0.75% each year to a minimum of 50% for employees retiring in 2011 and later.

Methods

Service cost and APBO

Projected unit credit actuarial cost method, allocated from date of hire to full eligibility date. Full eligibility age is defined as expected retirement date.

Development of claims cost

▶ Pre-65 retiree rates

Aetna, Medco, Lumenos and Magellan supplied data on retiree medical claims incurred in 2006. Claim experience rates are calculated separately for Aetna and Lumenos plans by dividing incurred claims by covered lives and

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trending forward two years to 2008. Medical and prescription drug claim rates are then multiplied by plan change factors representing the effect of substantive prescription drug plan design changes. A blend of Aetna and Lumenos claim rates is taken and age-graded over standard Towers Perrin morbidity curves for both medical and prescription drugs to develop the quinquennial cost models.

MetLife supplied data on dental claims incurred in 2006. Experience for all active and retiree employees was analyzed to derive the dental claim rates.

▶ Post-65 retiree rates

2008 monthly claim rates are calculated separately for MOB and COB Medicare-eligible plans by dividing incurred claims by covered lives and trending forward two years to 2008. Prescription drug claim rates are then multiplied by plan change factors representing the savings from substantive prescription drug plan changes. MOB and COB cost models are developed separately by age-grading these claim rates over standard Towers Perrin morbidity curves for both medical and prescription drugs to develop the quinquennial cost models.

▶ Medicare Part D subsidy

We calibrated our modeling tool to reflect the 2008 cost of the current prescription drug plans for AEP's post-65 retirees. The tool employs a continuance table of annual retiree drug utilization levels, developed from analyzing the experience of several large Towers Perrin clients.

After the plan-specific benefit provisions have been calibrated to current costs, the Modeler trends costs forward to 2008. Actuarial equivalence was determined using the following two-prong approach outlined in the regulations for Medicare Part D:

- ▶ *Gross Value Test* – The Modeler calculates the value of standard Medicare Part D coverage and compares it to AEP's plan costs. AEP's plans passed this test by being richer than the projected value of standard Medicare Part D coverage for these groups.
- ▶ *Net Value Test* – The net value prong of the test compares the value of Standard Part D coverage in 2008 minus the greater of \$335.16 per year (the national average Part D premium) and 25.5% of the gross value of Part D to the projected 2008 value of AEP coverage minus the average projected 2008 retiree contribution rate. For this purpose, retiree contributions were assumed to apply pro rata between the value of medical benefits and prescription drug benefits.



When the plans are deemed to be actuarially equivalent, the tool calculates the average expected value of the employer subsidy in 2008, using the continuance table calibrated to AEP's plan costs. This produced a 2008 per person employer subsidy of \$609.

Benefits Not Valued

All benefits described in this report were valued. Towers Perrin has reviewed the plan provisions with AEP and, based on that review, is not aware of any significant benefits required to be valued that were not.

Changes in Methods and Assumptions Since Last Year

The discount rate was increased from 5.85% to 6.20%. Mortality table was updated to preretirement: RP2000, projected to 2023; postretirement: RP2000, projected to 2015.

Data Sources

The company furnished the participant data, as well as the accrued postretirement benefits cost as of December 31, 2007. Health plan vendors furnished claims cost data. Data were reviewed for reasonableness and consistency, but no audit was performed. We are aware of no errors or omissions in the data that would have a significant effect on the results of our calculation.

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Participant Data

	January 1, 2008	January 1, 2007
Active		
Number:		
‣ Fully eligible for benefits	10	10
‣ Other	<u>20,763</u>	<u>20,317</u>
‣ Total	20,773	20,327
Average age	45.9	46.0
Average past service	17.1	17.3
Average future service:		
‣ To full eligibility age	11.5	11.6
‣ To expected retirement	11.5	11.6
Covered pay:		
‣ Total	\$ 1,336,821,768	\$ 1,266,469,571
‣ Average	64,354	62,305
Inactive		
Retired participants:		
‣ Number:		
– Under age 65	3,128	3,270
– Age 65 and over	<u>8,295</u>	<u>8,031</u>
– Total	11,423	11,301
‣ Average age	70.6	71.3
Dependents and surviving spouses*:		
‣ Number:		
– Under age 65	3,823	3,914
– Age 65 and over	<u>7,608</u>	<u>7,572</u>
– Total	11,431	11,486
‣ Average age	70.4	70.3
Disabled:		
‣ Number:	730	712
‣ Average age	55.9	55.7

**For retired and disabled participants



Plan Provisions

Health Care Benefits

Eligibility	Participants are eligible upon retirement after age 55 with ten years of service or upon attaining age 55 with ten years of service after becoming permanently disabled. If involuntary termination, then eligible after age 50 with ten years of service.
Dependent eligibility	Eligible dependents are spouse, unmarried children under age 19 (age 25 if a full-time student) and unmarried disabled children of any age.
Survivor eligibility	After the death of a retiree or active employee eligible to retire, surviving spouses are eligible until death or remarriage. Surviving children are also eligible, subject to the limiting age provision outlined above.
Postretirement contributions	Participant contributions are determined as a percentage of plan costs and vary by points (age at retirement plus service) as follows:

<i>Points</i>	<i>Retiree Cost</i>
65-69	46%
70-74	42
75-79	36
80-84	32
85-89	26
90-94	22
95+	20
Grandfathered	20

For East participants who retired prior to January 1, 1989, and West participants who retired prior to January 1, 1993, no contributions are required.

For East participants who retired on or after January 1, 1989, and West participants who retired on or after January 1, 1993, the 20% "Grandfathered" contributions are in effect if they retired by December 31, 2000, or attained age 50 and had ten or more years of service with the company on that date. The percentages described above are applied to plan costs that differ from the per capita claims costs assumed in the valuation as follows:

The Medicare status of dependents is not looked at in determining whether "pre-65" or "post-65" rates apply. The pre-65 plan rates used to calculate participant contributions are a blend of pre-65 retiree costs and active employee costs.

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Disabled employee contributions

Disabled employees have a waiver of premium provision where no contributions are made while an employee remains disabled.

If an employee retires while disabled and became disabled before January 1, 2001, the waiver of premium provision continues for life. If an employee retires while disabled and became disabled after January 1, 2001, the employee will continue to accrue points as if actively-at-work until age 65 and be subject to the same contribution schedule as normal retirees.

Benefits

The AEP Medical Plan provides broad medical coverage with a deductible of \$200, 80% coinsurance and a maximum annual out-of-pocket expense of \$2,000 per person. Discounted charges and increased benefits may be obtained by pre-65 retirees electing to use network providers.

Pre-65 retirees who live in areas designated as "Network Area" will have reduced benefits (\$300 deductible, 70% coinsurance, \$4,000 out-of-pocket maximum) if they do not use network providers. Alternatively, these retirees can elect coverage under consumer driven health plan designs.

Prescription drug benefits are provided under a separate plan with the following copayments for those who do not enroll in a consumer driven health plan:

	Generic	Brand Name Formulary	Brand Name Non-Formulary
30-day retail	\$5 copay	20%	20%
		\$20 minimum	\$35 minimum
		\$100 maximum	\$100 maximum
90-day retail	\$12 copay	20%	20%
		\$50 minimum	\$90 minimum
		\$200 maximum	\$200 minimum

Prescription drug benefits are also subject to a \$50 deductible and a \$1,000 out-of-pocket maximum per person.

Benefits after age 65 are coordinated with Medicare using the carve-out method. Participants have the option to "buy up" to exclusion coordination of benefits coverage. Exclusion coordination is provided to East retirees who attained age 65 prior to January 1, 2001.

Deductibles and out-of-pocket maximums are assumed to increase over time at approximately the same rate as benefit costs.



Life Insurance Benefits

Grandfathered participants Participants over age 50 with ten years of service as of December 31, 2000.

Grandfathered benefits Grandfathered participants have the option of keeping current coverage. Active employee coverage for grandfathered East participants is one times final base pay at no cost with the option to buy up to two times base pay. The entire amount of coverage (basic plus supplemental) in force prior to retirement can be carried into retirement subject to reduction beginning at age 66. Current coverage for grandfathered West participants is one and one-half times final base pay prior to age 60, one times final base pay from age 60 to 64 and one-half times final base pay after age 65.

*Life Insurance Benefit Reduction Table
for Grandfathered East Participants*

<i>Years of Coverage</i>	<i>Age 66</i>	<i>Age 67</i>	<i>Age 68</i>	<i>Age 69</i>	<i>Age 70 or Over</i>
10 – 11	65%	55%	45%	35%	25%
11 – 12	70	60	50	40	30
12 – 13	75	65	55	45	35
13 – 14	80	70	60	50	40
14 – 15	85	75	65	55	45
15 or more	90	80	70	60	50

Grandfathered contributions Grandfathered East retirees must contribute \$0.60/\$1,000 of coverage (basic + supplemental) per month. West retirees are not required to contribute to the cost of coverage.

Nongrandfathered benefits One-half times final base pay at no cost to retiree.

Dental Benefits

Eligibility Participants, including retirees and surviving dependents, are eligible upon retirement after age 55 with ten years of service. There is a one-time election and if coverage terminates there is no opportunity to reenroll.



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Benefits

The AEP Dental Plan provides dental coverage with a deductible of \$50 single/\$150 family, 100% coinsurance for preventive care, 80% coinsurance for basic restorative care, 50% coinsurance for major restorative care and 50% coinsurance for orthodontia.

Most retirees pay the full cost of dental coverage if they enroll. CSW employees who retire before January 1, 1993, contribute nothing to enroll for dental coverage. Former CSW employees retiring after January 1, 1993, who were either retired or had attained age 50 with ten years of service as of January 1, 2001, pay 30%.

Changes in Plan Provisions Since the Prior Year

There have been no changes in the substantive plan provisions since the prior year.

Overview of Benefits Provided by Funding Vehicles

Funding Vehicle	Provides for
Nonunion postretirement medical/dental VEBAs	100% of medical/dental benefits to nonunion employees before 2010 and 75% (East retirees) or 50% (West retirees) of benefits thereafter.
Union postretirement medical/dental VEBAs	100% of medical/dental benefits to union employees.
Postretirement life insurance VEBA	Life insurance benefits for all retirees.
West 401(h) account	50% of benefits after 2009 for nonunion retirees.
East 401(h) account	25% of benefits after 2009 for nonunion retirees.

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American Electric Power
2008 Summary of Postretirement Health Care Plan Participants - Non-UMWA

	Nonretired Participants			Retired Participants			
	Active	Disabled	Total	Retiree	Dependent Spouse	Surviving Spouse	Total
AEP Energy Services, Inc.	0	2	2	31	24	0	55
AEP Pro Serv, Inc.	1	0	1	0	0	0	0
AEP Service Corporation	6,240	84	6,324	1,693	1,164	184	3,041
AEP Texas Central Co - Distribution	1,069	48	1,117	869	611	274	1,754
AEP Texas Central Co - Generation	0	0	0	1	1	0	2
AEP Texas Central Co - Nuclear	0	0	0	0	0	0	0
AEP Texas Central Co - Transmission	131	4	135	78	49	31	158
AEP Texas North Co - Distribution	325	13	338	228	157	71	456
AEP Texas North Co - Generation	0	5	5	150	97	43	290
AEP Texas North Co - Transmission	51	2	53	36	26	12	74
Appalachian Power Co - Distribution	1,162	76	1,238	1,149	814	429	2,392
Appalachian Power Co - Generation	1,156	80	1,236	694	562	213	1,469
Appalachian Power Co - Transmission	186	18	204	95	88	3	186
Cardinal Operating Company	289	14	303	150	116	50	316
Cedar Coal Co.	0	0	0	21	10	21	52
Central Ohio Coal Co.	0	0	0	53	30	6	89
Columbus Southern Power Co - Distribution	828	29	857	792	496	208	1,496
Columbus Southern Power Co - Generation	359	17	376	278	191	79	548
Columbus Southern Power Co - Transmission	59	1	60	69	53	19	141
Conesville Coal Preparation Company	10	0	10	8	7	0	15
Cook Coal Terminal	18	0	18	9	7	0	16
CSW Energy, Inc.	19	0	19	8	2	0	10
Elmwood	158	3	161	6	4	0	10
Houston Pipeline (HPL)	0	2	2	31	19	0	50
Indiana Michigan Power Co - Distribution	747	17	764	680	407	266	1,353
Indiana Michigan Power Co - Generation	453	16	469	241	181	84	506
Indiana Michigan Power Co - Nuclear	1,019	12	1,031	259	193	47	499
Indiana Michigan Power Co - Transmission	169	6	175	96	73	9	178
Kentucky Power Co - Distribution	286	28	314	153	118	69	340
Kentucky Power Co - Generation	135	21	156	68	72	20	160
Kentucky Power Co - Transmission	55	3	58	8	11	0	19
Kingsport Power Co - Distribution	46	4	50	49	28	15	92
Kingsport Power Co - Transmission	11	1	12	6	5	1	12
Memco	760	6	766	8	3	0	11
Ohio Power Co - Distribution	905	30	935	884	615	308	1,807
Ohio Power Co - Generation	843	71	914	670	570	216	1,456
Ohio Power Co - Transmission	235	9	244	117	95	33	245
Price River Coal Co.	0	0	0	0	0	0	0
Public Service Co of Oklahoma - Distribution	812	27	839	516	370	183	1,069
Public Service Co of Oklahoma - Generation	367	10	377	186	129	78	393
Public Service Co of Oklahoma - Transmission	84	3	87	54	36	16	106
Southern Ohio Coal - Martinka	0	0	0	21	12	4	37
Southern Ohio Coal - Meigs	0	0	0	49	33	13	95
Southwestern Electric Power Co - Distribution	536	11	547	274	207	84	565
Southwestern Electric Power Co - Generation	492	20	512	244	197	78	519
Southwestern Electric Power Co - Texas - Distribution	275	7	282	141	102	30	273
Southwestern Electric Power Co - Transmission	93	2	95	47	28	20	95
Water Transportation (Lakin)	328	24	352	117	69	30	216
Wheeling Power Co - Distribution	61	4	65	68	49	30	147
Wheeling Power Co - Transmission	0	0	0	5	3	8	16
Windsor Coal Co.	0	0	0	13	10	2	25
Total	20,773	730	21,503	11,423	8,144	3,287	22,854

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2008 Net Periodic Postretirement Benefit Cost - Non-UKRWA Benefits
AEP Keeps Entire Medicare Part D Subsidy

Location	Accumulated Postretirement Benefit Obligation	Expected Net Benefit Payments	Fair Value of Assets	Service Cost	Interest Cost	Return on Assets	Amortization	Expected Return on Assets	Amortization	Net Amortization	Net Periodic Postretirement Benefit Cost	Subsidy Benefit Cost	Gross Periodic Postretirement Benefit Cost
AEP Energy Services, Inc.	32,693,317	\$2,922,331	\$2,146,675	50	\$159,263	(\$170,839)	\$11,487	(\$170,839)	\$11,487	\$3,238	(\$9,357)	\$46,561	\$30,204
AEP Energy Services, Inc.	102,821	331	32,032	2,904	6,551	(1,607)	0	1,607	1,757	1,757	2,904	2,904	3,015
AEP Energy Services, Inc.	267,249,000	14,214,971	292,711,243	12,115,904	23,066,508	(23,297,397)	1,341,222	1,341,222	1,341,222	1,341,222	14,609,649	8,337,177	23,147,826
AEP Service Corporation	105,636,571	5,784,079	84,337,300	2,050,115	6,513,100	(6,714,143)	3,155,287	3,155,287	3,155,287	3,605,683	3,494,361	2,337,970	7,602,931
AEP Texas Central Co. - Distribution	195,159	1,040	126,969	0	0	(10,033)	673	0	673	5,380	4,709	2,537	7,306
AEP Texas Central Co. - Generation	0	0	0	0	0	0	0	0	0	1,700	1,700	0	1,700
AEP Texas Central Co. - Nuclear	10,370,350	510,933	9,858,564	238,180	642,139	(697,971)	307,045	0	44,151	574,442	574,442	214,499	786,300
AEP Texas Central Co. - Transmission	30,299,019	1,363,137	21,077,720	593,698	1,874,347	(1,916,168)	879,122	0	1,659,391	1,659,391	2,287,973	529,582	2,287,973
AEP Texas North Co. - Distribution	9,294,767	440,923	7,409,307	102,610	549,982	(699,003)	512,999	0	39,529	552,429	513,408	161,315	674,723
AEP Texas North Co. - Generation	4,433,465	225,712	3,533,365	274,346	1,147,760	(1,487,250)	184,378	0	14,825	169,203	249,528	32,658	341,818
AEP Texas North Co. - Transmission	156,183,340	9,284,101	124,483,976	2,439,214	9,551,119	(9,007,990)	2,382,760	0	664,934	3,027,714	5,110,729	3,000,578	8,110,729
Appalachian Power Co. - Distribution	119,229,343	5,693,059	95,030,256	2,306,434	7,365,967	(7,563,623)	1,300,594	0	507,695	1,808,209	4,097,978	2,395,728	6,493,705
Appalachian Power Co. - Generation	10,905,945	639,209	15,069,827	392,541	1,170,919	(1,199,354)	201,302	0	80,480	371,792	735,980	384,240	1,120,137
Appalachian Power Co. - Transmission	21,768,692	1,200,321	22,146,557	592,769	1,720,552	(1,762,842)	209,505	0	116,397	327,812	678,291	565,435	1,443,176
Cardinal Operating Company	197,305	187,150	1,534,541	0	113,349	(1,221,137)	63,079	0	6,197	71,275	67,078	31,312	93,799
Cedar Coal Co.	3,279,468	303,710	2,613,911	0	194,050	(298,039)	145,064	0	13,982	159,066	144,970	35,095	199,073
Central Coal Co.	0	0	0	0	0	0	0	0	0	0	0	0	0
Central Coal Co.	89,409,391	5,629,780	71,251,939	1,072,279	5,458,703	(5,871,854)	1,570,320	0	380,647	1,950,967	3,145,952	1,745,562	4,890,657
Columbus Southern Power Co. - Distribution	43,191,382	2,181,905	34,428,158	781,902	2,591,467	(2,739,858)	659,443	0	183,683	843,326	1,523,037	847,259	2,371,099
Columbus Southern Power Co. - Generation	9,004,601	591,110	7,177,005	100,893	567,360	(571,230)	154,962	0	30,335	103,200	278,411	171,674	451,085
Columbus Southern Power Co. - Transmission	1,532,170	64,315	1,221,157	22,035	94,398	(97,187)	3,102	0	6,523	9,705	20,861	28,693	57,044
Conocochee Coal Preparation Company	1,535,485	56,022	1,224,644	35,762	95,769	(97,472)	9,800	0	6,541	16,342	50,401	31,705	92,107
Coak Coal Terminal	0	45,011	40,579	28,739	51,722	(52,504)	11,273	0	3,293	14,797	42,754	105,516	147,779
CSW Energy, Inc.	0	250,348	2,097,793	0	202,817	(190,613)	12,762	0	53,773	66,565	365,263	44,912	310,006
Elmore	3,004,729	263,983	2,480,454	0	155,539	(166,967)	268,117	0	1,205	277,322	266,894	44,912	310,006
Evolution Pipeline (HPL)	8,998,112	4,998,112	65,378,654	1,509,672	5,026,601	(5,203,597)	1,262,913	0	349,221	2,943,810	1,658,985	1,658,985	4,680,785
Indiana Michigan Power Co. - Distribution	82,027,013	4,998,112	65,378,654	1,509,672	5,026,601	(5,203,597)	1,262,913	0	349,221	2,943,810	1,658,985	1,658,985	4,680,785
Indiana Michigan Power Co. - Generation	44,294,193	1,998,368	35,208,157	1,917,958	2,747,559	(2,809,423)	316,983	0	189,525	505,509	1,461,902	909,009	2,370,911
Indiana Michigan Power Co. - Nuclear	61,893,139	2,019,987	49,321,795	2,507,664	3,930,495	(3,925,607)	660,473	0	263,453	923,927	3,436,469	1,474,824	4,910,903
Indiana Michigan Power Co. - Transmission	15,645,488	742,259	12,469,454	328,725	987,490	(992,306)	229,369	0	66,601	299,970	597,799	318,914	916,413
Kentucky Power Co. - Distribution	29,376,227	1,278,015	23,413,954	601,087	1,819,627	(1,863,557)	316,628	0	125,065	441,894	999,951	590,399	1,590,399
Kentucky Power Co. - Generation	14,862,277	545,492	11,045,792	219,181	922,114	(924,827)	143,443	0	63,275	206,710	465,165	295,063	761,249
Kentucky Power Co. - Transmission	3,536,263	74,153	2,810,534	110,920	223,906	(224,332)	28,290	0	15,055	43,255	150,279	76,384	229,663
Kingsport Power Co. - Distribution	6,039,273	365,099	4,912,730	93,670	399,197	(393,654)	109,048	0	25,707	134,745	216,518	117,053	333,581
Kingsport Power Co. - Generation	1,022,287	51,138	814,009	17,765	62,922	(64,652)	16,197	0	4,352	28,509	36,344	19,860	56,204
Kingsport Power Co. - Transmission	0	0	0	0	0	0	0	0	0	0	0	0	0
Memphis	111,542,431	6,907,756	80,003,459	1,752,742	6,813,300	(7,875,994)	2,187,462	0	474,880	2,727,342	4,162,480	2,157,877	6,320,457
Ohio Power Co. - Distribution	103,600,418	5,704,659	82,873,416	1,735,916	6,356,611	(6,572,162)	917,091	0	441,068	1,359,059	2,877,534	2,024,538	4,902,070
Ohio Power Co. - Generation	21,997,915	1,096,885	17,509,252	438,071	1,358,477	(1,393,592)	392,253	0	93,526	485,779	800,535	431,420	1,330,855
Ohio Power Co. - Transmission	0	0	0	0	0	0	0	0	0	0	0	0	0
Price River Coal Co.	53,459,235	3,269,772	50,579,487	1,514,613	3,928,572	(4,025,703)	1,930,075	0	279,171	2,209,246	3,625,728	1,344,471	4,970,499
Public Service Co of Oklahoma - Distribution	27,968,799	1,175,466	22,392,180	803,506	1,747,871	(1,774,273)	681,539	0	119,074	800,613	1,577,747	606,675	2,184,421
Public Service Co of Oklahoma - Generation	7,420,235	365,651	5,926,592	171,263	406,004	(471,229)	185,829	0	31,625	217,251	377,292	152,807	530,179
Public Service Co of Oklahoma - Transmission	1,265,165	112,793	1,020,341	0	76,237	(76,237)	0	0	5,472	57,802	52,500	21,120	73,710
Southern Ohio Coal - Kentucky	3,837,888	290,890	3,059,941	0	220,921	(243,660)	133,971	0	16,339	150,210	135,565	63,872	199,436
Southern Ohio Coal - Kentucky	40,110,931	1,667,424	31,974,974	997,407	2,952,067	(2,544,920)	999,625	0	170,793	1,129,219	2,073,773	851,241	2,925,014
Southwestern Electric Power Co. - Distribution	29,769,932	1,579,264	31,705,094	1,057,445	2,484,980	(2,582,697)	664,461	0	169,363	2,056,642	3,440,330	2,901,032	6,341,362
Southwestern Electric Power Co. - Generation	20,941,084	924,210	16,600,923	510,940	1,302,302	(1,328,452)	467,371	0	89,154	1,040,315	1,940,315	440,434	1,480,749
Southwestern Electric Power Co. - Transmission	0	0	0	0	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co. - Texas - Distribution	6,649,009	278,406	5,209,594	171,700	1,123,364	(1,211,803)	115,331	0	28,308	143,638	307,987	141,441	449,428
Southwestern Electric Power Co. - Texas - Transmission	17,998,295	756,329	14,273,582	502,639	1,123,364	(1,136,659)	156,975	0	76,243	232,210	803,142	410,940	1,214,000
Wabash Power Co. - Distribution	6,546,045	499,316	6,011,519	131,205	529,774	(562,141)	154,247	0	36,394	100,051	302,470	165,553	468,023
Wabash Power Co. - Generation	489,676	43,873	385,717	0	26,462	(26,462)	0	0	2,046	23,068	21,075	9,080	29,165
Wabash Power Co. - Transmission	110,392	93,693	54,141	0	54,141	(58,323)	48,128	0	3,814	52,342	47,561	15,630	63,190
Total	\$1,752,692,812	\$86,623,951	\$1,386,991,959	\$41,100,146	\$1,088,575,780	(\$111,186,626)	\$25,610,556	\$434,436	\$7,441,902	\$33,058,991	\$72,086,181	\$36,596,630	\$109,682,921

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American Electric Power
2011 Net Periodic Postretirement Benefit Cost - Non-UMWA Benefits
AEP Keeps Enbridge Medicare Part D Subsidy

Forecast year	Discount rate	Accumulated Postretirement Benefit Obligation	2011 6.20%	Expected Net Benefit Payments	Fair Value of Assets	Service Cost	Interest Cost	Expected Return on Assets	Amortizations			Net Amortization (GIL)	Net Periodic Postretirement Benefit Cost
									MTO	PSC	(GIL)		
Location		\$2,008,465	0	\$142,320	\$2,008,465	0	\$142,320	(\$4,360)	\$0	\$0	\$0	\$0	(\$10,927)
AEP Energy Services, Inc.		54,412,017	3,362	0	52,098,465	0	0	(8,997)	0	0	0	0	2,207
AEP Pro Serv, Inc.		129,000	115,004	0	115,004	0	0	0	0	0	0	0	13,657,690
AEP Service Corporation		425,201,446	373,410,513	20,971,105	373,410,513	14,092,673	26,939,753	(29,330,677)	710,739	0	1,481,209	(1,046,454)	537,866
AEP Texas Central Co - Distribution		113,951,520	99,139,244	6,806,275	99,139,244	2,384,841	7,803,033	(7,805,514)	(1,439,759)	0	393,255	(1,046,454)	3,113,369
AEP Texas Central Co - Generation		144,551	125,761	15,905	125,761	0	0	(8,902)	0	0	0	0	905
AEP Texas Central Co - Nuclear		0	0	0	0	0	0	0	0	0	0	0	389,626
AEP Texas Central Co - Transmission		11,391,306	9,910,570	707,749	9,910,570	275,723	707,749	(700,288)	163,133	0	30,312	202,445	1,164,607
AEP Texas North Co - Distribution		33,846,248	29,420,557	1,671,343	29,420,557	803,042	2,095,363	(2,316,364)	465,064	0	116,703	592,966	0
AEP Texas North Co - Generation		8,384,014	7,284,197	807,085	7,284,197	0	495,165	(574,293)	271,796	0	20,934	300,730	221,602
AEP Texas North Co - Transmission		4,946,956	4,303,913	211,319	4,303,913	110,784	307,623	(330,658)	71,315	0	17,072	89,388	175,936
AEP Texas North Co - Distribution		163,786,701	142,498,213	10,685,803	142,498,213	2,823,695	10,004,208	(11,219,269)	1,252,083	0	565,248	1,817,331	3,426,036
Appalachian Power Co - Distribution		130,771,293	113,772,556	7,570,044	113,772,556	2,774,172	8,046,876	(8,937,644)	731,803	0	451,302	1,182,905	3,048,110
Appalachian Power Co - Generation		21,050,052	18,313,808	1,074,403	18,313,808	454,415	1,300,471	(1,441,696)	154,366	0	72,645	227,012	540,000
Appalachian Power Co - Transmission		30,803,457	26,738,392	1,686,177	26,738,392	696,204	1,900,074	(2,109,992)	111,021	0	106,305	217,326	694,412
Cardinal Operating Company		1,686,223	1,452,247	184,191	1,452,247	0	87,563	(114,340)	35,427	0	5,761	39,187	22,410
Cedar Coal Co.		0	0	0	0	0	0	(199,510)	76,040	0	10,052	86,892	58,364
Central Ohio Coal Co.		2,972,009	2,554,006	314,303	2,554,006	0	170,982	(199,510)	0	0	0	0	0
Central Ohio Coal Co.		0	0	0	0	0	0	0	0	0	0	0	0
Columbus Southern Power Co - Distribution		92,599,773	80,552,951	6,416,101	80,552,951	1,628,101	5,640,278	(6,342,950)	832,143	0	319,569	1,151,713	2,084,142
Columbus Southern Power Co - Generation		46,435,723	40,400,620	2,935,073	40,400,620	802,089	2,842,499	(3,180,848)	340,452	0	160,257	509,709	1,653,448
Columbus Southern Power Co - Transmission		9,233,950	8,033,652	624,137	8,033,652	127,310	561,341	(632,512)	82,117	0	31,867	113,964	170,132
Conocochee Coal Preparation Company		1,655,859	1,450,275	97,803	1,450,275	25,531	101,048	(114,184)	1,666	0	5,753	7,439	20,734
Coosville Coal		1,770,685	1,540,518	76,751	1,540,518	41,399	110,036	(121,289)	5,193	0	6,111	11,304	41,450
CSW Energy, Inc.		942,696	820,157	52,899	820,157	33,269	58,695	(64,572)	5,974	0	3,253	9,227	36,818
Elmwood		4,407,221	3,934,338	121,624	3,934,338	331,653	290,097	(301,669)	0	0	15,210	68,984	388,894
Elmwood		2,285,943	1,988,712	249,209	1,988,712	0	134,113	(150,577)	0	0	266,117	274,006	251,542
Houston Pipeline (HPL)		0	0	0	0	0	0	0	0	0	0	0	0
Indiana Michigan Power Co - Distribution		86,216,769	75,012,274	5,970,716	75,012,274	1,746,476	5,274,652	(5,805,929)	669,242	0	297,551	966,794	2,089,893
Indiana Michigan Power Co - Generation		49,357,141	42,941,320	2,807,531	42,941,320	1,178,414	3,951,141	(3,380,893)	167,976	0	170,336	338,311	1,166,073
Indiana Michigan Power Co - Nuclear		75,923,295	65,706,209	2,890,499	65,706,209	2,902,935	4,771,420	(5,173,236)	349,997	0	260,637	610,635	3,111,753
Indiana Michigan Power Co - Transmission		17,232,227	14,992,263	974,999	14,992,263	378,225	1,062,078	(1,180,393)	121,547	0	59,470	181,017	440,937
Kentucky Power Co - Distribution		32,629,617	28,388,174	1,698,353	28,388,174	696,875	2,014,385	(2,235,081)	167,933	0	112,607	280,501	756,690
Kentucky Power Co - Generation		16,743,555	14,567,102	764,469	14,567,102	323,187	1,034,796	(1,146,595)	76,073	0	57,783	133,757	344,871
Kentucky Power Co - Transmission		4,319,028	3,757,600	145,298	3,757,600	127,941	271,276	(295,647)	14,844	0	14,905	29,649	133,219
Kingsport Power Co - Distribution		6,309,674	5,489,495	436,771	5,489,495	110,750	384,730	(432,204)	57,781	0	21,775	78,566	142,632
Kingsport Power Co - Transmission		1,103,784	860,314	67,691	860,314	20,665	67,643	(75,608)	0	0	3,809	12,371	24,971
Memo		14,254,840	12,401,889	285,772	12,401,889	1,345,016	856,160	(976,493)	0	114,546	49,195	163,741	1,490,481
Ohio Power Co - Distribution		116,006,426	100,927,030	7,895,592	100,927,030	2,029,018	7,077,115	(7,946,272)	1,164,428	0	400,348	1,564,625	2,724,695
Ohio Power Co - Generation		110,356,995	90,046,763	6,632,215	90,046,763	2,008,490	6,766,694	(7,562,034)	406,937	0	380,989	866,926	2,080,024
Ohio Power Co - Transmission		24,219,627	21,071,378	1,373,172	21,071,378	593,040	1,481,168	(1,659,008)	207,863	0	83,564	281,447	631,674
Price River Coal Co.		69,624,911	60,574,541	4,156,689	60,574,541	1,763,354	4,288,533	(4,769,205)	1,027,023	0	240,281	1,267,305	2,549,985
Public Service Co of Oklahoma - Distribution		32,336,122	28,132,929	1,444,437	28,132,929	930,153	2,916,407	(2,214,877)	351,161	0	111,595	472,755	1,206,378
Public Service Co of Oklahoma - Generation		1,167,297	1,015,563	458,562	1,015,563	0	60,769	(79,958)	99,369	0	28,220	126,588	269,000
Public Service Co of Oklahoma - Transmission		3,568,164	3,134,317	213,653	3,134,317	0	213,653	(246,537)	70,841	0	4,026	31,802	20,613
Southwestern Electric Power Co - Distribution		44,926,439	39,080,302	2,367,971	39,080,302	1,154,623	2,784,047	(3,077,533)	507,880	0	155,052	662,940	1,524,677
Southwestern Electric Power Co - Generation		45,639,132	39,706,614	2,234,126	39,706,614	1,224,126	2,337,289	(3,126,214)	458,095	0	157,504	615,599	1,550,788
Southwestern Electric Power Co - Transmission		23,590,235	20,529,019	1,192,611	20,529,019	600,738	1,465,797	(1,610,308)	247,659	0	81,433	328,101	777,328
Southwestern Electric Power Co - Texas - Distribution		7,534,259	6,554,899	427,621	6,554,899	188,666	466,397	(516,086)	67,116	0	26,001	97,117	236,294
Southwestern Electric Power Co - Texas - Transmission		20,777,221	18,076,671	993,397	18,076,671	674,477	1,209,673	(1,423,210)	83,194	0	71,704	154,880	705,629
Water Transportation (Lubin)		8,664,843	7,709,525	592,157	7,709,525	161,887	517,165	(614,076)	0	0	30,838	112,677	197,642
Whaling Power Co - Distribution		427,368	371,815	46,640	371,815	0	25,067	(29,274)	11,780	0	1,475	12,634	8,427
Whaling Power Co - Transmission		807,333	702,262	52,268	702,262	0	47,528	(65,303)	25,504	0	2,766	28,450	20,517
Windsor Coal Co.		\$1,336,615,211	\$1,584,679,393	\$497,662,743	\$1,584,679,393	\$119,075,473	\$132,655,335	(\$132,655,335)	\$434,436	\$13,571,528	\$434,436	\$20,680,394	\$55,990,265
Total		\$1,336,615,211	\$1,584,679,393	\$497,662,743	\$1,584,679,393	\$119,075,473	\$132,655,335	(\$132,655,335)	\$434,436	\$13,571,528	\$434,436	\$20,680,394	\$55,990,265

Valuation Electric Power Co - 10/26/2010 RETIREMENT BENEFIT EXPENSE - AEP (UMWA) 2008 PFRW Expense by Location REV 03/11 FC

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American Electric Power
2012 Net Periodic Postretirement Benefit Cost - Non-UAWA Benefits
AEP Keepers Entire Medicare Part D Subsidy

Location	2012 Forecast year Discount rate	Accumulated Postretirement Benefit Obligation	Expected Net Benefit Payments	Fair Value of Assets	Service Cost	Interest Cost	Expected Return on Assets	NTO	Amortizations PSC	(G/L)	Net Amortization	Net Periodic Postretirement Benefit Cost
AEP Energy Services, Inc.	6.20%	\$2,318,004	\$237,211	\$2,048,436	0	\$156,473	(\$160,633)	\$0	\$0	\$7,731	\$7,731	\$16,423
AEP Energy Services, Inc.		137,596	3,710	121,645	3,630	8,591	(9,534)	0	0	459	459	3,045
AEP Pro Serv, Inc.		448,095,760	22,300,955	397,652,811	14,726,957	20,073,416	(31,121,376)	0	0	1,497,878	1,497,878	13,176,872
AEP Service Corporation		116,535,118	7,010,149	103,933,172	2,594,093	7,166,130	(8,075,635)	0	0	388,692	388,692	1,993,268
AEP Texas Central Co - Distribution		137,121	18,909	121,234	0	7,924	(9,592)	0	0	457	457	(1,121)
AEP Texas Central Co - Generation		0	0	0	0	0	0	0	0	0	0	0
AEP Texas Central Co - Nuclear		11,661,028	755,946	10,309,051	289,509	717,651	(608,084)	0	0	38,893	38,893	238,169
AEP Texas Central Co - Transmission		35,043,310	1,803,923	30,903,130	843,194	2,109,883	(2,426,427)	0	0	116,881	116,881	701,532
AEP Texas North Co - Distribution		9,072,034	712,645	7,138,048	0	476,878	(559,378)	0	0	26,823	26,823	(55,578)
AEP Texas North Co - Generation		5,162,044	10,613,151	146,723,870	2,864,880	10,142,605	(11,500,036)	0	0	17,217	17,217	105,474
AEP Texas North Co - Transmission		165,950,786	7,971,026	118,405,950	2,912,061	8,246,707	(9,287,504)	0	0	553,499	553,499	2,160,947
Appalachian Power Co - Distribution		134,024,097	1,038,373	10,212,000	477,136	1,345,140	(1,505,800)	0	0	72,478	72,478	388,874
Appalachian Power Co - Generation		21,730,555	1,034,047	28,031,040	720,514	1,855,258	(2,197,044)	0	0	105,744	105,744	584,472
Appalachian Power Co - Transmission		31,704,358	187,647	1,300,394	0	91,771	(108,978)	0	0	9,235	9,235	(11,062)
Cardinal Operating Company		1,572,598	312,468	2,448,363	0	162,152	(191,500)	0	0	0	0	(20,512)
Cedar Coal Co.		2,760,208	0	0	0	0	0	0	0	0	0	0
Central Ohio Coal Co.		0	0	0	0	0	0	0	0	0	0	0
Central Coal Co.		93,468,928	6,620,192	82,930,626	1,710,858	6,698,960	(6,476,504)	0	0	311,715	311,715	1,244,135
Columbus Southern Power Co - Distribution		47,722,230	3,211,110	41,706,768	925,194	2,884,055	(3,268,936)	0	0	157,335	157,335	688,648
Columbus Southern Power Co - Generation		3,258,474	640,164	9,221,137	133,695	585,247	(644,364)	0	0	31,013	31,013	83,961
Columbus Southern Power Co - Transmission		1,696,930	95,214	1,500,051	26,808	103,946	(117,973)	0	0	5,659	5,659	16,840
Consolidated Coal Preparation Company		1,846,369	90,516	1,632,448	43,469	114,405	(127,940)	0	0	6,168	6,168	36,063
Coak Coal Terminal		981,961	57,003	868,160	34,992	61,307	(68,048)	0	0	3,275	3,275	31,487
CSW Energy, Inc.		4,307,347	150,376	4,338,774	340,235	321,255	(340,068)	0	53,773	15,368	70,141	398,563
Elmwood		2,170,748	219,421	1,919,242	0	127,887	(150,428)	0	265,117	7,240	273,357	250,816
Houston Pipeline (HPL)		87,370,100	6,150,351	77,247,331	1,833,800	5,342,853	(6,094,557)	0	0	281,408	281,408	1,413,494
Indiana Michigan Power Co - Distribution		80,899,065	2,844,720	45,001,818	1,237,354	3,145,587	(3,297,197)	0	0	169,765	169,765	1,025,500
Indiana Michigan Power Co - Generation		80,217,151	3,280,648	70,824,063	3,048,081	5,061,968	(5,558,876)	0	0	267,550	267,550	2,818,722
Indiana Michigan Power Co - Nuclear		17,697,531	894,752	15,647,067	397,135	1,091,486	(1,226,401)	0	0	59,027	59,027	321,258
Indiana Michigan Power Co - Transmission		33,642,524	1,834,717	28,744,647	731,718	2,075,182	(2,331,355)	0	0	112,209	112,209	587,755
Kentucky Power Co - Distribution		17,357,071	632,862	15,328,370	330,346	1,070,507	(1,201,422)	0	0	57,825	57,825	266,256
Kentucky Power Co - Generation		4,372,946	155,665	4,043,115	134,338	287,099	(316,899)	0	0	15,252	15,252	119,703
Kentucky Power Co - Transmission		6,368,392	465,103	5,630,531	116,287	387,848	(441,316)	0	0	21,241	21,241	94,051
Kingsport Power Co - Distribution		1,124,311	57,728	904,046	21,593	69,283	(77,912)	0	0	3,790	3,790	16,714
Kingsport Power Co - Transmission		16,252,244	9,001,918	14,378,074	1,412,266	1,094,249	(1,126,939)	0	114,546	54,240	168,795	1,538,353
Memco		117,246,970	6,811,503	103,696,030	2,130,468	7,155,212	(8,122,807)	0	0	390,996	390,996	1,553,750
Ohio Power Co - Distribution		112,539,912	1,384,450	21,967,030	533,450	1,531,234	(1,721,753)	0	0	82,068	82,068	1,582,697
Ohio Power Co - Generation		24,945,692	0	0	0	0	0	0	0	0	0	425,799
Ohio Power Co - Transmission		71,520,109	4,319,331	63,233,674	1,841,022	4,416,504	(4,956,181)	0	0	238,542	238,542	1,539,876
Pike River Coal Co.		33,840,265	1,595,910	23,918,498	976,703	2,109,632	(2,345,060)	0	0	112,668	112,668	854,343
Public Service Co of Oklahoma - Distribution		6,424,890	470,941	7,448,768	208,171	520,870	(593,827)	0	0	29,100	29,100	173,314
Public Service Co of Oklahoma - Generation		1,119,039	345,290	980,502	0	65,860	(77,478)	0	0	3,729	3,729	(8,089)
Public Service Co of Oklahoma - Transmission		3,501,030	2,508,494	41,112,301	1,212,354	2,071,486	(2,422,347)	0	0	11,600	11,600	(23,300)
Southern Ohio Coal - Minitoka		46,698,938	2,412,323	41,966,405	1,285,331	2,948,917	(3,209,204)	0	0	158,314	158,314	1,103,278
Southern Ohio Coal - Meigs		47,465,877	1,312,175	21,633,239	630,775	1,516,059	(1,685,591)	0	0	81,609	81,609	532,861
Southwestern Electric Power Co - Distribution		24,460,159	0	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Generation		7,771,900	428,039	6,871,435	209,809	481,794	(538,576)	0	0	25,922	25,922	177,889
Southwestern Electric Power Co - Texas - Distribution		21,577,975	1,075,771	10,237,061	708,201	1,360,095	(1,507,701)	0	0	72,570	72,570	653,045
Southwestern Electric Power Co - Texas - Transmission		627,954	627,954	8,020,664	159,482	553,161	(628,652)	0	0	30,257	30,257	114,248
Water Transportation (Lukit)		405,595	772,108	592,851	0	45,478	(53,503)	0	0	2,372	2,372	(5,452)
Wheeling Power Co - Distribution		1,984,047	1,984,047	0	0	0	0	0	0	0	0	0
Wheeling Power Co - Transmission		772,108	772,108	0	0	0	0	0	0	0	0	0
Windor Coal Co.		\$1,994,158,787	\$115,045,200	\$1,703,112,347	\$50,066,880	\$123,220,277	(\$130,130,953)	\$0	\$434,438	\$6,651,156	\$7,085,694	\$42,160,799
Total												

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American Electric Power
2014 Net Periodic Postretirement Benefit Cost - Non-UMWA Benefits
AEP Keeps Entire Medicare Part D Subsidy

Location	Forecast year Discount rate	Accumulated Postretirement Benefit Obligation	2014 6.20%	Expected Net Benefit Payments	Fair Value of Assets	Service Cost	Interest Cost	Expected Return on Assets	Amortizations			Net Amortization	Net Postretirement Benefit Cost	
									NTD	PSC	(G)L			
AEP Energy Services, Inc.		\$2,145,331		\$163,035	\$1,925,050	0	\$127,422	(\$150,747)	0	0	0	\$6,968	\$6,968	(\$16,357)
AEP Pro Serv, Inc.		148,925		10,949	133,533	3,892	9,140	(10,465)	0	0	0	484	484	3,051
AEP Service Corporation		490,556,020		25,435,169	440,100,444	16,236,470	30,644,551	(9,470,080)	0	0	0	1,593,281	1,593,281	14,004,223
AEP Texas Central Co - Distribution		121,819,383		7,520,173	109,311,069	2,760,751	7,494,348	(9,559,913)	0	0	0	395,658	395,658	2,030,844
AEP Texas Central Co - Generation		113,347		13,105	101,709	0	6,827	(7,965)	0	0	0	368	368	(970)
AEP Texas Central Co - Nuclear		0		0	0	0	0	0	0	0	0	0	0	0
AEP Texas Central Co - Transmission		12,175,397		757,885	10,925,237	319,104	751,523	(855,523)	0	0	0	39,545	39,545	254,720
AEP Texas North Co - Distribution		37,396,075		2,117,490	33,556,277	929,622	2,311,539	(2,827,719)	0	0	0	121,459	121,459	734,899
AEP Texas North Co - Generation		7,466,042		731,955	6,699,435	0	440,556	(524,518)	0	0	0	24,249	24,249	(59,813)
AEP Texas North Co - Transmission		5,610,597		275,343	5,041,664	137,507	349,471	(394,903)	0	0	0	16,249	16,249	109,424
AEP Texas North Co - Distribution		170,631,562		11,461,871	153,111,232	3,268,780	10,401,645	(11,989,811)	0	0	0	554,195	554,195	2,255,010
Appalachian Power Co - Distribution		140,331,760		8,899,393	125,922,627	3,211,451	6,627,948	(9,860,729)	0	0	0	455,764	455,764	2,434,454
Appalachian Power Co - Generation		23,301,036		1,108,187	20,900,505	526,042	1,440,694	(1,637,300)	0	0	0	75,680	75,680	405,117
Appalachian Power Co - Transmission		33,414,989		2,048,356	29,953,974	794,367	2,056,456	(2,347,980)	0	0	0	108,529	108,529	613,352
Cardinal Operating Company		1,370,020		180,548	1,236,226	0	76,824	(86,030)	0	0	0	4,476	4,476	(12,430)
Cedar Coal Co.		2,364,280		300,511	2,211,250	0	143,607	(173,158)	0	0	0	8,004	8,004	(21,547)
Central Ohio Coal Co.		0		0	0	0	0	0	0	0	0	0	0	0
Central Coal Co.		95,012,252		6,944,316	85,256,471	1,695,949	5,795,949	(6,676,250)	0	0	0	308,591	308,591	1,318,978
Columbus Southern Power Co - Distribution		40,255,927		3,555,597	43,301,046	1,021,129	2,946,511	(3,390,811)	0	0	0	156,731	156,731	734,658
Columbus Southern Power Co - Generation		0,420,232		665,523	8,492,970	147,380	572,871	(661,934)	0	0	0	39,586	39,586	89,521
Columbus Southern Power Co - Transmission		1,756,092		124,994	1,577,519	29,556	107,045	(123,532)	0	0	0	5,710	5,710	10,749
Conesville Coal Preparation Company		1,871,897		107,737	1,769,424	47,925	121,038	(138,560)	0	0	0	6,405	6,405	37,709
Cook Coal Terminal		1,073,128		51,372	992,940	38,573	67,353	(75,406)	0	0	0	3,485	3,485	33,845
CSW Energy, Inc.		5,965,986		213,908	5,353,404	383,929	397,163	(419,213)	0	0	0	53,773	53,773	425,029
Elmwood		2,004,191		150,904	1,785,710	0	119,191	(123,532)	0	0	0	266,117	266,117	251,190
Houston Pipeline (HPL)		89,430,936		6,475,729	80,243,881	2,024,765	5,472,344	(6,284,038)	0	0	0	290,462	290,462	1,500,533
Indiana Michigan Power Co - Distribution		53,871,600		3,193,928	48,429,840	1,364,161	3,333,294	(3,792,436)	0	0	0	175,295	175,295	1,080,814
Indiana Michigan Power Co - Generation		89,909,792		4,104,612	80,977,916	3,560,510	5,657,428	(6,317,713)	0	0	0	292,018	292,018	2,982,242
Indiana Michigan Power Co - Nuclear		18,662,728		1,126,276	16,746,454	497,043	1,149,046	(1,311,379)	0	0	0	60,615	60,615	356,925
Indiana Michigan Power Co - Transmission		35,501,242		2,057,374	31,927,793	806,720	2,193,234	(2,500,196)	0	0	0	115,554	115,554	615,322
Kentucky Power Co - Distribution		18,468,668		1,093,007	16,988,489	374,129	1,139,116	(1,209,009)	0	0	0	60,043	60,043	274,200
Kentucky Power Co - Generation		5,115,586		193,007	4,900,322	148,107	320,485	(359,459)	0	0	0	16,615	16,615	125,750
Kentucky Power Co - Transmission		6,468,264		436,320	5,804,108	128,207	395,656	(454,507)	0	0	0	21,008	21,008	90,366
Kingsport Power Co - Distribution		1,189,208		61,475	1,057,101	23,807	72,719	(93,582)	0	0	0	3,862	3,862	16,825
Kingsport Power Co - Transmission		20,594,172		823,903	18,475,579	1,557,024	1,395,214	(1,447,086)	0	0	0	66,888	66,888	1,646,576
Memo		110,848,746		7,339,909	104,805,596	2,325,097	7,161,639	(8,428,499)	0	0	0	389,592	389,592	1,641,289
Ohio Power Co - Distribution		116,799,471		1,486,509	23,544,607	588,120	1,517,860	(1,843,727)	0	0	0	85,221	85,221	1,058,901
Ohio Power Co - Generation		26,238,784		4,576,822	67,698,634	2,026,726	4,663,012	(5,300,551)	0	0	0	245,003	245,003	1,537,191
Ohio Power Co - Transmission		75,434,152		1,890,107	33,018,321	1,076,815	2,290,062	(2,505,202)	0	0	0	119,494	119,494	904,199
Public Service Co of Oklahoma - Distribution		36,730,950		570,251	8,010,779	229,509	550,227	(627,307)	0	0	0	28,995	28,995	181,424
Public Service Co of Oklahoma - Generation		9,927,442		119,749	9,002,167	0	58,729	(70,704)	0	0	0	3,268	3,268	(6,707)
Public Service Co of Oklahoma - Transmission		3,272,665		2,775,603	2,956,510	0	182,891	(229,875)	0	0	0	10,630	10,630	(26,454)
Southern Ohio Coal - Martinsburg		48,745,597		2,775,603	44,697,796	1,336,621	3,082,413	(3,465,468)	0	0	0	161,569	161,569	1,085,114
Southern Ohio Coal - Mingo		51,074,577		1,478,430	23,450,504	895,429	1,510,282	(1,935,364)	0	0	0	64,981	64,981	562,226
Southwestern Electric Power Co - Distribution		26,134,002		502,133	7,430,479	230,212	512,347	(581,665)	0	0	0	26,895	26,895	187,590
Southwestern Electric Power Co - Generation		9,280,798		23,757,536	21,516,132	700,792	1,403,082	(1,669,377)	0	0	0	77,162	77,162	671,639
Southwestern Electric Power Co - Transmission		9,240,242		569,266	8,201,132	175,929	563,361	(649,266)	0	0	0	30,011	30,011	119,814
Water Transportation (Lekin)		557,878		293,362	321,132	0	20,779	(25,147)	0	0	0	1,162	1,162	(5,902)
Wheeling Power Co - Distribution		293,362		78,821	631,324	0	41,184	(69,433)	0	0	0	2,285	2,285	(5,902)
Wheeling Power Co - Transmission		0		0	0	0	0	0	0	0	0	0	0	0
Windsor Coal Co.		\$2,111,542,850		\$120,326,787	\$1,894,731,381	\$55,198,745	\$130,480,724	(\$140,372,316)	\$0	\$484,436	\$0	\$6,650,007	\$7,202,526	\$44,589,679
Total														

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American Electric Power
2015 Net Periodic Postretirement Benefit Cost - Non-UARWA Benefits
AEP Keeps Entire Medicare Part D subsidy

Forecast year	Discount rate	Accumulated Postretirement Benefit Obligation	Expected Net Benefit Payments	Fair Value of Assets	Service Cost	Interest Cost	Expected Return on Assets	Amortizations		Net Amortization	Net Periodic Postretirement Benefit Cost
								NTO	PSC		
2015	6.20%							\$0	\$0	\$5,814	\$5,814
		\$2,985,718	\$174,038	\$1,088,034	0	\$124,248	(\$147,788)	0	0	\$5,814	(\$16,726)
		151,007	13,009	136,433	4,085	9,219	(10,578)	0	0	482	3,118
		512,002,673	27,193,682	462,507,014	17,040,294	31,970,932	(35,208,597)	0	0	1,669,393	14,478,122
		124,554,307	7,737,262	112,533,235	2,898,789	7,665,644	(8,808,667)	0	0	406,160	2,162,125
		106,960	13,663	96,555	0	5,200	(7,560)	0	0	348	(1,001)
		12,488,219	759,729	11,282,047	0	771,051	(893,186)	0	0	40,723	264,532
		38,519,739	2,230,215	34,802,093	976,103	2,380,645	(2,724,174)	0	0	125,609	758,163
		7,175,004	687,337	6,492,525	0	423,863	(507,427)	0	0	23,307	(60,167)
		5,829,233	303,683	5,265,659	144,283	351,085	(412,252)	0	0	19,009	112,225
		172,870,317	11,770,868	156,186,137	3,432,219	10,571,347	(12,225,648)	0	0	563,714	2,341,832
		143,271,795	9,340,954	129,444,239	3,372,023	8,696,701	(10,182,386)	0	0	467,185	2,513,525
		24,089,586	1,245,765	21,746,565	552,345	1,488,522	(1,702,237)	0	0	79,469	78,488
		34,219,146	2,148,169	30,916,835	834,086	2,107,607	(2,420,051)	0	0	111,596	633,318
		1,277,395	174,823	1,154,111	0	73,861	(80,339)	0	0	4,165	(12,313)
		2,507,277	292,543	2,084,565	0	134,118	(163,174)	0	0	7,524	(21,591)
		95,749,473	7,013,036	86,508,433	1,980,183	5,845,104	(6,771,546)	0	0	312,230	1,365,970
		48,668,070	3,631,917	43,970,983	1,072,185	2,972,999	(3,441,879)	0	0	158,702	762,007
		9,474,958	724,584	8,560,513	151,757	574,116	(670,094)	0	0	30,897	30,486
		1,769,639	133,441	1,598,846	31,034	107,667	(125,152)	0	0	5,771	18,220
		2,094,024	127,372	1,937,715	50,321	125,340	(143,848)	0	0	6,533	38,445
		1,127,622	39,024	1,018,792	40,439	71,228	(75,747)	0	0	3,677	35,597
		6,523,171	238,007	5,893,602	403,125	422,163	(461,328)	0	0	21,271	438,004
		1,950,477	136,253	1,771,265	0	117,309	(130,549)	0	0	6,353	251,251
		90,449,915	6,630,515	81,720,353	2,122,853	5,537,057	(6,395,754)	0	0	284,949	1,559,105
		55,475,127	3,331,488	50,121,973	1,432,980	3,425,015	(3,923,284)	0	0	180,899	1,114,989
		94,923,107	4,538,828	89,871,474	3,526,595	5,969,180	(6,706,032)	0	0	309,209	3,090,892
		19,124,141	1,197,254	17,276,416	489,735	1,178,987	(1,352,408)	0	0	62,362	348,596
		36,523,823	2,197,204	32,999,810	847,056	2,249,905	(2,663,020)	0	0	119,101	633,043
		19,009,062	1,078,245	17,174,447	392,836	1,169,905	(1,344,348)	0	0	61,987	280,468
		5,382,173	225,060	4,874,760	155,513	337,084	(381,343)	0	0	17,563	128,837
		6,555,002	465,685	5,923,084	134,517	400,507	(463,630)	0	0	21,378	92,946
		1,204,259	86,592	1,098,032	24,997	73,509	(85,167)	0	0	3,927	17,266
		22,911,658	791,272	20,790,392	1,634,875	1,500,473	(1,620,397)	0	0	74,713	1,704,260
		121,405,030	8,393,403	109,887,993	2,466,284	7,423,739	(8,585,946)	0	0	395,680	1,699,967
		118,047,288	7,699,418	107,467,304	2,441,342	7,291,002	(8,412,131)	0	0	387,876	1,708,000
		25,955,284	1,693,230	24,356,467	817,595	1,660,748	(1,906,530)	0	0	87,908	490,651
		77,550,060	4,820,254	70,005,502	2,131,213	4,703,068	(5,484,457)	0	0	252,893	1,692,696
		38,267,790	2,050,141	34,571,463	1,130,656	2,379,861	(2,706,356)	0	0	124,785	928,949
		9,133,917	571,000	8,252,378	240,984	562,008	(645,064)	0	0	29,785	188,614
		945,184	110,461	853,971	0	54,985	(65,846)	0	0	3,082	(8,778)
		3,137,304	331,924	2,834,587	0	184,388	(221,881)	0	0	10,231	(27,264)
		51,391,141	2,927,356	46,431,243	1,403,462	3,103,081	(3,634,459)	0	0	167,592	1,120,456
		52,885,765	2,931,453	47,981,661	1,487,931	3,281,861	(3,740,162)	0	0	172,456	1,201,886
		26,959,274	1,549,436	24,365,397	730,201	1,070,057	(1,907,308)	0	0	87,944	590,894
		8,621,164	516,000	7,698,764	244,123	527,519	(602,630)	0	0	27,787	184,399
		24,766,592	1,359,855	22,376,274	810,632	1,544,835	(1,751,528)	0	0	80,761	693,899
		9,310,166	682,078	8,411,616	184,620	567,850	(658,429)	0	0	30,360	124,401
		332,504	45,240	300,434	0	19,234	(23,516)	0	0	1,084	(3,197)
		654,928	79,636	600,754	0	39,784	(47,093)	0	0	2,168	(6,053)
		52,170,895,563	\$132,272,533	\$1,961,376,579	\$87,958,672	\$134,140,960	(\$153,528,991)	\$0	\$434,436	\$7,078,088	\$40,093,163
											\$7,513,522

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ML - 11

American Electric Power
2017 Net Periodic Postretirement Benefit Cost - Non-UMWA Benefits
AEP Keeps Enlira Medicare Part D Subsidy

Location	2017 Discount rate	Accumulated Postretirement Benefit Obligation	Expected Net Benefit Payments	Fair Value of Assets	Service Cost	Interest Cost	Return on Assets	Amortizations			Net Amortization	Net Periodic Postretirement Benefit Cost (\$16,010)
								NTD	PSC	GAU		
AEP Energy Services, Inc.	6.20%	\$2,007,114	\$143,432	\$1,835,970	0	\$120,062	(\$143,669)	\$0	\$0	\$0	\$6,788	3,301
AEP Pro Serv, Inc.		148,605	18,420	136,008	4,505	8,830	(10,637)	0	0	0	503	15,577,260
AEP Service Corporation		556,100,536	30,594,334	508,065,895	48,795,744	34,795,849	(39,605,983)	0	0	0	1,880,650	2,330,717
AEP Texas Central Co - Distribution		130,174,723	0,402,399	119,139,737	3,195,815	0,012,422	(9,317,844)	0	0	0	440,225	(717)
AEP Texas Central Co - Generation		90,918	4,995	89,211	0	5,484	(6,508)	0	0	0	307	0
AEP Texas Central Co - Nuclear		13,185,904	0	12,077,353	369,495	916,451	(944,562)	0	0	0	44,626	286,010
AEP Texas Central Co - Transmission		40,722,863	2,597,655	37,270,762	1,076,153	2,512,217	(2,814,923)	0	0	0	137,717	811,164
AEP Texas North Co - Distribution		6,647,424	673,397	6,055,613	159,182	389,339	(474,388)	0	0	0	22,413	(61,536)
AEP Texas North Co - Generation		6,202,907	387,859	5,877,093	382,607	382,607	(444,001)	0	0	0	20,977	118,765
AEP Texas North Co - Transmission		177,274,752	12,628,822	162,247,060	3,704,022	10,949,037	(12,688,242)	0	0	0	599,509	2,534,326
Appalachian Power Co - Distribution		149,934,772	10,219,959	136,309,405	3,717,855	9,152,426	(10,660,660)	0	0	0	503,668	2,713,070
Appalachian Power Co - Generation		25,651,538	1,448,165	23,477,042	608,960	1,593,933	(1,836,125)	0	0	0	66,748	443,516
Appalachian Power Co - Transmission		35,733,968	2,387,214	32,704,787	919,579	2,199,630	(2,557,822)	0	0	0	120,845	692,233
Cardinal Operating Company		1,076,188	194,050	884,968	0	62,021	(77,034)	0	0	0	3,639	(11,374)
Cedar Coal Co.		1,990,709	271,935	1,821,956	0	115,121	(142,494)	0	0	0	6,732	(26,541)
Central Ohio Coal Co.		0	0	0	0	0	0	0	0	0	0	0
Central Coal Co.		97,413,427	7,202,834	89,155,635	2,183,152	5,955,055	(6,972,806)	0	0	0	329,433	1,484,833
Columbus Southern Power Co - Distribution		9,467,729	3,758,905	45,205,169	1,182,084	3,024,895	(3,540,161)	0	0	0	167,265	824,075
Columbus Southern Power Co - Generation		9,468,991	732,425	8,665,519	170,520	576,594	(679,289)	0	0	0	32,093	100,019
Columbus Southern Power Co - Transmission		1,781,029	127,543	1,630,050	34,215	109,851	(127,405)	0	0	0	6,023	21,403
Conesville Coal Preparation Company		2,110,319	164,019	1,931,426	55,479	129,271	(151,056)	0	0	0	7,137	40,831
Cook Coal Terminal		92,667,986	38,566	1,174,119	44,584	81,093	(91,827)	0	0	0	4,338	38,188
CSW Energy, Inc.		1,282,868	309,272	7,071,191	444,448	497,133	(693,033)	0	0	0	26,128	416,340
Enlira		7,126,140	150,130	7,071,191	0	114,129	(137,095)	0	0	0	8,248	(8,203)
Houston Pipeline (HPL)		1,914,727	150,130	1,752,414	0	114,129	(137,095)	0	0	0	6,475	14,723
Indiana Michigan Power Co - Distribution		19,947,827	6,779,794	84,720,305	2,340,445	5,677,274	(6,625,929)	0	0	0	313,045	319,046
Indiana Michigan Power Co - Generation		59,346,221	3,659,457	53,965,517	1,579,487	3,587,283	(4,176,108)	0	0	0	187,302	187,302
Indiana Michigan Power Co - Nuclear		104,662,673	5,854,327	98,808,346	3,800,210	6,560,604	(7,491,704)	0	0	0	353,949	3,313,139
Indiana Michigan Power Co - Transmission		20,082,075	1,256,917	18,800,438	506,858	1,236,165	(1,437,523)	0	0	0	67,916	375,436
Kentucky Power Co - Distribution		38,289,150	2,510,952	35,052,516	933,879	2,355,779	(2,741,435)	0	0	0	129,520	677,743
Kentucky Power Co - Generation		5,941,461	1,230,034	18,256,838	433,101	1,225,816	(1,427,855)	0	0	0	67,460	288,521
Kentucky Power Co - Transmission		6,697,916	273,707	5,437,800	171,453	370,643	(425,287)	0	0	0	20,093	136,902
Kingsport Power Co - Distribution		1,225,510	462,693	61,150,130	148,416	489,734	(478,434)	0	0	0	22,651	101,367
Kingsport Power Co - Generation		27,921,998	802,246	25,555,034	1,002,449	1,815,367	(1,990,643)	0	0	0	94,427	16,906
Kingsport Power Co - Transmission		124,467,688	8,738,792	113,916,498	2,710,078	7,618,751	(9,006,338)	0	0	0	420,925	1,949,416
Menco		122,895,026	6,410,465	112,423,145	2,631,579	7,325,908	(9,793,544)	0	0	0	415,407	1,840,350
Ohio Power Co - Generation		28,357,457	1,709,928	25,952,457	680,933	1,748,788	(2,030,508)	0	0	0	95,932	495,055
Ohio Power Co - Transmission		61,824,172	5,179,514	74,887,890	2,349,682	5,080,627	(5,856,935)	0	0	0	276,713	1,630,067
Price River Coal Co.		41,156,354	2,404,241	37,669,337	1,246,548	2,555,093	(2,916,095)	0	0	0	139,190	995,335
Public Service Co of Oklahoma - Distribution		9,597,936	610,504	8,704,314	265,665	592,629	(697,016)	0	0	0	32,458	203,765
Public Service Co of Oklahoma - Generation		016,694	113,191	747,463	0	47,178	(50,458)	0	0	0	2,762	(6,518)
Public Service Co of Oklahoma - Transmission		2,931,285	325,109	2,591,275	0	165,513	(202,662)	0	0	0	9,575	(27,474)
Southern Ohio Coal - Megas		54,811,159	3,199,762	50,164,321	1,547,306	3,396,526	(3,923,359)	0	0	0	185,361	1,205,033
Southern Ohio Coal - Megas		50,533,800	3,351,030	51,741,397	1,940,178	3,504,178	(4,046,562)	0	0	0	191,186	1,289,146
Southern Ohio Coal - Megas		28,696,464	1,693,565	26,265,678	805,046	1,777,912	(2,054,222)	0	0	0	97,053	624,989
Southern Ohio Coal - Megas		9,039,922	551,710	8,272,607	266,500	560,030	(647,102)	0	0	0	30,568	210,156
Southern Ohio Coal - Megas		26,755,962	1,550,679	24,406,013	903,864	1,667,437	(1,915,036)	0	0	0	90,477	746,743
Southern Ohio Coal - Megas		9,433,273	720,791	8,633,609	203,544	575,474	(675,229)	0	0	0	31,901	135,689
Southern Ohio Coal - Megas		280,232	42,357	237,875	0	16,061	(20,059)	0	0	0	848	(3,030)
Southern Ohio Coal - Megas		581,285	68,531	532,009	0	32,967	(41,608)	0	0	0	1,965	(6,695)
Windsor Coal Co.		\$2,290,566,735	\$144,040,335	\$2,066,641,171	\$63,899,438	\$141,657,781	(\$159,976,997)	\$0	\$0	\$0	\$13,464	\$7,760,623
Total												

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American Electric Power
2018 Net Periodic Postretirement Benefit Cost - Non-UMIWA Benefits
AEP Keeps Entire Medicare Part D Subsidy

Location	Forecast year Discount rate	Accumulated Postretirement Benefit Obligation	2018 6.20%	Fair Value of Assets	Service Cost	Interest Cost	Expected Return on Assets	Amortizations		Net Amortization (G)/L	Net Periodic Postretirement Benefit Cost (\$17,187)
								NTD	PSC		
Laurelton		\$1,993,744		\$1,926,456	0	\$116,716	(\$142,797)	\$0	\$0	\$5,914	\$5,914
AEP Energy Services, Inc.		143,820		132,232	4,730	8,958	(10,338)	0	0	501	501
AEP Pro Serv, Inc.		570,916,785		593,015,465	19,735,531	36,128,689	(41,672,504)	0	0	2,017,866	2,017,866
AEP Service Corporation		132,069,670		122,436,858	3,355,710	8,186,455	(9,572,425)	0	0	463,470	463,470
AEP Texas Central Co - Distribution		91,407		94,159	0	5,510	(6,580)	0	0	319	(751)
AEP Texas Central Co - Generation		0		0	0	0	0	0	0	0	0
AEP Texas Central Co - Nuclear		13,575,974		12,409,558	387,970	840,357	(877,247)	0	0	47,316	298,396
AEP Texas Central Co - Transmission		41,719,378		38,405,995	1,125,961	2,574,971	(3,092,678)	0	0	145,391	847,335
AEP Texas North Co - Distribution		6,344,365		5,841,332	0	373,179	(456,690)	0	0	22,112	(61,398)
AEP Texas North Co - Generation		6,356,835		5,852,814	167,141	391,972	(457,598)	0	0	22,155	123,680
AEP Texas North Co - Transmission		179,260,900		165,055,875	3,873,223	10,980,457	(12,904,496)	0	0	624,800	2,893,984
Appalachian Power Co - Distribution		151,895,895		139,366,907	3,903,538	9,308,569	(10,011,696)	0	0	528,314	2,899,726
Appalachian Power Co - Generation		26,396,265		24,303,350	639,408	1,628,193	(1,900,098)	0	0	91,907	469,500
Appalachian Power Co - Transmission		36,465,983		33,574,657	965,550	2,243,095	(2,624,952)	0	0	127,093	710,794
Cardinal Operating Company		984,170		908,136	0	56,595	(70,844)	0	0	3,430	(10,828)
Cedar Coal Co.		1,833,895		1,688,489	0	105,757	(132,010)	0	0	6,392	(19,865)
Central Ohio Coal Co.		0		0	0	0	0	0	0	0	0
Central Coal Co.		90,346,700		90,550,799	2,282,309	6,010,759	(7,078,492)	0	0	342,769	1,574,345
Columbus Southern Power Co - Distribution		48,905,804		45,948,857	1,241,108	3,054,678	(3,592,989)	0	0	173,934	877,402
Columbus Southern Power Co - Generation		9,504,779		8,751,162	178,151	577,379	(694,189)	0	0	33,426	105,468
Columbus Southern Power Co - Transmission		1,796,351		1,653,922	35,925	100,183	(129,309)	0	0	6,261	22,061
Conesville Coal Preparation Company		2,131,049		1,953,082	68,253	130,185	(153,401)	0	0	7,427	42,465
Cook Coal Terminal		1,368,959		1,260,417	46,813	65,687	(89,543)	0	0	4,771	39,728
CSW Energy, Inc.		8,356,448		7,695,721	466,869	536,979	(603,171)	0	0	29,131	431,108
Elmwood		1,878,726		1,729,765	0	112,220	(135,237)	0	0	6,548	(16,469)
Houston Pipeline (HPL)		93,805,372		86,367,703	2,457,468	5,750,663	(6,754,477)	0	0	326,935	1,780,639
Indiana Michigan Power Co - Distribution		39,899,234		34,926,964	1,659,146	3,870,600	(4,204,485)	0	0	207,927	1,260,188
Indiana Michigan Power Co - Generation		100,950,210		100,872,473	4,084,720	6,961,131	(7,086,466)	0	0	381,841	3,441,226
Indiana Michigan Power Co - Nuclear		20,571,001		18,939,961	592,201	1,267,889	(1,480,774)	0	0	71,695	301,010
Indiana Michigan Power Co - Transmission		39,077,855		35,978,438	900,573	2,403,832	(2,481,964)	0	0	156,186	707,637
Kentucky Power Co - Distribution		20,369,710		18,753,710	454,765	1,246,523	(1,466,213)	0	0	70,980	309,057
Kentucky Power Co - Generation		6,209,850		5,717,481	180,025	386,593	(447,007)	0	0	21,643	141,354
Kentucky Power Co - Transmission		6,773,382		6,236,332	155,836	414,309	(487,572)	0	0	23,607	108,180
Kingsport Power Co - Distribution		1,237,389		1,139,270	28,937	75,723	(89,072)	0	0	4,313	19,902
Kingsport Power Co - Transmission		30,037,568		28,000,368	1,692,572	1,894,395	(2,205,402)	0	0	106,779	1,778,244
Manco		126,066,736		116,071,118	2,655,032	7,716,771	(9,074,726)	0	0	439,373	1,846,441
Ohio Power Co - Distribution		124,543,058		114,760,322	2,026,159	7,633,122	(8,972,254)	0	0	434,411	1,821,437
Ohio Power Co - Generation		29,087,061		26,701,825	714,875	1,791,450	(2,003,656)	0	0	101,379	513,948
Ohio Power Co - Transmission		0		0	0	0	0	0	0	0	0
Price River Coal Co.		94,054,947		77,390,373	2,467,145	5,201,812	(6,050,576)	0	0	282,952	1,811,333
Public Service Co of Oklahoma - Distribution		42,556,354		39,182,153	1,586,875	2,641,257	(3,063,358)	0	0	149,319	1,035,093
Public Service Co of Oklahoma - Generation		9,836,747		9,056,800	278,969	607,278	(708,004)	0	0	34,283	212,446
Public Service Co of Oklahoma - Transmission		759,671		691,152	43,205	43,205	(54,036)	0	0	2,616	(8,215)
Southern Ohio Coal - Meritaka		2,677,788		322,307	0	153,910	(192,325)	0	0	9,312	(27,003)
Southern Ohio Coal - Meigs		56,655,268		52,071,096	1,624,671	3,502,246	(4,071,051)	0	0	197,109	1,262,875
Southwestern Electric Power Co - Distribution		29,597,752		27,251,001	845,259	1,933,121	(2,130,553)	0	0	103,155	651,022
Southwestern Electric Power Co - Generation		9,313,793		8,575,318	279,825	577,923	(670,440)	0	0	32,461	219,768
Southwestern Electric Power Co - Texas - Transmission		27,774,504		25,572,384	949,058	1,729,910	(1,999,314)	0	0	96,801	776,455
Southwestern Electric Power Co - Transmission		9,491,500		8,738,935	213,721	579,690	(683,232)	0	0	33,080	143,249
Water Transportation (Laitlin)		253,956		233,921	0	14,513	(18,281)	0	0	885	(2,883)
Wheeling Power Co - Distribution		546,702		503,355	0	31,694	(39,354)	0	0	1,905	(6,593)
Wheeling Power Co - Transmission		0		0	0	0	0	0	0	0	0
Windest Coal Co.		\$2,351,354,618		\$2,164,919,698	\$87,004,407	\$45,313,692	(\$169,256,021)	\$0	\$0	\$8,195,044	\$8,195,044
Total											

V:\American Electric Power Co - 1027250302\ETP\Private\Case\KQ\NUM\2018 PRRY Expense by Location REV-11/2018 FC

2009 Actuarial Reports

Exhibit HEM-3 includes the following 2009 AEP Actuarial Reports:

- Exhibit HEM-3A Qualified Pension
- Exhibit HEM-3B Supplemental Pension
- Exhibit HEM-3C Non-UMWA Postretirement

*American Electric Power System
Retirement Plan*


Actuarial Valuation Report

Pension Cost for Fiscal Year Ending December 31, 2009

Employer Contributions for Plan Year Beginning January 1, 2009

April 2009

This report is confidential and intended solely for the information and benefit of the immediate recipient thereof. It may not be distributed to a third party unless expressly allowed under the "Actuarial Certification, Reliances and Distribution" section herein.



**TOWERS
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Management Summary of Valuation Results

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Financial Results

This report summarizes financial results for American Electric Power System's Retirement Plan based on actuarial valuations for fiscal 2009 (fiscal year ending December 31, 2009) and fiscal 2008 and for plan year 2009 (plan year beginning January 1, 2009) and plan year 2008.

FAS 87 Pension Cost	Fiscal 2009	Fiscal 2008
Amount	\$ 86,074,595	\$ 41,836,053
FAS 87 Funded Position	January 1, 2009	January 1, 2008
Projected benefit obligation [PBO]	\$ 4,232,544,398	\$ 4,157,050,273
Fair value of assets [FV]	3,156,051,105	4,491,367,256
Overfunded (underfunded) PBO	(1,076,493,288)	334,316,983
PBO funded percentage [FV ÷ PBO]	74.6%	108.0%
Employer Contributions	Plan Year 2009	Plan Year 2008
Minimum funding requirement	\$	\$ 119,031,550
Remaining cash requirement (assuming sponsor uses available credit balance)		0
Maximum deductible contribution*		1,889,731,808
ERISA Funded Position		
Funding target	\$	\$ 4,090,259,584
Net actuarial value of assets		3,611,433,814
Funding shortfall/(excess assets)		478,825,770
Funding target attainment percentage for participant funding notice	%	88.3%
Actuarial value of assets	\$	\$ 4,470,956,535
Actuarial value of assets as a percentage of funding target	%	109.3%

* Estimated amount, pending issuance of Treasury/IRS guidance.

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FAS 87 Pension Cost and Funded Position

The cost of the pension plan is determined in accordance with FAS 87. The fiscal 2009 pension cost for the plan is \$86,074,595, or 5.3% of covered pay.

Under FAS 87, as amended by FAS 158, the funded position (projected benefit obligation, or "PBO," less the fair value of plan assets) of each pension plan at fiscal year-end is required to be reported as an asset (for overfunded plans) or a liability (for underfunded plans). The PBO is the actuarial present value of benefits attributed to service rendered prior to the measurement date, measured using expected future pay increases for pay-related plans. The plan's overfunded (underfunded) PBO as of January 1, 2009, was (\$1,076,493,288), based on the fair value of plan assets of \$3,156,051,105 and the PBO of \$4,232,544,393.

Fiscal year-end financial reporting and disclosures are prepared before detailed participant data and the full valuation results are available. Therefore, the postretirement benefit asset (liability) at December 1, 2008, was derived from January 1, 2008, valuation results. The fiscal year-end 2009 financial reporting information will be developed based on the results of the January 1, 2009, valuation, rolled forward to the end of 2009 and adjusted for the year-end discount rate and asset values, as well as significant changes in plan provisions and participant population.

Change in Pension Cost and Funded Position

The pension cost increased from \$41,836,053 in fiscal 2008 to \$86,074,595 in fiscal 2009 and the funded position decreased from \$334,316,983 on January 1, 2008, to \$(1,076,493,288) on January 1, 2009, as set forth below:

	Pension Cost	Funded Position
Prior year	\$ 41,836,053	\$ 334,316,983
Change due to:		
‣ Expected based on prior valuation and contributions	(9,374,665)	(7,301,616)
‣ Unexpected noninvestment experience	1,362,998	(15,073,111)
‣ Unexpected investment experience	51,301,808	(1,382,416,106)
‣ Assumption changes	948,401	(6,019,438)
‣ Plan amendments	<u>0</u>	<u>0</u>
Current year	\$ 86,074,595	\$ (1,076,493,288)

Significant reasons for these changes include the following:

- The return on the fair value of plan assets since the prior measurement date was less than expected, which decreased the funded position.
- The plan experienced demographic losses primarily due to (i) fewer terminations and retirements than expected and (ii) fewer retiring and terminating participants electing a lump sum form of payment than expected.
- The healthy mortality tables updated to the 2009 IRS Applicable mortality tables required to be used by the IRS for funding purposes.

MS-4

History of Pension Cost and Funded Position

The following table shows the history of the plan's pension cost and funded position.

History of Pension Cost and PBO Funded Percentage				
<i>Fiscal year</i>	<i>----- Pension cost -----</i>			
	<i>Amount</i>	<i>Percent of covered pay</i>	<i>Funded position</i>	<i>Discount rate</i>
2009	\$ 86,074,595	5.3%	(1,076,493,288)	6.00%
2008	41,836,053	2.7	334,316,983	6.00
2007	40,454,930	2.8	299,752,151	5.75
2006	61,344,648	4.4	(45,745,159)	5.50
2005	52,038,709	3.7	(567,199,238)	5.50

Basis for Valuation

Economic Assumptions

The discount rate for pension cost purposes is the rate at which the pension obligations could be effectively settled. This rate is developed from yields on available high-quality bonds and reflects the plan's expected cash flows.

The assumed rate of return on assets and salary increase rate assumptions both reflect long-term expectations. The assumed rate of return on assets for pension cost purposes is the weighted average of expected asset returns. The salary increase rate is based on current expectations of future pay increases. The assumptions selected by American Electric Power for pension cost purposes are:

	December 31, 2008	December 31, 2007
Discount rate	6.00%	6.00%
Rate of return on assets	8.00%	8.00%
Salary increase rate	Rate vary by age from 5.0% to 11.5%	Rate vary by age from 5.0% to 11.5%

Assumptions used to determine statutory contribution limits must be reasonable taking into account the experience of the plan and reasonable expectations. However, certain assumptions (such as interest and mortality) are either prescribed by the IRS or are subject to IRS approval. The interest rates used to determine the funding target and target normal cost are based on a high-quality corporate bond yield curve. The assumptions for contribution purposes are:

	January 1, 2009	January 1, 2008
Effective interest rate		5.93%
Salary increase rate	Rate vary by age from 5.0% to 11.0%	Rate vary by age from 5.0% to 11.0%

Other Assumptions

The mortality basis used to calculate fiscal 2009 pension cost and the plan year 2009 funding target and minimum required contribution was updated to RP2000 with projections to 2016 for annuitants and 2024 for nonannuitants.

MS-10

Actuarial Certification, Reliances and Distribution

American Electric Power retained Towers Perrin to perform a valuation of its pension plan for the purpose of determining (1) its pension cost in accordance with FAS 87 and (2) the minimum required and maximum tax-deductible contributions in accordance with ERISA and allowed by the Internal Revenue Code. This valuation has been conducted in accordance with generally accepted actuarial principles and practices.

The consulting actuaries are members of the Society of Actuaries and other professional actuarial organizations and meet their "Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States" relating to pension plans.

In preparing the results presented in this report, we have relied upon information provided to us regarding plan provisions, plan participants and plan assets. We have reviewed this information for reasonableness and consistency, but have neither audited nor independently verified this information. The accuracy of the results presented in this report is dependent upon the accuracy and completeness of the underlying information.

The actuarial assumptions and the accounting policies and methods employed in the development of the pension cost have been selected by the plan sponsor, with the concurrence of Towers Perrin. FAS 87 requires that each significant assumption "individually represent the best estimate of a particular future event."

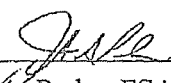
To the extent not prescribed by ERISA, the Internal Revenue Code and regulatory guidance from the Treasury and the IRS, the funding methods (including asset valuation method, choice among prescribed interest rates and choice among prescribed mortality tables) employed in the development of the contribution limits have been selected by the plan sponsor, with the concurrence of Towers Perrin. To the extent not prescribed by ERISA, the Internal Revenue Code and regulatory guidance from the Treasury and the IRS, the actuarial assumptions employed in the development of the contribution limits have been selected by Towers Perrin, with the concurrence of the plan sponsor. Other than prescribed assumptions, ERISA and the Internal Revenue Code require the use of assumptions each of which is "reasonable (taking into account the experience of the plan and reasonable expectations), and ... which, in combination, offer the actuary's best estimate of anticipated experience under the plan."

The results shown in this report have been developed based on actuarial assumptions that, to the extent evaluated or selected by Towers Perrin, are considered to be reasonable and within the "best-estimate range" as described by the Actuarial Standards of Practice. Other actuarial assumptions could also be considered to be reasonable and within the best-estimate range. Thus, reasonable results differing from those presented in this report could have been developed by selecting different points within the best-estimate ranges for various assumptions.

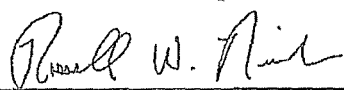
The information contained in this report was prepared for the internal use of American Electric Power and its auditors in connection with our actuarial valuation of the pension plan. It is neither intended nor necessarily suitable for other purposes. American Electric Power may also distribute this actuarial valuation report to the appropriate authorities who have the legal right to require American

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Electric Power to provide them this report, in which case American Electric Power will use best efforts to notify Towers Perrin in advance of this distribution. Further distribution to, or use by, other parties of all or part of this report is expressly prohibited without Towers Perrin's prior written consent.



Joseph A. Perko, FSA, MAAA, EA
Towers Perrin



Russell W. Niswander, FSA, MAAA, EA

April 2009

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SI-2

Basic Results for Pension Cost and Funded Position

	Fiscal 2009	Fiscal 2008
Service Cost		
Amount	\$ 102,723,635	\$ 98,632,166
Obligations		
Accumulated benefit obligation [ABO]:		
▶ Participants currently receiving benefits	\$ 1,916,732,391	\$ 1,902,789,986
▶ Deferred inactive participants	232,490,752	237,299,967
▶ Active participants	<u>1,974,284,956</u>	<u>1,903,216,601</u>
Total ABO	\$ 4,123,508,099	\$ 4,043,306,554
Obligation due to future salary increases	<u>109,036,294</u>	<u>113,743,719</u>
Projected benefit obligation [PBO]	\$ 4,232,544,393	\$ 4,157,050,273
Assets		
Fair value [FV]	\$ 3,156,051,105	\$ 4,491,367,256
Unamortized investment losses (gains)	<u>1,051,533,364</u>	<u>(113,485,934)</u>
Market-related value	\$ 4,207,584,469	\$ 4,377,881,322
Funded Position		
Overfunded (underfunded) PBO	\$ (1,076,493,288)	\$ 334,316,983
PBO funded percentage	74.57%	108.04%
Amounts Not Yet Recognized in Net Periodic Cost		
Net actuarial loss (gain)	\$ 2,021,497,870	\$ 652,412,995
Prior service cost (credit)	10,356,988	10,467,645
Transition obligation (asset)	<u>0</u>	<u>0</u>
Total	\$ 2,031,854,858	\$ 662,880,640

Key Economic Assumptions	Fiscal 2009	Fiscal 2008
Discount rate	6.00%	6.00%
Rate of return on assets	8.00%	8.00%
Salary increase rate	Rates vary by age from 5.0% to 11.5%	Rates vary by age from 5.0% to 11.5%

The results above may differ from the amounts disclosed in AEP's 2008 financial statements because disclosures are prepared before the corresponding valuation results are available.

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Pension Cost

	Fiscal 2009	Fiscal 2008
Pension Cost		
Service cost	\$ 102,723,635	\$ 98,632,166
Interest cost	248,651,629	244,457,540
Expected return on assets	(321,393,288)	(335,788,090)
Amortization:		
‣ Transition obligation (asset)	0	0
‣ Prior service cost (credit)	111,658	110,658
‣ Net loss (gain)	<u>55,980,961</u>	<u>34,423,779</u>
Pension cost	\$ 86,074,595	\$ 41,836,053
Percent of covered pay	5.3%	2.7%
Per active participant	\$ 4,192	\$ 2,088
Change in Pension Cost		
Pension cost for fiscal 2008	\$ 41,836,053	
Change from fiscal 2008 to fiscal 2009:		
‣ Expected based on prior valuation	(9,374,665)	
‣ Loss (gain) from noninvestment experience	1,362,998	
‣ Loss (gain) from asset experience	51,301,808	
‣ Assumption changes	948,401	
‣ Plan amendments	<u>0</u>	
Pension cost for fiscal 2009	\$ 86,074,595	

Present Value of Accumulated Plan Benefits for FAS 35

	January 1, 2009	January 1, 2008
Actuarial Present Value of Accumulated Plan Benefits		
Vested benefits:		
▶ Participants currently receiving benefits	\$ 1,665,510,496	\$ 1,651,733,748
▶ Other participants	<u>1,860,424,545</u>	<u>1,772,347,576</u>
▶ Total vested benefits	\$ 3,525,935,041	\$ 3,424,081,324
Nonvested benefits	<u>45,840,797</u>	<u>40,367,425</u>
Total accumulated benefits	\$ 3,571,775,838	\$ 3,464,448,749
Market value of assets	3,156,051,105	4,491,367,256

Key Assumptions

Interest rate	8.00%	8.00%
Average retirement age	60	60
Mortality	2009 IRS AMT	2008 IRS AMT

Change in Actuarial Present Value of Accumulated Plan Benefits

Actuarial present value of accumulated plan benefits as of January 1, 2008	\$ 3,464,448,749
Change from 2008 to 2009:	
▶ Additional benefits accumulated (including the effect of noninvestment experience)	366,713,805
▶ Benefits paid	(288,688,135)
▶ Assumption changes	29,301,419
▶ Plan amendments	<u>0</u>
Actuarial present value of accumulated plan benefits as of January 1, 2009	\$ 3,571,775,838

Actuarial Assumptions and Methods

	Pension Cost		Contributions
Economic Assumptions			
Discount rate	6.00%		N/A
Return on assets	8.00%		N/A
Funding interest rate basis:			
▶ Applicable month	N/A		
▶ Yield curve basis	N/A		
▶ Transition from current liability rates	N/A		No
Funding interest rates:			
▶ First segment rate (10-year rate)	N/A		%
▶ Second segment rate (20-year rate)	N/A		%
▶ Third segment rate (30-year rate)	N/A		%
▶ Effective interest rate	N/A		%
Annual rates of increase			
▶ Total compensation	<i>Age</i>	<i>Rate</i>	<i>Rate</i>
	< 25	11.50%	11.50%
	25 – 34	9.50%	9.50%
	35 – 44	6.50%	6.50%
	> 45	5.00%	5.00%
▶ Cash balance crediting rate	5.25%		5.50%
▶ Lump sum conversion rate	6.50%		6.50%
▶ Future Social Security wage bases	4.00%		4.00%
▶ Statutory limits on compensation and benefits	3.00%		N/A

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Demographic Assumptions

	Pension Cost	Contributions
Preretirement Healthy Mortality	RP2000, projected to 2024	RP2000, projected to 2024
Postretirement Healthy Mortality	RP2000, projected to 2016	RP2000, projected to 2016
Disabled Mortality	RP2000 disabled retiree, no projection	Post-1994 current liability disabled

Termination Rates varying by age and service:

<i>Age</i>	<i>Less than five years of service</i>	<i>Five or more years of service</i>
<25	12.50%	10.00%
25-30	12.50%	6.00%
30-35	12.50%	5.00%
35-40	12.50%	3.50%
>40	12.50%	3.00%

Retirement Rates varying by age; average retirement age 60:

<i>Age</i>	<i>Rate</i>
55-57	7.5%
58-60	15.0%
61-63	35.0%
64-65	25.0%
66-69	20.0%
70+	100%

Form of payment 75% lump sum; 25% annuity.

Percent married 80% of male participants; 70% of female participants.

Spouse ages Wives are assumed to be three years younger than husbands.

Valuation pay 2009 Base Salary Pay (Grandfathered) – estimated as 2008 Base Pay updated one year according to the salary increase assumption.

2009 Expanded Pay (Cash Balance) – sum of the following updated one year according to the salary increase assumption:

- (i) 2008 base salary
- (ii) A 12% increase for overtime eligible employees and a target bonus percent increase for incentive-eligible employees.

Actuarial Methods

Pension cost:

- ▶ Service cost and projected benefit obligation Projected unit credit.

 - ▶ Market-related value of assets The market value on the valuation date less the following percentages of prior years' investment gains and losses:
 - 80% of the prior year
 - 60% of the second prior year
 - 40% of the third prior year
 - 20% of the fourth prior year.
- The investment gain or loss is calculated each year by:
- Rolling forward the prior year's fair value of assets with actual contributions, benefit payments and expected return on investments using the long-term yield assumption
 - Comparing the actual fair value of assets to the expected value calculated above.
- Contributions:
- ▶ Funding target and target normal cost Present value of accrued benefits.

 - ▶ Actuarial value of assets Average of the fair market value of assets on the valuation date and the six immediately preceding months, adjusted for contributions, benefit/expense payments and expected investment returns. The average asset value must be within 10% of fair value, including contributing receivable.

Benefits Not Valued

- All benefits were valued except:
- Any liabilities that may be reinstated in the event of reemployment
 - The alternate benefit formula for members who did not elect to withdraw their contributions
 - Any liabilities relating to member's unwithdrawn contributions
 - Liabilities related to special benefits as a result of termination due to restructuring or downsizing.

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Change in Assumptions and Methods Since Prior Valuation

Pension cost	The mortality table used to value the benefit obligations was updated from the RP2000 with projections to 2015 for annuitants and to 2023 for nonannuitants to RP2000 with projections to 2016 for annuitants and to 2024 to nonannuitants.
Contributions	The funded interest rate was changed from segment rates as of October 2007 to . The required mortality table used to value the funding target and target normal cost was updated to include one additional year of projected mortality improvements.

Data Sources

Towers Perrin used participant and asset data as of January 1, 2009, supplied by AEP. Data were reviewed for reasonableness and consistency, but no audit was performed. Assumptions or estimates were made by Towers Perrin actuaries when data were not available. We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations.

Participant Data

	January 1, 2009	January 1, 2008
Active		
Number	20,533	20,036
Average age	47.1	47.2
Average past service	18.2	18.5
Average future service	9.8	9.8
Covered pay:		
‣ Total	\$ 1,624,499,706	\$ 1,531,474,265
‣ Average	79,117	76,436
Deferred Inactive		
Number	5,355	5,540
Average age	52.5	51.8
Annual benefits:		
‣ Total	\$ 41,131,607	\$ 44,473,862
‣ Average	7,681	8,028
Currently Receiving Benefits		
Number	15,047	15,023
Average age	73.7	73.5
Annual benefits:		
‣ Total	\$ 203,104,413	\$ 195,894,949
‣ Average	13,498	13,040
Total Participants Included in Valuation		
Number	40,935	40,599

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Analysis of Inactive Participant Data

Deferred Inactive

<i>Age last birthday</i>	<i>Number</i>	<i>Annual benefit</i>	<i>Average annual benefit</i>
< 40	143	\$ 1,063,416	\$ 7,436
40 – 44	371	2,572,437	6,934
45 – 49	1,110	7,911,903	7,128
50 – 54	1,655	13,223,366	7,990
55 – 59	1,296	10,504,444	8,105
60 – 64	721	5,401,988	7,492
> 64	59	454,052	7,696
Total	5,355	\$ 41,131,607	\$ 7,681

Currently Receiving Benefits

<i>Age last birthday</i>	<i>Number</i>	<i>Annual benefit</i>	<i>Average annual benefit</i>
< 55	106	\$ 420,102	\$ 3,963
55 – 59	587	7,836,575	13,350
60 – 64	2,028	36,842,320	18,167
65 – 69	2,645	32,443,036	12,266
70 – 74	2,691	36,989,289	13,746
75 – 79	2,592	37,091,985	14,310
> 79	4,398	51,481,106	11,706
Total	15,047	\$ 203,104,413	\$ 13,498

Active Participant Data by Age and Service
American Electric Power System Retirement Plan
2009 Projected Pay

Age Nearest Birthday	Completed Years of Service											Total			
	0	1-4	5-9	10-14	15-19	20-24	25-29	30-34	Over 35						
0-24	Number	419	7												426
	Avg Pay	47,992	49,662												48,020
25-29	Number	969	213	5											1,187
	Avg Pay	57,930	62,038	62,939											58,688
30-34	Number	852	469	141	3										1,465
	Avg Pay	61,912	72,052	71,592	58,742										66,084
35-39	Number	705	524	350	129	6									1,714
	Avg Pay	66,082	77,889	78,079	85,630	64,925									73,609
40-44	Number	524	438	348	558	346	15								2,229
	Avg Pay	68,021	80,828	81,693	87,870	83,978	75,658								80,169
45-49	Number	412	398	346	501	1,035	950	65							3,707
	Avg Pay	69,667	81,975	77,748	82,190	87,606	84,127	79,228							82,317
50-54	Number	264	299	214	379	752	1,380	56							4,376
	Avg Pay	74,747	85,187	76,710	81,466	83,794	89,253	80,697							85,007
55-59	Number	155	191	142	216	445	728	890	702						3,469
	Avg Pay	75,512	77,682	78,706	75,671	80,707	84,484	87,770	87,374						83,867
60-64	Number	75	106	78	91	187	249	272	708						1,766
	Avg Pay	80,887	83,814	71,591	73,020	78,928	84,079	82,349	90,375						84,518
65-69	Number	14	36	17	19	16	16	14	41						173
	Avg Pay	58,046	76,525	68,532	81,458	83,447	83,580	87,368							79,228
Over 69	Number	2	9	2	2	2	3	1							21
	Avg Pay	86,668	92,111	49,398	65,638	66,367	79,091	63,810							79,344
Total	Number	4,391	2,690	1,643	1,898	2,789	3,341	2,274	1,507						20,533
	Avg Pay	63,406	77,685	77,606	82,706	84,358	86,273	86,057	88,536						79,117

Average Age = 47.1 Average Service = 18.2



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Reconciliation of Participant Data

	<i>Active</i>	<i>Deferred inactive</i>	<i>Currently receiving benefits</i>	<i>Total</i>
Included in January 1, 2008 valuation	20,036	5,540	15,023	40,599
Change due to:				
‣ New hire and rehire	1,605	(33)	(3)	1,569
‣ Nonvested termination	(338)	0	0	(338)
‣ Vested termination	(106)	106	0	0
‣ Retirement	(247)	(179)	426	0
‣ Disability	0	0	0	0
‣ Death without beneficiary	(15)	(6)	(479)	(500)
‣ Death with beneficiary	(6)	(3)	9	0
‣ Cashout	(396)	(134)	0	(530)
‣ Miscellaneous	<u>0</u>	<u>64</u>	<u>71</u>	<u>135</u>
‣ Net change	497	(185)	24	336
Included in January 1, 2009 valuation	20,533	5,355	15,047	40,935

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Plan Provisions for Participants Covered by the Former East Retirement Plan

Effective Date	May 1, 1955. Restated effective January 1, 2009.
Recent Amendments	Effective as of January 1, 2009.
Covered Employees	Employees become Members of the Plan on the first day of the month following completion of one year of service.
Participation Date	Date of becoming a covered employee.
Definitions	
Grandfathered Employee	If, on December 31, 2000, either: <ul style="list-style-type: none">■ Participating in AEP Retirement Plan, or■ In one-year waiting period for AEP System Retirement Plan participation.
Vesting Service	A period of time from employment date to termination date and, in general, includes periods of severance that are not in excess of 12 months.
Accredited Service	Elapsed time from date of hire (from benefit service start date).
Final Average Pay	Average of the highest 36-consecutive months of base pay out of the last 120 months of employment, subject to IRS limits.
Cash Balance Pay	Pay received during the year, including base pay, overtime, shift differential/Sunday premium pay and incentive pay, subject to IRS limits.
Covered Compensation Amount	The average of the Social Security taxable wage base during the 35-year period including the year in which the participant retires, dies, becomes disabled or otherwise terminates employment. This monthly average is calculated to the next lower or equal whole dollar amount and is then rounded to nearest \$50.
Normal Retirement Date (NRD)	The first day of the calendar month whose first day is nearest the later of the member's 65 th birthday or the completion of five years of Vesting Service.

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Cash Balance Account Recordkeeping account to which annual interest credits and annual compensation credits is credited. The cash balance account is updated at the end of each plan year and is equal to:

Cash Balance Account as of the
End of the Prior Plan Year
+
Interest Credits
+
Company Credits

Cash Balance Benefit Cash Balance Account converted to a monthly annuity.

Opening Balance For those participating in or eligible for the AEP System Retirement Plan on December 31, 2000, opening balance is calculated as follows:

- Present value of monthly normal retirement benefit determined as of December 31, 2000, and payable at age 65 (or current age if older)
 - Present value determined based on 5.78% interest and IRS regulated mortality (GAM83 Unisex) data for lump sums (postretirement only)

Plus

- Credit for early retirement subsidy for monthly payments beginning at age 62 (or current age if older)

Plus

- Transition credit based on age, service and pay received in 2000 (see "Company Credits" for credit percentages)
 - Age and service based on completed whole years as of December 31, 2000.

For employees hired on or after January 1, 2001, opening balance is \$0.

Interest Credits

Interest credits are applied to beginning of year account balance on December 31 each year.

Based on the average 30-year Treasury Bond rate for November of the previous year.

Minimum of 4%.

SI-21

Company Credits Applied to account balance on December 31 or termination date if earlier.

Amount is a percentage of eligible pay received during the year, based on age plus years of Vesting Service (age and service in completed whole years as of December 31).

<i>Age Plus Years of Service</i>	<i>Annual Company Credit</i>
Less than 30	3.0%
30 – 39	3.5%
40 – 49	4.5%
50 – 59	5.5%
60 – 69	7.0%
70+	8.5%

Monthly Grandfathered Benefit Sum of (1)+(2)+(3):

- (1) 1.1% of Final Average Pay x Accredited Service up to 35 years
- (2) 0.5% of Final Average Pay Less Covered Compensation x Accredited Service up to 35 years
- (3) 1.33% of Final Average Pay x Accredited Service between 35 and 45 years.

Service continues to accrue and Final Average Pay grows through December 31, 2010.

Long-term Disability and Paid Leaves Compensation equal to base rate of pay as of disability date. Vesting service continues.

Unpaid Leave No compensation for annual compensation credit. Vesting service continues.

Eligibility for Benefits

Normal Retirement All members at or after their Normal Retirement Date.

SI-22

Vested	All members who terminate employment after completion of three years of Vesting Service, or upon death.
Early Retirement	Any time after attainment of age 55 and completion of five years of vesting.
Disability	All members who are unable to work at own occupation solely because of sickness or injury for the first 24 months of disability. After 24 months of disability, the participant is eligible if unable to work at any gainful occupation for which the participant may be able, or may reasonably become qualified by education, training or experience, to perform.
Surviving Spouse	The surviving spouse of a Grandfathered Member who retired or is eligible to retire on Normal or Early Retirement and who was married to that spouse for the year preceding commencement and whose grandfathered benefit exceeds his or her Cash Balance Benefit.
Preretirement Death	Beneficiary of deceased member.

Monthly Benefits Paid Upon the Following Events

Normal Retirement	For Grandfathered Employees, the better of the monthly grandfathered benefit or the Cash Balance Benefit determined as of Normal Retirement Date. For all other employees, the Cash Balance Benefit determined as of Normal Retirement Date.
Early Retirement	For Grandfathered Employees, the better of: (1) The monthly grandfathered retirement benefit reduced by 3% per year for each year commencement precedes age 62, and (2) The Cash Balance Benefit determined as of the Early Retirement Date. For all other employees, the Cash Balance Benefit determined as of the Early Retirement Date.

SI-23

Deferred Vested Retirement	The accrued Normal Retirement Benefit (better of Cash Balance and Grandfathered Benefits, if eligible), payable at Normal Retirement Date or actuarially reduced and payable at any age.
Disability	<p>The greater of (1) or (2):</p> <p>(1) Accrued Grandfathered Retirement Benefit reduced as in the Early Retirement Benefit. If retirement occurs prior to age 55, the benefit is further reduced actuarially from age 55. The Disability Retirement Benefit will reflect Accredited Service that accrued (at most recent rate of base earnings) to a member while receiving benefits under the Company's LTD plan.</p> <p>(2) The Cash Balance Benefit with continued Company Credits while disabled.</p> <p>Benefit (1) applies for Grandfathered Employees only.</p>
Preretirement Death	<p>Better of (1) or (2):</p> <p>(1) The grandfathered monthly benefit as if the employee commenced a 60% qualified joint and survivor benefit at his earliest retirement date</p> <p>(2) Annuity equivalent of Cash Balance account, or the cash balance account.</p> <p>Benefit (1) applies for a Grandfathered Employee whose beneficiary is his or her spouse.</p>
Surviving Spouse Benefits	A benefit payable for life equal to 30% of the single life annuity payable to the grandfathered member. The spouse's benefit is actuarially reduced for each year by which the spouse is more than ten years younger than the member. Payable to Grandfathered Employees only.

SI-24

Form of Payment

■ Grandfathered Employees

The following are available for Grandfathered Employees for both the Grandfathered Benefit and the Cash Balance Benefit:

- Full lump sum payment.
- Combination of partial lump sum (25%, 50% or 75% of full lump sum) with remainder paid as a monthly benefit (see below).
- Monthly payment:
 - Single life annuity.
 - Optional joint annuities (spouse or other beneficiary).
 - Available in 40%, 50%, 60%, 75%, 100%.
 - Can elect pop-up and/or level income options.
 - Automatic company-paid 30% surviving spouse annuity included in Grandfathered Benefit annuity if terminate on or after age 55 and married at least one year. Cash Balance Benefit is actuarially reduced for this feature.

■ Employees Hired on or After January 1, 2001

The following are available for those hired on or after January 1, 2001:

- Full lump sum payment.
- Combination of partial lump sum (25%, 50% or 75% of full lump sum) with remainder paid as a monthly benefit (see below).
- Monthly payment:
 - Single life annuity.
 - Joint annuities (spouse or other beneficiary).
 - Available in 50%, 75%, 100%.

Member Contributions

Prior to January 1, 1978, employee contributions were required as a condition of Membership. In May and June of 1981, Members were permitted an election to withdraw those contributions. Those who did not elect to withdraw have retirement benefits based on a formula that differs from the formulas previously described in this section. However, the number of nonelecting Members is so small that special plan provisions for that group have not been included in this summary.

Benefits Not Valued

A small portion of the population made employee contributions to the plan. Because the amount of these contributions is not material to the plan, they are not part of the valuation.

Participants who were employees of Columbus Southern Power (CSP) at the time AEP acquired that company have a frozen benefit under the CSP benefit formula at December 31, 1986. Benefits for these participants are the greater of an all-service AEP benefit and a two-part benefit consisting of the frozen CSP benefit plus an AEP benefit accrued from January 1, 1987. Because this applies to a small portion of the population and the CSP frozen benefit is not often the greater benefit for these participants, this benefit is not valued.

Future Plan Changes

No future plan changes were recognized in determining pension cost. Towers Perrin is not aware of any future plan changes that are required to be reflected.

Changes in Benefits Valued Since Prior Year

- ▶ Changes in the IRS pay cap and Section 415 limits.
- ▶ Effective January 1, 2009, the former Central and South West Cash Balance Plan was merged into one American Electric Power System Retirement Plan.

SI-26

Plan Provisions for Participants Covered by the Former West Retirement Plan

Effective Date	January 1940. Restated effective January 1, 2009.
Recent Amendments	Effective as of January 1, 2009.
Covered Employees	All full-time employees of a Participating Company employed by CSW before January 1, 2001, and not covered by a union (that has not bargained for coverage) or another pension plan provided by AEP. Part-time employees of the Company had to work more than 1,000 hours in the first anniversary year or subsequent calendar years.
Participation Date	Date of becoming a covered employee.
Definitions	
Grandfathered Employee	Employees who were at least age 50 with ten years of vesting service as of July 1, 1997.
Vesting Service	All service from date of hire in completed years.
Credited Service	The aggregate of: For the period prior to January 1, 1976: (1) The number of full years in the last continuous period that employee was a participant after June 30, 1970, plus (2) Credited service under any prior plan if service extended to July 1, 1970. For the period beginning on or after January 1, 1976, the number of full years of service.
Final Average Pay	Highest average annual earnings (base pay only) during any 36 consecutive months in the 120 months before retirement. Any changes in earnings within the last three months before retirement will not be taken into account.
Cash Balance Pay	Pay received during the year, including base pay, overtime, shift differential/Sunday premium pay and incentive pay, subject to IRS limits.
Normal Retirement Date (NRD)	The first day of the calendar month on or following the member's 65 th birthday.

SI-27

Cash Balance Account Recordkeeping account to which annual interest credits and annual compensation credits are credited. The cash balance account is updated at the end of each plan year and is equal to:

$$\begin{aligned}
 &\text{Cash Balance Account as of the} \\
 &\quad \text{End of the Prior Plan Year} \\
 &\quad + \\
 &\quad \text{Interest Credits} \\
 &\quad + \\
 &\quad \text{Company Credits}
 \end{aligned}$$

Cash Balance Benefit Cash Balance Account converted to a monthly annuity.

Interest Credits Interest credits are applied to beginning of year account balance on December 31 each year.

Based on the average 30-year Treasury Bond rate for November of the previous year.

Minimum of 4%.

Company Credits Applied to account balance on December 31 or date of termination if earlier.

Amount is a percentage of eligible pay received during the year, based on age plus years of Vesting Service (age and service in completed whole years as of December 31).

<i>Age Plus Years of Service</i>	<i>Annual Company Credit</i>
Less than 30	3.0%
30 – 39	3.5%
40 – 49	4.5%
50 – 59	5.5%
60 – 69	7.0%
70+	8.5%

SI-28

Monthly Grandfathered Benefit

Greater of (1) or (2) below with automatic cost of living adjustments upon retirement:

- (1) Basic benefit — An annual amount equal to:
The aggregate of a participant's (a) earned benefit (if any) under any prior plan or acquired Company pension plan under which no election was made to receive a paid-up annuity; and (b) participant contributions without interest for the period commencing on or after July 1, 1970. For the period after September 1, 1980, participants will be deemed to have made contributions at the rate of 2% annually of the participant's annual rate of earnings as of January 1.
- (2) Minimum benefit:
1-2/3% of final average annual earnings less 50% of participant's annual primary Social Security benefit times years of credited service up to 30 years.

Minimum Benefits

The benefit payable will never be less than the frozen accrued benefit as of July 1, 1997, under the prior plan.

Primary Social Security Benefit

The annual amount payable under the Social Security Act as amended in effect at the employee's date of retirement. The date as of which the amount is to be determined is:

- (1) In the case of an employee (including deferred vested employees) retiring on or after normal retirement date, normal retirement date.
- (2) In the case of an employee retiring prior to normal retirement date, the later of employee's 62nd birthday or actual retirement date.

Early retirees and deferred vested employees are assumed to have no earnings after termination in determining the amount of this benefit.

Long-term Disability and Paid Leaves

Compensation equal to the base rate of pay as of disability date. If a participant became disabled prior to January 1, 2003, compensation for the cash balance formula is equal to the greater of the compensation for the calendar year before the disability and the year in which the disability benefits began. For the grandfathered formula, the final average pay will be determined as of the date on which the participant became disabled. Vesting service continues.

SI-29

Unpaid Leave	No compensation for annual compensation credit. Vesting service continues.
Eligibility for Benefits	
Normal Retirement	All participants at or after their normal retirement date.
Vested	The participant's cash balance account is 100% vested when any one of the following applies: <ol style="list-style-type: none">(1) Three years of vesting service(2) Attainment of age 55 while an employee(3) Death prior to termination(4) Upon disability.
Early Retirement	Any time after attainment of age 55 and completion of 15 years of vesting service.
Disability	All participants who become permanently and totally disabled. Permanent and total disability is determined by reference to the LTD plan covering that participant.
Surviving Spouse	The surviving spouse of a participant who retired or is eligible to retire on normal or early retirement.
Preretirement Death	Beneficiary of participant who dies after becoming vested.

SI-30

Monthly Benefits Paid Upon the Following Events

Normal Retirement

Grandfathered employees must elect either the cash balance or the grandfathered formula. For purposes of this valuation, the employee is assumed to elect the formula with the higher present value. Employees with a prior plan frozen benefit get the better of the cash balance benefit and the prior plan frozen benefit. For all other employees, the Cash Balance Benefit is determined as of Normal Retirement Date.

Early Retirement

Greater of (1) if applicable or (2):

- (1) The grandfathered accrued benefit and the prior plan frozen are payable subject to reduction according to the following schedule if payments commence prior to the normal retirement date.

<i>Age at Retirement</i>	<i>Percent of Benefit Payable</i>
64	100%
63	100%
62	100%
61	95%
60	90%
59	84%
58	78%
57	72%
56	66%
55	60%

- (2) The Cash Balance Benefit determined as of the Early Retirement Date.

Deferred Vested Retirement

Greater of (1) if applicable or (2):

- (1) Grandfathered accrued benefit payable at age 65, or if earlier reduced 5% per year from age 65, 6% per year from age 60 and 7.5% per year compounded from age 55.
- (2) Vested cash balance account.



SI-31

Disability Retirement

The greatest of grandfathered accrued benefit, if eligible, based on projected service and frozen pay deferred to age 65, prior plan frozen benefit if eligible and cash balance account with continued pay credits.

Preretirement Death

If the beneficiary is the spouse and the participant is a grandfathered/protected plan participant, then:

- (1) For an active participant who dies on or after 55th birthday but before retirement, a monthly benefit equal to 50% of the benefit accrued to the date of death without reduction for early retirement is payable immediately as a life annuity to a qualifying spouse.
- (2) For an active participant who dies after completing five or more years of vesting service but before age 55, a deferred monthly benefit equal to 50% of the benefit accrued to the date of death reduced as for early retirement is payable as a life annuity to a qualifying spouse. Benefit commencement is deferred to when the deceased participant would have attained age 55.
- (3) For a deferred vested participant who dies before benefits commence, a monthly benefit equal to 50% of the deferred vested benefit reduced for early commencement (as for deferred vesteds) is payable as a life annuity to a qualifying spouse. If death occurs before age 55, the benefit to the spouse is deferred to when the deceased participant would have attained age 55.

The spouse's benefit is actuarially reduced for each year by which the spouse is more than five years younger than the participant.

For all employees, the minimum benefit is the cash balance account immediate annuity, which is also payable if the beneficiary is not the participant's spouse.

SI-32

Form of Payment

The following are available for those participants who did not work an hour of service on or after January 1, 2003:

- Full lump sum payment.
- Monthly payment:
 - Single life annuity.
 - 50% joint annuity (spouse or other beneficiary).

The following are available for those participants who work an hour of service on or after January 1, 2003:

- Full lump sum payment.
- Combination of partial lump sum (25%, 50% or 75% of full lump sum) with remainder paid as a monthly benefit (see below).
- Monthly payment:
 - Single life annuity.
 - Joint annuities (spouse or other beneficiary).
 - Available in 50%, 75%, 100%.

Future Plan Changes

No future plan changes were recognized in determining pension cost. Towers Perrin is not aware of any future plan changes that are required to be reflected.

Changes in Benefits Valued Since Prior Year

- Changes in the IRS pay cap and Section 415 limits.
- Effective January 1, 2009, the former Central and South West Cash Balance Plan was merged into one American Electric Power System Retirement Plan.

ML-1

AMERICAN ELECTRIC POWER SYSTEM
QUALIFIED RETIREMENT PLAN
SUMMARY OF PLAN PARTICIPANTS FOR THE 2009 VALUATION

Location	Vested Actives	Non-Vested Actives	Total Actives	Retirees Receiving Benefits	Beneficiaries	Deformed Vested	Total Inactives	Total Participants
AEP Energy Services, Inc.	4	0	4	3	0	38	41	45
AEP Pro Serv, Inc.	1	0	1	0	0	2	2	3
AEP T & D Services, LLC	0	0	0	0	0	0	0	0
American Electric Power Service Corporation	5,215	777	5,992	1,914	366	1,696	3,895	9,889
American Electric Power Co - Distribution	1,145	59	1,204	1,155	420	366	1,881	3,085
Appalachian Power Co - Generation	988	212	1,200	634	208	97	939	2,139
Appalachian Power Co - Transmission	173	19	192	87	11	11	119	311
C3 Communications, Inc.	0	0	0	0	0	14	14	14
Cardinal Operating Company	226	70	296	145	50	24	219	515
AEP Texas Central Company - Distribution	964	97	1,061	836	237	438	1,513	2,574
AEP Texas Central Company - Generation	1	0	1	73	66	232	371	372
AEP Texas Central Company - Nuclear	0	0	0	0	0	0	0	0
AEP Texas Central Company - Transmission	95	24	119	75	31	70	176	295
AEP Texas Central Company - Distribution	677	192	869	933	135	160	1,228	2,037
Columbus Southern Power Co - Distribution	292	56	348	343	61	85	489	839
Columbus Southern Power Co - Generation	51	8	59	7	19	12	104	163
Columbus Southern Power Co - Transmission	10	0	10	0	0	0	0	0
Conesville Coal Preparation Company	14	2	16	10	0	0	7	17
Cook Coal Terminal	17	1	18	4	0	23	29	47
CSW Energy, Inc.	96	39	135	3	0	3	6	141
Elmwood	0	0	0	0	0	0	0	0
EnterShop Inc.	656	71	727	693	287	164	1,124	1,851
Indiana Michigan Power Co - Distribution	415	36	451	254	82	175	511	962
Indiana Michigan Power Co - Generation	924	69	993	255	54	319	628	1,621
Indiana Michigan Power Co - Nuclear	141	26	167	84	10	17	111	278
Indiana Michigan Power Co - Transmission	285	20	305	160	87	70	317	622
Kentucky Power Co - Distribution	136	16	152	65	23	19	107	259
Kentucky Power Co - Generation	53	2	55	4	15	4	8	63
Kentucky Power Co - Transmission	44	5	49	44	15	20	79	128
Kingsport Power Co - Distribution	10	2	12	7	1	0	8	20
Kingsport Power Co - Transmission	389	313	701	2	0	10	12	713
AEP River Operations LLC	846	63	909	871	303	183	1,357	2,266
Ohio Power Co - Distribution	763	108	871	625	192	148	965	1,836
Ohio Power Co - Generation	199	29	228	107	35	17	159	387
Ohio Power Co - Transmission	674	116	790	461	210	220	911	1,701
Public Service Co of Oklahoma - Distribution	339	48	387	175	81	81	337	724
Public Service Co of Oklahoma - Generation	70	12	82	57	18	24	99	181
Public Service Co of Oklahoma - Transmission	469	56	525	201	92	65	378	903
Southwestern Electric Power Co - Distribution	473	46	519	192	65	69	346	865
Southwestern Electric Power Co - Generation	245	31	276	154	38	65	277	553
Southwestern Electric Power Co - Texas - Transmission	0	0	0	3	4	4	11	11
Southwestern Electric Power Co - Texas - Distribution	74	17	91	32	12	8	52	143
Ind Mich River Transp Lakin	252	80	332	112	37	29	178	510
AEP Texas North Company - Distribution	311	16	327	187	69	109	365	712
AEP Texas North Company - Generation	5	0	5	119	57	64	240	245
AEP Texas North Company - Transmission	46	4	50	25	12	6	44	94
Whopling Power Co - Distribution	61	1	62	58	29	9	96	168
Whopling Power Co - Transmission	0	0	0	5	9	1	15	15
Cedar Coal Co	0	0	0	77	36	11	124	124
Central Coal Company	0	0	0	0	0	0	0	0
Central Ohio Coal	0	0	0	65	14	0	117	117
Southern Ohio Coal - Mardinka	0	0	0	70	14	54	138	138
Southern Ohio Coal - Meigs	0	0	0	64	34	17	115	115
Windser	0	0	0	28	7	14	49	49
Price River Coal	0	0	0	15	2	7	24	24
Houston Pipeline (HPL)	0	0	0	2	0	34	36	36
Total	17,848	2,685	20,533	11,491	3,650	5,355	20,402	40,935

ML-2

AMERICAN ELECTRIC POWER SYSTEM - QUALIFIED RETIREMENT PLAN
FUNDED STATUS OF PRESENT VALUE OF ACCUMULATED PLAN BENEFITS (FAS 35) AS OF JANUARY 1, 2009

Location	Present Value of Vested Benefits	Present Value of Non-Vested Benefits	Present Value of Accumulated Plan Benefits	Market Value of Assets	Percent Funded
AEP Energy Services, Inc.	\$1,329,807	\$1,228	\$1,331,035	\$551,041	42.2%
AEP Pro Serv, Inc.	567,102	0	567,102	498,016	87.7%
AEP T & D Services, LLC	950,625,611	0	950,625,611	0	0.0%
American Electric Power Services Corporation	252,048,152	16,751,061	268,799,213	812,467,330	84.0%
Appalachian Power Co - Distribution	197,470,256	3,094,123	200,564,379	233,973,593	91.5%
Appalachian Power Co - Generation	34,078,062	665,410	34,743,472	173,868,737	65.4%
Appalachian Power Co - Transmission	533,570	0	533,570	30,695,253	88.3%
CS Communications, Inc.	52,248,445	1,035,610	53,277,055	662,781	124.2%
Cardinal Operating Company	231,687,115	928,170	232,595,285	48,113,821	86.6%
AEP Texas Central Company - Distribution	20,140,927	0	20,140,927	205,077,201	98.0%
AEP Texas Central Company - Generation	0	0	0	20,528,187	141.6%
AEP Texas Central Company - Nuclear	0	0	0	0	0.0%
AEP Texas Central Company - Transmission	26,512,312	149,379	26,661,691	24,037,302	90.2%
AEP Texas Central Company - Distribution	179,434,792	1,336,489	180,768,281	170,007,650	94.5%
AEP Texas Central Company - Generation	83,876,530	950,003	84,868,613	76,512,129	90.0%
AEP Texas Central Company - Transmission	18,637,928	143,177	18,781,105	18,266,004	97.2%
Columbus Southern Power Co - Generation	2,665,771	28,320	2,694,091	2,276,391	83.9%
Columbus Southern Power Co - Transmission	2,473,344	45,326	2,518,670	2,142,834	85.1%
Cook Coal Terminal	2,910,164	14,644	2,924,808	2,600,740	89.6%
CSW Energy, Inc.	1,290,016	110,073	1,400,119	563,035	40.0%
Elmwood	0	0	0	0	0.0%
EnerShop, Inc.	138,425,621	1,585,675	140,022,286	125,285,663	89.5%
Indiana Michigan Power Co - Distribution	77,124,177	1,411,507	78,535,684	70,439,060	89.7%
Indiana Michigan Power Co - Generation	130,453,135	2,001,005	132,454,140	111,420,505	83.6%
Indiana Michigan Power Co - Nuclear	27,896,603	401,673	28,298,276	24,733,398	87.5%
Indiana Michigan Power Co - Transmission	53,394,533	839,313	54,233,846	48,462,787	89.5%
Kentucky Power Co - Distribution	23,933,074	436,007	24,369,081	22,087,249	80.6%
Kentucky Power Co - Generation	5,605,979	163,062	5,769,041	4,900,270	84.9%
Kentucky Power Co - Transmission	10,300,665	116,175	10,416,840	9,232,256	88.6%
Kingsport Power Co - Distribution	2,536,397	46,023	2,582,420	2,117,704	81.6%
Kingsport Power Co - Generation	8,638,884	932,394	9,571,278	4,180,328	43.5%
Kingsport Power Co - Transmission	183,182,184	1,835,060	185,017,244	168,673,581	91.3%
AEP River Operations, LLC	173,231,509	2,445,746	175,677,255	154,873,913	88.2%
Ohio Power Co - Distribution	40,648,777	502,741	41,151,518	36,473,724	88.6%
Ohio Power Co - Generation	141,219,084	756,902	141,975,986	130,233,079	91.7%
Ohio Power Co - Transmission	61,305,923	484,641	61,790,564	55,793,083	90.2%
Public Service Co of Oklahoma - Distribution	16,682,589	123,695	16,806,284	14,672,141	87.4%
Public Service Co of Oklahoma - Generation	81,536,438	454,394	81,990,833	72,387,358	88.3%
Public Service Co of Oklahoma - Transmission	81,147,972	544,514	81,692,486	72,531,956	88.8%
Southwestern Electric Power Co - Distribution	46,126,344	202,122	46,328,466	40,991,046	88.3%
Southwestern Electric Power Co - Generation	438,063	0	438,063	426,124	97.3%
Southwestern Electric Power Co - Transmission	12,438,739	111,076	12,550,815	10,876,590	86.7%
Southwestern Electric Power Co - Distribution	22,016,099	561,310	22,577,409	18,635,169	82.5%
Southwestern Electric Power Co - Generation	56,330,673	285,400	56,616,073	51,134,765	90.3%
Southwestern Electric Power Co - Transmission	21,909,791	2,073	21,911,864	21,636,571	98.7%
AEP Texas North Company - Distribution	7,847,113	58,368	7,905,481	7,789,696	98.6%
AEP Texas North Company - Generation	13,070,321	117,060	13,187,381	12,389,828	94.6%
AEP Texas North Company - Transmission	998,328	0	998,328	930,516	93.2%
Wheeling Power Co - Distribution	2,811,132	0	2,811,132	2,605,539	95.9%
Wheeling Power Co - Generation	0	0	0	0	0.0%
Wheeling Power Co - Transmission	0	0	0	0	0.0%
Cedar Coal Co	7,678,230	0	7,678,230	8,159,469	106.3%
Central Coal Company	5,349,376	0	5,349,376	5,888,871	110.1%
Central Ohio Coal	8,661,284	0	8,661,284	9,216,939	106.4%
Southern Ohio Coal - Mariinka	2,671,317	0	2,671,317	3,052,905	118.0%
Southern Ohio Coal - Mlegs	431,553	0	431,553	369,030	85.5%
Windor	630,700	0	630,700	2,074,144	328.9%
Price River Coal	0	0	0	0	0.0%
Houston Pipeline (HPL)	0	0	0	0	0.0%
Total	\$3,525,955,041	\$45,940,797	\$3,571,775,838	\$3,156,051,105	88.4%

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AMERICAN ELECTRIC POWER SYSTEM - QUALIFIED RETIREMENT PLAN
SUMMARY OF FAS 97 VALUATION RESULTS AS OF JANUARY 1, 2009

Location	Actives	Number of Participants Deferred & Retirees	Total	Valuation Earnings	Service Cost	Accumulated Benefit Obligation	Projected Benefit Obligation	December 31, 2009 Funded Status
AEP Energy Services, Inc.	4	38	45	\$231,907	\$15,763	\$1,611,286	\$1,611,488	\$1,050,447
AEP Pw Serv, Inc.	1	2	3	167,952	14,500	645,110	693,321	105,305
AEP T & D Services, LLC	0	0	0	0	0	0	0	0
American Electric Power Service Corporation	5,902	1,696	9,888	546,600,397	33,916,009	1,112,121,928	1,156,734,902	344,267,575
Appalachian Power Co - Distribution	1,204	306	3,085	87,008,810	5,024,402	294,739,257	300,345,083	66,371,390
Appalachian Power Co - Generation	1,260	87	2,139	89,594,878	5,652,970	230,657,469	236,012,700	62,622,942
Appalachian Power Co - Transmission	192	21	311	14,712,597	1,012,272	40,304,795	41,130,795	10,523,542
C3 Communications, Inc.	0	0	0	0	0	726,446	726,446	63,664
Cardinal Operating Company	266	195	515	22,364,300	1,464,460	61,202,526	62,453,806	16,339,985
AEP Texas Central Company - Distribution	438	1,075	2,874	75,734,694	4,818,766	270,392,340	274,563,617	67,566,327
AEP Texas Central Company - Generation	1,061	139	372	64,660	1,515	25,049,695	25,057,873	(3,470,314)
AEP Texas Central Company - Nuclear	0	0	0	0	0	0	0	0
AEP Texas Central Company - Transmission	119	70	295	9,306,563	563,744	31,074,956	31,569,100	7,531,798
AEP Texas Central Company - Transmission	809	160	2,037	54,255,429	3,350,735	207,202,363	211,225,790	40,417,040
Columbus Southern Power Co - Distribution	350	404	639	26,743,462	1,800,033	97,197,398	98,665,017	22,350,888
Columbus Southern Power Co - Generation	59	12	92	4,372,300	204,057	21,405,648	21,755,457	3,487,373
Columbus Southern Power Co - Transmission	10	0	7	914,712	69,075	3,066,490	3,138,328	89,937
Conesville Coal Preparation Company	16	0	26	1,336,045	81,090	2,911,920	3,042,189	899,365
Coak Coal Terminal	18	25	47	2,382,804	111,201	3,588,798	3,763,564	1,193,224
CSW Energy, Inc.	135	3	141	5,623,300	311,411	1,632,459	1,935,631	1,372,596
Elmwood	0	0	0	0	0	0	0	0
EnergyShip, Inc.	727	164	960	51,985,059	3,362,519	159,901,259	163,921,730	38,636,075
Indiana Michigan Power Co - Distribution	451	175	336	35,927,244	2,428,860	91,490,756	93,374,783	22,935,723
Indiana Michigan Power Co - Generation	983	309	1,621	96,248,461	6,210,107	327,484,070	333,694,177	51,676,588
Indiana Michigan Power Co - Nuclear	167	17	278	12,479,992	613,621	32,636,476	33,899,069	8,666,471
Indiana Michigan Power Co - Transmission	305	87	622	22,166,353	1,505,451	62,351,325	63,744,565	15,281,978
Kentucky Power Co - Distribution	152	19	289	11,391,232	778,773	20,238,710	20,816,619	6,220,370
Kentucky Power Co - Generation	55	4	63	4,320,501	287,532	6,704,060	7,048,073	2,146,603
Kentucky Power Co - Transmission	49	20	123	3,392,943	220,887	12,051,688	12,218,511	2,986,252
Kingsport Power Co - Distribution	12	0	20	879,926	57,344	2,906,910	3,056,311	939,607
Kingsport Power Co - Transmission	701	103	2,265	45,891,163	2,314,419	11,595,783	13,824,540	9,664,212
AEP River Operations, LLC	900	163	1,174	62,034,323	4,060,495	212,128,969	216,239,711	47,356,130
Ohio Power Co - Distribution	871	148	1,836	65,104,401	4,262,909	203,194,947	206,846,886	51,871,173
Ohio Power Co - Generation	228	17	397	16,865,223	1,117,229	47,119,201	48,124,873	11,651,149
Ohio Power Co - Transmission	790	691	1,701	57,932,663	3,467,212	164,300,927	167,812,072	37,578,093
Public Service Co of Oklahoma - Distribution	387	01	724	30,080,361	1,962,190	71,004,782	73,496,425	17,643,392
Public Service Co of Oklahoma - Generation	92	24	161	6,510,630	397,422	19,403,660	19,844,005	5,171,864
Public Service Co of Oklahoma - Transmission	525	85	903	36,384,891	2,407,460	94,784,139	99,666,707	24,479,349
Southwestern Electric Power Co - Distribution	519	89	277	40,602,137	2,823,126	94,515,671	96,485,637	23,953,781
Southwestern Electric Power Co - Generation	276	85	192	19,900,986	1,264,592	53,092,269	54,897,205	13,906,159
Southwestern Electric Power Co - Texas - Distribution	0	4	7	0	0	537,268	537,268	111,164
Southwestern Electric Power Co - Texas - Transmission	91	8	143	7,344,695	455,523	14,394,339	14,673,600	3,797,010
Southwestern Electric Power Co - Transmission	332	29	510	20,166,550	1,138,790	26,104,102	28,069,305	9,433,135
Ind Mich River Transp Lnk	327	109	276	23,609,508	1,578,378	65,923,941	66,926,173	15,791,347
AEP Texas North Company - Distribution	5	04	176	232,333	17,614	25,571,957	25,581,354	3,644,793
AEP Texas North Company - Generation	50	6	36	3,941,804	246,331	0,273,566	8,519,752	1,721,146
AEP Texas North Company - Transmission	62	9	150	4,303,242	291,568	15,081,634	15,307,922	2,909,094
Wheeling Power Co - Distribution	0	1	14	0	0	1,132,952	1,132,952	202,430
Wheeling Power Co - Transmission	0	11	113	0	0	3,237,369	3,237,369	541,830
Cedar Coal Co	0	0	0	0	0	0	0	0
Central Coal Company	0	38	79	0	0	8,950,892	8,950,892	781,423
Central Ohio Coal	0	54	84	0	0	6,500,490	6,500,490	611,619
Southern Ohio Coal - Marietta	0	17	98	0	0	10,055,243	10,055,243	838,704
Southern Ohio Coal - Meigs	0	14	35	0	0	3,073,020	3,073,020	20,115
Windsor	0	7	17	0	0	513,479	513,479	144,448
Price River Coal	0	0	2	0	0	757,484	757,484	(1,316,660)
Houston Pipelines (HPL)	0	34	2	0	0	0	0	0
Total	20,533	5,855	15,047	\$1,624,499,707	\$102,723,635	\$4,123,508,099	\$4,232,544,393	\$1,076,493,269

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Location	Service Cost	Projected Benefit Obligation	Market-Related Value of Assets	Interest Cost	Expected Return on Assets	Amortization of Initial Transition (Asset) Obligation	Amortization of Prior Service Cost	Amortization of Gain/Loss Amortization	Net Periodic Pension Cost
American Electric Power System Qualified Retirement Plan 2009 Net Periodic Pension Cost	\$16,763	\$1,611,488	\$747,959	\$93,369	(\$57,133)	\$0	\$754	\$21,314	\$75,087
AEP Energy Services, Inc.	14,509	663,321	663,945	40,024	(60,716)	0	118	9,008	12,973
AEP Pro Serv, Inc.	0	0	0	0	0	0	0	0	0
AEP T & D Services, LLC	33,916,909	1,156,734,902	1,083,165,257	68,200,475	(62,736,792)	0	630,292	15,299,339	35,400,223
American Electric Power Service Corporation	5,824,402	300,345,083	311,928,057	17,560,515	(23,626,416)	0	485,847	3,972,458	4,016,746
Appalachian Power Co - Distribution	5,852,870	236,012,700	231,293,069	13,072,330	(17,667,155)	0	382,958	3,121,578	5,541,991
Appalachian Power Co - Generation	1,012,272	41,130,795	40,802,314	2,417,138	(3,116,655)	0	59,438	544,009	916,202
Appalachian Power Co - Transmission	0	726,446	863,607	41,656	(67,464)	0	(5,168)	9,600	(21,388)
C3 Communications, Inc.	1,464,460	62,453,605	61,478,027	3,066,067	(4,685,954)	0	89,904	826,034	1,350,511
Cardinal Operating Company	4,818,786	274,563,617	275,038,001	16,024,128	(21,077,324)	0	(1,299,559)	3,631,465	2,907,487
AEP Texas Central Company - Distribution	1,515	25,057,873	30,033,211	1,437,255	(2,805,139)	0	0	331,423	(1,134,505)
AEP Texas Central Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Nuclear	563,744	31,569,400	32,046,052	1,842,997	(2,447,614)	0	(125,630)	417,543	250,840
AEP Texas Central Company - Transmission	3,350,735	211,223,790	227,717,624	12,307,152	(17,394,046)	0	363,266	2,783,739	1,420,846
Columbus Southern Power Co - Distribution	1,800,033	96,663,017	102,004,447	5,773,583	(7,791,536)	0	159,518	1,307,593	1,248,191
Columbus Southern Power Co - Generation	284,057	21,755,457	24,341,314	1,264,000	(1,859,294)	0	38,043	287,745	14,839
Columbus Southern Power Co - Transmission	69,075	3,130,320	3,037,905	183,962	(232,018)	0	3,032	41,589	66,360
Conesville Coal Preparation Company	81,080	3,042,188	2,856,783	179,137	(218,213)	0	4,063	40,237	86,304
Cook Coal Terminal	111,201	3,783,964	3,467,255	223,983	(264,844)	0	(13,672)	50,180	106,848
CSW Energy, Inc.	311,411	1,935,631	750,627	128,080	(67,368)	0	7,552	25,601	416,108
Elmwood	0	0	0	0	0	0	0	0	0
ErnstShap Inc.	3,362,549	163,921,738	167,028,351	9,594,679	(12,758,339)	0	252,409	2,169,080	2,610,248
Indiana Michigan Power Co - Distribution	2,428,080	93,374,763	93,907,952	5,484,876	(7,173,091)	0	138,960	1,235,004	2,124,729
Indiana Michigan Power Co - Generation	6,219,107	163,106,959	146,555,506	9,711,730	(11,347,311)	0	251,376	2,157,292	6,892,202
Indiana Michigan Power Co - Nuclear	613,621	33,288,969	32,974,074	1,862,333	(2,518,701)	0	49,478	441,757	740,488
Indiana Michigan Power Co - Transmission	1,505,451	63,744,865	64,609,622	3,742,455	(4,935,159)	0	92,116	843,107	1,247,870
Kentucky Power Co - Distribution	778,773	20,816,919	29,446,281	1,987,460	(2,240,233)	0	46,371	381,138	554,509
Kentucky Power Co - Generation	207,532	7,046,873	6,532,843	420,783	(489,014)	0	10,405	93,231	312,837
Kentucky Power Co - Transmission	220,887	12,216,611	12,308,203	713,468	(840,188)	0	18,026	161,606	174,729
Kingsport Power Co - Distribution	37,344	3,056,911	2,823,201	176,505	(215,694)	0	4,370	40,424	64,177
Kingsport Power Co - Generation	2,314,418	13,024,540	12,546,466	925,659	(423,663)	0	40,370	182,848	3,038,633
Kingsport Power Co - Transmission	4,088,495	216,259,711	225,130,895	5,546,466	(6,581,532)	0	364,651	2,860,054	2,753,172
Ohio Power Co - Distribution	4,282,908	206,846,896	206,477,349	12,109,469	(15,771,623)	0	324,557	2,735,823	3,681,135
Ohio Power Co - Generation	1,117,229	48,124,873	48,628,042	2,824,307	(3,714,265)	0	79,060	636,515	942,846
Ohio Power Co - Transmission	3,467,212	157,912,872	173,324,147	9,623,815	(13,262,155)	0	(222,023)	2,219,535	1,525,584
Public Service Co of Oklahoma - Distribution	1,862,180	73,436,425	74,392,227	4,310,793	(5,681,532)	0	(279,006)	971,293	1,191,638
Public Service Co of Oklahoma - Generation	397,422	19,844,005	19,550,606	1,180,958	(1,484,123)	0	(74,854)	262,463	251,666
Public Service Co of Oklahoma - Transmission	2,497,850	96,866,707	86,505,364	5,693,949	(7,371,494)	0	(358,203)	1,201,189	1,693,280
Southwestern Electric Power Co - Distribution	2,623,426	86,485,637	96,690,028	5,684,438	(7,386,209)	0	(176,409)	1,276,149	1,872,140
Southwestern Electric Power Co - Generation	1,204,452	54,887,205	54,640,446	3,221,180	(4,174,282)	0	(2,683)	726,080	861,137
Southwestern Electric Power Co - Texas - Distribution	0	537,288	558,100	30,816	(43,394)	0	0	7,105	(8,155)
Southwestern Electric Power Co - Texas - Transmission	455,525	14,673,600	14,509,453	867,739	(1,107,607)	0	(49,805)	194,078	360,230
Southwestern Electric Power Co - Generation	1,130,790	28,060,305	24,644,026	1,675,746	(1,897,604)	0	50,606	371,240	1,339,188
Ind Mich River Transp Lehn	1,579,378	66,526,113	66,171,832	3,928,169	(5,207,257)	0	(289,447)	885,166	928,029
AEP Texas North Company - Distribution	17,614	25,581,354	20,845,445	1,460,243	(2,203,338)	0	(174,392)	338,347	(553,626)
AEP Texas North Company - Generation	246,331	9,519,752	10,306,546	560,130	(784,163)	0	(37,455)	125,911	101,063
AEP Texas North Company - Transmission	201,568	15,907,922	16,529,871	894,717	(1,262,622)	0	26,238	202,467	152,358
Wheeling Power Co - Distribution	0	1,123,952	1,240,545	64,891	(94,758)	0	1,872	14,985	(12,920)
Wheeling Power Co - Transmission	0	3,237,369	3,593,639	185,681	(274,498)	0	8,980	42,810	(37,019)
Cedar Coal Co	0	0	0	0	0	0	0	0	0
Central Coal Company	0	8,850,882	10,870,042	513,393	(830,911)	0	13,405	65,976	(85,735)
Central Ohio Coal	0	6,500,480	7,800,026	372,039	(599,607)	0	7,960	65,976	(132,020)
Southern Ohio Coal - Mardinka	0	10,055,243	12,287,306	576,724	(938,557)	0	16,968	132,994	(211,851)
Southern Ohio Coal - Meigs	0	3,073,020	4,070,072	176,255	(310,869)	0	5,640	40,665	(86,349)
Windor	0	513,470	491,894	29,451	(31,500)	0	0	6,781	(214)
Prize River Coal	0	757,484	2,765,207	43,446	(211,210)	0	4,574	10,019	(53,178)
Houston Pipeline (HPL)	0	0	0	0	0	0	0	0	0
Total	\$102,723,635	\$4,232,544,933	\$4,207,584,468	\$249,651,629	(\$321,393,288)	\$0	\$111,658	\$55,880,951	\$86,074,595

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Location	2008	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
AMERICAN ELECTRIC POWER SYSTEM QUALIFIED RETIREMENT PLAN 10-YEAR PENSION COST FORECAST											
AEP Energy Services, Inc.	372,087	569,305	547,673	558,320	565,714	556,720	542,650	537,281	536,004	535,511	536,022
AEP Frio Serv, Inc.	12,973	17,449	14,180	16,142	17,070	9,724	2,031	(4,754)	0	(10,511)	(20,481)
AEP T & D Services, LLC	0	0	0	0	0	0	0	0	0	0	0
American Electric Power Service Corporation	35,400,223	48,032,341	48,977,693	52,006,077	60,656,995	63,148,233	47,932,926	44,882,087	43,164,421	40,389,693	37,911,481
Appalachian Power Co - Distribution	4,016,746	7,643,265	8,085,255	11,431,187	13,413,413	11,596,483	9,978,083	9,060,768	8,082,768	8,727,021	8,518,152
Appalachian Power Co - Generation	5,541,901	8,466,302	9,175,795	10,994,854	11,574,568	10,086,656	9,378,765	8,535,747	8,145,977	7,738,833	7,441,196
Appalachian Power Co - Transmission	916,202	1,366,084	1,567,563	1,680,170	1,925,752	1,600,170	1,281,592	1,135,196	1,291,207	1,179,576	1,096,611
CD Communications, Inc.	(21,388)	(21,058)	(16,642)	(15,318)	(5,757)	(14,498)	(22,582)	(39,575)	(40,050)	(80,047)	(60,472)
Cardinal Operating Company	1,350,511	2,089,054	2,022,439	2,591,605	2,877,376	2,473,230	2,169,763	1,998,663	1,814,114	1,770,825	1,649,713
AEP Texas Central Company - Distribution	2,097,487	5,378,252	5,176,301	6,662,051	12,017,093	10,321,954	8,742,727	8,068,869	7,510,155	7,153,629	6,835,956
AEP Texas Central Company - Generation	(1,194,369)	(1,067,753)	(606,594)	(595,706)	(416,925)	(644,389)	(640,650)	(1,032,368)	(1,270,913)	(1,518,102)	(1,774,238)
AEP Texas Central Company - Nuclear	0	0	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Transmission	250,840	687,703	775,731	1,086,700	1,482,651	1,277,734	1,097,189	1,015,026	991,318	982,051	986,924
Callibus Southern Power Co - Distribution	1,420,846	3,069,148	5,695,178	7,815,115	9,733,861	7,743,849	6,572,117	6,046,252	6,085,695	5,693,749	5,350,768
Callibus Southern Power Co - Generation	1,249,191	2,481,520	2,473,473	3,657,988	4,307,674	3,704,544	3,157,379	2,916,407	2,970,280	2,764,853	2,707,164
Callibus Southern Power Co - Transmission	14,839	206,047	608,061	719,025	672,653	751,072	623,075	570,721	586,742	587,663	601,977
Conestoga Coal Preparation Company	65,350	112,659	108,241	130,716	154,710	139,704	111,659	111,659	115,020	115,020	117,062
Conoco Coal Terminal	86,304	115,722	104,331	122,948	138,221	116,510	90,713	84,412	72,643	57,042	41,914
CSW Energy, Inc.	105,048	140,567	130,171	159,309	182,635	168,465	144,315	128,011	107,319	86,827	65,827
Elmwood	416,108	453,172	328,136	346,019	352,116	320,086	308,245	293,264	286,045	289,266	284,300
EnclShp Inc.	0	0	0	0	0	0	0	0	0	0	0
Indiana Michigan Power Co - Distribution	2,619,348	4,717,144	5,125,627	6,544,637	7,638,487	6,650,115	5,767,689	5,305,556	5,369,007	5,247,553	5,202,405
Indiana Michigan Power Co - Generation	2,124,720	3,160,901	3,103,749	4,403,983	4,403,983	3,797,942	3,068,033	2,905,664	2,905,664	2,822,070	2,398,760
Indiana Michigan Power Co - Nuclear	6,992,202	8,708,426	8,708,426	9,454,141	9,295,360	8,073,282	7,368,660	6,285,241	5,695,200	4,629,094	4,009,551
Indiana Michigan Power Co - Transmission	740,400	1,485,576	1,102,716	1,476,353	1,699,293	1,499,916	1,312,078	1,230,709	1,350,853	1,226,935	1,219,102
Kentucky Power Co - Distribution	1,267,749	2,082,546	2,095,939	2,620,057	3,026,854	2,630,534	2,315,407	2,196,077	2,166,643	1,994,946	1,913,805
Kentucky Power Co - Generation	654,509	867,928	989,685	1,201,793	1,370,317	1,183,364	1,047,756	982,589	892,589	795,397	700,466
Kentucky Power Co - Transmission	312,937	309,003	332,686	370,351	415,755	361,183	316,121	283,491	293,207	220,535	184,517
Kingsport Power Co - Distribution	174,729	325,920	365,708	469,502	541,457	467,102	387,577	367,822	362,914	351,546	346,391
Kingsport Power Co - Generation	64,177	97,068	107,423	135,617	135,617	105,509	89,896	80,249	73,522	64,674	56,910
Kingsport Power Co - Transmission	3,038,643	3,176,189	2,453,254	2,591,995	2,638,977	2,483,524	2,331,673	2,230,371	2,065,545	1,907,392	1,807,392
AEP River Operations, LLC	2,755,172	5,407,268	6,491,502	6,491,502	6,491,502	6,491,502	6,491,502	6,491,502	6,491,502	6,491,502	6,491,502
Ohio Power Co - Distribution	3,681,125	6,118,063	6,396,459	7,804,627	8,260,081	7,807,692	6,930,719	6,392,078	6,131,671	5,793,668	5,463,300
Ohio Power Co - Generation	942,046	1,593,081	1,957,176	2,425,820	2,144,087	1,976,460	1,793,584	1,696,907	1,806,704	1,795,895	1,614,019
Ohio Power Co - Transmission	1,525,584	3,654,697	4,411,686	5,154,002	6,113,641	7,139,088	6,180,500	5,609,040	5,494,855	5,447,660	5,520,770
Public Service Co of Oklahoma - Generation	1,181,858	2,064,075	2,142,691	2,770,516	3,603,276	3,144,205	2,739,430	2,592,613	2,394,855	2,214,301	2,065,674
Public Service Co of Oklahoma - Transmission	251,866	466,036	505,392	690,166	902,659	778,018	669,446	614,703	571,954	536,343	507,264
Public Service Co of Oklahoma - Distribution	1,653,289	2,900,676	2,983,118	3,811,549	5,047,111	4,427,937	3,952,877	3,733,816	3,626,512	3,519,207	3,472,395
Southwestern Electric Power Co - Distribution	1,872,140	3,043,308	3,065,943	3,834,438	5,007,393	4,415,355	3,917,146	3,705,613	3,493,664	3,370,509	3,163,563
Southwestern Electric Power Co - Generation	861,137	1,543,264	1,605,668	2,119,628	2,727,329	2,386,640	2,099,278	1,866,469	1,800,260	1,816,143	1,773,215
Southwestern Electric Power Co - Texas - Distribution	(8,165)	(3,325)	2,405	6,714	7,273	9,200	6,371	5,937	2,381	502	(462)
Southwestern Electric Power Co - Texas - Generation	360,210	565,160	544,516	693,700	867,535	694,116	607,577	690,636	671,261	668,153	671,719
Southwestern Electric Power Co - Texas - Transmission	1,339,168	1,704,705	1,428,381	1,670,041	1,767,407	1,574,329	1,431,072	1,310,320	1,249,589	1,146,869	1,090,640
Ind Mich River Transp Ldn	928,029	1,719,401	1,064,083	2,466,150	3,239,066	2,626,104	2,467,251	2,312,721	2,151,057	2,036,056	1,933,060
AEP Texas North Company - Distribution	(653,620)	(284,896)	33,411	210,225	414,070	493,419	333,498	289,453	220,466	189,333	167,462
AEP Texas North Company - Generation	101,438	189,984	238,235	307,750	417,417	359,074	300,767	269,003	226,327	193,396	171,467
AEP Texas North Company - Transmission	122,569	335,157	412,535	578,629	684,691	595,242	511,748	470,605	471,164	457,501	452,741
Whiteling Power Co - Distribution	(17,920)	1,689	16,007	27,303	36,059	29,612	21,023	16,681	20,111	22,213	24,965
Whiteling Power Co - Transmission	(37,019)	866	45,402	73,360	85,818	77,273	59,542	45,547	46,406	48,752	52,719
Cedar Coal Co	0	0	0	0	0	0	0	0	0	0	0
Central Coal Company	(185,706)	(103,357)	(11,246)	180,632	180,632	137,765	96,515	73,616	56,800	46,390	37,102
Central Ohio Coal	(132,920)	(89,186)	(11,647)	45,317	56,791	64,009	46,450	19,787	(9,560)	(30,266)	(50,895)
Southern Ohio Coal - Maitlha	(211,851)	(129,482)	15,797	112,076	156,526	148,488	102,037	79,295	59,469	44,355	32,669
Southern Ohio Coal - Meigs	(88,349)	(65,007)	(22,078)	9,404	18,477	26,013	10,964	12,320	3,739	(4,266)	(11,167)
Watershed Energy	(214)	(150,165)	(146,807)	(151,668)	(136,438)	(115,121)	(105,303)	(95,303)	(85,303)	(75,303)	(65,303)
Picker River Coal	(153,179)	(150,165)	(146,807)	(151,668)	(136,438)	(115,121)	(105,303)	(95,303)	(85,303)	(75,303)	(65,303)
Houston Pipeline (HPL)	586,074,505	\$137,471,043	\$137,085,772	\$172,315,753	\$204,893,255	\$178,301,200	\$156,283,265	\$144,954,702	\$139,431,001	\$131,545,135	\$125,268,655
Total											

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AMERICAN ELECTRIC POWER SYSTEM
QUALIFIED RETIREMENT PLAN
ESTIMATED 2010 NET PERIODIC PENSION COST

Location	Service Cost	Projected Benefit Obligation	Market-Related Value of Assets	Interest Cost	Expected Return on Assets	Initial Transition (Asset)/Obligation	Prior Service Cost	Gain/Loss Amortization	Act Periodic Pension Cost
AEP Energy Services, Inc.	\$17,434	\$1,597,230	\$556,182	\$92,614	(\$4,246)	\$0	\$1,036	\$32,547	\$89,395
AEP Pro Serv, Inc.	15,088	677,275	0	39,713	(91,471)	0	110	13,001	17,249
AEP T & D Services, LLC	0	0	0	0	(77,315,934)	0	0	0	49,832,341
American Electric Power Service Corporation	35,273,955	1,146,500,356	871,870,085	67,784,477	(22,387,033)	0	726,836	23,282,579	7,643,672
Appalachian Power Co - Distribution	6,057,370	297,887,083	281,423,080	17,422,204	(2,387,370)	0	485,647	6,066,096	8,408,302
Appalachian Power Co - Generation	9,086,885	233,924,503	207,910,445	13,766,839	(18,510,378)	0	392,300	4,760,789	1,366,084
Appalachian Power Co - Transmission	1,052,763	40,756,078	37,152,440	2,309,701	(2,855,540)	0	59,438	630,722	(21,059)
C3 Communications, Inc.	0	720,018	889,753	41,289	(72,374)	0	(4,059)	14,972	2,009,044
Cardinal Operating Company	1,923,039	61,901,228	55,900,862	3,837,804	(4,423,189)	0	89,804	1,291,385	5,370,252
AEP Texas Central Company - Distribution	5,011,537	272,184,336	259,492,880	15,995,600	(19,826,513)	0	(1,147,759)	5,545,385	(1,057,753)
AEP Texas Central Company - Generation	1,578	37,711,941	37,711,941	1,424,648	(3,000,074)	0	0	595,096	0
AEP Texas Central Company - Nuclear	0	0	0	0	0	0	0	0	657,703
AEP Texas Central Company - Transmission	586,204	31,288,783	28,710,729	1,828,356	(2,284,009)	0	(110,544)	4,266,146	3,809,140
Columbus Southern Power Co - Distribution	3,484,764	200,356,909	205,585,862	12,206,224	(16,353,224)	0	303,260	1,006,745	2,461,528
Columbus Southern Power Co - Generation	1,872,934	87,988,298	91,005,360	5,727,913	(7,294,583)	0	156,518	439,337	288,047
Columbus Southern Power Co - Transmission	285,419	21,562,869	21,978,503	1,254,759	(1,740,571)	0	30,943	30,937	112,650
Consolidated Coal Preparation Company	71,838	3,110,551	2,626,362	183,537	(208,833)	0	3,032	63,395	115,722
Cook Coal Terminal	84,323	3,015,272	2,093,569	177,767	(211,085)	0	4,003	61,443	140,507
CSW Energy, Inc.	115,649	3,760,395	3,203,657	222,323	(652,016)	0	(12,014)	76,627	453,172
Elmwood	323,867	1,010,595	577,722	128,919	(46,859)	0	7,522	39,094	0
Energy Star, Inc.	0	0	0	0	0	0	0	0	4,717,144
Indiana Michigan Power Co - Distribution	3,487,020	102,471,393	148,117,035	8,510,657	(11,002,684)	0	252,408	3,310,742	3,150,801
Indiana Michigan Power Co - Generation	2,528,139	92,540,623	85,024,987	5,453,321	(6,843,417)	0	139,060	1,085,899	6,708,428
Indiana Michigan Power Co - Nuclear	6,487,871	191,692,995	137,029,935	8,043,693	(10,940,770)	0	251,370	3,284,238	1,185,570
Indiana Michigan Power Co - Transmission	846,166	33,104,354	20,318,898	1,947,342	(2,351,989)	0	49,470	974,580	2,026,946
Kentucky Power Co - Distribution	1,565,660	93,180,650	59,226,207	3,713,735	(4,692,032)	0	02,116	1,237,457	957,928
Kentucky Power Co - Generation	809,624	24,561,056	27,090,093	1,684,702	(2,155,091)	0	40,371	502,012	389,003
Kentucky Power Co - Transmission	289,033	6,988,606	6,042,405	417,890	(490,686)	0	10,405	246,770	325,020
Kingsport Power Co - Distribution	228,722	12,110,404	11,038,456	707,808	(878,215)	0	18,929	91,728	3,311,888
Kingsport Power Co - Transmission	59,039	3,020,268	2,567,988	177,174	(204,268)	0	3,478	278,219	4,397,412
Kingsport Power Co - Generation	2,405,099	13,702,223	4,237,430	923,987	(338,658)	0	40,370	4,397,412	5,917,289
AEP River Operations LLC	4,262,035	214,326,460	201,420,671	12,537,270	(16,024,078)	0	384,051	4,771,707	6,118,063
Ohio Power Co - Distribution	4,454,225	265,016,840	166,771,230	12,014,893	(14,863,318)	0	324,557	4,771,707	3,954,597
Ohio Power Co - Generation	1,191,919	47,895,074	43,018,452	2,802,591	(3,422,080)	0	78,800	971,982	2,024,975
Ohio Power Co - Transmission	3,605,000	160,327,309	156,516,480	9,747,070	(12,451,256)	0	(636,333)	1,403,202	486,030
Public Service Co of Oklahoma - Distribution	413,310	19,606,429	17,779,762	1,351,654	(1,114,422)	0	(65,508)	400,781	2,800,878
Public Service Co of Oklahoma - Generation	2,594,164	96,006,651	88,718,702	5,650,579	(6,880,737)	0	(311,739)	1,950,425	3,043,309
Public Service Co of Oklahoma - Transmission	2,720,051	86,631,952	87,913,302	5,041,757	(6,997,719)	0	(281,516)	1,948,729	1,543,284
Southwestern Electric Power Co - Distribution	1,315,134	54,411,488	49,243,768	3,108,381	(3,823,823)	0	(153,170)	1,103,704	(3,325)
Southwestern Electric Power Co - Texas - Distribution	0	532,534	531,789	30,545	(42,395)	0	(2,417)	10,652	585,160
Southwestern Electric Power Co - Texas - Transmission	473,746	14,543,771	12,887,452	881,378	(1,023,630)	0	(2,492)	289,304	1,704,705
Southwestern Electric Power Co - Generation	1,185,382	27,819,953	22,447,360	1,893,695	(1,701,870)	0	90,006	580,080	1,719,481
Ind Mich River Transp Lbls	1,643,569	66,333,955	62,204,782	3,089,014	(4,946,537)	0	(225,262)	1,351,713	(284,898)
AEP Texas North Company - Distribution	255,184	18,319	28,026,646	1,455,370	(2,118,213)	0	(157,041)	516,669	189,064
AEP Texas North Company - Generation	303,220	9,455,523	8,830,802	555,989	(702,070)	0	20,287	308,175	336,157
AEP Texas North Company - Transmission	0	15,172,481	14,884,916	887,659	(1,190,204)	0	1,972	22,862	1,689
Wheeling Power Co - Distribution	0	1,122,828	1,090,590	64,400	(87,476)	0	0	65,385	888
Wheeling Power Co - Transmission	0	3,208,725	3,237,440	184,047	(287,546)	0	0	0	0
Cedar Coal Co	0	0	0	0	0	0	0	0	(183,357)
Central Coal Company	0	8,871,695	10,136,838	503,895	(600,408)	0	13,405	180,782	(83,130)
Central Ohio Coal	0	6,482,875	7,503,589	369,558	(589,824)	0	7,950	131,291	(120,482)
Southern Ohio Coal - Mingo	0	9,890,270	11,468,712	571,646	(912,204)	0	18,088	203,087	(65,007)
Southern Ohio Coal - Mingo	0	3,045,831	3,804,331	174,703	(587,447)	0	5,640	62,060	10,371
Winster	0	500,936	453,880	29,192	(36,109)	0	1,124	15,289	(150,085)
Pine River Coal	0	750,792	2,770,311	43,064	(221,021)	0	4,574	15,289	513,471,843
Houston Pipeline (HPL)	0	0	0	0	0	0	0	0	0
Total	\$106,932,960	\$4,105,095,734	\$3,789,780,632	\$240,751,050	(\$302,281,519)	\$0	\$884,959	\$65,485,098	\$137,471,843

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AMERICAN ELECTRIC POWER SYSTEM
QUALIFIED RETIREMENT PLAN
ESTIMATED 2011 NET PERIODIC PENSION COST

Location	Service Cost	Projected Benefit Obligation	Market-Related Value of Assets	Interest Cost	Expected Return on Assets	Initial Transition (Asset) Obligation	Prior Service Cost	Gain/Loss Amortization	Net Periodic Pension Cost
AEP Energy Services, Inc.	\$15,118	\$1,515,101	\$1,280,553	\$91,770	(\$101,501)	\$0	\$1,035	\$41,240	\$47,673
AEP Pro Serv, Inc.	13,005	672,132	703,957	38,300	(55,759)	0	118	17,487	14,100
AEP T & D Services, LLC	0	0	0	0	0	0	0	0	0
American Electric Power Service Corporation	30,559,253	1,137,794,433	1,050,141,548	97,811,451	(83,952,246)	0	728,635	20,602,500	43,077,593
Appalachian Power Co - Distribution	5,252,950	205,427,209	274,838,343	17,245,203	(21,784,924)	0	485,647	7,685,265	8,665,365
Appalachian Power Co - Generation	5,278,933	232,140,200	210,811,230	13,017,374	(17,122,502)	0	302,380	1,052,999	8,175,795
Appalachian Power Co - Transmission	812,956	40,457,316	39,226,711	2,372,750	(3,030,180)	0	58,438	1,052,999	1,367,563
C3 Communications, Inc.	0	714,551	802,782	40,982	(71,559)	0	89,804	1,588,288	(10,842)
Cardinal Operating Company	1,320,770	61,431,182	57,651,932	3,580,075	(4,555,000)	0	69,804	1,588,288	2,022,439
AEP Texas Central Company - Distribution	4,346,005	270,087,890	240,659,457	15,730,728	(10,785,174)	0	(1,147,750)	7,029,480	6,170,301
AEP Texas Central Company - Generation	1,356	24,947,573	36,118,793	1,413,715	(2,052,934)	0	0	641,269	(806,594)
AEP Texas Central Company - Nuclear	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Transmission	508,434	31,032,185	29,252,167	1,810,127	(2,240,187)	0	(110,544)	907,801	775,731
Columbus Southern Power Co - Distribution	3,021,988	207,767,162	192,275,024	12,089,596	(15,240,650)	0	363,268	5,405,568	5,639,778
Columbus Southern Power Co - Generation	1,823,428	87,244,220	100,342,828	5,070,453	(7,160,981)	0	169,518	2,530,054	2,622,473
Columbus Southern Power Co - Transmission	295,189	21,398,231	19,995,905	1,242,024	(1,594,149)	0	30,846	555,755	508,651
Connecticut Coal Preparation Company	62,298	3,006,841	2,788,540	188,821	(221,825)	0	3,832	60,315	105,241
Coastal Coal Terminal	73,125	2,592,376	2,857,894	175,819	(226,530)	0	4,003	77,094	104,351
CSW Energy, Inc.	100,201	3,731,041	3,489,235	210,788	(274,987)	0	(12,014)	87,083	130,171
Elmwood	280,858	1,903,937	1,794,024	125,307	(195,116)	0	7,552	49,538	328,135
EmerShop Inc.	0	0	0	0	0	0	0	0	0
Indiana Michigan Power Co - Distribution	3,032,919	181,237,870	148,562,780	9,421,554	(11,775,757)	0	232,408	4,105,000	5,125,027
Indiana Michigan Power Co - Generation	2,190,869	91,845,987	87,565,588	5,303,369	(6,948,650)	0	130,860	2,308,682	3,163,749
Indiana Michigan Power Co - Nuclear	5,698,538	160,435,351	153,776,830	8,523,302	(12,184,291)	0	251,378	4,174,152	7,373,455
Indiana Michigan Power Co - Transmission	733,795	32,852,977	30,048,034	1,820,335	(2,381,584)	0	48,478	854,753	1,182,778
Kentucky Power Co - Distribution	1,357,748	62,700,805	58,781,230	3,674,010	(4,659,266)	0	92,116	1,631,323	2,095,938
Kentucky Power Co - Generation	702,368	28,344,773	27,281,850	1,665,959	(2,162,493)	0	46,371	737,491	889,685
Kentucky Power Co - Transmission	258,322	6,035,454	6,060,041	412,534	(529,046)	0	10,465	189,381	332,005
Kingsport Power Co - Distribution	188,215	12,018,444	11,048,881	709,731	(875,757)	0	18,929	315,900	355,706
Kingsport Power Co - Transmission	51,710	3,005,207	2,782,875	175,380	(224,376)	0	3,478	78,216	87,423
AEP River Operations, LLC	2,087,347	13,598,178	11,706,199	899,827	(927,881)	0	40,370	353,791	2,453,254
Ohio Power Co - Distribution	3,887,385	212,898,985	185,610,257	12,410,918	(15,564,953)	0	364,651	5,533,902	6,481,582
Ohio Power Co - Generation	3,862,704	203,400,957	188,682,769	11,890,785	(15,035,115)	0	324,957	5,293,528	6,336,459
Ohio Power Co - Transmission	1,007,915	47,338,872	43,321,220	2,772,748	(3,433,635)	0	78,080	1,231,590	1,957,176
Public Service Co of Ohio - Distribution	1,679,487	165,004,304	151,645,475	9,646,442	(12,020,109)	0	(836,333)	4,204,555	4,411,600
Public Service Co of Ohio - Generation	358,450	18,519,978	18,109,300	1,140,054	(1,435,425)	0	(65,608)	507,838	505,392
Public Service Co of Ohio - Transmission	2,171,611	85,280,604	87,617,982	5,689,272	(6,844,085)	0	(311,135)	2,478,058	2,093,119
Southwestern Electric Power Co - Distribution	2,365,768	64,905,773	60,148,808	5,578,919	(7,068,431)	0	(281,516)	2,469,214	3,065,943
Southwestern Electric Power Co - Generation	1,140,484	59,899,314	49,817,725	3,182,423	(3,948,778)	0	(153,178)	1,404,993	1,005,808
Southwestern Electric Power Co - Transmission	410,833	14,433,333	13,253,206	951,372	(1,050,518)	0	(42,682)	13,750	2,405
Southwestern Electric Power Co - Distribution	1,027,963	27,008,712	25,309,978	1,842,427	(2,010,915)	0	50,606	718,310	1,428,391
Ind Mich River Transp Lnk	1,424,422	65,830,259	61,873,109	3,057,323	(4,906,342)	0	(235,282)	1,712,741	1,954,883
AEP Texas North Company - Distribution	15,006	25,102,403	24,275,410	1,444,080	(1,924,178)	0	(157,041)	654,660	33,411
AEP Texas North Company - Generation	222,163	9,303,075	9,594,162	548,797	(754,928)	0	(32,421)	243,025	220,236
AEP Texas North Company - Transmission	292,953	15,057,269	14,063,731	876,870	(1,117,433)	0	26,287	381,763	492,535
Wheeling Power Co - Distribution	0	1,114,401	993,616	53,815	(79,774)	0	1,972	28,664	16,007
Wheeling Power Co - Transmission	0	3,164,358	2,889,845	182,636	(229,052)	0	8,880	82,849	45,402
Central Ohio Coal	0	0	0	0	0	0	0	0	0
Central Ohio Coal - Distribution	0	0	0	0	0	0	0	0	0
Central Ohio Coal - Generation	0	0	0	0	0	0	0	0	0
Central Ohio Coal - Transmission	0	0	0	0	0	0	0	0	0
Southern Ohio Coal - Distribution	0	0	0	0	0	0	0	0	0
Southern Ohio Coal - Generation	0	0	0	0	0	0	0	0	0
Southern Ohio Coal - Transmission	0	0	0	0	0	0	0	0	0
Windsor	0	0	0	0	0	0	0	0	0
Pfizer River Coal	0	0	0	0	0	0	0	0	0
Houston Pipeline (HPL)	0	0	0	0	0	0	0	0	0
Total	\$92,645,214	\$4,183,240,374	\$3,983,905,303	\$244,091,994	(\$308,653,288)	\$0	\$684,959	\$108,317,223	\$137,065,772

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AMERICAN ELECTRIC POWER SYSTEM
QUALIFIED RETIREMENT PLAN
ESTIMATED 2012 NET PERIODIC PENSION COST

Location	Service Cost	Projected Benefit Obligation	Market-Related Value of Assets	Interest Cost	Expected Return on Assets	Initial Transferee (Asset)/ Obligation	Prior Service Cost	Gain/Loss Amortization	Net Periodic Pension Cost
AEP Energy Services, Inc.	\$16,500	\$1,557,865	\$1,234,203	\$90,045	(\$97,772)	\$0	(\$932)	\$49,570	\$58,329
AEP Pro Serv, Inc.	14,200	664,036	735,003	36,000	60,222	0	71	21,054	16,142
AEP T & D Services, LLC	0	0	0	0	0	0	0	0	0
American Electric Power Services Corporation	33,403,464	1,125,443,578	1,044,528,900	66,447,191	(62,740,448)	0	116,673	35,657,788	52,886,677
Appalachian Power Co. - Distribution	5,736,230	292,220,321	263,774,202	17,084,546	(20,894,438)	0	246,339	9,258,510	11,431,187
Appalachian Power Co. - Generation	5,704,207	239,626,221	210,017,869	13,487,182	(18,636,213)	0	31,905	7,275,384	10,004,884
Appalachian Power Co. - Transmission	606,948	40,016,148	37,463,871	2,351,767	(2,887,646)	0	(4,655)	1,267,908	1,690,061
C3 Communications, Inc.	0	708,705	903,674	40,527	(71,583)	0	46,293	1,925,216	2,501,806
Central Operating Company	1,442,281	60,764,342	59,544,312	3,566,869	(4,478,083)	0	0	8,483,784	8,668,051
AEP Texas Central Company - Distribution	4,745,698	287,736,281	239,627,436	15,588,463	(18,981,885)	0	(1,148,328)	772,440	(906,706)
AEP Texas Central Company - Generation	1,492	24,389,022	34,051,640	1,388,913	(2,780,931)	0	0	0	0
AEP Texas Central Company - Nuclear	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Transmission	555,210	30,715,111	26,824,882	1,789,011	(2,124,888)	0	(110,709)	873,157	1,005,780
Columbus Southern Power Co. - Distribution	3,303,911	205,511,832	182,404,422	11,873,073	(4,448,860)	0	177,885	6,511,297	7,513,115
Columbus Southern Power Co. - Generation	1,772,784	96,188,632	88,412,254	5,617,015	(6,880,844)	0	90,537	3,047,675	3,657,069
Columbus Southern Power Co. - Transmission	278,757	21,166,941	18,762,815	1,238,733	(1,408,265)	0	19,161	670,639	713,025
Consolidated Coal Preparation Company	69,020	3,053,432	2,879,472	178,882	(212,269)	0	1,612	66,743	133,416
Cook Coal Terminal	70,853	2,058,883	2,867,432	174,280	(221,199)	0	2,158	93,779	122,848
CSW Energy, Inc.	100,510	3,691,332	3,403,820	217,837	(275,800)	0	(12,054)	110,854	156,380
Elmwood	306,687	1,853,288	1,830,972	125,571	(152,959)	0	7,842	59,668	340,019
EnergyShop, Inc.	0	0	0	0	0	0	0	0	0
Indiana Michigan Power Co. - Distribution	3,311,618	156,497,422	142,435,913	9,334,743	(11,282,751)	0	127,898	5,053,081	6,544,667
Indiana Michigan Power Co. - Generation	2,392,289	90,848,862	86,277,938	5,346,555	(6,834,362)	0	73,393	2,878,383	3,095,878
Indiana Michigan Power Co. - Nuclear	6,124,960	150,893,041	155,517,607	9,450,554	(12,319,087)	0	149,770	5,027,848	8,424,141
Indiana Michigan Power Co. - Transmission	801,304	32,486,355	28,982,625	1,809,259	(2,289,472)	0	25,673	1,028,582	1,470,353
Kentucky Power Co. - Distribution	1,492,661	62,020,281	57,051,287	3,541,189	(4,519,223)	0	50,412	1,885,008	2,820,657
Kentucky Power Co. - Generation	789,884	29,037,088	26,900,887	1,651,608	(2,130,917)	0	25,820	886,368	1,201,793
Kentucky Power Co. - Transmission	283,179	6,858,191	6,778,864	409,479	(536,894)	0	6,387	217,280	378,351
Kingspan Power Co. - Distribution	217,543	11,987,883	10,570,610	694,110	(937,334)	0	8,522	376,651	460,502
Kingspan Power Co. - Generation	56,476	2,973,633	2,737,012	173,744	(216,808)	0	1,887	84,215	109,314
Kingspan Power Co. - Transmission	2,278,383	13,450,587	13,307,800	601,840	(1,054,155)	0	36,668	428,169	2,581,995
Allegheny Power Co. - Distribution	4,926,602	210,380,118	188,155,823	12,209,452	(14,746,005)	0	164,242	6,665,957	8,425,148
Allegheny Power Co. - Generation	4,218,073	201,251,481	193,691,858	11,291,429	(14,550,842)	0	168,632	6,378,315	7,894,627
Allegheny Power Co. - Transmission	3,414,724	163,272,517	144,994,187	9,557,080	(11,484,578)	0	(638,847)	1,489,509	2,084,400
Ohio Power Co. - Distribution	1,034,000	71,449,665	66,825,833	4,202,027	(5,277,692)	0	(245,916)	2,263,768	2,778,518
Ohio Power Co. - Generation	391,466	19,307,189	17,505,958	1,129,489	(1,308,861)	0	(65,784)	611,719	660,150
Ohio Power Co. - Transmission	2,371,388	84,246,325	84,253,833	5,538,680	(6,974,076)	0	(311,828)	2,086,036	3,811,548
Public Service Co of Oklahoma - Distribution	2,583,416	93,875,563	86,757,027	5,550,869	(6,872,376)	0	(281,759)	2,874,289	3,834,438
Public Service Co of Oklahoma - Generation	1,245,409	53,412,159	47,952,165	3,134,013	(3,799,493)	0	(153,619)	1,002,274	2,119,828
Public Service Co of Oklahoma - Transmission	0	522,754	472,222	29,074	(37,400)	0	(2,418)	18,563	8,714
Southwestern Electric Power Co. - Distribution	446,629	14,270,658	12,784,857	844,334	(1,000,770)	0	(42,818)	452,332	693,700
Southwestern Electric Power Co. - Generation	1,122,536	27,309,017	25,995,793	1,830,208	(2,027,838)	0	20,865	685,240	1,620,041
Southwestern Electric Power Co. - Transmission	1,555,469	59,363,383	53,822,860	3,822,860	(4,748,800)	0	(225,380)	2,043,080	2,468,150
Ind. Mian. River, Tri-State, LaGrange	0	0	0	0	0	0	0	0	0
AEP Topeka North Company - Distribution	17,347	24,880,342	22,708,492	1,428,128	(1,798,914)	0	(157,011)	788,577	270,225
AEP Topeka North Company - Generation	242,602	9,282,229	8,352,044	544,998	(749,870)	0	(32,621)	283,458	307,759
AEP Topeka North Company - Transmission	287,144	14,393,821	13,448,482	870,462	(1,084,666)	0	13,803	471,688	578,620
Whaling Power Co. - Distribution	0	1,102,304	803,664	63,205	(71,582)	0	755	34,925	27,903
Whaling Power Co. - Transmission	0	3,140,784	2,655,462	180,095	(210,565)	0	3,023	80,785	73,260
Central Coal Co	0	0	0	0	0	0	0	0	0
Central Coal Company	0	8,708,758	8,520,401	480,352	(674,920)	0	5,409	275,922	105,754
Central Ohio Coal	0	6,524,042	6,520,234	362,640	(620,925)	0	3,207	200,388	45,317
Southern Ohio Coal - Marietta	0	0	0	0	0	0	0	0	0
Southern Ohio Coal - Meigs	0	2,989,880	2,870,193	171,437	(239,838)	0	2,276	309,965	112,876
Winstar	0	493,599	442,387	29,646	(35,044)	0	454	15,829	9,864
Piase River Coal	0	736,893	2,640,006	42,250	(209,124)	0	1,846	23,350	(141,668)
Houston Pipeline (HPL)	0	0	0	0	0	0	0	0	0
Totals	\$101,168,573	\$4,116,046,047	\$3,783,768,468	\$241,925,802	(\$238,719,865)	\$0	(\$1,535,165)	\$158,473,430	\$172,315,753

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AMERICAN ELECTRIC POWER SYSTEM
QUALIFIED RETIREMENT PLAN
ESTIMATED 2013 NET PERIODIC PENSION COST

Location	Service Cost	Projected Benefit Obligation	Market-Related Value of Assets	Interest Cost	Expected Return on Assets	Initial Transition Obligation	Prior Service Cost	Gain/Loss Amortization	Net Periodic Pension Cost
AEP Energy Services, Inc.	\$17,170	\$1,553,549	\$1,206,080	\$80,011	(\$5,466)	\$0	\$508	\$56,484	\$68,714
AEP Pro Serv, Inc.	14,800	658,753	753,175	30,802	(59,590)	0	42	23,955	17,070
AEP T & D Services, LLC	0	0	0	0	0	0	0	0	0
American Electric Power Services Corporation	34,739,003	1,115,145,000	1,026,076,267	65,894,003	(81,178,336)	0	650,033	40,551,973	60,658,956
Appalachian Power Co - Distribution	5,065,660	208,540,513	254,205,210	16,064,155	(20,111,770)	0	95,769	10,528,200	13,410,413
Appalachian Power Co - Generation	5,994,638	227,527,129	204,317,720	13,382,070	(16,104,658)	0	88,548	8,273,802	11,574,598
Appalachian Power Co - Transmission	1,036,026	39,951,884	35,029,081	2,331,600	(2,807,857)	0	13,258	1,441,834	1,825,752
C3 Communications, Inc.	0	700,327	804,950	40,133	(71,597)	0	200	25,407	(5,797)
Cardinal Operating Company	1,489,602	80,500,359	55,188,222	3,530,223	(4,367,185)	0	10,878	2,189,460	2,877,378
AEP Texas Central Company - Distribution	4,935,671	264,891,991	231,126,738	15,461,130	(18,285,887)	0	280,727	9,925,452	12,071,093
AEP Texas Central Company - Generation	1,552	24,158,945	33,891,264	1,384,413	(2,081,551)	0	0	878,461	(416,025)
AEP Texas Central Company - Nuclear	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Transmission	577,418	30,434,009	25,669,534	1,777,127	(2,030,878)	0	32,237	1,108,727	1,482,631
AEP Texas Central Company - Distribution	3,432,011	203,631,404	174,288,084	11,065,859	(13,789,870)	0	60,869	7,465,000	8,973,061
Columbus Southern Power Co - Distribution	1,643,985	99,306,909	93,423,653	5,587,340	(6,000,121)	0	30,864	3,465,908	4,307,074
Columbus Southern Power Co - Generation	280,947	20,873,284	17,777,640	1,218,555	(1,406,517)	0	7,291	762,697	872,963
Columbus Southern Power Co - Transmission	70,750	3,025,483	2,590,801	177,432	(204,180)	0	705	110,021	154,718
Consolidated Coal Preparation Company	63,047	2,832,911	2,847,249	172,025	(225,284)	0	903	106,951	138,221
Cook Coal Terminal	113,888	3,957,568	3,481,214	216,125	(273,808)	0	3,644	133,000	182,835
CSW Energy, Inc.	316,965	1,066,008	2,109,270	125,213	(166,540)	0	0,722	67,858	362,116
Elmwood	0	0	0	0	0	0	0	0	0
EnarShop, Inc.	3,444,081	150,028,119	137,206,492	9,253,234	(10,865,282)	0	48,784	5,746,049	7,838,487
Indiana Michigan Power Co - Distribution	2,487,688	90,017,598	84,566,725	5,301,068	(6,690,605)	0	32,157	3,273,465	4,403,983
Indiana Michigan Power Co - Generation	6,369,659	157,241,797	155,270,159	9,376,343	(12,206,414)	0	95,904	5,718,055	9,265,380
Indiana Michigan Power Co - Nuclear	833,359	32,188,014	27,918,051	1,892,934	(2,208,614)	0	10,708	1,170,900	1,689,283
Indiana Michigan Power Co - Transmission	1,541,067	61,452,787	55,411,271	3,699,842	(4,383,034)	0	24,184	2,234,714	3,026,084
Kentucky Power Co - Distribution	797,663	27,780,550	26,393,020	1,637,687	(2,083,165)	0	12,900	1,010,232	1,370,317
Kentucky Power Co - Generation	204,206	0,785,438	6,775,073	406,292	(630,918)	0	3,961	247,114	415,755
Kentucky Power Co - Transmission	228,245	11,770,208	10,174,404	887,978	(804,724)	0	5,610	428,248	541,457
Kingsport Power Co - Distribution	50,735	2,946,425	2,676,189	172,212	(211,957)	0	562	187,146	128,687
Kingsport Power Co - Transmission	2,370,550	13,327,494	14,578,728	899,584	(1,152,415)	0	37,589	484,651	2,638,977
AEP River Operations LLC	4,187,600	208,465,055	170,373,430	12,188,157	(14,112,242)	0	70,825	7,580,775	9,813,191
Ohio Power Co - Distribution	4,366,766	108,410,635	178,207,841	11,670,666	(14,008,141)	0	72,268	7,251,482	9,200,091
Ohio Power Co - Generation	1,144,328	46,394,597	39,787,778	2,724,239	(3,147,891)	0	17,985	1,897,127	2,425,820
Ohio Power Co - Transmission	3,551,313	161,778,578	138,757,382	9,474,301	(10,877,068)	0	182,661	5,883,034	8,113,641
Chico Power Co - Distribution	1,897,300	70,786,101	64,842,981	4,199,303	(5,130,617)	0	93,179	2,574,481	3,003,278
Chico Power Co - Generation	467,002	19,130,530	16,867,230	1,118,011	(1,342,205)	0	22,806	695,077	882,650
Public Service Co of Oklahoma - Distribution	2,465,255	83,383,974	81,354,058	5,482,729	(6,436,502)	0	128,735	3,385,863	5,007,568
Public Service Co of Oklahoma - Generation	2,686,753	93,018,604	84,450,804	5,499,322	(6,678,858)	0	133,850	3,382,523	5,007,568
Southwestern Electric Power Co - Distribution	1,295,225	52,923,438	48,336,003	3,107,024	(3,985,922)	0	66,482	1,924,540	2,727,325
Southwestern Electric Power Co - Texas - Distribution	0	617,970	462,814	29,003	(35,833)	0	104	18,830	12,789
Southwestern Electric Power Co - Texas - Generation	466,574	14,140,027	12,262,923	837,391	(972,547)	0	21,709	514,416	687,535
Southwestern Electric Power Co - Transmission	1,167,437	27,059,141	25,511,880	1,617,530	(2,018,398)	0	16,825	893,998	1,707,407
Irid Mich River, Temsp Laska	1,617,688	94,519,060	94,519,060	3,700,041	(4,803,365)	0	88,255	2,346,247	3,230,666
AEP Texas North Company - Distribution	18,041	24,661,605	21,431,717	1,414,278	(1,695,588)	0	7,536	896,813	641,070
AEP Texas North Company - Generation	252,300	0,177,480	6,119,151	540,370	(721,473)	0	12,469	333,737	417,417
AEP Texas North Company - Transmission	289,630	14,757,543	12,888,970	662,801	(1,010,807)	0	6,413	536,654	894,681
Wheeling Power Co - Distribution	0	1,062,218	638,040	82,580	(66,303)	0	53	39,710	30,059
Wheeling Power Co - Transmission	0	3,120,973	2,487,223	170,849	(188,780)	0	256	113,493	95,618
Cleghr Coal Co	0	0	0	0	0	0	0	0	0
Central Coal Company	0	9,829,073	7,930,143	494,483	(928,036)	0	382	513,784	100,632
Central Ohio Coal	0	6,296,772	6,188,033	359,120	(480,444)	0	229	227,068	96,781
Southern Ohio Coal - Meritka	0	9,693,718	9,690,040	555,593	(711,971)	0	483	352,508	190,325
Southern Ohio Coal - Moigs	0	2,062,553	3,023,204	160,760	(239,165)	0	181	107,732	38,477
Winisor	0	485,077	426,135	28,367	(33,714)	0	32	18,001	12,886
Prico River Coal	0	730,259	2,580,758	41,847	(204,971)	0	130	20,555	(136,438)
Hudson Pipeline (HPL)	0	0	0	0	0	0	0	0	0
Total	\$105,215,318	\$4,080,368,021	\$3,678,987,036	\$230,859,872	(\$281,007,783)	\$0	\$2,507,501	\$148,351,470	\$204,893,255

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AMERICAN ELECTRIC POWER SYSTEM
QUALIFIED RETIREMENT PLAN
ESTIMATED 2014 NET PERIODIC PENSION COST

Location	Service Cost	Projected Benefit Obligation	Market-Related Value of Assets	Interest Cost	Expected Return on Assets	Initial Transition (Asset) Obligation	Prior Service Cost	Gain/Loss Amortification	Net Periodic Pension Cost
AEP Energy Services, Inc.	\$17,059	\$1,539,204	\$1,288,765	\$89,172	(\$101,034)	\$0	\$507	\$59,870	\$59,470
AEP Eng Serv, Inc.	15,454	652,709	630,101	30,293	(65,606)	0	42	21,570	9,724
AEP T & D Services, LLC	36,128,187	0	0	0	0	0	648,607	36,514,479	53,149,233
American Electric Power Service Corporation	0	1,104,013,783	1,091,659,413	65,243,052	(65,243,052)	0	0	0	0
Appalachian Power Co - Distribution	0,204,307	286,688,700	285,310,923	16,704,349	(20,868,889)	0	85,769	9,400,640	11,566,463
Appalachian Power Co - Generation	0,234,932	225,439,454	214,387,520	13,207,060	(10,943,787)	0	90,549	7,450,170	10,000,696
Appalachian Power Co - Transmission	1,079,289	39,288,157	39,482,214	2,311,628	(3,941,378)	0	13,259	1,260,370	1,660,176
CS Communications, Inc.	0	693,802	676,389	39,137	(77,368)	0	108	22,932	(14,450)
Central Operating Company	1,559,981	58,955,800	57,984,161	3,505,594	(4,802,063)	0	18,876	1,871,470	2,473,239
AEP Texas Central Company - Distribution	5,133,088	262,203,311	261,432,001	15,312,743	(19,081,163)	0	280,397	6,667,109	10,321,964
AEP Texas Central Company - Generation	1,614	23,035,293	35,528,559	1,370,773	(2,807,793)	0	0	790,896	(644,398)
AEP Texas Central Company - Nuclear	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Transmission	600,515	30,154,621	26,732,254	1,761,237	(2,112,740)	0	32,185	886,537	1,277,754
Columbus Southern Power Co - Distribution	3,589,281	201,782,895	181,008,434	11,759,573	(14,312,810)	0	60,089	6,697,733	7,743,640
Columbus Southern Power Co - Generation	1,917,443	94,434,008	87,089,257	5,517,690	(9,882,240)	0	39,684	3,120,794	3,704,544
Columbus Southern Power Co - Transmission	302,395	20,790,824	18,373,400	1,207,364	(1,452,110)	0	7,281	695,751	751,872
Consolidated Coal Preparation Company	73,591	2,987,733	2,701,778	175,982	(213,331)	0	705	89,057	135,794
Cook Coal Terminal	88,389	2,005,801	3,019,928	171,356	(300,201)	0	893	86,032	110,510
CSW Energy, Inc.	118,454	3,023,990	2,143,315	3,665,630	(289,797)	0	3,630	118,763	166,465
Elmwood	331,723	1,840,816	2,491,329	124,877	(194,327)	0	6,722	61,102	320,896
Enersys, Inc.	0	0	0	0	0	0	0	0	0
Indiana Michigan Power Co - Distribution	3,581,844	158,576,130	143,280,610	9,171,733	(11,324,740)	0	49,784	5,774,493	6,653,115
Indiana Michigan Power Co - Generation	2,567,414	86,101,642	89,691,604	5,255,826	(7,025,403)	0	32,157	2,047,540	3,787,542
Indiana Michigan Power Co - Nuclear	6,624,757	155,710,025	9,301,372	6,301,372	(13,097,487)	0	65,904	5,148,748	8,073,282
Indiana Michigan Power Co - Transmission	889,691	31,993,572	29,208,368	1,870,824	(2,300,435)	0	10,780	1,054,328	1,489,610
Kentucky Power Co - Distribution	1,603,616	90,000,937	58,064,332	3,276,705	(4,509,228)	0	24,184	2,812,218	2,630,534
Kentucky Power Co - Generation	820,570	27,525,650	27,742,040	1,923,792	(3,182,547)	0	12,909	899,650	1,183,364
Kentucky Power Co - Transmission	305,287	6,733,087	7,244,870	403,117	(672,587)	0	3,861	222,511	363,188
Kingsport Power Co - Distribution	235,295	11,671,128	10,910,022	681,834	(930,257)	0	3,916	395,700	497,182
Kingsport Power Co - Generation	61,084	2,819,380	2,820,272	170,680	(222,866)	0	562	95,478	105,809
Kingsport Power Co - Transmission	2,465,380	13,205,200	17,122,464	897,393	(1,353,246)	0	37,599	438,397	2,863,524
AEP River Operations LLC	4,355,173	206,552,295	185,771,951	12,877,042	(14,682,151)	0	70,825	6,026,007	8,647,696
Ohio Power Co - Distribution	4,582,266	167,500,340	166,859,715	12,877,042	(14,682,151)	0	72,268	6,528,608	7,897,982
Ohio Power Co - Generation	1,180,182	45,998,904	41,530,054	2,700,611	(3,282,971)	0	17,085	1,518,151	2,144,387
Ohio Power Co - Transmission	3,893,369	160,284,170	144,591,890	9,390,823	(11,425,148)	0	182,059	5,287,289	7,139,098
Public Service Co of Oklahoma - Distribution	423,344	18,955,984	17,765,082	4,139,911	(5,381,193)	0	22,653	626,413	778,018
Public Service Co of Oklahoma - Generation	2,564,905	82,527,128	85,063,651	5,445,548	(6,722,866)	0	128,573	3,057,777	4,473,037
Public Service Co of Oklahoma - Transmission	2,704,223	82,163,131	89,521,538	5,437,935	(6,006,155)	0	133,705	3,045,748	4,415,356
Southwestern Electric Power Co - Distribution	1,347,094	52,437,930	48,457,457	3,090,349	(3,920,750)	0	69,301	1,732,632	2,386,840
Southwestern Electric Power Co - Generation	0	513,218	470,355	20,309	(37,174)	0	103	10,860	9,260
Southwestern Electric Power Co - Transmission	485,237	14,016,230	12,681,007	830,442	(1,016,440)	0	21,666	463,100	784,116
Ira Mich River Transp Link	1,214,134	29,810,800	27,170,041	1,804,801	(2,147,340)	0	10,825	86,028	1,574,529
AEP Texas North Company - Distribution	1,692,395	63,927,959	60,902,374	3,757,242	(4,813,320)	0	89,140	2,112,647	2,920,104
AEP Texas North Company - Generation	16,763	24,435,223	22,025,272	1,400,389	(1,740,731)	0	7,475	807,523	493,419
AEP Texas North Company - Transmission	292,380	9,093,272	9,526,229	535,763	(653,049)	0	12,453	300,509	359,874
Whiting Power Co - Distribution	310,575	14,522,135	13,413,412	855,138	(1,060,107)	0	6,413	483,223	595,242
Whiting Power Co - Generation	0	1,092,165	890,124	61,873	(97,870)	0	53	35,794	20,812
Whiting Power Co - Transmission	0	3,092,937	2,559,203	177,985	(202,262)	0	259	102,184	77,273
Central Coal Co	0	0	0	0	0	0	0	0	0
Central Coal Company	0	8,548,897	6,031,891	489,619	(634,787)	0	392	282,551	137,765
Central Ohio Coal	0	0,298,271	6,287,450	355,591	(498,916)	0	229	205,200	64,089
Southern Ohio Coal - Miamioka	0	0,604,773	9,102,935	550,028	(719,439)	0	483	317,472	148,468
Southern Ohio Coal - Meigs	0	2,935,950	3,015,609	169,096	(230,350)	0	161	97,008	26,913
Windor	0	445,127	490,475	20,088	(35,180)	0	32	16,208	9,149
Picoa River Coal	0	723,540	414,435	27,477,702	(27,165)	0	130	23,911	(151,688)
Houston Pipeline (HPL)	\$109,423,928	\$4,042,928,617	\$3,859,450,097	\$237,786,831	(\$305,025,329)	\$0	\$2,505,591	\$133,008,099	\$178,301,200
Total									

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AMERICAN ELECTRIC POWER SYSTEM
QUALIFIED RETIREMENT PLAN
ESTIMATED 2016 NET PERIODIC PENSION COST

Location	Service Cost	Projected Benefit Obligation	Market-Related Value of Assets	Interest Cost	Expected Return on Assets	Initial Transition (Actuarial) Obligation	Prior Service Cost	Gain/Loss Amortization	Net Periodic Pension Cost
AEP Energy Services, Inc.	\$18,571	\$1,524,001	\$1,412,534	\$66,329	(\$110,217)	\$0	\$531	\$45,677	\$42,600
AEP Pro Serv, Inc.	16,072	640,005	914,715	37,923	(71,373)	0	40	10,366	2,031
AEP T & D Services, LLC	0	0	0	0	0	0	0	0	0
American Electric Power Services Corporation	37,574,355	1,094,591,938	1,125,300,157	64,769,164	(67,610,676)	0	592,152	32,767,132	47,832,926
Appalachian Power Co - Distribution	6,452,478	284,207,126	278,201,408	16,693,643	(21,107,436)	0	88,250	8,513,147	9,676,093
Appalachian Power Co - Generation	0,484,017	223,331,411	224,110,029	13,157,099	(17,487,471)	0	84,389	5,000,674	6,919,768
Appalachian Power Co - Transmission	1,421,431	38,020,791	40,005,298	2,291,505	(3,321,587)	0	12,132	1,655,034	1,469,305
C3 Communications, Inc.	0	697,413	1,037,000	39,339	(62,542)	0	21	20,391	(24,992)
Candiant Operating Company	1,825,381	59,098,077	60,425,280	3,474,863	(4,714,840)	0	17,142	1,770,225	2,166,763
AEP Texas Central Company - Distribution	5,336,422	259,810,934	253,620,254	15,173,762	(10,789,410)	0	237,577	7,762,302	9,742,727
AEP Texas Central Company - Generation	1,670	23,711,478	37,269,570	1,357,038	(2,909,621)	0	0	710,254	(840,650)
AEP Texas Central Company - Nuclear	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Transmission	624,536	28,972,848	28,251,232	1,745,201	(2,204,360)	0	26,051	894,812	1,007,108
AEP Texas Central Company - Generation	3,712,063	100,376,338	190,590,353	11,650,700	(14,871,336)	0	53,400	5,907,100	6,532,117
Columbus Southern Power Co - Distribution	1,994,140	93,550,970	91,435,825	5,497,702	(7,134,516)	0	27,745	2,002,228	3,157,370
Columbus Southern Power Co - Generation	314,669	20,566,596	19,353,620	1,166,117	(1,510,120)	0	6,540	616,649	623,875
Columbus Southern Power Co - Transmission	70,524	2,569,701	2,955,070	174,327	(222,775)	0	929	88,954	117,658
Cokesville Coal Preparation Company	88,623	2,978,728	3,175,754	169,002	(246,100)	0	887	86,229	88,713
Coop Coal Terminal	123,102	3,589,108	3,890,301	212,502	(301,620)	0	3,662	197,538	144,375
CSW Energy, Inc.	3,44,892	1,351,027	2,956,360	124,562	(222,975)	0	6,701	51,865	308,245
Elmwood	0	0	0	0	0	0	0	0	0
EnerShops, Inc.	3,725,110	155,113,990	150,597,064	9,099,922	(11,748,470)	0	44,640	4,046,289	5,757,689
Indiana Michigan Power Co - Distribution	2,690,910	96,357,627	92,377,129	5,210,455	(7,207,970)	0	20,551	2,640,000	3,369,023
Indiana Michigan Power Co - Generation	8,689,747	154,342,177	176,254,976	9,228,659	(9,752,770)	0	81,666	4,023,109	7,009,950
Indiana Michigan Power Co - Nuclear	0	0	0	0	0	0	0	0	0
Indiana Michigan Power Co - Transmission	991,358	31,995,240	30,698,895	1,860,293	(2,395,200)	0	9,702	940,704	1,322,678
Kentucky Power Co - Distribution	1,667,702	60,310,576	60,607,938	3,547,305	(4,784,101)	0	22,506	1,006,614	2,345,407
Kentucky Power Co - Generation	862,752	27,200,292	28,683,717	1,600,890	(2,253,731)	0	12,093	810,784	1,047,758
Kentucky Power Co - Transmission	318,538	6,070,127	7,239,000	399,642	(603,857)	0	3,701	189,767	318,121
Kingsport Power Co - Distribution	244,706	11,591,884	11,180,111	675,655	(972,359)	0	3,237	346,328	387,577
Kingsport Power Co - Generation	3,526	2,992,091	2,845,028	160,142	(220,760)	0	481	85,030	80,096
Kingsport Power Co - Transmission	2,563,995	15,081,720	19,955,201	885,391	(1,397,066)	0	37,551	381,950	2,331,673
AEP River Operations, LLC	4,529,390	204,620,652	195,726,938	11,969,098	(15,272,132)	0	53,655	6,129,216	7,419,208
Ohio Power Co - Distribution	4,744,750	185,732,811	195,275,560	11,472,775	(15,236,812)	0	66,112	5,962,085	6,909,719
Ohio Power Co - Generation	1,237,708	45,539,057	43,775,772	2,078,004	(3,415,725)	0	18,505	1,384,070	1,879,468
Ohio Power Co - Transmission	3,641,100	158,785,287	152,113,225	9,397,230	(11,669,052)	0	152,670	4,756,550	6,160,507
Public Service Co of Oklahoma - Distribution	2,093,000	68,480,564	70,010,416	4,084,013	(5,525,945)	0	80,740	2,981,523	2,794,430
Public Service Co of Oklahoma - Generation	440,270	18,777,759	18,915,104	1,099,795	(1,452,498)	0	10,403	592,480	609,446
Public Service Co of Oklahoma - Transmission	2,667,592	91,661,625	89,339,343	5,389,211	(6,970,846)	0	112,469	2,745,043	3,632,577
Southwestern Electric Power Co - Distribution	2,905,892	91,301,330	92,318,635	5,381,224	(7,293,415)	0	116,503	2,734,842	3,047,146
Southwestern Electric Power Co - Generation	1,400,818	51,947,502	50,806,105	3,052,892	(3,998,009)	0	59,311	1,596,037	2,099,278
Southwestern Electric Power Co - Transmission	0	508,410	492,110	29,085	(38,308)	0	11	15,229	5,937
Southwestern Electric Power Co - Texas - Transmission	504,647	13,065,167	13,551,025	823,489	(1,055,785)	0	18,320	415,917	707,577
Southwestern Electric Power Co - Texas - Generation	1,282,700	29,560,186	29,000,712	1,592,225	(2,255,497)	0	16,001	705,584	1,413,012
Southwestern Electric Power Co - Texas - Distribution	1,740,601	69,330,080	69,595,105	3,724,335	(4,991,402)	0	77,937	1,896,681	2,487,251
AEP Texas North Company - Distribution	10,513	23,055,032	23,055,754	1,386,407	(1,789,069)	0	1,465	725,092	333,499
AEP Texas North Company - Generation	272,884	9,006,243	9,843,984	531,134	(775,907)	0	10,813	269,833	308,767
AEP Texas North Company - Transmission	322,689	14,465,406	14,070,207	847,444	(1,098,401)	0	5,000	433,093	511,743
Wheeling Power Co - Distribution	0	1,072,077	928,552	81,562	(72,451)	0	9	32,113	21,023
Wheeling Power Co - Transmission	0	3,065,421	2,737,151	175,311	(213,574)	0	43	97,762	53,542
Cedar-Coal Co	0	0	0	0	0	0	0	0	0
Central Coal Company	0	8,400,048	8,230,878	404,712	(642,868)	0	0	253,709	95,615
Central Ohio Coal	0	6,151,210	6,354,096	352,017	(465,858)	0	38	184,253	40,450
Southern Ohio Coal - Marietta	0	9,514,991	9,324,500	544,516	(727,570)	0	81	285,011	102,037
Southern Ohio Coal - Merigs	0	2,897,902	3,000,332	166,411	(234,577)	0	27	87,103	18,964
Windsor	0	485,089	460,865	27,008	(39,693)	0	5	14,554	5,703
Prico River Coal	0	716,783	2,917,235	41,920	(227,632)	0	22	21,471	(165,121)
Houston Pipeline (HPL)	0	0	0	0	0	0	0	0	0
Total	\$113,600,868	\$4,005,123,031	\$4,042,417,829	\$235,714,642	(\$315,420,746)	\$0	\$2,218,910	\$119,869,571	\$160,295,295

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AMERICAN ELECTRIC POWER SYSTEM
QUALIFIED RETIREMENT PLAN
ESTIMATED 2016 NET PERIODIC PENSION COST

Location	Service Cost	Projected Benefit Obligation	Market-Related Value of Assets	Interest Cost	Expected Return on Assets	Initial Transition (Asset) Obligation	Prior Service Cost	Gain/Loss Amortization	Net Periodic Pension Cost
AEP Energy Services, Inc.	\$10,313	\$1,510,487	\$1,440,613	\$87,500	(\$110,547)	\$0	\$304	\$40,711	\$37,201
AEP Pro Serv, Inc.	10,715	640,488	995,121	37,500	(76,382)	0	39	17,203	(4,754)
AEP T & D Services, LLC	30,077,329	1,084,243,316	1,140,075,002	64,248,943	(68,236,773)	0	572,143	20,222,445	44,085,007
American Electric Power Service Corporation	6,710,570	201,522,714	-261,716,431	16,405,910	(21,877,771)	0	84,068	7,587,570	9,250,353
Appalachian Power Co - Distribution	6,743,370	221,221,987	227,910,424	13,030,800	(17,480,817)	0	80,120	5,862,350	9,335,747
Appalachian Power Co - Generation	1,166,288	39,353,163	40,830,530	2,271,811	(3,133,860)	0	11,674	1,638,002	1,355,106
Appalachian Power Co - Transmission	0	800,020	1,145,140	38,946	(97,873)	0	0	18,352	(30,575)
CG Communications, Inc.	1,987,270	50,539,880	61,580,540	3,444,779	(4,726,800)	0	16,734	1,577,702	1,085,653
Cardinal Operating Company	5,551,959	257,359,051	257,409,891	15,037,454	(18,782,580)	0	230,717	6,895,265	8,003,909
AEP Texas Central Company - Distribution	1,746	23,487,518	39,234,139	1,343,502	(3,010,968)	0	0	833,034	(1,032,389)
AEP Texas Central Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Nuclear	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Transmission	649,517	29,500,692	28,512,484	1,720,632	(2,187,932)	0	20,282	797,520	1,015,020
Columbus Southern Power Co - Distribution	3,860,546	197,809,451	192,177,800	11,545,044	(14,746,942)	0	51,434	5,336,170	6,046,252
Columbus Southern Power Co - Generation	2,973,905	82,697,357	82,530,210	5,410,863	(7,100,533)	0	20,926	2,497,564	2,916,407
Columbus Southern Power Co - Transmission	327,276	20,302,081	10,411,536	1,185,072	(1,400,562)	0	6,330	540,605	570,721
Connecticut Coal Preparation Company	79,585	2,841,552	2,875,994	172,804	(220,982)	0	614	79,283	111,593
Coal Coal Terminal	83,410	2,891,536	3,395,200	108,441	(255,170)	0	871	76,654	84,412
CSW Energy, Inc.	126,120	3,956,200	4,081,116	210,720	(311,933)	0	2,896	85,946	120,011
Elmhurst	358,782	1,814,327	3,164,512	124,295	(245,134)	0	5,512	40,800	203,304
EnergyShop Inc.	0	0	0	0	0	0	0	0	0
Indiana Michigan Power Co - Distribution	3,874,123	153,848,003	152,234,884	9,809,756	(11,881,808)	0	43,408	4,141,134	5,389,530
Indiana Michigan Power Co - Generation	2,769,547	87,523,655	84,615,021	5,166,075	(7,260,371)	0	20,877	2,350,015	3,002,042
Indiana Michigan Power Co - Nuclear	7,105,337	152,084,374	105,507,222	9,154,274	(14,235,000)	0	80,170	4,120,598	6,285,241
Indiana Michigan Power Co - Transmission	837,413	31,309,729	31,070,766	1,844,250	(2,394,243)	0	9,513	843,777	1,250,700
Kentucky Power Co - Distribution	1,734,304	58,749,842	61,953,027	3,916,806	(4,726,631)	0	22,145	1,010,373	2,158,077
Kentucky Power Co - Generation	897,282	27,010,706	20,874,500	1,566,236	(2,272,101)	0	11,852	727,001	856,241
Kentucky Power Co - Transmission	331,280	6,607,120	6,193,639	386,852	(665,444)	0	3,638	176,075	283,401
Kingsport Power Co - Distribution	254,485	11,452,787	11,312,038	688,015	(888,100)	0	3,145	308,675	367,822
Kingsport Power Co - Generation	65,069	2,084,775	3,012,997	167,634	(231,138)	0	471	77,211	80,240
Kingsport Power Co - Transmission	2,986,555	12,336,168	22,358,034	893,979	(1,715,572)	0	36,462	348,248	2,230,371
Ohio Power Co - Distribution	4,034,540	193,684,053	186,527,023	11,862,468	(15,151,413)	0	61,669	5,462,936	6,946,115
Ohio Power Co - Generation	1,287,214	45,100,820	44,165,107	2,853,894	(3,389,134)	0	64,419	5,225,548	6,362,079
Ohio Power Co - Transmission	3,094,744	167,895,433	155,754,902	9,225,224	(11,706,523)	0	140,180	4,239,415	1,783,594
Public Service Co of Oklahoma - Distribution	2,145,550	80,834,227	72,285,427	4,059,788	(6,546,969)	0	78,178	1,855,215	2,592,813
Public Service Co of Oklahoma - Generation	457,669	19,600,380	19,940,735	1,860,856	(1,553,435)	0	18,958	501,317	614,783
Public Service Co of Oklahoma - Transmission	2,774,202	80,780,154	80,565,162	5,351,081	(8,949,602)	0	110,193	2,447,131	3,793,616
Southwestern Electric Power Co - Distribution	3,022,232	80,430,665	84,037,321	5,245,048	(7,218,041)	0	110,270	2,437,504	3,705,015
Southwestern Electric Power Co - Generation	1,456,582	51,450,944	51,820,593	3,026,481	(3,397,146)	0	57,264	1,386,881	1,900,409
Southwestern Electric Power Co - Texas - Distribution	0	503,917	500,447	20,805	(30,402)	0	0	13,573	3,876
Southwestern Electric Power Co - Texas - Transmission	524,833	13,754,018	13,600,840	810,909	(1,050,570)	0	18,085	370,607	680,636
Ind Mich River Transp Ldr	1,919,670	26,309,208	30,173,404	1,579,000	(2,315,394)	0	15,502	709,060	1,302,320
AEP Texas North Company - Distribution	20,284	23,878,182	23,204,091	3,682,121	(4,868,016)	0	760	646,258	250,353
AEP Texas North Company - Generation	203,610	3,923,157	10,310,168	520,608	(791,621)	0	10,819	240,486	280,810
AEP Texas North Company - Transmission	335,918	14,349,500	14,224,052	839,001	(1,081,488)	0	5,760	388,722	476,805
Winning Power Co - Distribution	0	1,051,951	821,739	60,740	(70,738)	0	0	20,822	10,631
Winning Power Co - Transmission	0	3,034,466	2,734,051	173,302	(209,000)	0	0	81,705	45,547
Cedar Coal Co	0	0	0	0	(632,106)	0	0	0	0
Central Coal Company	0	8,389,947	8,236,459	470,875	(492,038)	0	0	226,125	73,815
Central Ohio Coal	0	6,083,110	6,423,821	348,504	(715,711)	0	0	164,221	19,787
Southern Ohio Coal - Mantinaka	0	9,425,000	9,326,000	539,082	(230,054)	0	0	264,024	77,305
Southern Ohio Coal - Migs	0	2,988,435	2,988,435	164,751	(36,726)	0	0	77,893	12,329
Windsor	0	481,300	478,508	27,629	(230,191)	0	0	12,972	3,775
Price River Coal	0	710,013	3,104,038	40,610	(230,191)	0	0	19,130	(178,445)
Houston Pipelina (HPL)	0	\$3,987,204,498	\$4,120,188,850	\$233,684,490	(\$318,188,500)	50	\$2,157,571	\$106,826,224	\$144,854,702
Total	\$118,352,822	\$3,987,204,498	\$4,120,188,850	\$233,684,490	(\$318,188,500)	50	\$2,157,571	\$106,826,224	\$144,854,702

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AMERICAN ELECTRIC POWER SYSTEM
QUALIFIED RETIREMENT PLAN
ESTIMATED 2017 NET PERIODIC PENSION COST

Location	Source Cost	Projected Benefit Obligation	Market-Related Value of Assets	Interest Cost	Expected Return on Assets	Initial Transition (Risky) Obligation	Prior Service Cost	Gain/Loss Amortization	Ref Pension Cost
AEP Energy Services, Inc.	\$20,069	\$1,499,022	\$1,386,947	\$86,712	(\$107,134)	\$0	\$304	\$38,719	\$38,684
AEP Pro Serv, Inc.	17,394	594,614	1,058,080	37,216	(61,221)	0	39	15,569	(10,953)
AEP T & D Services, LLC	40,840,422	1,074,293,345	1,145,460,514	63,741,724	(67,853,775)	0	277,113	26,354,927	43,160,421
American Electric Power Services Corporation	8,078,001	270,930,017	275,946,921	16,340,101	(21,164,220)	0	78,793	6,043,031	9,062,708
Appalachian Power Co - Distribution	7,043,143	219,180,810	224,934,931	12,932,335	(17,251,722)	0	11,419	5,377,209	8,145,077
Appalachian Power Co - Generation	1,212,940	38,189,010	40,777,571	2,253,236	(3,127,397)	0	0	837,120	1,207,207
Appalachian Power Co - Transmission	0	0	0	0	(95,172)	0	0	10,551	(40,050)
C3 Communications, Inc.	1,754,767	56,002,120	61,226,273	3,410,384	(4,005,852)	0	15,877	1,422,841	1,914,114
Cardinal Operating Company	5,774,037	254,802,843	253,727,400	14,000,403	(18,460,941)	0	32,327	6,295,669	7,510,355
AEP Texas Central Company - Distribution	1,815	23,371,759	41,374,801	1,330,582	(3,173,327)	0	0	570,910	(1,270,913)
AEP Texas Central Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Nuclear	675,409	29,310,868	27,668,401	1,714,810	(2,122,153)	0	3,887	719,267	691,318
AEP Texas Central Company - Transmission	4,914,967	186,100,708	109,576,200	11,444,835	(14,309,766)	0	43,133	4,012,546	6,005,605
Columbus Southern Power Co - Distribution	2,150,862	81,816,104	80,453,235	5,372,585	(6,935,934)	0	24,280	2,462,485	2,070,200
Columbus Southern Power Co - Generation	340,367	20,284,738	19,639,933	1,174,592	(1,420,394)	0	5,403	406,674	586,742
Columbus Southern Power Co - Transmission	82,769	2,814,629	2,754,101	171,365	(211,231)	0	614	71,593	115,020
Crescent Coal Preparation Company	07,165	2,026,343	3,412,935	187,083	(281,791)	0	0	69,343	72,043
Cook Coal Terminal	133,245	3,593,532	4,208,123	209,003	(322,740)	0	1,310	86,441	107,319
CSW Energy, Inc.	373,144	1,797,660	3,378,993	124,100	(259,234)	0	3,927	44,101	288,045
Elmwood	0	0	0	0	0	0	0	0	0
ElecShop, Inc.	4,029,087	152,237,468	140,103,415	8,633,975	(11,392,932)	0	37,120	3,734,778	5,298,007
Indiana Michigan Power Co - Distribution	2,010,468	65,710,050	94,851,991	5,124,266	(7,293,273)	0	26,761	2,127,441	2,805,554
Indiana Michigan Power Co - Generation	7,451,951	151,479,992	190,840,222	9,080,337	(14,038,922)	0	67,913	3,716,192	5,695,290
Indiana Michigan Power Co - Nuclear	074,900	31,010,141	30,293,780	1,820,144	(2,322,067)	0	6,908	760,978	1,250,953
Indiana Michigan Power Co - Transmission	1,003,684	59,200,973	60,741,047	3,497,732	(4,658,640)	0	21,315	1,452,352	2,106,643
Kentucky Power Co - Distribution	033,153	20,762,593	23,676,636	1,503,404	(2,281,440)	0	10,916	656,555	892,580
Kentucky Power Co - Generation	344,531	6,540,432	8,300,230	303,896	(644,110)	0	3,227	160,601	250,207
Kentucky Power Co - Transmission	264,674	11,347,591	11,044,334	663,899	(847,064)	0	2,630	270,385	382,814
Kingsport Power Co - Distribution	69,712	2,938,450	3,017,334	166,207	(331,420)	0	309	69,635	73,922
Kingsport Power Co - Generation	4,989,977	12,939,133	23,815,055	882,580	(1,811,207)	0	53,552	314,877	2,191,259
Kingsport Power Co - Transmission	2,773,217	200,026,239	161,374,505	11,761,595	(14,677,780)	0	53,855	4,026,703	6,063,418
Ohio Power Co - Distribution	5,131,931	192,103,023	195,191,576	11,270,105	(15,047,254)	0	58,019	4,712,780	8,131,671
Ohio Power Co - Generation	1,308,703	44,894,553	42,697,705	2,691,785	(3,274,008)	0	13,832	1,099,472	1,800,704
Ohio Power Co - Transmission	4,754,534	155,950,501	140,878,424	9,147,709	(11,592,858)	0	23,036	3,823,413	5,045,937
Public Service Co of Oklahoma - Distribution	2,231,341	60,201,809	72,340,573	4,028,766	(5,548,288)	0	11,806	1,673,169	2,394,855
Public Service Co of Oklahoma - Generation	476,205	18,429,533	18,773,320	1,080,667	(1,438,852)	0	2,611	452,124	571,954
Public Service Co of Oklahoma - Transmission	2,895,170	89,892,081	88,606,233	5,108,205	(6,311,150)	0	10,285	2,207,001	3,605,512
Southwestern Electric Power Co - Distribution	3,143,121	69,608,183	93,439,750	5,302,720	(7,166,525)	0	15,969	2,186,310	3,493,604
Southwestern Electric Power Co - Generation	1,515,230	50,094,159	50,783,572	3,001,465	(3,995,701)	0	8,499	1,250,772	1,880,280
Southwestern Electric Power Co - Transmission	0	498,909	500,393	28,528	(38,370)	0	0	12,242	2,391
Southwestern Electric Power Co - Texas - Transmission	544,820	13,927,972	13,327,005	810,318	(1,022,138)	0	2,932	334,322	671,261
Southwestern Electric Power Co - Texas - Generation	1,965,730	20,097,009	20,443,328	1,508,402	(2,334,004)	0	10,949	639,505	1,248,593
Ind Mich River Transp Util	1,892,460	62,195,649	64,250,069	3,064,710	(4,928,440)	0	10,460	1,524,838	2,161,037
AEP Texas North Company - Distribution	21,108	23,757,928	22,726,584	1,359,480	(1,743,055)	0	92	592,843	226,486
AEP Texas North Company - Generation	285,062	8,041,169	10,559,924	522,338	(690,602)	0	1,612	216,697	226,327
AEP Texas North Company - Transmission	340,333	14,210,760	13,880,119	832,785	(1,894,569)	0	4,849	348,774	471,104
Wheeling Power Co - Distribution	0	1,921,166	855,680	60,155	(65,689)	0	0	25,613	20,111
Wheeling Power Co - Transmission	0	3,006,611	2,597,841	171,892	(189,246)	0	0	73,760	48,400
Cedar Coal Co	0	0	0	0	0	0	0	0	0
Central Coal Company	0	8,312,076	8,088,031	475,289	(620,397)	0	0	200,936	58,808
Central Ohio Coal	0	6,037,138	5,603,767	345,152	(498,910)	0	0	148,106	(5,569)
Southern Ohio Coal - Marinka	0	9,336,510	9,172,007	533,695	(703,524)	0	0	229,008	59,468
Southern Ohio Coal - Neibs	0	2,953,976	2,991,548	163,166	(220,442)	0	0	70,015	3,739
Whitford	0	476,878	477,009	27,264	(36,592)	0	0	11,699	2,371
Frica River Coal	0	703,491	3,300,300	40,230	(253,918)	0	0	17,250	(186,341)
Houston Pipeline (HPL)	0	0	0	0	0	0	0	0	0
Total	\$123,087,038	\$3,990,950,493	\$4,078,276,203	\$231,780,217	(\$512,987,170)	\$0	\$1,030,875	\$99,433,849	\$459,431,891

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AMERICAN ELECTRIC POWER SYSTEM
QUALIFIED RETIREMENT PLAN
ESTIMATED 2010 NET PERIODIC PENSION COST

Location	Service Cost	Projected Benefit Obligation	Market-Related Value of Assets	Interest Cost	Expected Return on Assets	Initial Transition (Asset/Liability) Obligation	Prior Service Cost	Gain/Loss Amortization	Net Periodic Pension Cost
AEP Energy Services, Inc.	\$20,009	\$1,403,655	\$1,354,414	\$66,051	(\$104,003)	\$0	\$3	\$2,060	\$35,011
AEP Pw Serv, Inc.	19,079	629,170	1,140,027	37,016	(97,590)	0	0	13,990	(16,511)
AEP T & D Services, LLC	0	0	0	0	0	0	0	0	0
American Electric Power Services Corporation	42,200,039	1,064,076,213	1,157,246,467	65,327,737	(60,002,400)	0	2,757	23,665,641	40,389,693
Appalachian Power Co - Distribution	7,259,461	276,920,029	272,272,277	16,230,441	(20,007,200)	0	005	6,144,760	8,727,021
Appalachian Power Co - Generation	7,239,637	217,900,651	224,372,650	12,844,010	(17,220,113)	0	015	4,026,594	7,798,633
Appalachian Power Co - Transmission	1,261,457	37,068,070	41,171,907	2,237,079	(3,161,480)	0	126	841,405	1,170,576
CS Communications, Inc.	0	0	1,343,465	38,253	(103,182)	0	0	14,902	(60,047)
Cardinal Operating Company	1,824,858	57,489,820	61,534,027	3,983,017	(4,725,087)	0	175	1,277,743	1,770,825
AEP Texas Central Company - Distribution	6,004,989	252,783,684	251,340,773	14,001,189	(18,280,822)	0	60	5,917,207	7,423,629
AEP Texas Central Company - Generation	1,600	23,070,142	43,055,807	1,319,584	(3,392,315)	0	0	512,659	(1,516,182)
AEP Texas Central Company - Nuclear	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Transmission	702,518	28,004,862	26,842,643	1,702,519	(2,060,868)	0	10	645,072	882,051
Columbus Southern Power Co - Distribution	4,175,566	184,470,178	181,089,608	11,361,357	(13,867,999)	0	474	4,321,408	5,891,177
Columbus Southern Power Co - Generation	2,243,137	81,020,649	89,014,439	3,334,139	(6,835,220)	0	207	2,022,639	2,764,953
Columbus Southern Power Co - Transmission	353,982	20,029,602	17,937,212	1,165,626	(1,377,360)	0	80	445,085	587,003
Conesville Coal Preparation Company	85,078	2,889,378	2,865,939	176,178	(204,600)	0	7	64,207	115,781
Cook Coal Terminal	101,030	2,600,066	3,445,072	185,972	(272,210)	0	0	77,921	86,110
CSW Energy, Inc.	398,069	1,762,006	3,670,651	124,120	(292,560)	0	43	30,601	269,266
Elmerco	0	0	0	0	0	0	0	0	0
EnorShop, Inc.	4,189,251	150,010,540	145,440,829	8,871,310	(11,106,001)	0	408	3,353,075	5,247,553
Indiana Michigan Power Co - Distribution	3,026,668	95,967,772	96,440,375	5,089,072	(7,405,451)	0	204	1,910,955	2,822,078
Indiana Michigan Power Co - Generation	7,750,929	159,187,995	190,125,134	0,031,959	(15,200,625)	0	744	3,308,908	4,820,004
Indiana Michigan Power Co - Nuclear	1,013,805	30,790,404	20,764,971	1,618,733	(2,237,124)	0	84	683,328	1,226,935
Indiana Michigan Power Co - Transmission	1,878,039	59,688,061	60,546,513	3,463,911	(4,648,381)	0	235	1,304,152	1,994,046
Kentucky Power Co - Distribution	870,479	29,590,723	30,445,200	1,572,907	(2,337,660)	0	120	589,559	795,397
Kentucky Power Co - Generation	358,312	6,489,717	8,774,429	391,597	(973,993)	0	36	144,213	220,535
Kentucky Power Co - Transmission	275,261	11,248,270	10,646,268	659,135	(832,662)	0	32	240,878	351,546
Kingsport Power Co - Distribution	71,460	2,813,867	3,048,218	165,024	(234,143)	0	4	62,526	64,974
Kingsport Power Co - Generation	2,894,140	12,127,900	25,714,321	692,917	(1,874,594)	0	239	282,036	2,085,545
AEP River Operations LLC	5,084,836	189,089,366	166,592,055	11,677,088	(14,324,213)	0	592	4,424,049	6,973,352
Ohio Power Co - Distribution	5,337,208	190,438,725	195,551,000	11,187,231	(15,915,991)	0	039	4,231,883	5,750,800
Ohio Power Co - Generation	1,382,251	44,307,339	41,591,750	2,913,747	(3,183,742)	0	152	984,587	1,798,095
Ohio Power Co - Transmission	4,320,716	151,500,270	147,020,018	9,083,626	(11,280,045)	0	77	3,633,267	5,547,840
Public Service Co of Oklahoma - Generation	2,320,595	87,811,037	79,030,170	3,999,079	(6,697,832)	0	31	1,592,436	2,214,907
Public Service Co of Oklahoma - Distribution	495,253	18,299,667	16,728,975	1,073,254	(1,438,158)	0	5	405,989	539,343
Public Service Co of Oklahoma - Transmission	3,003,577	89,182,687	87,716,340	5,272,340	(6,735,551)	0	45	1,891,766	3,518,207
Southwestern Electric Power Co - Distribution	3,769,846	80,831,059	83,725,572	5,287,618	(7,190,907)	0	32	1,974,000	3,313,508
Southwestern Electric Power Co - Generation	1,575,839	50,542,451	50,318,792	2,930,959	(3,983,710)	0	22	1,123,142	1,810,143
Southwestern Electric Power Co - Transmission	0	494,067	488,848	29,292	(30,382)	0	0	10,882	902
Southwestern Electric Power Co - Texas - Transmission	567,659	13,509,608	13,006,173	805,137	(1,004,950)	0	9	300,207	668,153
Ind Mich River Trade/Latin	1,420,368	25,841,770	31,347,387	1,593,234	(2,407,090)	0	119	574,249	1,149,909
AEP Texas North Company - Distribution	1,668,164	61,617,159	64,387,987	3,036,705	(4,938,073)	0	17	1,360,241	2,036,056
AEP Texas North Company - Generation	21,050	23,552,088	22,184,867	1,348,287	(1,794,283)	0	0	523,369	188,333
AEP Texas North Company - Transmission	300,969	8,764,892	10,902,658	519,040	(637,102)	0	4	164,765	183,380
Whceling Power Co - Distribution	363,320	14,063,612	15,620,870	826,952	(1,045,918)	0	53	313,165	467,501
Whceling Power Co - Transmission	0	1,043,000	789,406	59,650	(80,024)	0	0	23,179	22,213
Cedar Coal Co	0	2,900,563	2,447,075	170,471	(107,952)	0	0	68,233	48,752
Central Ohio Coal	0	0	0	0	0	0	0	0	0
Central Ohio Coal	0	8,240,857	7,910,767	471,329	(608,069)	0	0	183,126	40,380
Southern Ohio Coal - Mathias	0	5,984,035	6,584,075	342,287	(592,577)	0	0	132,884	(30,266)
Southern Ohio Coal - Meigs	0	9,257,605	9,895,014	528,400	(890,940)	0	0	205,720	44,365
Windor	0	2,929,251	2,891,505	161,810	(228,843)	0	0	62,871	(4,296)
Pfizer River Coal	0	472,747	474,988	27,038	(36,474)	0	0	10,505	1,070
Houston Pipeline (HPL)	0	687,306	3,520,730	39,037	(270,864)	0	0	15,487	(215,570)
Total	\$128,010,520	\$3,890,795,275	\$4,078,801,500	\$230,195,191	(\$313,265,900)	\$0	\$9,895	\$68,593,632	\$131,545,135

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AMERICAN ELECTRIC POWER SYSTEM
QUALIFIED RETIREMENT PLAN
ESTIMATED 2019 NET PERIODIC PENSION COST

Location	Service Cost	Projected Benefit Obligation	Market-Related Value of Assets	Interest Cost	Expected Return on Assets	Initial Transition (Asset) Obligation	Prior Service Cost	Gain/Loss Amortization	Net Periodic Pension Cost
AEF Energy Services, Inc.	\$21,725	\$1,474,210	\$1,311,711	\$55,598	(\$106,059)	\$0	\$0	\$70,558	\$35,022
AEF Pro Serv, Inc.	19,803	625,111	1,231,113	30,945	(94,951)	0	0	12,530	(25,461)
AEF T & D Services, LLC	0	1,650,196,135	0	0	0	0	0	0	0
American Electric Power Service Corporation	43,956,861	274,759,588	269,170,223	63,065,263	(90,207,142)	0	0	21,216,689	37,971,491
Appalachian Power Co - Distribution	7,549,480	215,807,489	224,402,154	12,789,270	(20,602,816)	0	0	5,508,892	9,918,152
Appalachian Power Co - Generation	7,595,393	37,926,086	41,748,889	2,228,087	(3,207,807)	0	0	4,328,916	7,441,159
Appalachian Power Co - Transmission	1,311,915	694,592	1,451,301	30,028	(11,923)	0	0	754,416	1,006,611
CS Communications, Inc.	1,897,659	57,139,554	62,069,054	3,377,787	(6,174,551)	0	0	1,145,520	1,049,713
Cedar Rapids Capital Company - Distribution	6,245,189	251,174,360	249,315,741	14,720,569	(10,174,821)	0	0	5,035,012	6,835,956
Cedar Rapids Capital Company - Generation	1,953	22,923,269	49,317,908	1,311,783	(3,547,593)	0	0	459,609	(1,174,238)
AEF Texas Central Company - Distribution	0	0	0	0	0	0	0	0	0
AEF Texas Central Company - Generation	730,918	28,379,823	29,232,543	1,694,312	(2,017,046)	0	0	3,874,277	989,921
AEF Texas Central Company - Nuclear	4,342,589	103,232,100	177,372,632	11,395,238	(3,630,955)	0	0	1,013,393	5,083,749
AEF Texas Southern Power Co - Distribution	2,332,862	96,441,174	97,755,010	5,300,537	(9,747,599)	0	0	399,039	2,707,164
Columbus Southern Power Co - Generation	389,141	16,902,175	17,236,950	1,159,869	(1,325,360)	0	0	57,563	601,677
Columbus Southern Power Co - Transmission	89,522	2,870,083	2,591,891	169,400	(189,523)	0	0	57,563	117,902
Cokesville Coal Preparation Company	105,001	2,763,934	3,099,492	105,259	(284,235)	0	0	60,598	41,914
Cook Coal Terminal	144,118	3,470,180	4,913,520	208,944	(354,723)	0	0	35,503	85,927
CSW Energy, Inc.	403,502	1,770,740	4,020,247	124,415	(305,121)	0	0	3,000,632	254,300
0	0	0	0	0	0	0	0	0	0
0	0	142,950,155	0	8,929,950	(9,992,008)	0	0	1,712,569	5,202,405
Enbridge Inc.	4,357,961	149,957,739	89,317,895	5,067,803	(7,598,768)	0	0	2,981,072	2,368,780
Indiana Michigan Power Co - Distribution	3,147,884	85,420,465	209,623,223	9,989,093	(16,041,243)	0	0	812,610	4,009,551
Indiana Michigan Power Co - Generation	8,090,030	149,211,576	29,348,701	1,008,975	(2,250,950)	0	0	1,100,197	1,813,905
Indiana Michigan Power Co - Nuclear	1,054,462	30,554,935	00,537,285	2,448,399	(3,654,771)	0	0	529,551	709,456
Indiana Michigan Power Co - Transmission	1,051,001	50,314,448	00,537,285	1,565,177	(2,384,661)	0	0	224,110	184,517
Indiana Michigan Power Co - Distribution	1,089,280	20,393,818	31,742,284	390,301	(917,177)	0	0	129,200	346,381
Kentucky Power Co - Distribution	372,845	6,448,401	9,204,160	655,987	(819,968)	0	0	56,059	56,918
Kentucky Power Co - Generation	269,272	11,177,053	10,664,037	895,287	(237,595)	0	0	253,580	1,007,302
Kentucky Power Co - Transmission	74,318	2,795,953	28,104,534	895,287	(2,100,995)	0	0	3,993,242	6,899,934
Kingsport Power Co - Distribution	2,990,312	12,646,699	181,914,036	11,522,400	(13,897,549)	0	0	3,973,962	5,463,380
Kingsport Power Co - Generation	5,209,734	107,019,900	185,425,193	11,145,154	(15,020,433)	0	0	892,700	1,814,910
Kingsport Power Co - Transmission	5,550,656	108,226,313	40,559,757	2,601,960	(3,170,002)	0	0	3,073,893	5,520,779
AEF River Operations LLC	1,447,941	44,029,260	144,257,617	9,041,355	(11,002,109)	0	0	1,348,862	2,055,674
Ohio Power Co - Distribution	2,413,410	153,516,689	73,990,316	3,982,175	(5,696,891)	0	0	1,716,717	1,773,215
Ohio Power Co - Generation	4,483,544	153,516,689	67,190,597	1,069,220	(1,439,995)	0	0	363,976	507,264
Ohio Power Co - Transmission	2,413,410	18,153,554	16,727,751	5,249,113	(6,674,055)	0	0	1,716,717	3,472,385
Public Service Co of Oklahoma - Distribution	515,063	88,514,024	66,788,072	5,245,110	(7,250,899)	0	0	1,769,728	3,463,563
Public Service Co of Oklahoma - Generation	3,120,600	89,295,316	94,300,989	2,667,407	(3,939,432)	0	0	1,005,919	1,773,215
Public Service Co of Oklahoma - Transmission	3,389,600	50,220,977	49,040,928	2,667,407	(3,939,432)	0	0	0,955	(452)
Southwestern Electric Power Co - Distribution	1,639,873	481,519	12,871,949	809,818	0	0	0	0	0
Southwestern Electric Power Co - Texas - Distribution	560,365	13,423,600	32,450,417	1,523,779	(2,495,144)	0	0	289,191	671,719
Southwestern Electric Power Co - Texas - Generation	1,477,180	25,077,251	64,590,416	3,620,415	(4,901,807)	0	0	514,925	1,050,840
Southwestern Electric Power Co - Texas - Transmission	2,046,091	61,224,879	21,653,449	1,340,379	(6,061,655)	0	0	1,227,551	1,933,050
Ind Mich River Transp Lksh	310,248	8,700,793	11,290,900	516,305	(1,028,922)	0	0	408,210	107,462
AEF Texas North Company - Distribution	377,662	14,003,066	13,390,260	822,925	(55,101)	0	0	0	0
AEF Texas North Company - Generation	0	2,861,597	0	0	(176,103)	0	0	0	0
AEF Texas North Company - Transmission	0	0	0	0	0	0	0	0	0
Wheeling Power Co - Distribution	0	0	0	0	0	0	0	0	0
Wheeling Power Co - Transmission	0	0	0	0	0	0	0	0	0
Cedar Coal Co	0	0	0	0	0	0	0	0	0
Central Coal Company	0	0	0	0	0	0	0	0	0
Central Ohio Coal	0	0	0	0	0	0	0	0	0
Southern Ohio Coal - Mantleka	0	0	0	0	0	0	0	0	0
Southern Ohio Coal - Malps	0	0	0	0	0	0	0	0	0
Windsor	0	0	0	0	0	0	0	0	0
Price River Coal	0	0	0	0	0	0	0	0	0
Houston Pipelino (HPL)	0	0	0	0	0	0	0	0	0
Total	\$133,130,841	\$3,871,008,908	\$4,082,391,870	\$229,173,110	(\$314,949,010)	0	0	\$77,652,807	\$125,269,855

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*American Electric Power
Excess Benefit Plan*

Actuarial Valuation Report

Pension Cost for Fiscal Year Ending December 31, 2009

April 2009

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Plan Provisions

The Excess Benefit Plan provides a benefit determined in accordance with the provisions of the American Electric Power System's Retirement Plan (a qualified defined benefit plan), without recognition of the statutory maximums on benefits and pay, less the benefit payable from the qualified plan. MICP awards are also included in the definition of pay for the former East Plan grandfathered benefit for executives with base pay in excess of the IRS limit. Certain executives have contracts providing additional benefits. Certain former Central and South West company executives are eligible for a final average pay cash balance benefit (pension equity – type formula) if it produces a larger benefit. The schedule of contribution percentages for this formula is identical to the cash balance formula.

Prior to 2004, all executives had their cash balance pay limited to \$1,000,000. In addition, pay was limited for executives in an uncapped incentive plan to two times base pay for both the final average pay formula and the cash balance formula. Base pay rate is determined at the earlier of year-end or date of termination.

Effective January 1, 2004, pay for all executives is limited to the greater of two times base pay or \$1 million for the cash balance formula only. The executives in the uncapped incentive plan continue to have two times pay limit apply to the former East Plan final average pay formula.

Future Plan Changes

No future plan changes were recognized in determining pension cost. Towers Perrin is not aware of any future plan changes that are required to be reflected.

Changes in Benefits Valued Since Prior Year

- Changes in the IRS pay cap and Section 415 limits.
- Effective January 1, 2009, the former Central and South West Excess Benefit Plan was combined with the American Electric Power Excess Benefit Plan for reporting purposes.

SI-8

Actuarial Certification, Reliances and Distribution

American Electric Power retained Towers Perrin to perform a valuation of its pension plan for the purpose of determining its pension cost in accordance with FAS 87. This valuation has been conducted in accordance with generally accepted actuarial principles and practices.

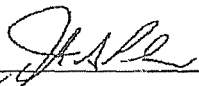
The consulting actuaries are members of the Society of Actuaries and other professional actuarial organizations and meet their "Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States" relating to pension plans.

In preparing the results presented in this report, we have relied upon information provided to us regarding plan provisions, plan participants and plan assets. We have reviewed this information for reasonableness and consistency, but have neither audited nor independently verified this information. The accuracy of the results presented in this report is dependent upon the accuracy and completeness of the underlying information.

The actuarial assumptions and the accounting policies and methods employed in the development of the pension cost have been selected by the plan sponsor, with the concurrence of Towers Perrin. FAS 87 requires that each significant assumption "individually represent the best estimate of a particular future event."

The results shown in this report have been developed based on actuarial assumptions that, to the extent evaluated or selected by Towers Perrin, are considered reasonable by us and within the "best-estimate range" as described by the Actuarial Standards of Practice. Other actuarial assumptions could also be considered to be reasonable and within the best-estimate range. Thus, reasonable results differing from those presented in this report could have been developed by selecting different points within the best-estimate ranges for various assumptions.

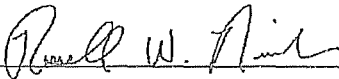
The information contained in this report was prepared for the internal use of American Electric Power and its auditors in connection with our actuarial valuation of the pension plan. It is neither intended nor necessarily suitable for other purposes. American Electric Power may also distribute this actuarial valuation report to the appropriate authorities who have the legal right to require American Electric Power to provide them this report, in which case American Electric Power will use best efforts to notify Towers Perrin in advance of this distribution. Further distribution to, or use by, other parties of all or part of this report is expressly prohibited without Towers Perrin's prior written consent.



Joseph A. Perko, FSA, MAAA, EA

Towers Perrin

April 2009



Russell W. Niswander, FSA, MAAA, EA

Supplemental Information

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SI-1

Basic Results for Pension Cost

This report summarizes financial results for American Electric Power's (AEP) Excess Benefit Plan based on actuarial valuations for fiscal years 2008 and 2009.

	January 1, 2009	January 1, 2008
Service Cost	\$ 1,354,262	\$ 1,352,588
Obligations		
Accumulated benefit obligation [ABO]:		
▶ Participants currently receiving benefits	\$ 57,163,249	\$ 55,679,249
▶ Deferred inactive participants	759,589	566,811
▶ Active participants	<u>27,642,500</u>	<u>22,375,118</u>
Total ABO	\$ 85,565,338	\$ 78,621,178
Obligation due to future salary increases	<u>1,361,541</u>	<u>3,679,034</u>
Projected benefit obligation [PBO]	\$ 86,926,879	\$ 82,300,212
Amounts Not Yet Recognized in Net Periodic Cost		
Net actuarial loss (gain)	\$ 33,916,625	\$ 30,217,206
Prior service cost (credit)	2,475,708	3,737,508
Transition obligation (asset)	<u>0</u>	<u>0</u>
Total	\$ 36,392,333	\$ 33,954,714

Key Economic Assumptions

Discount rate	5.95%	6.00%
Salary increase rate	Rates vary by age from 5.0% to 11.5%	Rates vary by age from 5.0% to 11.5%

SI-2

Pension Cost

	Fiscal 2009	Fiscal 2008
Pension Cost		
Service cost	\$ 1,354,262	\$ 1,352,588
Interest cost	4,971,195	4,769,120
Expected return on assets	0	0
Amortization:		
▶ Transition obligation (asset)	0	0
▶ Prior service cost (credit)	682,914	1,261,800
▶ Net loss (gain)	<u>2,582,832</u>	<u>2,272,800</u>
Pension cost	\$ 9,591,203	\$ 9,656,308
Percent of covered pay	0.6%	0.6%

Change in Pension Cost

Pension cost for fiscal 2008	\$ 9,656,308
Change from fiscal 2008 to fiscal 2009:	
▶ Expected based on prior valuation	(892,298)
▶ Loss (gain) from noninvestment experience	750,854
▶ Assumption changes	76,339
▶ Plan amendments	<u>0</u>
Pension cost for fiscal 2009	\$ 9,591,203

SI-3

Actuarial Assumptions and Methods

Economic Assumptions

Discount rate 5.95%

Annual rates of increase in:

▶ Total compensation

Rates varying by age

<i>Age</i>	<i>Rate</i>
<25	11.50%
25-34	9.50%
35-44	6.50%
>45	5.00%

▶ Cash balance crediting rate

5.25%

▶ Lump sum conversion rate

6.50%

▶ Future Social Security wage bases

4.00%

▶ Indexed limits on compensation and benefits

3.00%

Demographic Assumptions

Healthy Mortality

2009 IRS Applicable Mortality Tables

Termination

Rates varying by age and service

<i>Age</i>	<i>Rate</i>	
	<i>Under five years of service</i>	<i>Five or more years of service</i>
<25	12.50%	10.00%
25-30	12.50%	6.00%
30-35	12.50%	5.00%
35-40	12.50%	3.50%
>40	12.50%	3.00%

Retirement

Rates varying by age

<i>Age</i>	<i>Rate</i>
55-57	7.5%
58-60	15.0%
61-63	35.0%
64-65	25.0%
66-69	20.0%
70+	100%

SI-4

Form of payment	75% lump sum; 25% annuity
Percent married	80% of male participants; 70% of female participants
Spouse ages	Wives are assumed to be three years younger than husbands
Valuation pay	<p>2009 Base Salary Pay (Grandfathered) -- estimated as the sum of the following updated one year according to the salary increase assumption:</p> <ul style="list-style-type: none">(i) 2008 base salary(ii) Target bonus percentage times 2008 base pay (if base pay was greater than IRC 401(a)(17) pay limit in prior year)<ul style="list-style-type: none">- Executives who participate in an uncapped incentive plan will have incentive limited to 1x base pay <p>2009 Expanded Pay (Cash Balance) – sum of the following updated one year according to the salary increase assumption:</p> <ul style="list-style-type: none">(i) 2008 base salary(ii) Target bonus percentage times 2008 base pay<ul style="list-style-type: none">- Effective January 1, 2004, pay for all executives is limited to the greater of 2x base pay or \$1 million

Actuarial Methods

Service cost and projected benefit obligation

Projected unit credit

Benefits Not Valued

All benefits described in the Plan Provisions section of this report were valued. Towers Perrin has reviewed the plan provisions with AEP and is not aware of any significant benefits required to be valued that were not.

Changes in Assumptions and Methods Since Prior Valuation

- ▶ The discount rate used to measure the benefit obligations was changed from 6.00% as of December 31, 2007, to 5.95% as of December 31, 2008.
- ▶ The healthy mortality tables used to value the benefit obligations were updated from the 2008 IRS Applicable Mortality Tables to the 2009 IRS Applicable Mortality Tables.

Data Sources

Towers Perrin used participant data as of January 1, 2009, supplied by AEP. Data were reviewed for reasonableness and consistency, but no audit was performed. Assumptions or estimates were made by Towers Perrin actuaries when data were not available. We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations.

SI-6

Participant Data

	January 1, 2009	January 1, 2008
Active		
Number	20,533	20,036
Average age	47.1	47.2
Average past service	18.2	18.5
Average future service	9.8	9.8
Covered pay:		
▸ Total	\$ 1,641,827,417	\$ 1,547,058,049
▸ Average	79,960	77,214
Deferred Inactive		
Number	5	7
Average age	58.4	56.0
Annual benefits:		
▸ Total	91,963	79,747
▸ Average	18,393	11,392
Currently Receiving Benefits		
Number	83	78
Average age	70.0	69.7
Annual benefits:		
▸ Total	\$ 7,077,825	\$ 6,586,104
▸ Average	85,275	84,437
Total Participants Included in Valuation		
Number	20,621	20,121

ML-1

AMERICAN ELECTRIC POWER
NONQUALIFIED RETIREMENT PLAN
2009 NET PERIODIC PENSION COST

Location	Service Cost	Projected Benefit Obligation	Market-Related Value of Assets	Interest Cost	Expected Return on Assets	Amortization of Initial Transition (Passive) Obligation	Amortization of Prior Service Cost	Amortization of Gain/Loss Amortization	Net Periodic Pension Cost
AEP Energy Services, Inc.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AEP Pro Serv, Inc.	0	0	0	0	0	0	0	0	0
AEP T & D Services, LLC	1,241,892	77,463,328	0	4,431,072	0	704,477	2,303,844	0,600,985	21,184
American Electric Power Service Corporation	0	249,248	0	13,800	0	1	38	123	0
Appalachian Power Co - Distribution	0	1,325	0	75	0	0	0	0	0
Appalachian Power Co - Generation	0	0	0	0	0	0	0	0	0
Appalachian Power Co - Transmission	0	0	0	0	0	0	0	0	0
C3 Communications, Inc.	0	0	0	0	0	0	0	0	0
Cardinal Operating Company	78	1,524	0	60	0	(1)	45	212	277,515
AEP Texas Central Company - Distribution	3,765	3,332,970	0	187,895	0	0	0	0	0
AEP Texas Central Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Nuclear	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Transmission	0	618	0	35	0	10	18	53	10
Columbus Southern Power Co - Distribution	0	0	0	0	0	0	0	0	0
Columbus Southern Power Co - Generation	0	0	0	0	0	0	0	0	0
Columbus Southern Power Co - Transmission	0	0	0	0	0	0	0	0	0
Columbus Southern Power Co - Transmission	0	802	0	45	0	0	24	69	0
Connersville Coal Preparation Company	0	0	0	0	0	0	0	0	0
Coor Coal Terminal	27,150	371,403	0	22,432	0	423	11,029	61,034	0
CSW Energy, Inc.	0	0	0	0	0	0	0	0	0
Elmwood	0	0	0	0	0	0	0	0	0
EnelShops Inc.	0	0	0	0	0	0	0	0	0
Indiana Michigan Power Co - Distribution	17,057	661,273	0	39,231	0	443	18,849	75,679	0
Indiana Michigan Power Co - Generation	7,404	25,632	0	1,660	0	4	762	10,030	0
Indiana Michigan Power Co - Nuclear	13,089	71,639	0	4,771	0	(284)	2,129	19,705	0
Indiana Michigan Power Co - Transmission	0	112,621	0	6,342	0	0	3,346	9,688	0
Kentucky Power Co - Distribution	0	9,645	0	12	0	2,209	197	2,760	0
Kentucky Power Co - Generation	1	208	0	0	0	0	6	20	0
Kentucky Power Co - Transmission	0	0	0	0	0	0	0	0	0
Kingsport Power Co - Distribution	0	0	0	0	0	0	0	0	0
Kingsport Power Co - Transmission	0	0	0	0	0	0	0	0	0
Mississippi Power Co - Transmission	18,884	146,235	0	9,351	0	(627)	4,345	33,073	0
AEP River Operations, LLC	0	0	0	0	0	0	0	0	0
Ohio Power Co - Distribution	0	737,515	0	-1,558	0	3,813	21,917	67,365	0
Ohio Power Co - Generation	0	0	0	0	0	0	0	0	0
Ohio Power Co - Transmission	0	0	0	0	0	0	0	0	0
Public Service Co of Oklahoma - Distribution	10,805	784,913	0	45,453	0	(2,025)	23,322	82,553	0
Public Service Co of Oklahoma - Generation	656	357,956	0	18,856	0	(2,038)	10,459	28,832	0
Public Service Co of Oklahoma - Transmission	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Distribution	4,630	48,749	0	-3,017	0	2	1,448	8,303	0
Southwestern Electric Power Co - Generation	637	886,484	0	55,811	0	(4,170)	28,410	81,703	0
Southwestern Electric Power Co - Transmission	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Transmission	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Transmission	8	9,788	0	552	0	2	291	859	0
Ind Mich River Transp Lahn	60	613	0	39	0	0	-18	137	0
AEP Texas North Company - Distribution	11	892,382	0	40,688	0	(2,454)	26,218	72,469	0
AEP Texas North Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas North Company - Transmission	0	620,923	0	34,014	0	(2,305)	18,423	51,032	0
Whiting Power Co - Distribution	0	0	0	0	0	0	0	0	0
Whiting Power Co - Transmission	0	0	0	0	0	0	0	0	0
Cedar Coal Co	0	0	0	0	0	0	0	0	0
Central Coal Company	0	0	0	0	0	0	0	0	0
Central Ohio Coal	0	0	0	0	0	0	0	0	0
Southern Ohio Coal - Mardinka	0	0	0	0	0	0	0	0	0
Southern Ohio Coal - Melp	0	58,079	0	3,270	0	0	1,726	4,995	0
Pine River Coal	0	0	0	0	0	0	0	0	0
Houston Pipeline (HPL)	0	0	0	0	0	0	0	0	0
Total	\$1,354,202	\$66,826,879	\$0	\$4,971,195	\$0	\$582,914	\$2,502,032	\$8,591,203	\$0

ML-2

Location	Estimated Net Periodic Pension Cost										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
AEP Energy Services, Inc.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AEP Gas Serv, Inc.	0	0	0	0	0	0	0	0	0	0	0
AEP T & D Services, LLC	0	0	0	0	0	0	0	0	0	0	0
American Electric Power Service Corporation	0,000,005	0,009,447	7,023,134	7,662,063	7,205,778	0,644,335	0,731,050	0,620,038	0,408,269	0,430,373	0,430,769
Appalachian Power Co - Distribution	21,184	10,971	10,800	17,036	17,050	10,283	15,011	14,063	14,416	13,087	13,646
Appalachian Power Co - Generation	123	114	108	103	07	00	86	83	80	75	73
Appalachian Power Co - Transmission	0	0	0	0	0	0	0	0	0	0	0
AT Communications, Inc.	0	0	0	0	0	0	0	0	0	0	0
Cardinal Operating Company	212	208	205	204	204	203	204	203	211	215	219
AEP Texas Central Company - Distribution	277,615	261,607	247,801	244,004	232,351	222,239	215,677	209,316	201,047	195,513	191,719
AEP Texas Central Company - Generation	0	0	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Nuclear	0	0	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Transmission	53	50	47	45	43	41	39	38	36	35	34
Columbus Southern Power Co - Distribution	0	0	0	0	0	0	0	0	0	0	0
Columbus Southern Power Co - Generation	0	0	0	0	0	0	0	0	0	0	0
Columbus Southern Power Co - Transmission	0	0	0	0	0	0	0	0	0	0	0
Consolidated Coal Preparation Company	69	65	62	59	56	53	51	48	47	46	44
Cook Coal Terminal	0	0	0	0	0	0	0	0	0	0	0
CSW Energy, Inc.	61,024	60,630	60,520	60,663	60,990	61,598	62,366	63,320	64,543	65,616	67,310
Elmwood	0	0	0	0	0	0	0	0	0	0	0
Enbridge Inc.	0	0	0	0	0	0	0	0	0	0	0
Indiana Michigan Power Co - Distribution	74,970	73,486	71,595	70,032	68,032	67,555	66,913	66,394	66,293	66,535	67,042
Indiana Michigan Power Co - Generation	10,010	10,284	10,593	10,925	11,286	11,684	12,111	12,605	13,064	13,590	14,107
Indiana Michigan Power Co - Nuclear	18,705	19,054	20,250	20,753	21,162	21,605	22,289	23,005	23,802	24,591	25,392
Indiana Michigan Power Co - Transmission	0,669	0,134	0,330	0,203	7,001	7,451	7,140	6,839	6,593	6,401	6,241
Kentucky Power Co - Distribution	27,720	1,910	1,880	1,864	1,247	440	422	404	393	378	363
Kentucky Power Co - Generation	0	0	0	0	0	0	0	0	0	0	0
Kentucky Power Co - Transmission	20	19	18	17	16	15	14	14	14	13	13
Kingsport Power Co - Distribution	0	0	0	0	0	0	0	0	0	0	0
Kingsport Power Co - Generation	0	0	0	0	0	0	0	0	0	0	0
Kingsport Power Co - Transmission	33,072	33,346	33,817	34,415	35,072	35,849	36,700	37,650	38,577	41,000	42,524
AEP River Operations LLC	0	0	0	0	0	0	0	0	0	0	0
Ohio Power Co - Distribution	67,366	62,238	59,000	56,142	52,443	48,733	45,691	44,725	43,170	41,926	40,875
Ohio Power Co - Generation	0	0	0	0	0	0	0	0	0	0	0
Ohio Power Co - Transmission	0	0	0	0	0	0	0	0	0	0	0
Public Service Co of Oklahoma - Distribution	20,832	27,284	25,324	25,910	24,704	23,652	23,107	22,384	21,694	21,001	20,633
Public Service Co of Oklahoma - Generation	0	0	0	0	0	0	0	0	0	0	0
Public Service Co of Oklahoma - Transmission	0	0	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Distribution	91,700	92,310	92,374	93,077	93,809	94,609	95,480	96,421	97,435	98,524	99,688
Southwestern Electric Power Co - Generation	0	0	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Distribution	0	0	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Generation	0	0	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Transmission	853	804	792	728	690	680	633	608	580	569	555
Ind Mich River Transit Lakin	137	130	140	143	140	149	152	156	161	166	172
AEP Texas North Company - Distribution	72,469	69,120	64,416	63,430	60,285	57,544	55,701	53,719	51,687	50,172	48,916
AEP Texas North Company - Generation	51,032	47,890	45,372	44,612	42,402	40,476	39,265	37,748	36,307	34,942	34,359
AEP Texas North Company - Transmission	0	0	0	0	0	0	0	0	0	0	0
Wheeling Power Co - Distribution	0	0	0	0	0	0	0	0	0	0	0
Wheeling Power Co - Generation	0	0	0	0	0	0	0	0	0	0	0
Wheeling Power Co - Transmission	0	0	0	0	0	0	0	0	0	0	0
Central Coal Company	0	0	0	0	0	0	0	0	0	0	0
Central Coal Company	0	0	0	0	0	0	0	0	0	0	0
Central Ohio Coal	0	0	0	0	0	0	0	0	0	0	0
Southern Ohio Coal - Mairika	0	0	0	0	0	0	0	0	0	0	0
Southern Ohio Coal - Mairika	4,000	4,710	4,455	4,230	4,023	3,843	3,682	3,527	3,400	3,301	3,218
Price River Coal	0	0	0	0	0	0	0	0	0	0	0
Houston Pipelina (HPL)	0	0	0	0	0	0	0	0	0	0	0
Total	\$9,591,203	\$9,057,154	\$8,656,934	\$8,464,912	\$8,059,155	\$7,613,140	\$7,486,070	\$7,351,657	\$7,218,031	\$7,101,347	\$7,148,501

Towers Penion

ML-3

AMERICAN ELECTRIC POWER
NONQUALIFIED RETIREMENT PLAN
ESTIMATED 2010 NET PERIODIC PENSION COST

Location	Service Cost	Projected Benefit Obligation	Market-Related Value of Assets	Interest Cost	Expected Return on Assets	Initial Transition (Reserve) Obligation	Prior Service Cost	Gain/Loss Amortization	Net Periodic Pension Cost
AEP Energy Services, Inc.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AEP Pro Serv, Inc.	0	0	0	0	0	0	0	0	0
AEP T & D Services, LLC	0	0	0	0	0	0	0	0	0
American Electric Power Service Corporation	1,304,082	74,521,022	0	4,261,873	0	0	428,688	2,093,784	8,089,447
Appalachian Power Co - Distribution	0	236,893	0	13,315	0	0	1	6,556	18,871
Appalachian Power Co - Generation	0	1,275	0	72	0	0	7	36	114
Appalachian Power Co - Transmission	0	0	0	0	0	0	0	0	0
CS Communications, Inc.	0	0	0	0	0	0	0	0	0
Cardinal Operating Company	62	1,485	0	87	0	0	(2)	41	208
AEP Texas Central Company - Distribution	3,953	3,200,301	0	189,442	0	0	(12,077)	99,089	251,907
AEP Texas Central Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Nuclear	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Transmission	0	595	0	33	0	0	17	0	50
Calumet Southern Power Co - Distribution	0	0	0	0	0	0	10	0	10
Calumet Southern Power Co - Generation	0	0	0	0	0	0	0	0	0
Calumet Southern Power Co - Transmission	0	0	0	0	0	0	0	0	0
Ceresville Coal Preparation Company	0	772	0	43	0	0	0	22	65
Cook Coal Terminal	0	0	0	0	0	0	0	0	0
CSW Energy, Inc.	28,507	357,104	0	21,674	0	0	423	10,933	60,638
Elmwood	0	0	0	0	0	0	0	0	0
EnergyShop Inc.	0	0	0	0	0	0	0	0	0
Indiana Michigan Power Co - Distribution	19,540	535,155	0	36,768	0	0	274	17,874	73,485
Indiana Michigan Power Co - Generation	7,774	24,658	0	1,823	0	0	4	693	10,284
Indiana Michigan Power Co - Nuclear	13,742	69,019	0	4,046	0	0	(971)	1,936	19,054
Indiana Michigan Power Co - Transmission	0	108,343	0	6,090	0	0	0	3,044	9,134
Kentucky Power Co - Distribution	0	0,393	0	359	0	0	1,300	180	1,919
Kentucky Power Co - Generation	1	188	0	11	0	0	1	5	18
Kentucky Power Co - Transmission	0	0	0	0	0	0	0	0	0
Kirripport Power Co - Distribution	0	0	0	0	0	0	0	0	0
Kingsport Power Co - Transmission	0	0	0	0	0	0	0	0	0
AEP River Operations, LLC	20,994	140,691	0	9,097	0	0	(687)	3,053	33,346
Ohio Power Co - Distribution	0	0	0	0	0	0	0	0	0
Ohio Power Co - Generation	0	709,598	0	39,804	0	0	2,410	19,937	62,239
Ohio Power Co - Transmission	0	0	0	0	0	0	0	0	0
Public Service Co of Oklahoma - Distribution	17,750	755,069	0	43,439	0	0	(2,825)	21,219	70,581
Public Service Co of Oklahoma - Generation	669	339,500	0	10,070	0	0	(2,039)	9,513	27,234
Public Service Co of Oklahoma - Transmission	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Distribution	5,878	46,897	0	2,921	0	0	2	1,318	9,319
Southwestern Electric Power Co - Generation	668	952,652	0	53,595	0	0	(4,170)	28,772	76,956
Southwestern Electric Power Co - Texas - Distribution	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Transmission	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Generation	0	9,416	0	530	0	0	2	265	804
Southwestern Electric Power Co - Transmission	0	550	0	39	0	0	17	0	130
Ind Mich River Tampac Lahn	04	840,850	0	47,713	0	0	(3,454)	23,050	60,120
AEP Texas North Company - Distribution	12	505,473	0	33,526	0	0	(2,305)	16,759	47,880
AEP Texas North Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas North Company - Transmission	0	0	0	0	0	0	0	0	0
Wheeling Power Co - Distribution	0	0	0	0	0	0	0	0	0
Wheeling Power Co - Transmission	0	0	0	0	0	0	0	0	0
Cedar Coal Co	0	0	0	0	0	0	0	0	0
Central Coal Company	0	0	0	0	0	0	0	0	0
Central Ohio Coal	0	0	0	0	0	0	0	0	0
Southern Ohio Coal - Martinsburg	0	56,972	0	3,140	0	0	0	1,570	4,710
Southern Ohio Coal - Mclg	0	0	0	0	0	0	0	0	0
Windor	0	0	0	0	0	0	0	0	0
Pilco River Coal	0	0	0	0	0	0	0	0	0
Houston Pipelines (HPL)	0	0	0	0	0	0	0	0	0
Total	\$1,421,975	\$83,625,116	\$0	\$4,769,209	\$0	\$0	\$405,300	\$2,349,589	\$8,957,153

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AMERICAN ELECTRIC POWER
NONQUALIFIED RETIREMENT PLAN
ESTIMATED 2011 NET PERIODIC PENSION COST

Location	Service Cost	Projected Benefit Obligation	Market-Related Value of Assets	Interest Cost	Expected Return on Assets	Initial Transition (Asset)/ Obligation	Prior Service Cost	Gain/Loss Amortization	Net Periodic Pension Cost
AEF Energy Services, Inc.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AEF Pro Serv, Inc.	0	0	0	0	0	0	0	0	0
AEF T & D Services, LLC	1,269,289	71,512,724	0	4,111,537	0	0	454,387	1,807,914	7,823,134
American Electric Power Service Corporation	0	227,330	0	12,824	0	0	1	6,065	18,880
Appalachian Power Co - Distribution	0	1,223	0	69	0	0	7	33	100
Appalachian Power Co - Generation	0	0	0	0	0	0	0	0	0
Appalachian Power Co - Transmission	0	0	0	0	0	0	0	0	0
C3 Communications, Inc.	60	1,407	0	64	0	0	(2)	39	206
Cardinal Operating Company	4,151	3,076,844	0	173,016	0	0	(12,259)	82,001	247,901
AEF Texas Central Company - Distribution	0	0	0	0	0	0	0	0	0
AEF Texas Central Company - Generation	0	0	0	0	0	0	0	0	0
AEF Texas Central Company - Nuclear	0	0	0	0	0	0	0	0	0
AEF Texas Central Company - Transmission	0	571	0	32	0	0	0	15	47
Columbus Southern Power Co - Distribution	0	0	0	0	0	0	10	0	10
Columbus Southern Power Co - Generation	0	0	0	0	0	0	0	0	0
Columbus Southern Power Co - Transmission	0	0	0	0	0	0	0	0	0
Conesville Coal Preparation Company	0	740	0	42	0	0	0	20	62
Cook Coal Terminal	29,933	342,688	0	21,021	0	0	423	8,143	60,520
CSW Energy, Inc.	0	0	0	0	0	0	0	0	0
Elmwood	0	0	0	0	0	0	0	0	0
Enershop Inc.	19,487	910,475	0	35,537	0	0	274	16,287	71,565
Indiana Michigan Power Co - Distribution	8,163	23,663	0	1,795	0	0	4	631	10,593
Indiana Michigan Power Co - Generation	14,430	66,136	0	4,545	0	0	(471)	1,764	20,268
Indiana Michigan Power Co - Nuclear	0	103,070	0	5,865	0	0	0	2,774	8,638
Indiana Michigan Power Co - Transmission	1	6,135	0	346	0	0	1,383	164	1,689
Kentucky Power Co - Distribution	0	190	0	11	0	0	0	5	10
Kentucky Power Co - Generation	0	0	0	0	0	0	0	0	0
Kentucky Power Co - Transmission	0	0	0	0	0	0	0	0	0
Kingsport Power Co - Distribution	0	0	0	0	0	0	0	0	0
Kingsport Power Co - Transmission	22,043	135,022	0	8,860	0	0	(687)	3,602	33,817
Kingsport Power Co - Nuclear	0	0	0	0	0	0	0	0	0
Ohio Power Co - Distribution	0	860,853	0	38,415	0	0	2,418	18,167	99,000
Ohio Power Co - Generation	0	0	0	0	0	0	0	0	0
Ohio Power Co - Transmission	18,938	724,617	0	41,930	0	0	(2,728)	19,332	77,171
Public Service Co of Oklahoma - Distribution	723	324,918	0	18,371	0	0	(1,959)	0,669	25,824
Public Service Co of Oklahoma - Generation	0	0	0	0	0	0	0	0	0
Public Service Co of Oklahoma - Transmission	5,332	45,694	0	2,840	0	0	2	1,201	8,374
Southwestern Electric Power Co - Distribution	702	974,387	0	51,624	0	0	(3,869)	24,306	72,753
Southwestern Electric Power Co - Generation	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Transmission	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Transmission	0	0,036	0	510	0	0	2	241	762
Ind Mich River Transp Utiln	80	500	0	37	0	0	0	15	140
Ind Mich River Transp Utiln	12	814,889	0	45,055	0	0	(3,264)	21,733	64,416
AEF Texas North Company - Distribution	0	572,894	0	32,201	0	0	(2,190)	15,271	45,372
AEF Texas North Company - Generation	0	0	0	0	0	0	0	0	0
AEF Texas North Company - Transmission	0	0	0	0	0	0	0	0	0
Whiting Power Co - Distribution	0	0	0	0	0	0	0	0	0
Whiting Power Co - Transmission	0	0	0	0	0	0	0	0	0
Cedar Coal Co	0	0	0	0	0	0	0	0	0
Central Coal Company	0	0	0	0	0	0	0	0	0
Central Ohio Coal	0	0	0	0	0	0	0	0	0
Southern Ohio Coal - Martinsburg	0	0	0	0	0	0	0	0	0
Southern Ohio Coal - Meigs	0	53,617	0	3,025	0	0	0	1,430	4,455
Whitford	0	0	0	0	0	0	0	0	0
Pitca River Coal	0	0	0	0	0	0	0	0	0
Houston Pipeline (HPL)	0	0	0	0	0	0	0	0	0
Total	\$1,493,074	\$80,229,300	\$0	\$4,611,201	\$0	\$0	\$411,360	\$2,141,000	\$6,656,635

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AMERICKAN ELECTRIC POWER
NONQUALIFIED RETIREMENT PLAN
ESTIMATED 2012 NET PERIODIC PENSION COST

Localizer	Service Cost	Projected Benefit Obligation	Market-Related Value of Assets	Interest Cost	Expected Return on Assets	Initial Transition (Actup) Obligation	Prior Service Cost	Gain/Loss Amortization	Net Periodic Pension Cost
AEP Energy Services, Inc.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AEP Pro Serv, Inc.	0	0	0	0	0	0	0	0	0
AEP T & D Services, LLC	1,437,761	68,264,587	0	3,888,981	0	0	501,740	1,733,510	7,662,603
American Electric Power Service Corporation	0	220,103	0	12,425	0	0	1	5,511	17,895
Appalachian Power Co - Distribution	0	1,185	0	0	0	0	7	30	103
Appalachian Power Co - Transmission	0	0	0	0	0	0	0	0	0
C3 Communications, Inc.	0	0	0	0	0	0	0	0	0
Cardinal Operating Company	80	1,263	0	0	0	0	(2)	34	204
AEP Texas Central Company - Distribution	4,350	2,880,215	0	168,417	0	0	(3,359)	74,587	244,004
AEP Texas Central Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Nuclear	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Transmission	0	553	0	31	0	0	0	14	45
AEP Texas Central Company - Distribution	0	0	0	0	0	0	0	10	10
Columbus Southern Power Co - Distribution	0	0	0	0	0	0	0	0	0
Columbus Southern Power Co - Generation	0	0	0	0	0	0	0	0	0
Columbus Southern Power Co - Transmission	0	0	0	0	0	0	0	0	0
Columbus Southern Power Co - Distribution	0	717	0	40	0	0	0	18	58
Comesville Coal Preparation Company	0	0	0	0	0	0	0	0	0
Cook Coal Terminal	31,430	331,815	0	20,503	0	0	423	9,307	60,953
CSW Energy, Inc.	0	0	0	0	0	0	0	0	0
Elmwood	0	0	0	0	0	0	0	0	0
EnviroShop Inc.	20,440	591,284	0	34,519	0	0	274	14,780	70,032
Indiana Michigan Power Co - Distribution	8,571	22,919	0	1,777	0	0	4	574	10,925
Indiana Michigan Power Co - Generation	15,151	64,057	0	4,470	0	0	(477)	1,603	20,753
Indiana Michigan Power Co - Nuclear	0	100,701	0	5,682	0	0	0	2,520	8,203
Indiana Michigan Power Co - Transmission	0	5,842	0	335	0	0	1,380	149	1,854
Kentucky Power Co - Distribution	1	184	0	10	0	0	1	5	17
Kentucky Power Co - Generation	0	0	0	0	0	0	0	0	0
Kentucky Power Co - Transmission	0	0	0	0	0	0	0	0	0
Kingsport Power Co - Distribution	0	0	0	0	0	0	0	0	0
Kingsport Power Co - Transmission	0	0	0	0	0	0	0	0	0
Kingsport Power Co - Generation	23,146	130,750	0	0,665	0	0	(607)	3,273	34,415
AEP River Operations LLC	0	0	0	0	0	0	0	0	0
Ohio Power Co - Distribution	0	655,548	0	37,218	0	0	2,418	16,507	55,142
Ohio Power Co - Generation	0	0	0	0	0	0	0	0	0
Ohio Power Co - Transmission	19,570	701,030	0	40,708	0	0	(1,356)	47,565	76,487
Public Service Co of Oklahoma - Distribution	759	314,765	0	17,001	0	0	(519)	7,076	25,918
Public Service Co of Oklahoma - Generation	0	0	0	0	0	0	0	0	0
Public Service Co of Oklahoma - Transmission	5,588	43,589	0	2,776	0	0	2	1,081	9,487
Southwestern Electric Power Co - Distribution	737	695,651	0	50,038	0	0	(1,088)	22,166	71,833
Southwestern Electric Power Co - Generation	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Transmission	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Distribution	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Transmission	0	6,752	0	494	0	0	2	219	724
Ind High River Triump Lubin	93	543	0	38	0	0	0	14	143
AEP Texas North Company - Distribution	13	708,880	0	44,523	0	0	(852)	19,746	63,490
AEP Texas North Company - Generation	0	554,400	0	31,284	0	0	(547)	13,075	44,612
AEP Texas North Company - Transmission	0	0	0	0	0	0	0	0	0
Wheeling Power Co - Distribution	0	0	0	0	0	0	0	0	0
Wheeling Power Co - Transmission	0	0	0	0	0	0	0	0	0
Crede Coal Co	0	0	0	0	0	0	0	0	0
Central Coal Company	0	0	0	0	0	0	0	0	0
Central Ohio Coal	0	0	0	0	0	0	0	0	0
Seaboard Ohio Coal - Maitlins	0	51,331	0	2,930	0	0	0	1,306	4,230
Seaboard Ohio Coal - Melgs	0	0	0	0	0	0	0	0	0
Windcar	0	0	0	0	0	0	0	0	0
Pine River Coal	0	0	0	0	0	0	0	0	0
Houston Pipeline (HPL)	0	0	0	0	0	0	0	0	0
Total	\$1,567,728	\$77,726,512	\$0	\$4,474,515	\$0	\$0	\$407,380	\$1,045,280	\$9,484,913

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AMERICAN ELECTRIC POWER
NONQUALIFIED RETIREMENT PLAN
ESTIMATED 2013 NET PERIODIC PENSION COST

Location	Service Cost	Projected Benefit Obligation	Market-Related Value of Assets	Interest Cost	Expected Return on Assets	Initial Transition (Asset) Obligation	Prior Service Cost	Gain/Loss Amortization	Net Periodic Pension Cost
AEP Energy Services, Inc.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AEP Fire Serv, Inc.	0	0	0	0	0	0	0	0	0
AEP T & D Services, LLC	0	0	0	0	0	0	0	0	0
American Electric Power Service Corporation	1,500,640	67,229,105	0	3,876,152	0	0	305,117	1,574,859	7,265,778
Appalachian Power Co - Distribution	0	213,713	0	12,051	0	0	1	5,005	17,058
Appalachian Power Co - Generation	0	1,150	0	65	0	0	5	27	87
Appalachian Power Co - Transmission	0	0	0	0	0	0	0	0	0
CS Communications, Inc.	0	0	0	0	0	0	0	0	0
Central Operating Company	65	1,323	0	20	0	0	(2)	31	204
AEP Texas Central Company - Distribution	4,576	2,092,635	0	163,373	0	0	(3,359)	67,761	232,351
AEP Texas Central Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Nuclear	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Transmission	0	537	0	30	0	0	10	13	43
Columbus Southern Power Co - Distribution	0	0	0	0	0	0	0	0	0
Columbus Southern Power Co - Generation	0	0	0	0	0	0	0	0	0
Columbus Southern Power Co - Transmission	0	0	0	0	0	0	0	0	0
Columbus Southern Power Co - Nuclear	0	686	0	39	0	0	0	16	56
Conesville Coal Preparation Company	0	0	0	0	0	0	0	0	0
Coak Coal Terminal	0	322,161	0	20,027	0	0	423	7,547	60,969
CSW Energy, Inc.	33,001	0	0	0	0	0	0	0	0
Elmwood	0	0	0	0	0	0	0	0	0
Enershore Inc.	21,462	573,900	0	33,573	0	0	153	13,444	66,632
Indiana Michigan Power Co - Distribution	9,600	22,246	0	1,762	0	0	4	521	11,285
Indiana Michigan Power Co - Generation	13,809	62,174	0	4,493	0	0	(665)	1,455	21,162
Indiana Michigan Power Co - Nuclear	0	97,742	0	5,512	0	0	0	2,280	7,801
Indiana Michigan Power Co - Transmission	0	5,767	0	305	0	0	787	135	1,247
Kentucky Power Co - Distribution	1	179	0	10	0	0	1	4	16
Kentucky Power Co - Generation	0	0	0	0	0	0	0	0	0
Kentucky Power Co - Transmission	0	0	0	0	0	0	0	0	0
Kingsport Power Co - Distribution	0	0	0	0	0	0	0	0	0
Kingsport Power Co - Transmission	24,303	125,916	0	8,527	0	0	(731)	2,073	35,072
AEP River Operations LLC	0	0	0	0	0	0	0	0	0
Ohio Power Co - Distribution	0	640,164	0	36,099	0	0	1,348	14,896	52,443
Ohio Power Co - Generation	0	0	0	0	0	0	0	0	0
Ohio Power Co - Transmission	0	0	0	0	0	0	0	0	0
Public Service Co of Oklahoma - Distribution	20,548	691,213	0	39,572	0	0	(1,555)	15,658	74,722
Public Service Co of Oklahoma - Generation	797	395,457	0	17,270	0	0	(518)	7,195	24,704
Public Service Co of Oklahoma - Transmission	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Distribution	5,078	42,308	0	2,717	0	0	0	681	9,569
Southwestern Electric Power Co - Generation	774	659,624	0	48,518	0	0	(1,098)	20,137	66,341
Southwestern Electric Power Co - Transmission	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Distribution	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Transmission	10	8,485	0	480	0	0	0	109	690
Southwestern Electric Power Co - Texas - Generation	97	532	0	35	0	0	0	12	145
Ind Mich River Truncp Lmbk	13	765,804	0	43,184	0	0	(852)	17,839	60,285
AEP Texas North Company - Distribution	0	539,107	0	30,344	0	0	(547)	12,665	42,402
AEP Texas North Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas North Company - Transmission	0	0	0	0	0	0	0	0	0
Whiting Power Co - Distribution	0	0	0	0	0	0	0	0	0
Whiting Power Co - Generation	0	0	0	0	0	0	0	0	0
Whiting Power Co - Transmission	0	0	0	0	0	0	0	0	0
Cedar Coal Co	0	0	0	0	0	0	0	0	0
Central Coal Company	0	0	0	0	0	0	0	0	0
Central Ohio Coal	0	0	0	0	0	0	0	0	0
Southern Ohio Coal - Marinka	0	50,405	0	2,042	0	0	0	1,181	4,023
Southern Ohio Coal - Melpis	0	0	0	0	0	0	0	0	0
Windor	0	0	0	0	0	0	0	0	0
Plico River Coal	0	0	0	0	0	0	0	0	0
Houston Pipestone (HPL)	0	0	0	0	0	0	0	0	0
Total	\$1,646,114	\$75,442,350	\$0	\$4,346,909	\$0	\$0	\$288,793	\$1,767,257	\$6,059,153

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AMERICAN ELECTRIC POWER
NONQUALIFIED RETIREMENT PLAN
ESTIMATED 2014 NET PERIODIC PENSION COST

Location	Service Cost	Projected Benefit Obligation	Market-Related Value of Assets	Interest Cost	Expected Return on Assets	Initial Transition (Asset)/ Obligation	Prior Service Cost	Gain/Loss Amortization	Net Periodic Pension Cost
AEP Energy Services, Inc.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AEP Pto Serv, Inc.	0	0	0	0	0	0	0	0	0
AEP T & D Services, LLC	1,585,132	65,265,101	0	3,783,161	0	0	44,470	1,431,773	6,844,535
American Electric Power Service Corporation	0	207,463	0	11,741	0	0	0	4,551	16,203
Appalachian Power Co - Distribution	0	1,116	0	63	0	0	2	24	80
Appalachian Power Co - Generation	0	0	0	0	0	0	0	0	0
Appalachian Power Co - Transmission	0	0	0	0	0	0	0	0	0
C3 Communications, Inc.	0	0	0	0	0	0	0	0	0
Cardinal Operating Company	100	1,284	0	78	0	0	(3)	28	203
AEP Texas Central Company - Distribution	4,805	2,803,045	0	159,105	0	0	(3,350)	61,604	222,239
AEP Texas Central Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Nielsen	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Nielsen	0	0	0	0	0	0	0	11	41
AEP Texas Central Company - Transmission	0	522	0	30	0	0	0	0	10
AEP Texas Central Company - Transmission	0	0	0	0	0	0	10	0	0
Columbus Southern Power Co - Distribution	0	0	0	0	0	0	0	0	0
Columbus Southern Power Co - Generation	0	0	0	0	0	0	0	0	0
Columbus Southern Power Co - Transmission	0	0	0	0	0	0	0	0	0
Columbus Southern Power Co - Transmission	0	670	0	38	0	0	0	15	53
Cokesville Coal Preparation Company	0	0	0	0	0	0	0	0	0
Cook Coal Terminal	0	312,740	0	10,650	0	0	423	5,851	61,596
CSW Energy, Inc.	0	0	0	0	0	0	0	0	0
Elmwood	0	0	0	0	0	0	0	0	0
EnarShop Inc.	0	0	0	0	0	0	0	0	0
Indiana Michigan Power Co - Distribution	22,535	557,125	0	32,805	0	0	(6)	12,222	67,555
Indiana Michigan Power Co - Generation	9,450	21,495	0	1,757	0	0	4	474	11,694
Indiana Michigan Power Co - Nuclear	16,704	60,356	0	4,351	0	0	(784)	1,324	21,605
Indiana Michigan Power Co - Transmission	0	94,064	0	5,370	0	0	0	2,082	7,451
Kentucky Power Co - Distribution	0	5,509	0	317	0	0	0	123	440
Kentucky Power Co - Generation	1	474	0	10	0	0	0	4	15
Kentucky Power Co - Transmission	0	0	0	0	0	0	0	0	0
Kingsport Power Co - Distribution	0	0	0	0	0	0	0	0	0
Kingsport Power Co - Transmission	0	0	0	0	0	0	0	0	0
AEP River Operations LLC	25,616	123,204	0	8,417	0	0	(789)	2,703	35,840
Ohio Power Co - Distribution	0	621,443	0	35,189	0	0	0	0	0
Ohio Power Co - Generation	0	0	0	0	0	0	0	0	0
Ohio Power Co - Transmission	0	0	0	0	0	0	0	0	0
Ohio Power Co - Transmission	0	0	0	0	0	0	0	0	0
Public Service Co of Oklahoma - Distribution	21,576	661,292	0	39,646	0	0	0	0	0
Public Service Co of Oklahoma - Generation	637	296,524	0	16,829	0	0	(1,359)	14,509	73,373
Public Service Co of Oklahoma - Transmission	0	0	0	0	0	0	(319)	6,505	23,952
Southeastern Electric Power Co - Distribution	6,172	41,071	0	2,674	0	0	0	0	0
Southeastern Electric Power Co - Generation	813	834,485	0	47,272	0	0	(1,088)	901	6,749
Southeastern Electric Power Co - Transmission	0	0	0	0	0	0	0	0	0
Southeastern Electric Power Co - Texas - Distribution	0	0	0	0	0	0	0	0	0
Southeastern Electric Power Co - Texas - Transmission	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Transmission	10	8,246	0	467	0	0	2	161	660
Southwestern Electric Power Co - Transmission	102	516	0	35	0	0	11	0	149
Ind Mich River Transp LnkIn	14	743,410	0	42,073	0	0	(652)	16,200	57,544
AEP Texas North Company - Distribution	0	522,371	0	28,563	0	0	(547)	11,460	40,475
AEP Texas North Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas North Company - Transmission	0	0	0	0	0	0	0	0	0
Windling Power Co - Distribution	0	0	0	0	0	0	0	0	0
Windling Power Co - Transmission	0	0	0	0	0	0	0	0	0
Cedar Coal Co	0	0	0	0	0	0	0	0	0
Central Coal Company	0	0	0	0	0	0	0	0	0
Central Ohio Coal	0	0	0	0	0	0	0	0	0
Southern Ohio Coal - Martinsburg	0	0	0	0	0	0	0	0	0
Southern Ohio Coal - Martinsburg	0	40,831	0	2,769	0	0	0	1,973	3,843
Southern Ohio Coal - Mays	0	0	0	0	0	0	0	0	0
Windser	0	0	0	0	0	0	0	0	0
Prico River Coal	0	0	0	0	0	0	0	0	0
Houston Pipeline (HPL)	0	0	0	0	0	0	0	0	0
Total	\$1,172,642	\$73,236,172	\$0	\$4,242,482	\$0	\$0	\$35,541	\$1,605,690	\$7,513,143

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ML-8

AMERICAN ELECTRIC POWER
NONQUALIFIED RETIREMENT PLAN
ESTIMATED 2012 NET PERIODIC PENSION COST

Location	Service Cost	Projected Benefit Obligation	Market-Related Value of Assets	Interest Cost	Expected Return on Assets	Initial Transition (Asset)/Obligation	Prior Service Cost	Gain/Loss Amortization	Ad. Periodic Pension Cost
AEP Energy Services, Inc.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AEP Pto Surv, Inc.	0	0	0	0	0	0	0	0	0
AEP T & D Services, LLC	1,064,308	63,843,008	0	3,707,850	0	0	62,722	1,286,893	6,731,959
American Electric Power Service Corporation	0	203,269	0	11,460	0	0	1	4,123	15,011
Appalachian Power Co - Distribution	0	1,094	0	52	0	0	2	22	86
Appalachian Power Co - Transmission	0	0	0	0	0	0	0	0	0
C3 Communications, Inc.	0	0	0	0	0	0	0	0	0
Cardinal Operating Company	105	1,258	0	77	0	0	(3)	26	204
AEP Texas Central Company - Distribution	5,045	2,751,204	0	155,770	0	0	(947)	55,801	215,677
AEP Texas Central Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Nuclear	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Transmission	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Nuclear	0	511	0	28	0	0	10	10	38
Columbus Southern Power Co - Distribution	0	0	0	0	0	0	0	0	0
Columbus Southern Power Co - Generation	0	0	0	0	0	0	0	0	0
Columbus Southern Power Co - Transmission	0	0	0	0	0	0	0	0	0
ConocoPhillips Coal Preparation Company	0	662	0	37	0	0	0	13	51
Cook Coal Terminal	0	0	0	0	0	0	0	0	0
GSM Energy, Inc.	39,384	305,418	0	18,374	0	0	423	6,215	62,396
Elmwood	0	0	0	0	0	0	0	0	0
Envsloop Inc.	0	0	0	0	0	0	0	0	0
Indiana Michigan Power Co - Distribution	23,662	545,063	0	32,388	0	0	(6)	11,071	60,813
Indiana Michigan Power Co - Generation	9,922	21,158	0	1,757	0	0	4	428	12,111
Indiana Michigan Power Co - Nuclear	17,539	55,155	0	4,333	0	0	(784)	1,199	22,288
Indiana Michigan Power Co - Transmission	0	92,966	0	5,254	0	0	0	1,895	7,140
Kentucky Power Co - Distribution	0	5,485	0	310	0	0	0	422	422
Kentucky Power Co - Generation	1	170	0	10	0	0	0	11	15
Kentucky Power Co - Transmission	0	0	0	0	0	0	0	0	0
Kingsport Power Co - Distribution	0	0	0	0	0	0	0	0	0
Kingsport Power Co - Transmission	0	0	0	0	0	0	0	0	0
AEP River Operations LLC	26,794	125,714	0	8,337	0	0	(769)	2,448	36,760
Ohio Power Co - Distribution	0	0	0	0	0	0	0	0	0
Ohio Power Co - Generation	0	608,801	0	34,412	0	0	(70)	12,349	46,691
Ohio Power Co - Transmission	0	0	0	0	0	0	0	0	0
Public Service Co of Oklahoma - Distribution	22,654	947,525	0	37,859	0	0	(884)	13,141	72,710
Public Service Co of Oklahoma - Generation	079	299,530	0	16,460	0	0	(134)	5,862	23,107
Public Service Co of Oklahoma - Transmission	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Distribution	6,481	49,241	0	2,641	0	0	2	815	9,840
Southwestern Electric Power Co - Generation	854	817,918	0	46,257	0	0	(307)	16,593	63,386
Southwestern Electric Power Co - Transmission	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Transmission	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Transmission	11	6,080	0	457	0	0	2	164	633
Ind Mich River Transp Lahn	107	560	0	35	0	0	0	10	152
AEP Texas North Company - Distribution	15	728,383	0	41,167	0	0	(183)	14,773	55,761
AEP Texas North Company - Generation	0	511,812	0	28,926	0	0	(102)	10,380	39,205
AEP Texas North Company - Transmission	0	0	0	0	0	0	0	0	0
Wheeling Power Co - Distribution	0	0	0	0	0	0	0	0	0
Wheeling Power Co - Transmission	0	0	0	0	0	0	0	0	0
Cedar Coal Co	0	0	0	0	0	0	0	0	0
Central Coal Company	0	0	0	0	0	0	0	0	0
Central Ohio Coal	0	0	0	0	0	0	0	0	0
Southern Ohio Coal - Harlan/ka	0	0	0	0	0	0	0	0	0
Southern Ohio Coal - Malsg	0	47,842	0	2,710	0	0	0	872	3,602
Windor	0	0	0	0	0	0	0	0	0
Pricer River Coal	0	0	0	0	0	0	0	0	0
Houston Pipeline (HPL)	0	0	0	0	0	0	0	0	0
Total	\$1,814,841	\$71,755,804	\$0	\$4,167,661	\$0	\$0	\$59,847	\$1,455,332	\$7,466,801

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AMERICAN ELECTRIC POWER
NONQUALIFIED RETIREMENT PLAN
ESTIMATED 2016 NET PERIODIC PENSION COST

Location	Service Cost	Projected Benefit Obligation	Market-Related Value of Assets	Interest Cost	Expected Return on Assets	Initial Transition (Asset) Obligation	Prior Service Cost	Gain/Loss Amortization	Net Periodic Pension Cost
AEP Energy Services, Inc.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AEP Fire Serv, Inc.	0	0	0	0	0	0	0	0	0
AEP T & D Services, LLC	0	0	0	0	0	0	0	0	0
American Electric Power Service Corporation	1,747,603	62,577,972	0	3,626,000	0	0	71,040	1,176,281	6,626,839
Appalachian Power Co - Distribution	0	109,927	0	11,213	0	0	1	3,739	14,853
Appalachian Power Co - Generation	0	1,070	0	60	0	0	2	20	83
Appalachian Power Co - Transmission	0	0	0	0	0	0	0	0	0
C3 Communications, Inc.	0	0	0	0	0	0	0	0	0
Cardinal Operating Company	110	1,231	0	76	0	0	(2)	23	208
AEP Texas Central Company - Distribution	5,288	2,692,509	0	152,074	0	0	313	50,912	206,316
AEP Texas Central Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Nuclear	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Transmission	0	500	0	28	0	0	0	8	38
Columbus Southern Power Co - Distribution	0	0	0	0	0	0	10	10	10
Columbus Southern Power Co - Generation	0	0	0	0	0	0	0	0	0
Columbus Southern Power Co - Transmission	0	0	0	0	0	0	0	0	0
Comcast Cable Services, Inc.	0	648	0	37	0	0	0	12	49
Cook Coal Terminal	0	0	0	0	0	0	0	0	0
CSW Energy, Inc.	39,203	209,972	0	19,057	0	0	423	5,637	63,320
Entergy	0	0	0	0	0	0	0	0	0
Entergy Inc.	0	0	0	0	0	0	0	0	0
Indiana Michigan Power Co - Distribution	24,845	534,202	0	31,513	0	0	(6)	10,042	66,394
Indiana Michigan Power Co - Generation	10,418	20,707	0	1,754	0	0	4	389	12,565
Indiana Michigan Power Co - Nuclear	18,416	57,973	0	4,309	0	0	(720)	1,068	23,085
Indiana Michigan Power Co - Transmission	0	80,989	0	5,128	0	0	0	1,710	6,839
Kentucky Power Co - Distribution	0	5,398	0	303	0	0	1	101	404
Kentucky Power Co - Generation	0	166	0	8	0	0	3	14	14
Kentucky Power Co - Transmission	0	0	0	0	0	0	0	0	0
Kingsport Power Co - Distribution	0	0	0	0	0	0	0	0	0
Kingsport Power Co - Transmission	0	0	0	0	0	0	0	0	0
AEP River Operations LLC	28,134	116,135	0	8,245	0	0	0	0	0
Ohio Power Co - Distribution	0	0	0	0	0	0	(748)	2,221	37,850
Ohio Power Co - Generation	0	595,074	0	33,599	0	0	(65)	11,201	44,725
Ohio Power Co - Transmission	0	0	0	0	0	0	0	0	0
Public Service Co of Oklahoma - Distribution	23,707	634,083	0	37,084	0	0	0	0	0
Public Service Co of Oklahoma - Generation	923	284,324	0	18,079	0	0	(417)	11,019	72,373
Public Service Co of Oklahoma - Transmission	0	0	0	0	0	0	47	5,344	22,394
Southwestern Electric Power Co - Distribution	6,895	38,281	0	2,603	0	0	0	0	0
Southwestern Electric Power Co - Generation	896	800,151	0	45,155	0	0	2	740	10,151
Southwestern Electric Power Co - Texas - Distribution	0	0	0	0	0	0	99	15,041	61,101
Southwestern Electric Power Co - Texas - Generation	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Transmission	0	0	0	0	0	0	0	0	0
Ind Mich River Transp Lahn	113	465	0	34	0	0	2	149	609
AEP Texas North Company - Distribution	15	712,822	0	40,102	0	0	122	13,369	53,719
AEP Texas North Company - Generation	0	500,079	0	28,234	0	0	88	8,415	37,748
AEP Texas North Company - Transmission	0	0	0	0	0	0	0	0	0
Winning Power Co - Distribution	0	0	0	0	0	0	0	0	0
Winning Power Co - Transmission	0	0	0	0	0	0	0	0	0
Cedar Coal Co	0	0	0	0	0	0	0	0	0
Central Coal Company	0	0	0	0	0	0	0	0	0
Central Ohio Coal	0	0	0	0	0	0	0	0	0
Southern Ohio Coal - Nantidica	0	0	0	0	0	0	0	0	0
Southern Ohio Coal - Nells	0	46,618	0	2,945	0	0	0	802	3,527
Windser	0	0	0	0	0	0	0	0	0
Prico River Coal	0	0	0	0	0	0	0	0	0
Houston Pipelane (HPL)	0	0	0	0	0	0	0	0	0
Total	\$1,892,593	\$70,222,094	\$0	\$4,055,652	\$0	\$0	\$70,224	\$1,319,956	\$7,351,655

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AMERICAN ELECTRIC POWER
NONQUALIFIED RETIREMENT PLAN
ESTIMATED 2017 NET PERIODIC PENSION COST

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Location	Source Cost	Projected Benefit Obligation	Market-Related Value of Assets	Interest Cost	Expected Return on Assets	Initial Transition (Actu) Obligation	Prior Service Cost	Gain/Loss Amortization	Net Periodic Pension Cost
AEP Energy Services, Inc.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AEP Pro Serv, Inc.	0	0	0	0	0	0	0	0	0
AEP T & D Services, LLC	0	0	0	0	0	0	0	0	0
American Electric Power Service Corporation	1,924,938	61,010,643	0	3,568,724	0	0	14,852	1,059,065	6,408,260
Appalachian Power Co. - Distribution	0	183,870	0	11,013	0	0	1	3,401	14,115
Appalachian Power Co. - Generation	0	1,044	0	50	0	0	2	10	80
Appalachian Power Co. - Transmission	0	0	0	0	0	0	0	0	0
C3 Communications, Inc.	0	0	0	0	0	0	0	0	0
Cardinal Operating Company	115	1,200	0	75	0	0	0	21	211
AEP Texas Central Company - Distribution	5,563	2,625,420	0	148,383	0	0	64	46,037	201,047
AEP Texas Central Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Nuclear	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Transmission	0	480	0	20	0	0	0	0	36
AEP Texas Central Company - Distribution	0	0	0	0	0	0	10	0	10
Columbus Southern Power Co - Distribution	0	0	0	0	0	0	0	0	0
Columbus Southern Power Co - Generation	0	0	0	0	0	0	0	0	0
Columbus Southern Power Co - Transmission	0	0	0	0	0	0	0	0	0
Comesville Coal Preparation Company	0	632	0	36	0	0	0	11	47
Coak Coal Terminal	0	0	0	0	0	0	0	0	0
CSW Energy, Inc.	40,113	282,400	0	19,880	0	0	423	5,127	04,543
Elmwood	0	0	0	0	0	0	0	0	0
EnviShop Inc.	0	0	0	0	0	0	0	0	0
Indiana Michigan Power Co - Distribution	20,007	520,691	0	31,057	0	0	15	0,134	86,203
Indiana Michigan Power Co - Generation	10,639	20,191	0	1,767	0	0	4	354	13,064
Indiana Michigan Power Co - Nuclear	19,337	55,431	0	4,302	0	0	173	950	24,802
Indiana Michigan Power Co - Transmission	0	88,713	0	5,037	0	0	0	1,556	6,593
Kentucky Power Co - Distribution	0	5,234	0	207	0	0	4	303	14
Kentucky Power Co - Generation	1	162	0	9	0	0	3	0	14
Kentucky Power Co - Transmission	0	0	0	0	0	0	0	0	0
Kingsport Power Co - Distribution	0	0	0	0	0	0	0	0	0
Kingsport Power Co - Generation	0	0	0	0	0	0	0	0	0
Kingsport Power Co - Transmission	0	0	0	0	0	0	0	0	0
AEP River Operations LLC	20,540	115,192	0	8,218	0	0	(201)	2,020	39,577
Ohio Power Co - Distribution	0	0	0	0	0	0	0	0	0
Ohio Power Co - Generation	0	581,027	0	32,990	0	0	0	10,188	43,178
Ohio Power Co - Transmission	0	0	0	0	0	0	0	0	0
Public Service Co of Oklahoma - Distribution	24,876	518,284	0	36,523	0	0	(47)	10,042	72,284
Public Service Co of Oklahoma - Generation	959	277,239	0	15,788	0	0	7	4,861	21,634
Public Service Co of Oklahoma - Transmission	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Distribution	7,145	36,400	0	2,566	0	0	0	873	10,405
Southwestern Electric Power Co - Generation	841	780,214	0	44,353	0	0	19	13,001	59,694
Southwestern Electric Power Co - Transmission	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Transmission	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Generation	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Distribution	12	7,710	0	430	0	0	0	135	595
Southwestern Electric Power Co - Transmission	118	403	0	34	0	0	0	0	161
Ind Mich River Transp Ltrk	16	695,051	0	39,465	0	0	17	12,188	51,687
AEP Texas North Company - Distribution	0	489,390	0	27,730	0	0	12	8,564	36,307
AEP Texas North Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas North Company - Transmission	0	0	0	0	0	0	0	0	0
Whooling Power Co - Distribution	0	0	0	0	0	0	0	0	0
Whooling Power Co - Generation	0	0	0	0	0	0	0	0	0
Whooling Power Co - Transmission	0	0	0	0	0	0	0	0	0
Cedar Coal Co	0	0	0	0	0	0	0	0	0
Central Coal Company	0	0	0	0	0	0	0	0	0
Central Ohio Coal	0	0	0	0	0	0	0	0	0
Southern Ohio Coal - Martinsburg	0	0	0	0	0	0	0	0	0
Southern Ohio Coal - Morga	0	45,749	0	2,500	0	0	0	802	3,400
Price River Coal	0	0	0	0	0	0	0	0	0
Winkler	0	0	0	0	0	0	0	0	0
Houston Pipelino (HPL)	0	0	0	0	0	0	0	0	0
Total	\$2,000,662	\$68,473,177	\$0	\$4,001,308	\$0	\$0	\$15,088	\$1,200,681	\$7,218,028

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AMERICAN ELECTRIC POWER
NONQUALIFIED RETIREMENT PLAN
ESTIMATED 2018 NET PERIODIC PENSION COST

Location	Service Cost	Projected Benefit Obligation	Market-Related Value of Assets	Interset Cost	Expected Return on Assets	Initial Transition (Asset)/ Obligation	Prior Service Cost	Gain/Loss Amortization	Net Periodic Pension Cost
AEP Energy Services, Inc.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AEP Pio Serv, Inc.	0	0	0	0	0	0	0	0	0
AEP T & D Services, LLC	1,826,737	60,522,523	0	3,546,500	0	0	0	563,919	6,439,373
American Electric Power Service Corporation	0	192,303	0	10,032	0	0	157	3,064	13,697
Appalachian Power Co - Distribution	0	1,035	0	59	0	0	0	16	75
Appalachian Power Co - Generation	0	0	0	0	0	0	0	0	0
Appalachian Power Co - Transmission	0	0	0	0	0	0	0	0	0
C3 Communications, Inc.	0	0	0	0	0	0	0	0	0
Cardinal Operating Company	121	1,101	0	75	0	0	0	10	215
AEP Texas Central Company - Distribution	5,941	2,694,074	0	140,303	0	0	0	41,474	185,610
AEP Texas Central Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Nuclear	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Transmission	0	404	0	27	0	0	0	8	35
Columbus Southern Power Co - Distribution	0	0	0	0	0	0	0	0	0
Columbus Southern Power Co - Generation	0	0	0	0	0	0	0	0	0
Columbus Southern Power Co - Transmission	0	0	0	0	0	0	0	0	0
ConocoPhillips Coal Preparation Company	0	627	0	35	0	0	0	10	46
Conk Coal Terminal	0	0	0	0	0	0	0	0	0
CSW Energy, Inc.	42,119	290,023	0	18,873	0	0	5	4,619	65,616
Elmwood	0	0	0	0	0	0	0	0	0
EnorStep Inc.	0	0	0	0	0	0	0	0	0
Indiana Michigan Power Co - Distribution	27,392	516,655	0	30,914	0	0	0	8,220	69,535
Indiana Michigan Power Co - Generation	11,465	20,026	0	1,791	0	0	0	310	13,506
Indiana Michigan Power Co - Nuclear	20,304	55,972	0	4,334	0	0	2	891	25,551
Indiana Michigan Power Co - Transmission	0	97,991	0	5,000	0	0	0	1,401	6,491
Kentucky Power Co - Distribution	0	5,102	0	285	0	0	0	83	378
Kentucky Power Co - Generation	2	161	0	9	0	0	0	3	13
Kentucky Power Co - Transmission	0	0	0	0	0	0	0	0	0
Kingsport Power Co - Distribution	0	0	0	0	0	0	0	0	0
Kingsport Power Co - Generation	0	0	0	0	0	0	0	0	0
Kingsport Power Co - Transmission	0	0	0	0	0	0	0	0	0
AEP River Operations LLC	31,017	114,255	0	8,255	0	0	(2)	1,020	41,050
Ohio Power Co - Distribution	0	0	0	0	0	0	0	0	0
Ohio Power Co - Generation	0	579,303	0	32,747	0	0	0	9,179	41,520
Ohio Power Co - Transmission	0	0	0	0	0	0	0	0	0
Public Service Co of Oklahoma - Distribution	26,225	613,257	0	36,337	0	0	(1)	9,767	73,329
Public Service Co of Oklahoma - Generation	1,018	274,085	0	15,663	0	0	0	4,360	21,001
Public Service Co of Oklahoma - Transmission	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Distribution	7,502	39,089	0	2,591	0	0	0	607	10,659
Southwestern Electric Power Co - Generation	989	773,071	0	44,030	0	0	0	12,325	57,343
Southwestern Electric Power Co - Transmission	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Distribution	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Generation	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Transmission	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Distribution	42	7,647	0	435	0	0	0	122	569
Southwestern Electric Power Co - Texas - Generation	124	479	0	34	0	0	0	0	169
Southwestern Electric Power Co - Texas - Transmission	17	689,410	0	39,175	0	0	0	10,980	50,172
AEP Texas North Company - Distribution	0	484,427	0	27,527	0	0	0	7,715	35,242
AEP Texas North Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas North Company - Transmission	0	0	0	0	0	0	0	0	0
Wheeling Power Co - Distribution	0	0	0	0	0	0	0	0	0
Wheeling Power Co - Generation	0	0	0	0	0	0	0	0	0
Wheeling Power Co - Transmission	0	0	0	0	0	0	0	0	0
Cedar Coal Co	0	0	0	0	0	0	0	0	0
Central Coal Company	0	0	0	0	0	0	0	0	0
Central Ohio Coal	0	0	0	0	0	0	0	0	0
Southern Ohio Coal - Marietta	0	0	0	0	0	0	0	0	0
Southern Ohio Coal - Meigs	0	45,377	0	2,570	0	0	0	723	3,301
Price River Coal	0	0	0	0	0	0	0	0	0
Winlaw	0	0	0	0	0	0	0	0	0
Houston Pipeline (HPL)	0	0	0	0	0	0	0	0	0
Total	\$2,100,305	\$87,916,446	\$0	\$3,978,602	\$0	\$0	\$161	\$1,681,670	\$7,161,347

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ML-12

AMERICAN ELECTRIC POWER
NONQUALIFIED RETIREMENT PLAN
ESTIMATED 2019 NET PERIODIC PENSION COST

Location	Service Cost	Projected Benefit Obligation	Market-Related Value of Assets	Interest Cost	Expected Return on Assets	Initial Transition (Asset)/Liability	Prior Service Cost	Gain/Loss Amortization	Net Periodic Pension Cost
AEP Energy Services, Inc.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AEP Pro Serv, Inc.	0	0	0	0	0	0	0	0	0
AEP T & D Services, LLC	2,023,074	0	0	3,541,029	0	0	0	866,695	6,400,799
American Electric Power Service Corporation	0	0	0	0	0	0	0	2,755	13,646
Appalachian Power Co - Distribution	0	191,459	0	10,891	0	0	0	15	73
Appalachian Power Co - Generation	0	1,030	0	50	0	0	0	0	0
Appalachian Power Co - Transmission	0	0	0	0	0	0	0	0	0
C3 Communications, Inc.	0	0	0	0	0	0	0	0	0
Cardinal Operating Company	127	1,185	0	75	0	0	0	17	219
AEP Texas Central Company - Distribution	6,133	2,591,423	0	147,756	0	0	0	37,201	101,170
AEP Texas Central Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Nuclear	0	0	0	0	0	0	0	0	0
AEP Texas Central Company - Transmission	0	481	0	27	0	0	0	7	34
Columbus Southern Power Co - Distribution	0	0	0	0	0	0	0	0	0
Columbus Southern Power Co - Generation	0	0	0	0	0	0	0	0	0
Columbus Southern Power Co - Transmission	0	0	0	0	0	0	0	0	0
Cromwell Coal Preparation Company	0	624	0	35	0	0	0	0	44
Cook Coal Terminal	0	288,615	0	18,933	0	0	0	4,153	67,310
CSW Energy, Inc.	44,224	0	0	0	0	0	0	0	0
Elmwood	0	0	0	0	0	0	0	0	0
Enershop Inc.	28,761	514,147	0	30,882	0	0	0	7,309	67,042
Indiana Michigan Power Co - Distribution	12,050	19,928	0	1,820	0	0	0	287	14,167
Indiana Michigan Power Co - Generation	21,318	55,700	0	4,381	0	0	0	802	25,502
Indiana Michigan Power Co - Nuclear	0	87,564	0	4,881	0	0	0	1,260	5,241
Indiana Michigan Power Co - Transmission	0	5,167	0	284	0	0	0	74	369
Kentucky Power Co - Distribution	2	160	0	0	0	0	0	2	13
Kentucky Power Co - Generation	0	0	0	0	0	0	0	0	0
Kentucky Power Co - Transmission	0	0	0	0	0	0	0	0	0
Kingsport Power Co - Distribution	0	0	0	0	0	0	0	0	0
Kingsport Power Co - Transmission	0	0	0	0	0	0	0	0	0
Kingsport Operations LLC	32,568	113,700	0	0,328	0	0	0	1,636	42,524
Ohio Power Co - Distribution	0	573,504	0	32,622	0	0	0	0	0
Ohio Power Co - Generation	0	610,279	0	38,280	0	0	0	0	0
Ohio Power Co - Transmission	27,538	273,650	0	15,627	0	0	0	8,253	40,875
Public Service Co of Oklahoma - Distribution	1,069	0	0	0	0	0	0	0	0
Public Service Co of Oklahoma - Generation	0	0	0	0	0	0	0	0	0
Public Service Co of Oklahoma - Transmission	7,877	37,803	0	2,604	0	0	0	0	0
Southwestern Electric Power Co - Distribution	1,030	770,113	0	43,865	0	0	0	0	0
Southwestern Electric Power Co - Generation	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Distribution	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Transmission	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Generation	13	7,610	0	434	0	0	0	11	556
Southwestern Electric Power Co - Transmission	130	477	0	35	0	0	0	7	172
Mid Mich River Transp Lckh	19	606,062	0	39,026	0	0	0	9,872	48,016
AEP Texas North Company - Distribution	0	402,075	0	27,422	0	0	0	6,937	34,358
AEP Texas North Company - Generation	0	0	0	0	0	0	0	0	0
AEP Texas North Company - Transmission	0	0	0	0	0	0	0	0	0
Wheeling Power Co - Distribution	0	0	0	0	0	0	0	0	0
Wheeling Power Co - Transmission	0	0	0	0	0	0	0	0	0
Cedar Coal Co	0	0	0	0	0	0	0	0	0
Central Coal Company	0	0	0	0	0	0	0	0	0
Central Ohio Coal	0	0	0	0	0	0	0	0	0
Southern Ohio Coal - Matamoras	0	45,156	0	2,560	0	0	0	650	3,218
Southern Ohio Coal - Meljps	0	0	0	0	0	0	0	0	0
Windsp	0	0	0	0	0	0	0	0	0
Prica River Coal	0	0	0	0	0	0	0	0	0
Houston Pipelina (HPL)	0	0	0	0	0	0	0	0	0
Total	\$2,205,950	\$87,506,635	\$0	\$3,869,874	\$0	\$0	\$0	\$972,579	\$7,148,502

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American Electric Power
Non-UMWA Postretirement Plan

Actuarial Valuation Report

Postretirement Welfare Cost for Fiscal Year Ending December 31, 2009

Employer Contributions for Plan Year Beginning January 1, 2009

April 2009

This report is confidential and intended solely for the information and benefit of the immediate recipient thereof. It may not be distributed to a third party unless expressly allowed under the "Actuarial Certification, Reliances and Distribution" Section herein.



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Management Summary of Valuation Results

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Financial Results

This report summarizes the financial results for American Electric Power's (AEP) Non-UMWA Postretirement Plan based on actuarial valuations as of January 1, 2009, and January 1, 2008.

	January 1, 2009	January 1, 2008
FAS 106 Postretirement Welfare Cost		
Amount	\$ 133,008,592	\$ 72,086,194
Per active participant	6,104	3,470
FAS 106 Funded Position		
Accumulated postretirement benefit obligation [APBO]	\$ 1,733,844,181	\$1,752,692,812
Fair value of assets [FV]	1,023,341,072	1,396,961,869
APBO funded percentage [FV ÷ APBO]	59.0%	79.7%
Prepaid (Accrued) Postretirement Benefit Cost		
	\$ (241,305)	\$ (67,407)
Employer Contributions		
Funding policy — contributions to retiree VEBAs and 401(h) accounts	\$ 151,393,719*	\$ 76,310,835
Prior nondeductible contributions	0	95,586,325
Deductible contributions	127,461,699 (est.)	171,897,160 (act.)
*Includes estimated 2008 RDS payment of \$9,400,000 as well as an approximate \$9,000,000 contribution from additional 2007 RDS payment.		

MS-2

Discussion of Financial Results

The financial results of AEP's Non-UMWA Postretirement Plan for the current year were affected by the following factors:

- ▶ Long-term corporate bond yields decreased during the prior year, resulting in a slightly lower FAS 106 discount rate, which increased the postretirement welfare cost.
- ▶ The fair value of plan assets was significantly lower than expected, which increased the postretirement welfare cost.
- ▶ Claims experience was generally more favorable than expected. This created an actuarial gain and reduced postretirement welfare cost.
- ▶ Fewer employees retired than expected, which created an actuarial gain and decreased postretirement welfare cost. In addition, there were data updates to the spouse dates of birth that generated gains.
- ▶ The mortality basis used to calculate the obligations was changed to the RP2000 table with projections to 2016 for annuitants (postretirement) and 2024 for nonannuitants (preretirement). This change increased postretirement welfare costs.

Basis for Valuation

Economic Assumptions

The discount rate for postretirement welfare cost purposes is the rate at which the postretirement welfare obligation could be effectively settled. This rate is developed from yields on available high-quality bonds and reflects the plan's expected cash flows. The duration of AEP's postretirement welfare plan is 13.02 years as of December 31, 2008.

The assumed rate of return on assets for postretirement welfare cost purposes is the weighted average of expected long-term asset returns, net of taxes. The salary increase rate is a long-term rate based on current expectations of future pay increases. The assumptions selected by AEP for postretirement welfare cost purposes are:

	January 1, 2009	January 1, 2008
Discount rate for obligations	6.10%	6.20%
Rate of return on assets	7.75% weighted return	8.00% weighted return
Salary increase rate	Rates varying by age from 5.00% to 11.50%	Rates varying by age from 5.00% to 11.50%

Assumptions used to determine the statutory contribution limits must be reasonable taking into account the experience of the plan and reasonable expectations. The discount rate used to determine normal cost and actuarial accrued liability is based on the long-term expected return on assets, net of taxes. The assumptions for contribution purposes are:

	December 31, 2009	December 31, 2008
Discount rate for normal cost and actuarial accrued liability:		
VEBA		
▶ Life insurance	7.34%	7.59%
▶ Union medical	7.34%	7.59%
▶ Nonunion medical	6.96%	7.21%
401(h)	8.53%	8.78%
Salary increase rate	Rates varying by age from 5.00% to 11.50%	Rates varying by age from 5.00% to 11.50%

MS-4

Health Care Cost Trend Rate Assumptions

The health care cost trend assumptions used in the valuation are:

	January 1, 2009	January 1, 2008
2008 trend	N/A	7.00%
2009 trend	6.50%	6.50%
Ultimate trend	5.00%	5.00%
Year ultimate reached	2012	2012

Per Capita Claims Cost Assumptions

The assumed per capita costs and Part D subsidy used in the 2008 and 2009 valuations are:

	2009	2008
Under age 65		
▶ Aetna	\$ 7,311	\$ 7,347
▶ Lumenos	6,987	N/A
Age 65 and older		
▶ COB	\$ 3,729	\$ 3,736
▶ MOB	2,753	2,582
▶ CSP	1,485	N/A
Medicare Part D subsidy		
▶ MOB/COB	(617)	(609)
▶ CSP	(178)	N/A

The assumed per capita cost is the expected annual per person cash cost of the medical plan, before reflecting participant contributions. The assumed per capita Part D subsidy is the expected annual subsidy for eligible prescription drug claims.

Demographic Assumptions

The cost of providing plan benefits depends on demographic factors such as retirement, mortality, turnover and plan participation. Demographic assumptions used in the valuation were selected to reflect the experience of the covered population and reasonable expectations. If actual experience is more favorable than assumed, plan costs will be lower. Alternatively, if actual experience is less favorable than assumed, future plan costs will be increased.

AEP has updated its mortality assumptions to reflect the Pension Protection Act of 2006 (PPA).

Plan Changes

There have been no significant changes in plan provisions since the previous year.

FAS 106 Postretirement Welfare Cost and Funded Position

Postretirement welfare cost is the amount recognized in AEP's financial statement as the cost of postretirement welfare plans and is determined in accordance with Financial Accounting Standard No. 106. The fiscal 2009 postretirement welfare cost for the plan is \$133,008,592 or \$6,104 per active participant.

Funded position, on a FAS 106 basis, is measured by comparing the fair value of assets with the accumulated postretirement benefit obligation (APBO). The APBO is the portion of the total present value of projected benefits allocated to prior years as of the measurement date.

The plan's funded percentage is 59.0% as of January 1, 2009, based on the fair value of assets of \$1,023,341,072 and an APBO of \$1,733,844,181.

Fiscal year-end financial reporting and disclosures are prepared before detailed participant data and the full valuation results are available. Therefore, the 2008 postretirement benefit asset (liability) was derived from the 2008 valuation results. The next fiscal year financial reporting information will be developed based on the results of the 2009 valuation, rolled forward to the end of the year and adjusted for the year-end discount rate and asset values, as well as significant changes in plan provisions and participant population.

Change in Postretirement Welfare Cost

The postretirement welfare cost increased from \$72,086,194 in fiscal 2008 to \$133,008,592 in fiscal 2009 because:

- ▶ Expected changes based on prior year's assumptions, methods, plan provisions and contributions decreased the postretirement welfare cost \$2,227,520.
- ▶ Noninvestment experience decreased the postretirement welfare cost \$6,053,305, primarily due to fewer retirements than expected and spouse date of birth data updates.
- ▶ The fair value of plan assets was significantly lower than expected, which increased the postretirement welfare cost \$77,894,675.
- ▶ Assumption changes increased the postretirement welfare cost \$1,712,683. The discount rate was decreased from 6.20% to 6.10%. In addition, the mortality table was updated to RP2000 with projections to 2024 (preretirement) and 2016 (postretirement).
- ▶ Changes in per capita claims costs decreased the postretirement welfare cost \$10,404,135. Much of this was due to lower prescription drug costs due to savings projected from renewal of the Rx Collaborative.

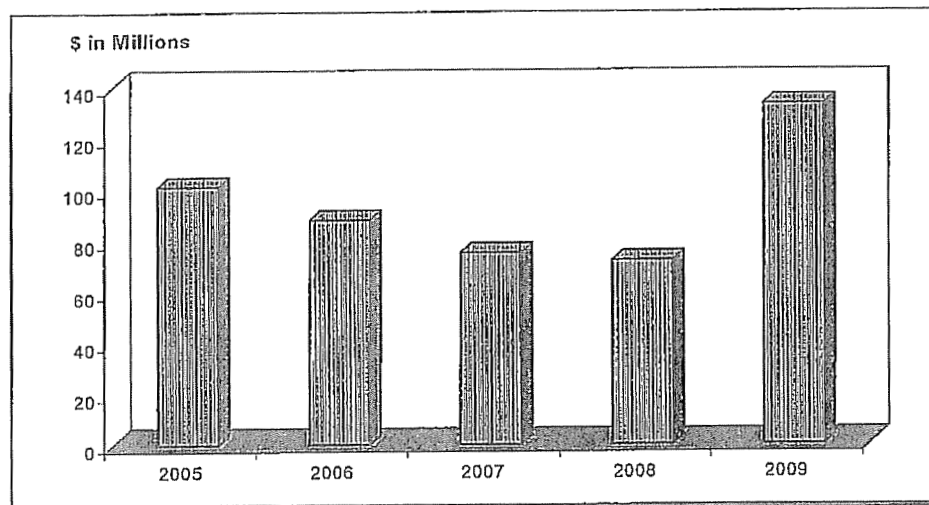
The net increase in postretirement welfare cost is \$60,922,398 or 84.5% from the prior year.

MS-6

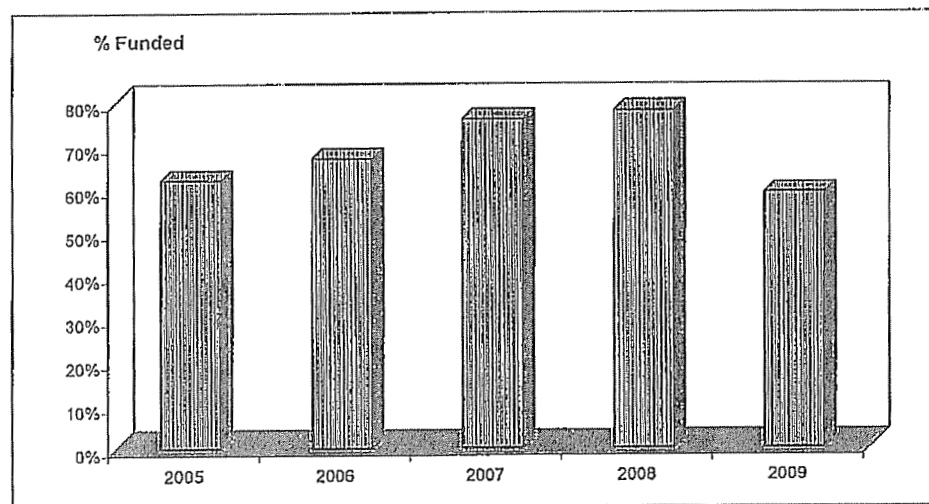
History of Postretirement Welfare Cost and Funded Position

The following charts show the history of the plan's postretirement welfare cost and funded position.

Postretirement Welfare Cost



Accumulated Postretirement Benefit Obligation Funded Percentage



MS-7

**History of Postretirement Welfare Cost
and APBO Funded Percentage**

-- Postretirement Welfare Cost --
(\$ in millions)

<i>Fiscal year</i>	<i>Amount</i>	<i>APBO funded percentage</i>	<i>Discount rate</i>
2009	\$133.0	59.0%	6.10%
2008	72.1	79.7%	6.20%
2007	75.1	75.8%	5.85%
2006	87.8	67.6%	5.65%
2005	101.2	62.1%	5.80%

MS-8

Employer Contributions

Employer contributions are the amount paid by the company to provide for postretirement benefits, net of participant cash contributions. Participants are required to contribute toward the cost of the plan. Employer contributions are used to fund the cost of benefits in excess of participant contributions.

The company's funding policy is to contribute the FAS 106 cost for the Non-UMWA Postretirement Plan as well as the RDS payments received during the year. For 2009 the contribution under the funding policy is \$151,393,719, which includes the estimated 2008 RDS of \$9,400,000 and the 2007 RDS of approximately \$9,000,000.

The \$133,008,592 contribution of the FAS 106 cost is projected to be made through contributions at the beginning of each month to AEP's VEBAs and 401(h) accounts as follows:

2009 Employer Contribution Schedule

Month	Postretirement Welfare Funding Vehicle					401(h)	Total
	CWRF1745362 Medical Nonunion	CWUF1745372 Medical Union	CWRF1745392 Dental Nonunion	CWUF1745402 Dental Union	CWIF1745382 Life Insurance		
January	\$10,373,328	\$0	\$125,000	\$15,000	\$0	\$0	\$10,513,328
February	10,373,328	0	125,000	15,000	0	0	10,513,328
March	10,373,328	0	125,000	15,000	0	0	10,513,328
April	11,134,290	0	125,000	15,000	0	0	11,274,290
May	11,134,290	0	125,000	15,000	0	0	11,274,290
June	11,134,290	0	125,000	15,000	0	0	11,274,290
July	11,134,290	0	125,000	15,000	0	0	11,274,290
August	11,134,290	0	125,000	15,000	0	0	11,274,290
September	11,134,290	0	125,000	15,000	0	0	11,274,290
October	11,134,290	0	125,000	15,000	0	0	11,274,290
November	11,134,290	0	125,000	15,000	0	0	11,274,290
December	11,134,290	0	125,000	15,000	0	0	11,274,290
Total	\$131,328,592	\$0	\$1,500,000	\$180,000	\$0	\$0	\$133,008,592

Notes:

- Total of amounts shown above being contributed equals actual 2009 non-UMWA postretirement welfare cost.
- In addition to the amounts shown above, AEP will contribute both the 2007 Retiree Drug Subsidy (estimated to be \$9.0 million) and the 2008 Retiree Drug Subsidy (approximately \$9.4 million) to the Medical nonunion VEBA (CWRF1745362) and Medical Union VEBA after receiving these payments from CMS.
- AEP will have capacity to make contributions to the 401(h) account if contributions are made to the pension plan in 2009. In this scenario, contributions in the later part of the year scheduled above for the Medical nonunion VEBA would be redirected to the 401(h).

Actuarial Certification, Reliances and Distribution

American Electric Power retained Towers Perrin to perform a valuation of its postretirement welfare benefit plans for the purpose of determining (1) the value of benefit obligations and its postretirement welfare cost in accordance with FAS 106 and (2) the maximum tax-deductible contribution allowed by the Internal Revenue Code. This valuation has been conducted in accordance with generally accepted actuarial principles and practices.

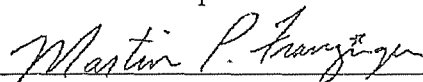
The consulting actuaries are members of the Society of Actuaries and other professional actuarial organizations and meet their "General Qualification Standard for Public Statements of Actuarial Opinion" relating to postretirement welfare plans.

In preparing the results presented in this report, we have relied upon information provided to us regarding plan provisions, plan participants and plan assets. While the scope of our engagement did not call for us to perform an audit or independent verification of this information, we have reviewed this information for reasonableness but have not audited it. The accuracy of the results presented in this report is dependent upon the accuracy and completeness of the underlying information.

The actuarial assumptions and the accounting policies and methods employed in the development of the postretirement welfare cost have been selected by the plan sponsor, with the concurrence of Towers Perrin. FAS 106 requires that each significant assumption "individually represent the best estimate of a particular future event." The actuarial assumptions and methods employed in the development of the contribution limits have been selected by Towers Perrin, with the concurrence of the plan sponsor. The Internal Revenue Code requires the use of assumptions each of which is reasonable (taking into account the experience of the plan and reasonable expectations) and which, in combination, offer the actuary's best estimate of anticipated experience under the plan.

The results shown in this report have been developed based on actuarial assumptions that are considered to be reasonable and within the "best-estimate range" as described by the Actuarial Standards of Practice. Other actuarial assumptions could also be considered to be reasonable and within the best-estimate range. Thus, reasonable results differing from those presented in this report could have been developed by selecting different points within the best-estimate ranges for various assumptions.

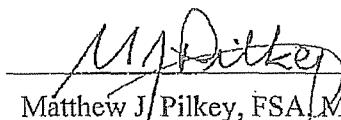
The information contained in this report was prepared for the internal use of American Electric Power and its auditors in connection with our actuarial valuation of the postretirement welfare plan. It is neither intended nor necessarily suitable for other purposes. American Electric Power may also distribute this actuarial valuation report to the appropriate authorities who have the legal right to require American Electric Power to provide them with this report, in which case American Electric Power will use best efforts to notify Towers Perrin in advance of this distribution. Further distribution to, or use by, other parties of all or part of this report is expressly prohibited without Towers Perrin's prior written consent.



Martin P. Franzinger, ASA, MAAA

Towers Perrin

April 2009



Matthew J. Pilkey, FSA, MAAA

Supplemental Information

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SI-1

Basic Results for Postretirement Welfare Cost

	January 1, 2009	January 1, 2008
Service Cost		
Total	\$ 41,587,824	\$ 41,190,146
Accumulated Postretirement Benefit Obligation [APBO]		
Medical:		
‣ Current retirees	\$ 698,832,037	\$ 716,284,575
‣ Other participants fully eligible for benefits	329,074	197,516
‣ Other active participants	<u>731,419,113</u>	<u>744,924,996</u>
‣ Total	\$1,430,580,224	\$1,461,407,087
Life Insurance:		
‣ Current retirees	\$ 181,154,164	\$ 175,914,759
‣ Other participants fully eligible for benefits	157,027	101,821
‣ Other active participants	<u>103,571,115</u>	<u>96,717,418</u>
‣ Total	\$ 284,882,306	\$ 272,733,998
Dental:		
‣ Current retirees	\$ 15,799,457	\$ 15,683,421
‣ Other participants fully eligible for benefits	7,936	3,494
‣ Other active participants	<u>2,574,258</u>	<u>2,864,812</u>
‣ Total	\$ 18,381,651	\$ 18,551,727
Total:		
‣ Current retirees	\$ 895,785,658	\$ 907,882,755
‣ Other participants fully eligible for benefits	494,037	302,831
‣ Other active participants	<u>837,564,486</u>	<u>844,507,226</u>
‣ Total	\$1,733,844,181	\$1,752,692,812

SI-2

	January 1, 2009	January 1, 2008
Assets		
Fair value [FV]	\$1,023,341,072	\$1,396,961,869
FAS 106 Funded Position		
Unfunded APBO [APBO – FV]	\$ 710,503,109	\$ 355,730,943
APBO funded percentage [FV ÷ APBO]	59.0%	79.7%
Key Economic and Health Care Assumptions		
Discount rate	6.10%	6.20%
Rate of return on assets	7.75%	8.00%
Health care cost trend rate:		
▶ First year	6.50%	7.00%
▶ Ultimate	5.00%	5.00%
▶ Year ultimate reached	2012	2012
AOCl (Amounts Not Yet Recognized in Net Periodic Cost)		
Unrecognized net actuarial loss (gain)	\$ 641,980,209	\$ 261,336,950
Unrecognized prior service cost (credit)	3,488,955	3,923,390
Unrecognized transition obligation (asset)	<u>64,792,640</u>	<u>90,403,196</u>
Total	\$ 710,261,804	\$ 355,663,536
Effect of Change in Health Care Cost Trend Rate		
One-percentage-point increase:		
▶ Sum of service cost and interest cost	\$ 19,623,975	\$ 19,143,523
▶ APBO	188,888,236	184,982,256
One-percentage-point decrease:		
▶ Sum of service cost and interest cost	\$ (15,901,496)	\$ (15,652,793)
▶ APBO	(156,610,717)	(154,357,883)

The results above may differ from the amounts disclosed in AEP's 2008 financial statements because disclosures are prepared before the corresponding valuation results are available.

Postretirement Welfare Cost

	Fiscal 2009	Fiscal 2008
Postretirement Welfare Cost		
Service cost	\$ 41,587,824	\$ 41,190,146
Interest cost	105,778,169	108,575,781
Expected return on assets	(80,812,326)	(111,186,626)
Amortization:		
‣ Transition obligation (asset)	25,610,556	25,610,556
‣ Prior service cost (credit)	434,436	434,435
‣ Net loss (gain)	<u>40,409,932</u>	<u>7,461,902</u>
Postretirement welfare cost	\$133,008,592	\$ 72,086,194
Per active participant	\$ 6,104	\$ 3,470

Change in Postretirement Welfare Cost

Postretirement welfare cost for fiscal 2008	\$ 72,086,194
Change from fiscal 2008 to fiscal 2009:	
‣ Expected based on prior valuation	(2,227,520)
‣ Demographic experience loss (gain)	(6,053,305)
‣ Experience loss (gain) from assets	77,894,675
‣ Assumption changes	1,712,683
‣ Claims cost changes	(10,404,135)
‣ Plan amendments	<u>0</u>
Postretirement welfare cost for fiscal 2009	\$ 133,008,592

SI-4

Information for the Deferred Tax Calculation

The following information is provided for purposes of determining the deferred portion of the tax provision and the deferred tax asset associated with the postretirement welfare cost.

	Including Part D Subsidy	Excluding Part D Subsidy
Postretirement Welfare Cost		
Fiscal 2009	\$ 133,008,592	\$ 166,711,778
Fiscal 2008	72,086,194	108,410,335
Funded Position		
Overfunded (underfunded) APBO	\$ (710,503,109)	\$ (1,017,083,872)
AOI (Amounts Not Yet Recognized in Net Periodic Cost)		
Net actuarial loss (gain)	\$ 641,980,209	\$ 778,452,316
Prior service cost (credit)	3,488,955	3,488,955
Transition obligation (asset)	<u>64,792,640</u>	<u>64,792,640</u>
Total	\$ 710,261,804	\$ 846,733,911

SI-5

**Actuarial Present Value of Benefit Obligation for SOP 92-6
(as Amended by SOP 01-2)**

	January 1, 2009	January 1, 2008
Medical (Ignoring Medicare Part D)		
‣ Current retirees	\$ 872,456,741	\$ 890,315,100
‣ Active participants fully eligible for benefits	458,939	284,445
‣ Other active participants	<u>864,245,307</u>	<u>876,627,475</u>
‣ Total	\$ 1,737,160,987	\$ 1,767,227,020
Life Insurance		
‣ Current retirees	\$ 181,154,164	\$ 175,914,759
‣ Active participants fully eligible for benefits	157,027	101,821
‣ Other active participants	<u>103,571,115</u>	<u>96,717,418</u>
‣ Total	\$ 284,882,306	\$ 272,733,998
Dental		
‣ Current retirees	\$ 15,799,457	\$ 15,683,421
‣ Active participants fully eligible for benefits	7,936	3,494
‣ Other active participants	<u>2,574,258</u>	<u>2,864,812</u>
‣ Total	\$ 18,381,651	\$ 18,551,727
Total (Ignoring Medicare Part D)		
‣ Current retirees	\$ 1,069,410,362	\$ 1,081,913,280
‣ Active participants fully eligible for benefits	623,902	389,760
‣ Other active participants	<u>970,390,680</u>	<u>976,209,705</u>
‣ Total	\$ 2,040,424,944	\$ 2,058,512,745

SI-6

**Actuarial Present Value of Benefit Obligation for SOP 92-6
(as Amended by SOP 01-2)**

	FY 2008	FY 2007
Medical (Ignoring Medicare Part D)		
Benefit obligation, beginning of year	1,767,227,020	\$1,697,227,800
Service cost	43,262,387	43,225,751
Interest cost	112,591,695	99,642,851
Participant contributions	19,389,606	17,454,136
Actuarial (gain)/loss	(106,119,006)	14,401,949
Plan amendments	0	0
Gross benefits paid	<u>(99,190,714)</u>	<u>(104,725,467)</u>
Benefit obligation, end of year	\$1,737,160,987	\$1,767,227,020
Life Insurance		
Benefit obligation, beginning of year	272,733,998	\$292,651,869
Service cost	4,532,952	4,957,167
Interest cost	16,887,248	17,088,746
Participant contributions	1,908,666	1,988,104
Actuarial (gain)/loss	167,998	(32,167,574)
Plan amendments	0	0
Gross benefits paid	<u>(11,348,556)</u>	<u>(11,784,315)</u>
Benefit obligation, end of year	\$284,882,306	\$272,733,998
Dental		
Benefit obligation, beginning of year	18,551,727	\$18,416,571
Service cost	79,881	96,694
Interest cost	1,117,111	1,048,080
Participant contributions	2,414,400	2,249,124
Actuarial (gain)/loss	132,145	692,370
Plan amendments	0	0
Gross benefits paid	<u>(3,913,614)</u>	<u>(3,951,112)</u>
Benefit obligation, end of year	\$18,381,651	\$18,551,727
Total (Ignoring Medicare Part D)		
Benefit obligation, beginning of year	2,058,512,745	\$2,008,296,240
Service cost	47,875,220	48,279,612
Interest cost	130,596,054	117,779,678
Participant contributions	23,712,671	21,691,364
Actuarial (gain)/loss	(105,818,863)	(17,073,255)
Plan amendments	0	0
Gross benefits paid	<u>(114,452,884)</u>	<u>(120,460,894)</u>
Benefit obligation, end of year	\$2,040,424,944	\$2,058,512,745

SI-7

Basic Results for Employer Contributions – VEBAs

	Estimated December 31, 2009	December 31, 2008
Qualified Asset Account Limits	\$1,234,004,188	\$1,160,604,578
Assets		
Market Value	\$1,078,917,656	\$898,443,767
Unrecognized investment losses (gains)	<u>0</u>	<u>0</u>
Actuarial value [AV]	\$1,078,917,656	\$898,443,767
Funded Position		
Unfunded account limits [QAAL - FV]	\$155,086,532	\$262,160,811
Employer Contributions (to all funding vehicles)		
a. Maximum deduction available ¹	\$306,480,251	\$434,057,971
b. Qualified additions (prior years' carryover)	0	95,586,325
c. Qualified additions (current year)	<u>125,623,745</u>	<u>76,310,835</u>
d. Total deductions available [b. + c.]	\$125,623,745	\$171,897,160
e. Other (nondeductible) current year additions	25,769,974	0
f. Total additions [c. + e.]	\$151,393,719	\$76,310,835
- Life insurance VEBA	0	2,400,000
- Union medical/dental VEBAs	180,000	180,000
- Nonunion medical/dental VEBAs	151,213,719	73,730,835
- West 401(h)	0	0
- East 401(h)	0	0

¹ Includes amounts not contributed.

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2008 VEBA Deduction Limits

	Life Insurance	Union Medical + Dental	Nonunion Medical + Dental
Qualified Asset Account Limit (QAAL)			
December 31, 2008, actuarial accrued liability (AAL) or present value of projected benefits (PVPB)	AAL \$176,338,488	PVPB \$405,192,806	AAL \$579,073,284
Unrecognized liability	<u>0</u>	<u>0</u>	<u>0</u>
QAAL	\$176,338,488	\$405,192,806	\$579,073,284
Assets			
Market value - December 31, 2008	\$120,923,021	\$297,727,503	\$479,793,243
Unrecognized investment losses / (gains)	<u>0</u>	<u>0</u>	<u>0</u>
Actuarial value [AV]	\$120,923,021	\$297,727,503	\$479,793,243
Funded Position			
Unfunded account limit [QAAL - AV]	\$55,415,468	\$107,465,303	\$99,280,041
Contributions received in trust, but not yet deducted			
2004	\$0	\$0	\$0
2005	0	0	0
2006	0	0	22,321,786
2007	0	0	73,264,539
2008	<u>2,400,000</u>	<u>180,000</u>	<u>73,730,835</u>
Total	\$2,400,000	\$180,000	\$169,317,160
2008 Employer Deductions for and Contributions to VEBAs			
a. Maximum deduction available ¹ [Unfunded account limit + Contributions received, but not yet deducted]	\$57,815,468	\$107,645,303	\$268,597,201
b. Qualified additions (prior years' carryover)			
2004	\$0	\$0	\$0
2005	0	0	0
2006	0	0	22,321,786
2007	<u>0</u>	<u>0</u>	<u>73,264,539</u>
Total	\$0	\$0	\$95,586,325
c. Qualified additions (current year)	<u>2,400,000</u>	<u>180,000</u>	<u>73,730,835</u>
d. Total deductions available in 2008 [b. + c.]	\$2,400,000	\$180,000	\$169,317,160
e. Other (nondeductible) current year additions	0	0	0
f. Total current year additions [c. + e.]	\$2,400,000	\$180,000	\$73,730,835

¹ Includes amounts not contributed.

Cumulative Nondeductible Contributions

Contribution Year	Contributions Made by December 31, 2008, but Not Deducted as of December 31, 2007		Deductible in 2008 ¹	Remaining Nondeductible Contributions as of December 31, 2008
Nonunion Retiree Medical + Dental VEBAs				
2003	\$0		\$0	\$0
2004	0		0	0
2005	0		0	0
2006	22,321,786		22,321,786	0
2007	73,264,539		73,264,539	0
2008	73,730,835		73,730,835	0
Total	\$169,317,160		\$169,317,160	\$0
Retiree Life Insurance VEBA				
2003	\$0		\$0	\$0
2004	0		0	0
2005	0		0	0
2006	0		0	0
2007	0		0	0
2008	2,400,000		2,400,000	0
Total	\$2,400,000		\$2,400,000	\$0

¹ Prior years' nondeductible contributions to the Nonunion Medical + Dental VEBA are now deductible primarily due to losses from 2008 asset returns.

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2009 Maximum Deductible Contributions — 401(h)

	West Plan	East Plan	Combined Plan
1. Present Value of Projected Benefits 1/1/2009	\$103,124,644	\$321,577,305	\$424,701,949
2. Fair Value of Assets 1/1/2009	n/a	n/a	\$124,897,305
3. Unfunded (Surplus) PVPB (1) - (2)			\$299,804,644
4. Average Present Value of Future Service			12
5. Preliminary maximum			
a) 10% of unfunded (3) x 0.10			\$29,980,464
b) Aggregate Normal Cost (3) / (4)			24,983,720
c) Greater of (a), (b)			29,980,464
6. Prelim max 2009: (5c) * 1.0853			32,537,798
7. Subordination Test (shown below)			0
8. Maximum Deductible Contribution, lesser (6), (7)			\$0

Subordination Test

Year-by-year minimum of actual pension plan contribution
and pension plan normal cost with interest

1992	\$9,766,169	n/a	n/a
1993	22,392,743	n/a	n/a
1994	21,208,326	n/a	n/a
1995	21,683,436	n/a	n/a
1996	20,271,648	n/a	n/a
1997	0	n/a	n/a
1998	0	n/a	n/a
1999	0	n/a	n/a
2000	0	n/a	n/a
2001	0	n/a	n/a
2002	0	n/a	n/a
2003	19,197,145	39,165,054 *	n/a
2004	18,614,338	56,614,811	n/a
2005	16,222,550	55,872,817	n/a
2006	0	0	n/a
2007	0	0	n/a
2008	n/a	n/a	0
Cumulative pension contributions not for past service:			
	\$149,356,355	\$151,652,681	\$301,009,036
	x 1/3	x 1/3	x 1/3
	\$49,785,452	\$50,550,894	\$100,336,345
Cumulative 401(h) contributions before plan year 2009:	49,785,452	50,550,894	\$100,336,346
Subordination limit	\$0	\$0	\$0

* Includes only portion of normal cost and contributions after 401(h) account adoption dates
for indicated years



SI-11

**Expected Benefits, Disbursements, Administrative Expenses
and Participant Contributions**

	January 1, 2009	January 1, 2008
Medical and Dental		
Gross disbursements	\$ 104,067,794	\$ 105,896,805
Participant contributions	<u>(21,054,334)</u>	<u>(19,777,240)</u>
Net disbursements	\$ 83,013,460	\$ 86,119,565
Life Insurance		
Gross disbursements	\$ 13,659,419	\$ 13,132,039
Participant contributions	<u>(3,199,184)</u>	<u>(3,198,698)</u>
Net disbursements	\$ 10,460,235	\$ 9,333,341
Gross without RDS		
Gross disbursements	\$ 117,727,213	\$ 119,028,844
Participant contributions	<u>(24,253,518)</u>	<u>(22,975,938)</u>
Net disbursements	\$ 93,473,695	\$ 96,052,906
RDS*		
Gross disbursements	\$ (9,503,470)	\$ (9,428,957)
Participant contributions	<u>0</u>	<u>0</u>
Net disbursements	\$ (9,503,470)	\$ (9,428,957)
Net with RDS		
Gross disbursements	\$ 108,223,743	\$ 109,599,887
Participant contributions	<u>(24,253,518)</u>	<u>(22,975,938)</u>
Net disbursements	\$ 83,970,225	\$ 86,623,949

* 2008 RDS payments expected to be received in 2009.



SI-12

Actuarial Assumptions and Methods

	FAS 106 Cost		Employer Contributions
Economic Assumptions			
Discount rate	6.10%		N/A
Return on plan assets:			
‣ 401(h) accounts	N/A		8.53%
‣ Life insurance and union medical/dental	N/A		7.34%
‣ Nonunion medical/dental	N/A		6.96%
‣ Aggregate	7.75%		N/A
Salary increase rate	<i>Age</i>	<i>Rate</i>	
	<25	11.50%	
	25-34	9.50	
	35-44	6.50	
	>45	5.00	
Medical cost trend rate	2009	6.50%	6.50%*
	2010	6.00	6.00*
	2011	5.50	5.50*
	2012+	5.00	5.00*
Dental cost trend rate	2009-2010	6.00%	6.00%*
	2011	5.50	5.50*
	2012+	5.00	5.00*

*0% trend assumed for nonunion VEBA account limit.

Health Care Benefit Assumptions

Average annual 2009 per capita claims cost:

	<i>Age</i>	<i>Aetna</i>	<i>Lumenos</i>
‣ Prior to age 65	< 50	\$4,622	\$4,418
	50 – 54	5,326	5,090
	55 – 59	6,347	6,066
	60 – 64	8,085	7,727
	Average pre-65	7,311	6,987

	Age	COB	MOB	CSP	Medicare Part D	
					MOB/COB	CSP
▶ Age 65 and after (net of Medicare)	65 – 69	\$3,436	\$2,657	\$1,231	\$(625)	\$(180)
	70 – 74	3,712	2,848	1,375	(644)	(186)
	75 – 79	3,848	2,932	1,461	(639)	(184)
	80 – 84	3,834	2,899	1,492	(606)	(175)
	≥ 85	3,797	2,827	1,551	(540)	(156)
Average post-65		3,729	2,753	1,485	(617)	(178)

- ▶ Dental All \$277
- ▶ Medicare covered charges trend rate Same as medical cost increases.
- ▶ Retiree contribution trend rate Same as applicable medical cost increases.

Administrative expenses Included in claims costs shown above.

Demographic Assumptions

Mortality Preretirement: RP2000, projected to 2024.
Postretirement: RP2000, projected to 2016.

Disabled mortality (through age 65) Rates vary by age and sex as indicated by the following sample values:

Age	Male	Female
30	2.60%	2.60%
40	2.60	2.60
50	3.10	3.10
60	6.20	6.20

Termination Rates apply to employees not eligible to retire and vary by age as indicated by the following sample values:

Age	0-5 Years	5+ Years
20	12.5%	10%
30	12.5	5
40	12.5	3
50	12.5	3
60	12.5	3



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Disability Rates apply to employees not eligible to retire and vary by age and sex as indicated by the following sample values:

Age	Male	Female
20	0.060%	0.090%
30	0.060	0.090
40	0.074	0.110
50	0.178	0.270
60	0.690	1.035

Retirement Rates that vary by age as follows:

Age	Rate
55 - 57	7.5%
58 - 60	15.0
61 - 63	35.0
64 - 65	25.0
66 - 69	20.0
70	100.0

Rates apply to employees with five or more years of service.

Spouse ages

Wives three years younger than husbands.

Participation rates

Participation for current retirees is based on valuation census data; participation for future retirees is assumed to be 95%.

The percentage of employees who will enroll for family coverage is assumed to vary by sex and to change from year to year as follows:

Male Employees: 74% for employees retiring in 2006, reducing by 1% each year to a minimum of 69% for employees retiring in 2011 and later.

Female Employees: 53.75% for employees retiring in 2006 reducing by 0.75% each year to a minimum of 50% for employees retiring in 2011 and later.

**Basis for Per Capita Claims
Cost Assumption**

▶ Pre-65 retiree rates

Aetna, Medco, Lumenos and Magellan supplied data on retiree medical claims incurred in 2007. Claim experience rates are calculated separately for Aetna and Lumenos plans by dividing incurred claims by covered lives and trending forward two years to 2009. Medical and prescription drug claim rates are then multiplied by plan change factors representing the effect of substantive prescription drug plan design changes. Aetna and Lumenos cost models are developed separately by age-grading these claims rates over standard Towers Perrin morbidity curves for both medical and prescription drugs to develop the quinquennial cost models.

MetLife supplied data on dental claims incurred in 2007. Experience for all active and retiree employees was analyzed to derive the dental claim rates.

▶ Post-65 retiree rates

2009 monthly claim rates are calculated separately for MOB, COB and CSP Medicare-eligible plans by dividing incurred claims by covered lives and trending forward two years to 2009. Prescription drug claim rates are then multiplied by plan change factors representing the savings from substantive prescription drug plan changes. MOB and COB cost models are developed separately by age-grading these claim rates over standard Towers Perrin morbidity curves for both medical and prescription drugs to develop the quinquennial cost models.

▶ Medicare Part D subsidy

We calibrated our modeling tool to reflect the 2009 cost of the current prescription drug plans for AEP's post-65 retirees. The tool employs a continuance table of annual retiree drug utilization levels, developed from analyzing the experience of several large Towers Perrin clients.

After the plan-specific benefit provisions have been calibrated to current costs, the Modeler trends costs forward to 2009. Actuarial equivalence was determined using the following two-prong approach outlined in the regulations for Medicare Part D:

- ▶ *Gross Value Test* – The Modeler calculates the value of standard Medicare Part D coverage and compares it to AEP's plan costs. AEP's plans passed this test by being richer than the projected value of standard Medicare Part D coverage for these groups.
- ▶ *Net Value Test* – The net value prong of the test compares the value of Standard Part D coverage in 2009 minus the greater of \$364.32 per year (the national average Part D premium) and 25.5% of the gross value of Part D to the projected 2009 value of AEP coverage minus the average projected 2009 retiree contribution rate. For this purpose, retiree contributions were assumed to apply pro rata between the value of medical benefits and prescription drug benefits.

When the plans are deemed to be actuarially equivalent, the tool calculates the average expected value of the employer subsidy in 2009, using the continuance table calibrated to AEP's plan costs. This produced a 2009 per person employer subsidy of \$617 for MOB and COB plans and \$178 for CSP.

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Methods

Postretirement welfare cost:

- ▶ Service cost and APBO Projected unit credit actuarial cost method, allocated in equal amounts, from the valuation date on or after date of hire to full eligibility date.
- ▶ Market-related value of assets The fair value of assets on the measurement date.

Amortization of unrecognized amounts:

- ▶ Transition obligation Amortized over 20 years beginning January 1, 1993
- ▶ Prior service cost (credit) Increase in APBO resulting from a change in benefits valued is amortized on a straight-line basis over the expected average remaining service until full eligibility date of active participants. Decrease in APBO first reduces any unamortized prior service cost, then any unamortized transition obligation. Any remaining amount is amortized on a straight-line basis as described above.
- ▶ Net loss (gain) Net loss (gain) in excess of 10% of the greater of APBO or market-related value of assets is amortized on a straight-line basis over the expected average remaining service of active employees.

SOP 92-6:

- ▶ APBO Projected unit credit actuarial cost method, allocated in equal amounts, from the valuation date on or after date of hire to full eligibility date.
- ▶ Funding policy AEP's funding policy is to contribute an amount equal to the postretirement welfare cost. AEP maximizes its contribution to the 401(h) account and contributes the remainder to the VEBA.

Benefits Not Valued

All benefits described in the Plan Provisions section of this report were valued. Life insurance benefits in excess of \$50,000 and health care benefits for key employees were not included in determining the maximum deductible contribution. Towers Perrin has reviewed the plan provisions with AEP and based on that review is not aware of any significant benefits required to be valued that were not.

Changes in Methods and Assumptions Since Last Year

The discount rate was decreased from 6.20% to 6.10%. Mortality table was updated to preretirement: RP2000, projected to 2024; postretirement: RP2000, projected to 2016.

Data Sources

The company furnished the participant data, as well as the accrued postretirement benefits cost as of December 31, 2008. Health plan vendors furnished claims cost data. Data were reviewed for reasonableness and consistency, but no audit was performed. We are aware of no errors or omissions in the data that would have a significant effect on the results of our calculation.

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Participant Data

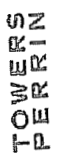
	January 1, 2009	January 1, 2008
Active		
Number:		
▶ Fully eligible for benefits	14	10
▶ Other	<u>21,775</u>	<u>20,763</u>
▶ Total	21,789	20,773
Average age	45.6	45.9
Average past service	16.4	17.1
Average future service:		
▶ To full eligibility age	11.6	11.5
▶ To expected retirement	11.6	11.5
Covered pay:		
▶ Total	\$ 1,447,105,465	\$ 1,336,821,768
▶ Average	66,414	64,354
Inactive		
Retirees and surviving spouses:		
▶ Number:		
– Under age 65	3,145	3,275
– Age 65 and over	<u>11,582</u>	<u>11,425</u>
– Total	14,727	14,700
▶ Average age	73.5	73.2
Dependents*:		
▶ Number:		
– Under age 65	3,565	3,676
– Age 65 and over	<u>4,551</u>	<u>4,468</u>
– Total	8,116	8,144
▶ Average age	67.3	67.0
Disabled:		
▶ Number:	726	730
▶ Average age	56.3	55.9

*For retired and disabled participants



Active Employee Age/Service Chart

Age Nearest Birthday	Completed Years of Service										Total	
	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	Over 34				
Count	824	7										831
Total Earnings	\$32,284,680	\$292,834										\$32,577,514
Average Earnings	\$39,180	\$41,033										\$39,203
Count	1,393	213	5									1,611
Total Earnings	\$66,050,021	\$11,025,666	\$248,230									\$77,323,917
Average Earnings	\$47,416	\$51,764	\$48,646									\$47,997
Count	1,178	466	143	3								1,790
Total Earnings	\$60,729,452	\$27,965,315	\$8,422,298	\$146,810								\$97,263,865
Average Earnings	\$51,553	\$60,011	\$58,897	\$48,937								\$54,337
Count	978	505	361	132	6							1,982
Total Earnings	\$59,727,993	\$33,874,482	\$23,599,390	\$9,579,692	\$332,071							\$121,173,628
Average Earnings	\$54,937	\$67,216	\$65,261	\$72,573	\$55,345							\$61,137
Count	699	413	357	562	343	14						2,388
Total Earnings	\$39,769,531	\$28,627,887	\$24,589,160	\$42,058,236	\$24,220,308	\$896,383						\$160,160,585
Average Earnings	\$56,893	\$69,317	\$68,877	\$74,837	\$70,613	\$64,027						\$67,069
Count	562	354	57	503	1,026	939	56					3,797
Total Earnings	\$33,228,390	\$25,109,497	\$24,032,043	\$35,690,453	\$77,336,351	\$67,895,549	\$3,835,849					\$267,129,083
Average Earnings	\$59,125	\$70,891	\$67,317	\$70,955	\$75,371	\$72,306	\$68,515					\$70,353
Count	373	251	224	378	727	1,325	1,008	60				4,346
Total Earnings	\$23,775,577	\$19,132,048	\$15,116,912	\$26,333,858	\$52,616,095	\$101,795,529	\$74,720,160	\$4,172,455				\$317,564,634
Average Earnings	\$63,741	\$76,223	\$67,466	\$69,668	\$72,377	\$76,827	\$74,127	\$69,541				\$73,094
Count	222	146	154	217	415	629	846	685				3,314
Total Earnings	\$14,468,525	\$10,030,429	\$11,446,842	\$13,797,154	\$28,697,688	\$45,994,748	\$65,442,415	\$51,568,555				\$241,436,357
Average Earnings	\$65,174	\$68,702	\$74,330	\$63,881	\$69,191	\$73,124	\$77,355	\$75,268				\$72,853
Count	100	89	68	83	167	198	215	635				1,549
Total Earnings	\$7,725,422	\$7,364,660	\$4,521,873	\$5,281,128	\$11,476,123	\$15,285,508	\$15,520,551	\$51,291,369				\$119,466,636
Average Earnings	\$77,254	\$83,731	\$66,498	\$63,628	\$68,719	\$77,200	\$76,840	\$80,774				\$77,125
Count	19	29	14	18	13	15	12	36				156
Total Earnings	\$1,149,157	\$2,080,738	\$871,129	\$1,310,403	\$965,879	\$1,102,016	\$878,989	\$2,774,934				\$11,133,241
Average Earnings	\$60,482	\$71,750	\$62,224	\$72,800	\$74,298	\$73,468	\$73,249	\$77,081				\$71,367
Count	7	6	4	3	1	4	0	0				25
Total Earnings	\$525,974	\$507,683	\$223,493	\$208,552	\$47,070	\$263,214	\$0	\$0				\$1,775,986
Average Earnings	\$75,139	\$84,614	\$55,873	\$69,517	\$47,070	\$65,903	\$0	\$0				\$71,039
Count	6,355	2,473	1,687	1,899	2,688	3,124	2,137	1,416				21,789
Total Earnings	\$333,433,702	\$166,111,240	\$113,031,371	\$134,406,265	\$195,693,661	\$233,232,947	\$181,398,965	\$109,797,313				\$1,447,105,465
Average Earnings	\$52,468	\$67,001	\$67,170	\$70,777	\$72,533	\$74,658	\$75,526	\$77,540				\$86,474



SI-20

Plan Provisions

Health Care Benefits

Eligibility	Participants are eligible upon retirement after age 55 with ten years of service or upon attaining age 55 with ten years of service after becoming permanently disabled. If involuntary termination, then eligible after age 50 with ten years of service.
Dependent eligibility	Eligible dependents are spouse, unmarried children under age 19 (age 25 if a full-time student) and unmarried disabled children of any age.
Survivor eligibility	After the death of a retiree or active employee eligible to retire, surviving spouses are eligible until death or remarriage. Surviving children are also eligible, subject to the limiting age provision outlined above.
Postretirement contributions	Participant contributions are determined as a percentage of plan costs and vary by points (age at retirement plus service) as follows:

<i>Points</i>	<i>Retiree Cost</i>
65-69	46%
70-74	42
75-79	36
80-84	32
85-89	26
90-94	22
95+	20
Grandfathered	20

For East participants who retired prior to January 1, 1989, and West participants who retired prior to January 1, 1993, no contributions are required.

For East participants who retired on or after January 1, 1989, and West participants who retired on or after January 1, 1993, the 20% "Grandfathered" contributions are in effect if they retired by December 31, 2000, or attained age 50 and had ten or more years of service with the company on that date. The percentages described above are applied to plan costs that differ from the per capita claims costs assumed in the valuation as follows:

The Medicare status of dependents is not looked at in determining whether "pre-65" or "post-65" rates apply. The pre-65 plan rates used to calculate participant contributions are a blend of pre-65 retiree costs and active employee costs.

Disabled employee contributions

Disabled employees have a waiver of premium provision where no contributions are made while an employee remains disabled.

If an employee retires while disabled and became disabled before January 1, 2001, the waiver of premium provision continues for life. If an employee retires while disabled and became disabled after January 1, 2001, the employee will continue to accrue points as if actively-at-work until age 65 and be subject to the same contribution schedule as normal retirees.

Benefits

The AEP Medical Plan provides broad medical coverage with a deductible of \$200, 80% coinsurance and a maximum annual out-of-pocket expense of \$2,000 per person. Discounted charges and increased benefits may be obtained by pre-65 retirees electing to use network providers.

Pre-65 retirees who live in areas designated as "Network Area" will have reduced benefits (\$300 deductible, 70% coinsurance, \$4,000 out-of-pocket maximum) if they do not use network providers. Alternatively, these retirees can elect coverage under consumer driven health plan designs.

Prescription drug benefits are provided under a separate plan with the following copayments for those who do not enroll in a consumer driven health plan:

	<i>Generic</i>	<i>Brand Name Formulary</i>	<i>Brand Name Nonformulary</i>
30-day retail	\$5 copay	20%	20%
		\$20 minimum	\$35 minimum
		\$100 maximum	\$100 maximum
90-day retail	\$12 copay	20%	20%
		\$50 minimum	\$90 minimum
		\$200 maximum	\$200 minimum

Prescription drug benefits are also subject to a \$50 deductible and a \$1,000 out-of-pocket maximum per person.

Benefits after age 65 are coordinated with Medicare using the carve-out method. Participants have the option to "buy up" to exclusion coordination of benefits coverage. Exclusion coordination is provided to East retirees who attained age 65 prior to January 1, 2001.

Deductibles and out-of-pocket maximums are assumed to increase over time at approximately the same rate as benefit costs.



SI-22

Life Insurance Benefits

Grandfathered participants Participants over age 50 with ten years of service as of December 31, 2000.

Grandfathered benefits Grandfathered participants have the option of keeping current coverage. Active employee coverage for grandfathered East participants is one times final base pay at no cost with the option to buy up to two times base pay. The entire amount of coverage (basic plus supplemental) in force prior to retirement can be carried into retirement subject to reduction beginning at age 66. Current coverage for grandfathered West participants is one and one-half times final base pay prior to age 60, one times final base pay from age 60 to 64 and one-half times final base pay after age 65.

*Life Insurance Benefit Reduction Table
for Grandfathered East Participants*

<i>Years of Coverage</i>	<i>Age 66</i>	<i>Age 67</i>	<i>Age 68</i>	<i>Age 69</i>	<i>Age 70 or Over</i>
10 – 11	65%	55%	45%	35%	25%
11 – 12	70	60	50	40	30
12 – 13	75	65	55	45	35
13 – 14	80	70	60	50	40
14 – 15	85	75	65	55	45
15 or more	90	80	70	60	50

Grandfathered contributions Grandfathered East retirees must contribute \$0.60/\$1,000 of coverage (basic + supplemental) per month. West retirees are not required to contribute to the cost of coverage.

Nongrandfathered benefits One-half times final base pay at no cost to retiree.

Dental Benefits

Eligibility Participants, including retirees and surviving dependents, are eligible upon retirement after age 55 with ten years of service. There is a one-time election and if coverage terminates there is no opportunity to reenroll.



SI-23

Benefits

The AEP Dental Plan provides dental coverage with a deductible of \$50 single/\$150 family, 100% coinsurance for preventive care, 80% coinsurance for basic restorative care, 50% coinsurance for major restorative care and 50% coinsurance for orthodontia.

Most retirees pay the full cost of dental coverage if they enroll. CSW employees who retire before January 1, 1993, contribute nothing to enroll for dental coverage. Former CSW employees retiring after January 1, 1993, who were either retired or had attained age 50 with ten years of service as of January 1, 2001, pay 30%.

Changes in Plan Provisions Since the Prior Year

There have been no changes in the substantive plan provisions since the prior year.

Overview of Benefits Provided by Funding Vehicles

Funding Vehicle	Provides for
Nonunion postretirement medical/dental VEBAs	100% of medical/dental benefits to nonunion employees before 2016 and 50% of benefits thereafter.
Union postretirement medical/dental VEBAs	100% of medical/dental benefits to union employees.
Postretirement life insurance VEBA	Life insurance benefits for all retirees.
401(h) account	50% of benefits after 2015 for nonunion retirees.

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American Electric Power
2009 Summary of Postretirement Health Care Plan Participants - Non-UMWA

	Nonretired Participants			Retired Participants			
	Active	Disabled	Total	Retiree	Dependent Spouse	Surviving Spouse	Total
AEP Energy Services, Inc.	0	2	2	31	23	0	54
AEP Pro Serv, Inc.	1	0	1	0	0	0	0
AEP River Operations LLC	1,095	7	1,102	13	6	0	19
AEP Service Corporation	6,439	90	6,529	1,742	1,186	191	3,119
AEP Texas Central Co - Distribution	1,069	43	1,112	849	590	278	1,717
AEP Texas Central Co - Generation	1	0	1	17	13	0	30
AEP Texas Central Co - Nuclear	0	0	0	0	0	0	0
AEP Texas Central Co - Transmission	135	4	139	78	47	31	156
AEP Texas North Co - Distribution	319	15	334	218	148	70	436
AEP Texas North Co - Generation	0	5	5	142	87	44	273
AEP Texas North Co - Transmission	52	2	54	35	24	11	70
Appalachian Power Co - Distribution	1,183	83	1,266	1,137	812	411	2,360
Appalachian Power Co - Generation	1,205	87	1,292	716	575	212	1,503
Appalachian Power Co - Transmission	187	15	202	100	87	4	191
Cardinal Operating Company	327	13	340	154	119	47	320
Cedar Coal Co.	0	0	0	19	8	20	47
Central Ohio Coal Co.	0	0	0	49	28	4	81
Columbus Southern Power Co - Distribution	853	21	874	793	491	203	1,487
Columbus Southern Power Co - Generation	379	19	398	283	197	85	565
Columbus Southern Power Co - Transmission	67	1	68	69	52	22	143
Conesville Coal Preparation Company	10	0	10	8	7	0	15
Cook Coal Terminal	16	0	16	9	7	0	16
CSW Energy, Inc.	18	0	18	8	2	0	10
Elmwood	158	6	164	8	7	0	15
Houston Pipeline (HPL)	0	2	2	30	20	0	50
Indiana Michigan Power Co - Distribution	768	13	781	677	399	266	1,342
Indiana Michigan Power Co - Generation	460	12	472	241	180	86	507
Indiana Michigan Power Co - Nuclear	1,133	11	1,144	273	203	50	526
Indiana Michigan Power Co - Transmission	176	6	182	97	74	8	179
Kentucky Power Co - Distribution	287	25	312	151	110	68	329
Kentucky Power Co - Generation	142	23	165	69	72	21	162
Kentucky Power Co - Transmission	54	2	56	8	10	0	18
Kingsport Power Co - Distribution	46	4	50	50	30	15	95
Kingsport Power Co - Transmission	12	1	13	6	5	1	12
Ohio Power Co - Distribution	922	39	961	871	614	297	1,782
Ohio Power Co - Generation	867	62	929	686	576	215	1,477
Ohio Power Co - Transmission	235	8	243	123	95	35	253
Price River Coal Co.	0	0	0	0	0	0	0
Public Service Co of Oklahoma - Distribution	812	25	837	517	362	172	1,051
Public Service Co of Oklahoma - Generation	392	10	402	185	130	71	386
Public Service Co of Oklahoma - Transmission	86	2	88	55	39	15	109
Southern Ohio Coal - Martinka	0	0	0	21	12	3	36
Southern Ohio Coal - Meigs	0	0	0	46	30	13	89
Southwestern Electric Power Co - Distribution	537	12	549	272	199	84	555
Southwestern Electric Power Co - Generation	538	17	555	241	188	79	508
Southwestern Electric Power Co - Texas - Distribution	288	7	295	140	99	33	272
Southwestern Electric Power Co - Transmission	97	3	100	48	28	19	95
Water Transportation (Lakin)	361	24	385	118	66	30	214
Wheeling Power Co - Distribution	62	5	67	64	47	29	140
Wheeling Power Co - Transmission	0	0	0	4	2	9	15
Windsor Coal Co.	0	0	0	12	10	1	23
Total	21,789	726	22,515	11,483	8,116	3,253	22,852

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American Electric Power
2009 Net Periodic Postretirement Benefit Cost - Non-UMWA Benefits
Reflects Effect of Medicare Part D

Location	Accumulated Postretirement Benefit Obligation	Expected Net Benefit Payments	Fair Value of Assets	Service Cost	Interest	Expected Return on Assets	Amortizations	Net Amortization	Net Periodic Postretirement Benefit Cost	Subsidy	Gross Periodic Postretirement Benefit Cost
AEP Energy Services, Inc.	\$2,511,972	\$225,078	\$1,462,094	\$0	146,557	(\$117,000)	(\$8,228)	\$58,545	\$79,794	\$42,281	\$122,075
AEP Piro Serv, Inc.	102,094	317	60,252	2,805	6,310	(4,760)	1,607	2,379	5,208	1,730	6,938
AEP River Operations, LLC	19,500,502	89,945	6,197,692	1,523,542	70,076	(89,419)	114,546	244,732	2,125,977	466,935	2,592,912
AEP Services Corporation	369,849,005	13,975,745	219,290,532	12,220,304	22,866,709	(17,230,207)	1,341,222	8,819,000	27,835,936	7,003,967	35,839,903
AEP Texas Central Co - Distribution	104,777,397	5,594,100	61,641,205	2,020,077	6,346,991	(4,805,544)	3,155,202	2,442,000	9,001,521	1,070,824	11,072,345
AEP Texas Central Co - Generation	1,799,243	170,753	1,061,940	2,309	104,523	(83,889)	4,715	41,934	69,521	28,206	97,727
AEP Texas Central Co - Nuclear	10,111,017	0	5,950,205	220,870	616,306	(471,304)	0	1,708	808,431	193,569	1,002,000
AEP Texas Central Co - Transmission	30,655,752	1,339,051	17,739,350	571,351	1,834,128	(1,400,861)	0	235,674	543,518	3,287,501	3,830,019
AEP Texas North Co - Distribution	9,925,119	782,137	5,287,740	0	520,930	(415,989)	512,800	0	625,855	140,874	766,729
AEP Texas North Co - Generation	4,408,359	201,045	2,581,480	105,144	269,203	(205,660)	134,570	102,744	466,251	88,643	554,894
AEP Texas North Co - Transmission	151,024,928	8,098,207	85,909,370	2,388,253	9,137,501	(7,076,371)	2,362,760	3,539,516	10,300,673	2,663,512	12,964,185
Appalachian Power Co - Distribution	118,103,798	3,662,133	69,706,059	2,364,023	7,178,337	(5,504,525)	1,380,564	2,152,569	8,170,858	2,188,238	10,359,096
Appalachian Power Co - Generation	10,792,374	793,178	11,091,544	390,171	1,145,091	(675,899)	291,302	437,985	1,379,259	354,732	1,733,991
Appalachian Power Co - Transmission	27,932,005	1,247,004	16,486,355	627,203	1,704,095	(1,301,313)	289,595	651,017	1,890,598	530,533	2,421,131
Credit Operating Company	1,600,043	166,438	944,842	0	92,857	(74,013)	0	37,310	100,369	22,554	140,997
Central Coal Co.	0	0	0	0	0	0	0	0	0	0	0
Central Ohio Coal Co.	2,993,748	283,525	1,761,093	0	173,489	(139,068)	145,004	69,541	248,355	41,529	289,884
Columbus Southern Power Co - Distribution	81,505,695	4,753,955	46,153,083	1,410,792	4,919,291	(3,002,696)	1,570,320	1,801,480	6,008,278	1,493,767	7,502,045
Columbus Southern Power Co - Generation	40,044,060	1,919,189	23,534,020	744,213	2,430,355	(1,865,357)	559,443	2,932,066	2,908,520	725,951	3,634,471
Columbus Southern Power Co - Transmission	6,344,792	486,467	4,925,223	113,914	501,003	(380,940)	154,962	194,488	575,467	150,714	726,200
Comcast Coal Preparation Company	1,400,789	63,310	802,177	21,011	80,542	(69,095)	3,102	34,028	70,566	24,389	101,955
Coak Coal Terminal	1,489,769	54,197	874,416	35,234	91,702	(69,763)	9,000	34,885	99,858	27,721	127,580
CSX Energy, Inc.	803,001	39,415	474,475	28,532	49,594	(37,468)	16,745	30,010	470,178	189,582	659,760
Enbridge	3,167,123	42,096	1,865,294	261,128	209,076	(147,616)	0	73,815	127,588	40,520	318,107
Houston Pipeline (HPL)	2,462,732	244,817	1,441,737	0	141,690	(113,853)	0	2,665,117	350,846	40,520	3,015,957
Indiana Michigan Power Co - Distribution	78,735,684	4,887,989	47,051,707	1,489,210	4,808,146	(3,716,428)	1,262,913	1,653,387	5,705,228	1,481,316	7,186,544
Indiana Michigan Power Co - Generation	43,855,895	1,977,883	25,930,274	1,003,375	2,977,599	(2,044,532)	316,993	1,022,361	2,975,777	822,788	3,798,575
Indiana Michigan Power Co - Nuclear	63,407,916	2,124,327	37,424,312	2,594,582	3,961,709	(2,555,364)	680,473	1,477,029	5,729,159	1,412,009	7,141,208
Indiana Michigan Power Co - Transmission	15,236,419	713,004	8,004,569	321,277	820,815	(711,003)	229,369	359,979	1,123,953	292,497	1,416,450
Kentucky Power Co - Distribution	28,895,399	1,263,255	17,019,089	581,275	1,767,069	(1,343,992)	316,028	672,854	1,893,243	569,018	2,462,261
Kentucky Power Co - Generation	14,514,557	546,131	8,566,714	268,964	223,774	(167,528)	143,443	338,284	481,728	99,571	581,303
Kentucky Power Co - Transmission	3,994,245	79,274	2,121,937	111,164	223,774	(167,528)	28,200	83,772	111,972	279,372	391,344
Kingsport Power Co - Distribution	5,980,051	355,901	3,354,239	91,741	360,176	(279,956)	109,038	139,561	240,599	421,419	661,918
Kingsport Power Co - Transmission	1,053,801	51,344	621,969	20,085	63,964	(49,116)	16,167	24,560	75,650	16,994	92,644
Ohio Power Co - Distribution	109,000,009	6,626,470	63,743,210	1,729,896	6,494,359	(5,033,749)	2,197,462	2,517,108	7,904,279	1,932,987	9,837,266
Ohio Power Co - Generation	101,905,021	5,573,009	60,146,948	1,705,091	6,152,962	(4,749,759)	917,001	3,232,090	6,402,271	1,842,592	8,244,863
Ohio Power Co - Transmission	21,557,047	899,355	12,793,295	425,554	1,311,210	(1,004,747)	392,253	592,420	1,626,691	400,120	2,026,817
Public Service Co of Oklahoma - Distribution	63,789,310	3,306,627	37,649,418	1,500,850	3,883,287	(2,972,141)	1,539,875	1,485,709	3,424,764	641,905	4,066,669
Public Service Co of Oklahoma - Generation	25,743,594	1,141,012	17,372,099	407,274	1,012,018	(1,371,859)	681,539	605,094	2,655,766	597,197	3,252,963
Public Service Co of Oklahoma - Transmission	7,920,543	397,231	4,480,738	173,802	457,719	(359,523)	165,629	175,278	369,907	84,205	454,112
Public Service Co of Oklahoma - Transmission	1,224,762	279,482	722,973	0	71,475	(67,095)	52,410	20,545	95,345	17,791	113,136
Southern Ohio Coal - Distribution	3,539,041	279,482	2,000,796	0	207,463	(164,950)	133,871	82,483	216,353	53,132	319,485
Southern Ohio Coal - Mails	40,355,014	1,935,278	23,010,140	1,000,722	2,467,522	(1,880,897)	958,425	940,530	3,486,309	802,710	4,289,019
Southwestern Electric Power Co - Distribution	41,525,202	1,554,746	24,508,838	1,120,851	2,554,995	(1,935,441)	864,451	567,011	3,572,377	827,895	4,400,272
Southwestern Electric Power Co - Generation	21,215,649	900,716	12,521,797	524,597	1,299,090	(988,035)	404,454	1,065	5,035,800	1,268,069	6,303,869
Southwestern Electric Power Co - Transmission	6,756,701	292,830	3,989,678	170,657	414,253	(315,061)	154,247	167,545	542,725	133,609	676,414
Southwestern Electric Power Co - Transmission	17,944,711	744,970	10,532,210	587,030	1,192,001	(931,720)	196,975	415,899	1,431,005	394,635	1,825,640
Water Transportation (Lain)	8,041,541	462,911	4,746,239	126,401	484,362	(374,806)	154,247	107,421	341,667	57,624	400,291
Wheeling Power Co - Generation	429,289	40,374	237,025	0	48,002	(30,463)	0	10,003	16,991	6,913	23,904
Wheeling Power Co - Transmission	125,233	73,000	57,000	0	48,002	(30,463)	0	0	16,991	6,913	23,904
Windsor Coal Co.	\$173,334,844,101	\$83,970,223	\$1,023,341,072	\$41,587,824	\$105,770,168	(\$80,812,316)	\$25,610,556	\$434,435	\$133,066,391	\$53,785,106	\$186,851,497

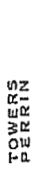
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ML - 4

Location	2011 Forecast Year Discount rate		Accumulated Postretirement Benefit Obligation	Expected Net Benefit Payments	Fair Value of Assets	Service Cost	Interest Cost	Expected Return on Assets	Amortizations		Net Amortization	Net Postretirement Benefit Cost
	2011 6.10%	6.10%							NTO	PSC		
American Electric Power												
2011 Net Periodic Postretirement Benefit Cost - Non-URWA Benefits												
Reflects Effect of Medicare Part D												
AEP Energy Services, Inc.	\$2,369,210	\$2,369,210	\$1,640,005	\$148,246	\$1,640,005	\$0	\$148,246	\$127,502	\$0	\$127,502	\$39,340	\$50,083
AEP Pro Serv, Inc.	119,524	119,524	82,711	7,397	82,711	3,093	7,397	(6,432)	0	(6,432)	1,353	5,410
AEP River Operations LLC	14,882,288	14,882,288	10,857,872	1,097,579	10,857,872	1,097,579	1,097,579	(2,163,209)	114,546	(2,048,663)	390,530	2,274,770
AEP Service Corporation	411,844,451	411,844,451	285,099,916	25,354,450	285,099,916	13,479,500	25,354,450	(9,532,732)	0	(9,532,732)	8,307,324	25,017,505
AEP Texas Central Co - Distribution	110,241,300	110,241,300	76,314,705	2,228,017	76,314,705	2,228,017	2,228,017	(6,932,732)	0	(6,932,732)	3,705,478	6,673,344
AEP Texas Central Co - Generation	1,659,948	1,659,948	1,140,409	2,546	1,140,409	2,546	2,546	(89,278)	0	(89,278)	33,099	43,179
AEP Texas Central Co - Nuclear	0	0	0	0	0	0	0	0	0	0	905	905
AEP Texas Central Co - Transmission	10,731,219	10,731,219	7,420,702	245,343	7,420,702	245,343	245,343	(577,510)	0	(577,510)	301,073	677,526
AEP Texas North Co - Distribution	32,411,055	32,411,055	22,437,453	1,816,721	22,437,453	740,164	1,816,721	(1,740,272)	0	(1,740,272)	1,003,709	2,036,322
AEP Texas North Co - Generation	0	0	5,806,281	468,607	5,806,281	271,786	468,607	(451,392)	0	(451,392)	426,506	463,731
AEP Texas North Co - Transmission	4,765,450	4,765,450	3,300,967	292,057	3,300,967	115,921	292,057	(256,610)	0	(256,610)	159,271	319,631
Appalachian Power Co - Distribution	156,883,454	156,883,454	108,692,797	2,644,074	108,692,797	2,644,074	2,644,074	(8,432,920)	0	(8,432,920)	4,145,041	7,794,366
Appalachian Power Co - Generation	125,651,919	125,651,919	86,962,553	2,065,335	86,962,553	2,065,335	2,065,335	(6,762,052)	0	(6,762,052)	3,049,286	6,512,755
Appalachian Power Co - Transmission	20,248,784	20,248,784	14,017,250	419,138	14,017,250	419,138	419,138	(1,089,705)	0	(1,089,705)	527,001	1,089,735
Cardinal Operating Company	30,043,852	30,043,852	20,787,970	691,591	20,787,970	691,591	691,591	(1,516,942)	0	(1,516,942)	655,190	1,568,854
Cedar Coal Co.	1,447,089	1,447,089	1,001,755	0	1,001,755	0	0	(77,877)	0	(77,877)	60,119	65,461
Central Coal Co.	0	0	0	0	0	0	0	0	0	0	0	0
Central Ohio Coal Co.	2,752,831	2,752,831	1,905,651	159,250	1,905,651	0	159,250	(148,146)	0	(148,146)	127,017	130,730
Columbus Southern Power Co - Distribution	84,623,992	84,623,992	59,581,080	1,565,321	59,581,080	1,565,321	1,565,321	(4,554,114)	0	(4,554,114)	2,393,056	4,503,640
Columbus Southern Power Co - Generation	42,363,073	42,363,073	29,325,999	820,495	29,325,999	820,495	820,495	(2,279,006)	0	(2,279,006)	1,130,850	2,232,349
Columbus Southern Power Co - Transmission	6,593,662	6,593,662	5,942,052	125,560	5,942,052	125,560	125,560	(461,937)	0	(461,937)	249,445	419,455
Conestoga Coal Preparation Company	1,540,049	1,540,049	1,071,639	24,157	1,071,639	24,157	24,157	(83,310)	0	(83,310)	30,241	64,458
Coak Coal Terminal	1,638,249	1,638,249	1,134,089	36,640	1,134,089	36,640	36,640	(88,164)	0	(88,164)	35,411	83,989
CSW Energy, Inc.	881,586	881,586	610,279	31,457	610,279	31,457	31,457	(17,443)	0	(17,443)	60,493	80,493
Elmwood	4,091,893	4,091,893	2,832,619	309,944	2,832,619	309,944	309,944	(220,203)	0	(220,203)	128,249	485,124
Houston Pipeline (HPL)	2,237,511	2,237,511	1,540,920	216,963	1,540,920	0	216,963	(120,914)	0	(120,914)	307,389	316,944
Indiana Michigan Power Co - Distribution	92,457,991	92,457,991	67,091,801	1,646,254	67,091,801	1,646,254	1,646,254	(4,937,544)	0	(4,937,544)	2,190,201	4,367,677
Indiana Michigan Power Co - Generation	47,152,867	47,152,867	32,641,592	1,105,221	32,641,592	1,105,221	1,105,221	(2,537,562)	0	(2,537,562)	1,037,720	2,477,247
Indiana Michigan Power Co - Nuclear	72,387,209	72,387,209	50,110,149	2,849,480	50,110,149	2,849,480	2,849,480	(3,895,581)	0	(3,895,581)	1,695,200	5,146,948
Indiana Michigan Power Co - Transmission	16,325,864	16,325,864	11,301,003	394,200	11,301,003	394,200	394,200	(870,591)	0	(870,591)	422,692	890,348
Kentucky Power Co - Distribution	30,669,489	30,669,489	21,439,673	551,881	21,439,673	551,881	551,881	(1,696,650)	0	(1,696,650)	730,134	1,607,863
Kentucky Power Co - Generation	13,723,115	13,723,115	10,885,733	206,533	10,885,733	206,533	206,533	(846,261)	0	(846,261)	356,069	774,500
Kentucky Power Co - Transmission	4,111,936	4,111,936	2,846,120	122,547	2,846,120	122,547	122,547	(221,258)	0	(221,258)	80,780	246,645
Kingsport Power Co - Distribution	5,152,773	5,152,773	4,259,266	101,144	4,259,266	101,144	101,144	(331,117)	0	(331,117)	171,271	310,342
Kingsport Power Co - Transmission	1,121,430	1,121,430	776,312	22,144	776,312	22,144	22,144	(60,351)	0	(60,351)	20,685	58,003
Ohio Power Co - Distribution	111,104,069	111,104,069	76,917,527	1,806,328	76,917,527	1,806,328	1,806,328	(5,979,207)	0	(5,979,207)	3,213,038	5,816,370
Ohio Power Co - Generation	106,417,506	106,417,506	73,607,672	1,891,923	73,607,672	1,891,923	1,891,923	(6,424,272)	0	(6,424,272)	2,440,837	5,026,982
Ohio Power Co - Transmission	23,010,434	23,010,434	15,020,006	468,173	15,020,006	468,173	468,173	(1,238,327)	0	(1,238,327)	632,296	1,259,006
Price River Coal Co	0	0	0	0	0	0	0	0	0	0	0	0
Public Service Co of Oklahoma - Distribution	67,830,056	67,830,056	46,955,454	1,654,797	46,955,454	1,654,797	1,654,797	(3,650,334)	0	(3,650,334)	2,270,167	4,406,100
Public Service Co of Oklahoma - Generation	32,915,195	32,915,195	22,508,664	834,120	22,508,664	834,120	834,120	(1,749,833)	0	(1,749,833)	590,812	2,144,186
Public Service Co of Oklahoma - Transmission	7,999,576	7,999,576	5,537,718	191,917	5,537,718	191,917	191,917	(430,504)	0	(430,504)	245,923	493,852
Southern Ohio Coal - Distribution	1,465,547	1,465,547	1,142,280	66,506	1,142,280	66,506	66,506	(51,702)	0	(51,702)	48,922	53,726
Southern Ohio Coal - Generation	3,309,129	3,309,129	2,346,129	198,147	2,346,129	198,147	198,147	(182,389)	0	(182,389)	133,454	148,912
Southern Ohio Coal - Transmission	43,611,654	43,611,654	30,190,230	2,662,539	30,190,230	2,662,539	2,662,539	(2,346,995)	0	(2,346,995)	804,429	2,751,155
Southwestern Electric Power Co - Distribution	45,670,302	45,670,302	31,615,333	1,235,738	31,615,333	1,235,738	1,235,738	(2,457,787)	0	(2,457,787)	1,300,466	2,878,158
Southwestern Electric Power Co - Generation	23,069,179	23,069,179	15,969,673	578,368	15,969,673	578,368	578,368	(1,241,489)	0	(1,241,489)	29,247	1,420,536
Southwestern Electric Power Co - Texas - Distribution	7,341,392	7,341,392	5,082,082	188,148	5,082,082	188,148	188,148	(95,083)	0	(95,083)	156,550	436,958
Southwestern Electric Power Co - Texas - Generation	19,750,757	19,750,757	13,672,480	648,105	13,672,480	648,105	648,105	(1,052,804)	0	(1,052,804)	447,492	1,249,574
Southwestern Electric Power Co - Texas - Transmission	0	0	0	0	0	0	0	0	0	0	0	0
Water Transmission (Laird)	0	0	0	0	0	0	0	0	0	0	0	0
Wheeling Power Co - Distribution	0	0	0	0	0	0	0	0	0	0	0	0
Wheeling Power Co - Generation	0	0	0	0	0	0	0	0	0	0	0	0
Wheeling Power Co - Transmission	0	0	0	0	0	0	0	0	0	0	0	0
Windsor Coal Co.	767,959	767,959	531,620	44,328	531,620	44,328	44,328	(41,328)	0	(41,328)	39,569	42,993
Total	\$1,859,239,445	\$1,859,239,445	\$1,287,061,190	\$45,050,876	\$1,113,255,292	\$45,050,876	\$113,255,292	(\$100,056,599)	\$13,571,528	(\$86,484,536)	\$48,300,149	\$107,349,426

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2013
6.10%

2013 Net Periodic Postretirement Benefit Cost - Non-UMWA Benefits
Reticular Effect of Medicare Part D

Location	Accumulated Postretirement Benefit Obligation	Forecast year Discount rate	Expected Net Benefit Payments	Fair Value of Assets	Service Cost	Interest Cost	Expected Return on Assets	Amortizations		Net Amortization	Net Periodic Postretirement Benefit Cost
								NTO	PSC		
AEP Energy Services, Inc.	\$2,224,826	6.10%	\$1,659,152	\$1,659,152	\$130,028	(\$129,391)	\$0	\$0	\$0	\$33,166	\$3,166
AEP Pro Serv, Inc.	134,273		8,194	100,823	3,409	(7,755)	0	0	0	2,003	2,003
AEP River Operations LLC	20,001,076		498,112	15,018,424	1,320,282	(1,155,217)	0	0	0	268,420	412,965
AEP Service Corporation	453,477,337		21,166,995	340,597,427	14,861,149	(26,191,820)	0	0	0	6,765,966	6,765,966
AEP Texas Central Co - Distribution	115,996,331		6,784,738	86,791,557	2,456,389	(6,676,004)	0	0	0	1,724,569	4,502,289
AEP Texas Central Co - Generation	1,557,419		146,495	1,169,436	90,772	(89,953)	0	0	0	23,337	26,663
AEP Texas Central Co - Nuclear	0		0	0	0	0	0	0	0	0	0
AEP Texas Central Co - Transmission	11,230,561		704,010	8,432,813	680,270	(648,582)	0	0	0	167,562	467,771
AEP Texas North Co - Distribution	34,799,466		1,804,610	26,130,251	2,118,319	(2,005,930)	0	0	0	519,214	1,443,626
AEP Texas North Co - Generation	7,844,333		736,270	5,890,159	456,380	(453,071)	0	0	0	117,039	117,039
AEP Texas North Co - Transmission	5,211,140		219,405	3,912,945	319,083	(300,994)	0	0	0	77,751	120,348
Appalachian Power Co - Distribution	161,630,618		10,066,075	121,365,329	2,915,992	(9,335,417)	0	0	0	2,411,559	5,725,426
Appalachian Power Co - Generation	132,454,730		7,537,872	99,457,174	9,028,519	(7,650,294)	0	0	0	1,876,249	3,227,965
Appalachian Power Co - Transmission	21,745,897		993,000	16,329,652	462,100	(1,255,999)	0	0	0	324,454	855,351
Cardinal Operating Company	32,069,940		1,750,000	24,650,667	752,479	(1,849,977)	0	0	0	477,869	1,338,148
Cedar Coal Co.	1,272,635		164,195	855,597	72,689	(73,584)	0	0	0	18,988	18,183
Central Coal Co.	0		0	0	0	0	0	0	0	0	0
Central Ohio Coal Co.	2,488,150		283,302	1,869,304	143,264	(143,710)	0	0	0	37,124	36,678
Columbus Southern Power Co - Distribution	87,375,278		5,675,472	65,669,419	1,725,765	(5,046,597)	0	0	0	1,303,655	3,247,448
Columbus Southern Power Co - Generation	44,143,100		2,002,410	33,145,456	904,596	(2,549,547)	0	0	0	658,608	1,677,295
Columbus Southern Power Co - Transmission	8,801,732		558,744	6,609,051	139,463	(600,360)	0	0	0	131,323	289,990
Conesville Coal Preparation Company	1,619,254		84,633	1,215,067	26,633	(93,524)	0	0	0	24,160	54,925
Cook Coal Terminal	1,767,701		93,611	1,327,332	40,386	(102,088)	0	0	0	26,374	72,153
CSW Energy, Inc.	956,545		45,967	718,251	34,861	(55,248)	0	0	0	14,272	52,109
Elmwood	5,113,631		194,186	3,890,870	341,713	(295,363)	0	53,773	76,299	130,072	505,172
Houston Pipeline (HPL)	2,083,315		1,594,321	1,594,321	121,943	(120,328)	0	208,117	31,063	297,200	296,713
Indiana Michigan Power Co - Distribution	84,930,912		5,753,781	63,697,903	1,815,005	(4,899,641)	0	0	0	1,265,693	3,393,567
Indiana Michigan Power Co - Generation	50,251,330		2,786,193	37,740,269	3,059,020	(2,902,880)	0	0	0	748,008	749,908
Indiana Michigan Power Co - Nuclear	61,823,162		3,331,468	61,443,947	3,141,551	(5,083,108)	0	0	0	1,220,906	4,719,289
Indiana Michigan Power Co - Transmission	17,345,500		932,569	13,024,403	590,514	(1,001,837)	0	0	0	256,708	701,351
Kentucky Power Co - Distribution	32,892,422		1,730,301	24,773,377	719,588	(1,095,567)	0	0	0	482,253	1,300,769
Kentucky Power Co - Generation	16,838,011		765,013	12,718,428	326,927	(978,301)	0	0	0	252,718	631,818
Kentucky Power Co - Transmission	4,631,156		146,250	3,477,446	135,108	(267,495)	0	0	0	69,098	223,069
Kingsport Power Co - Distribution	6,267,450		421,251	4,706,093	111,512	(367,993)	0	0	0	93,511	219,487
Kingsport Power Co - Generation	1,182,989		55,991	895,000	24,413	(68,905)	0	0	0	17,800	45,990
Kingsport Power Co - Transmission	113,851,149		7,330,089	85,571,339	2,101,727	(6,582,137)	0	0	0	1,700,321	4,079,308
Ohio Power Co - Distribution	110,893,883		6,446,195	93,268,098	2,074,922	(6,404,979)	0	0	0	1,654,557	4,021,792
Ohio Power Co - Generation	24,367,361		1,272,433	18,269,475	517,264	(1,406,826)	0	0	0	363,416	952,971
Ohio Power Co - Transmission	71,750,091		4,175,086	53,975,758	1,824,414	(4,144,122)	0	0	0	1,070,524	3,113,466
Price River Coal Co.	35,612,309		1,700,703	26,740,599	1,029,867	(2,056,886)	0	0	0	531,342	1,688,392
Public Service Co of Oklahoma - Distribution	8,514,951		480,034	6,393,638	211,257	(497,798)	0	0	0	127,043	364,370
Public Service Co of Oklahoma - Generation	1,946,306		268,465	785,651	60,328	(60,432)	0	0	0	15,611	15,507
Public Service Co of Oklahoma - Transmission	3,204,048		209,251	2,405,658	186,539	(185,059)	0	0	0	47,005	49,285
Southern Ohio Coal - Mergis	46,922,519		2,397,251	35,159,131	1,216,384	(2,794,362)	0	0	0	668,601	2,068,962
Southern Ohio Coal - Distribution	49,632,521		2,452,917	37,266,107	1,362,401	(2,866,662)	0	0	0	740,526	2,273,277
Southern Ohio Coal - Generation	24,870,120		1,259,493	19,891,254	637,651	(1,436,961)	0	0	0	371,201	1,090,269
Southern Ohio Coal - Transmission	7,845,284		403,975	5,899,973	478,176	(453,126)	0	0	0	117,053	348,598
Southwestern Electric Power Co - Texas - Distribution	21,671,867		1,059,736	16,272,989	714,505	(1,291,710)	0	0	0	323,348	1,119,893
Southwestern Electric Power Co - Texas - Generation	8,556,017		558,131	6,424,549	153,641	(494,176)	0	0	0	127,657	127,657
Southwestern Electric Power Co - Texas - Transmission	712,465		357,042	260,986	20,519	(20,622)	0	0	0	5,327	5,327
Whiting Power Co - Distribution	1,381,652,434		\$108,439,231	\$1,487,994,771	\$50,550,260	(\$14,455,738)	\$0	\$434,436	\$29,560,621	\$30,001,051	
Whiting Power Co - Generation	0		0	0	0	0	0	0	0	0	0
Whiting Power Co - Transmission	0		0	0	0	0	0	0	0	0	0
Windstar Coal Co.	0		0	0	0	0	0	0	0	0	0
Total			\$108,439,231	\$1,487,994,771	\$50,550,260	\$120,705,954	\$0	\$434,436	\$29,560,621	\$30,001,051	

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American Electric Power
2014 Non-Periodic Postretirement Benefit Cost - Non-UMWA Benefits
Reflects Effect of Medicare Part D

Location	Accumulated Postretirement Benefit Obligation	Expected Net Benefit Payments	Fair Value of Assets	Service Cost	Interest Cost	Expected Return on Assets	Amortizations			Net Amortization	Net Periodic Postretirement Benefit Cost
							NTO	PSC	(G/L)		
	2014										
	6.10%										
	Forecast year										
	Discount rate										
Locuston	\$2,167,597	\$167,984	\$1,674,883	0	\$127,188	(\$128,563)	0	0	\$29,287	\$29,287	\$27,912
AMP Energy Services, Inc.	139,876	9,930	107,462	3,500	8,422	(8,248)	0	0	1,878	1,879	5,632
AMP Pro Serv, Inc.	22,747,488	\$28,352	17,576,356	1,946,658	1,480,416	(1,346,164)	0	114,546	307,343	421,889	2,509,781
AMP River Operations LLC	475,165,804	22,659,253	367,358,432	15,004,205	23,255,689	(28,182,667)	0	0	6,420,084	23,097,733	6,420,084
AMP Services Corporation	118,275,316	7,006,210	91,390,276	2,579,208	7,161,600	(7,015,053)	0	0	1,590,049	1,590,049	4,323,805
AMP Texas Central Co - Distribution	1,504,502	119,116	1,162,515	2,047	88,375	(89,234)	0	0	20,328	20,328	22,416
AMP Texas Central Co - Generation	0	0	0	0	0	0	0	0	0	0	0
AMP Texas Central Co - Nuclear	11,474,511	693,971	8,866,329	282,020	699,302	(690,573)	0	0	155,037	155,037	452,786
AMP Texas Central Co - Transmission	35,929,205	1,896,390	27,762,175	856,633	2,185,763	(2,131,025)	0	0	485,449	485,449	1,397,040
AMP Texas North Co - Distribution	7,564,434	712,647	5,844,970	0	440,016	(448,656)	0	0	102,205	102,205	83,565
AMP Texas North Co - Generation	5,438,621	247,242	4,202,374	134,193	332,512	(322,571)	0	0	73,483	73,483	217,617
AMP Texas North Co - Transmission	164,183,027	10,495,755	125,870,470	3,060,846	9,887,104	(9,790,488)	0	0	2,248,458	2,248,458	5,437,918
Appalachian Power Co - Distribution	135,819,861	8,008,726	104,946,016	3,017,159	8,228,347	(8,055,582)	0	0	1,835,085	1,835,085	5,025,009
Appalachian Power Co - Generation	22,537,894	1,086,210	17,414,929	485,205	1,371,770	(1,336,750)	0	0	304,516	304,516	824,741
Appalachian Power Co - Transmission	32,880,172	1,871,390	25,481,210	800,002	2,093,065	(1,956,887)	0	0	445,739	445,739	1,284,659
Cardinal Operating Company	1,181,198	159,813	912,701	0	57,251	(70,058)	0	0	15,959	15,959	13,152
Cedar Coal Co.	0	0	0	0	0	0	0	0	0	0	0
Central Ohio Coal Co.	2,348,112	277,040	1,814,355	0	134,902	(139,269)	0	0	31,726	31,726	27,349
Columbus Southern Power Co - Distribution	89,690,186	5,630,704	60,500,119	1,812,054	5,345,431	(5,260,323)	0	0	1,199,317	1,199,317	3,065,478
Columbus Southern Power Co - Generation	44,307,926	2,865,835	34,693,952	949,825	2,708,204	(2,663,544)	0	0	606,763	606,763	1,601,289
Columbus Southern Power Co - Transmission	9,810,013	589,467	6,894,687	145,386	534,867	(528,484)	0	0	120,385	120,385	271,976
Consolidated Coal Preparation Company	1,648,810	108,852	1,274,021	27,955	99,013	(87,793)	0	0	22,278	22,278	51,463
Cook Coal Terminal	1,821,967	94,354	1,407,818	42,415	110,892	(108,063)	0	0	24,617	24,617	68,862
CSW Energy, Inc.	1,004,343	173,034	776,047	36,415	62,025	(60,569)	0	0	13,570	13,570	52,441
Elmwood	5,650,114	2,039,003	4,365,792	358,708	351,344	(335,115)	0	53,773	76,340	130,113	515,140
Houston Pipeline (HPL)	0	140,028	1,569,183	0	119,671	(120,448)	0	266,117	27,439	293,556	292,778
Indiana Michigan Power Co - Distribution	85,004,644	5,911,270	66,455,017	1,905,756	5,184,909	(5,101,040)	0	0	1,162,032	1,162,032	3,151,658
Indiana Michigan Power Co - Generation	51,833,766	2,945,647	40,851,466	1,280,590	3,154,468	(3,070,324)	0	0	700,340	700,340	2,051,073
Indiana Michigan Power Co - Nuclear	86,729,353	3,605,933	67,009,594	3,289,629	5,360,222	(5,143,608)	0	0	1,171,729	1,171,729	4,706,972
Indiana Michigan Power Co - Transmission	17,857,321	993,739	13,708,181	410,040	1,094,307	(1,059,139)	0	0	241,275	241,275	676,063
Kentucky Power Co - Distribution	33,985,205	1,841,311	26,260,063	794,633	2,063,801	(2,016,704)	0	0	459,183	459,183	1,261,914
Kentucky Power Co - Generation	17,540,400	855,270	13,553,310	543,274	1,065,204	(1,040,342)	0	0	236,933	236,933	605,128
Kentucky Power Co - Transmission	4,905,362	168,284	3,791,102	141,864	302,885	(291,002)	0	0	65,291	65,291	220,037
Kingsport Power Co - Distribution	6,334,138	402,377	4,894,331	117,067	381,434	(375,085)	0	0	85,592	85,592	208,418
Kingsport Power Co - Generation	1,234,032	74,465	854,526	25,634	74,602	(73,192)	0	0	16,673	16,673	43,717
Kingsport Power Co - Transmission	115,506,184	7,486,005	89,312,408	2,289,813	6,860,129	(6,855,557)	0	0	1,561,716	1,561,716	3,873,101
Ohio Power Co - Distribution	113,219,801	6,691,485	87,494,002	2,176,563	6,938,537	(6,715,210)	0	0	1,529,744	1,529,744	3,831,634
Ohio Power Co - Generation	25,091,399	1,340,471	19,300,102	543,127	1,522,811	(1,497,603)	0	0	338,880	338,880	917,215
Ohio Power Co - Transmission	0	0	0	0	0	0	0	0	0	0	0
Price River Coal Co.	73,764,056	4,253,688	55,895,826	1,915,635	4,488,644	(4,375,035)	0	0	896,646	896,646	3,025,889
Public Service Co of Oklahoma - Distribution	31,125,542	1,932,313	28,666,973	1,081,360	2,275,563	(2,201,951)	0	0	501,913	501,913	1,556,575
Public Service Co of Oklahoma - Generation	8,763,942	536,740	6,771,919	221,920	532,003	(519,800)	0	0	118,412	118,412	352,435
Public Service Co of Oklahoma - Transmission	990,280	116,177	765,180	0	56,916	(58,735)	0	0	13,380	13,380	11,591
Southern Ohio Coal - Meritrol	3,064,122	2,566,531	3,747,508	1,277,203	2,859,288	(2,876,599)	0	0	655,296	655,296	37,945
Southern Ohio Coal - Nels	48,489,991	2,876,435	39,855,339	1,430,521	3,155,017	(3,059,257)	0	0	695,910	695,910	2,015,104
Southwestern Electric Power Co - Distribution	51,578,917	1,346,639	19,908,891	660,533	1,572,982	(1,520,192)	0	0	348,127	348,127	2,223,181
Southwestern Electric Power Co - Generation	22,765,655	0	0	0	0	0	0	0	0	0	1,061,550
Southwestern Electric Power Co - Texas - Distribution	0	0	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Generation	0	0	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co - Texas - Transmission	22,680,394	1,145,174	17,509,493	750,262	1,395,639	(1,344,015)	0	0	306,171	306,171	1,106,057
Water Transportation (Lulu)	8,065,818	462,375	6,256,417	217,806	493,305	(480,238)	0	0	109,400	109,400	340,273
Wheeling Power Co - Distribution	335,619	586,663	5,696,476	161,323	520,841	(513,994)	0	0	117,089	117,089	285,260
Wheeling Power Co - Generation	582,418	72,284	527,280	0	39,465	(40,475)	0	0	9,220	9,220	3,363
Wheeling Power Co - Transmission	0	0	0	0	0	0	0	0	0	0	0
Windsor Coal Co.	52,044,470,417	\$114,118,905	\$1,579,743,952	\$53,077,773	\$124,621,332	(\$121,260,022)	\$0	\$434,436	\$27,623,387	\$28,057,824	\$84,396,907

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ML - 8

American Electric Power
2015 Net Periodic Postretirement Benefit Cost - Non-UMWA Benefits
Reflector Effect of Medicare Part D

Forecast year	Discount rate	Accumulated Postretirement Benefit Obligation	Expected Net Benefit Payments	Fair Value of Assets	Service Cost	Interest Cost	Expected Return on Assets			Amortizations			Net Amortization	Net Periodic Postretirement Benefit Cost
							NTD	PSC	GIL	NTD	PSC	GIL		
2015	6.10%	\$2,127,202	\$161,901	\$1,685,488	0	\$124,084	\$0	\$0	\$0	\$0	\$0	\$26,166	\$21,917	
		141,769	11,215	112,330	3,759	8,540	0	0	0	1,744	0	1,744	5,438	
		25,654,902	633,175	20,327,633	2,043,970	1,970,605	0	114,546	0	345,572	0	345,572	2,597,173	
		487,366,857	24,348,997	394,088,268	16,384,417	30,897,192	0	0	0	6,117,941	0	6,117,941	22,914,173	
		121,089,914	7,258,722	95,882,088	2,708,168	7,328,589	0	0	0	1,488,502	0	1,488,502	4,179,795	
		1,476,707	105,053	1,170,066	3,094	87,111	0	0	0	18,164	0	18,164	16,718	
		0	0	0	0	0	0	0	0	0	0	0	0	
		11,759,962	700,610	8,317,203	296,121	714,308	0	0	0	144,643	0	144,643	441,180	
		37,035,412	2,054,331	29,344,976	899,675	2,252,311	0	0	0	455,560	0	455,560	1,359,109	
		7,291,803	677,234	5,714,569	0	424,450	0	0	0	89,694	0	89,694	71,455	
		5,699,085	271,138	4,403,179	140,903	345,591	0	0	0	69,599	0	69,599	212,587	
		166,645,221	10,393,464	132,044,193	3,213,088	10,035,876	0	0	0	2,049,846	0	2,049,846	5,182,505	
		133,055,642	6,468,957	110,100,613	3,168,017	8,422,071	0	0	0	1,718,476	0	1,718,476	4,058,441	
		23,309,059	1,131,753	18,468,595	509,465	1,418,898	0	0	0	296,712	0	296,712	769,997	
		33,924,369	1,979,182	25,878,960	840,633	2,691,195	0	0	0	417,292	0	417,292	1,259,555	
		1,089,537	154,000	862,800	0	61,777	0	0	0	13,391	0	13,391	9,076	
		0	0	0	0	0	0	0	0	0	0	0	0	
		2,205,365	270,975	1,747,410	0	126,385	0	0	0	27,127	0	27,127	19,623	
		90,016,897	5,953,901	71,324,800	1,902,657	5,426,187	0	0	0	1,107,267	0	1,107,267	2,973,146	
		45,600,121	3,053,486	36,131,215	997,317	2,750,091	0	0	0	560,911	0	560,911	1,540,515	
		9,000,599	632,432	7,131,617	152,958	539,945	0	0	0	110,713	0	110,713	256,283	
		1,656,956	117,178	1,320,811	20,363	99,954	0	0	0	20,505	0	20,505	48,620	
		1,890,321	110,732	1,499,346	44,537	114,126	0	0	0	23,137	0	23,137	67,608	
		1,054,157	37,489	955,261	38,236	65,509	0	0	0	12,967	0	12,967	52,713	
		6,187,223	100,064	4,910,384	376,738	395,282	0	53,773	0	76,230	0	76,230	625,787	
		2,010,445	129,089	1,592,974	0	118,758	0	266,117	0	24,730	0	24,730	287,550	
		87,184,040	6,050,482	69,080,197	2,091,044	5,259,242	0	0	0	1,072,421	0	1,072,421	3,038,726	
		53,433,176	3,924,149	42,320,807	1,344,618	3,249,964	0	0	0	657,140	0	657,140	2,008,378	
		91,705,271	4,974,078	72,562,550	3,463,560	5,692,879	0	0	0	1,128,035	0	1,128,035	4,707,007	
		16,359,548	1,032,958	14,544,320	430,542	1,114,937	0	0	0	225,780	0	225,780	656,071	
		34,992,328	1,874,236	27,702,370	792,355	2,191,593	0	0	0	430,060	0	430,060	1,221,440	
		18,093,608	942,344	14,336,454	360,437	1,087,581	0	0	0	222,563	0	222,563	591,911	
		5,192,817	197,965	4,106,600	148,957	310,280	0	0	0	63,752	0	63,752	217,348	
		6,430,282	431,540	5,095,028	122,942	396,700	0	0	0	79,087	0	79,087	186,433	
		1,289,803	80,325	998,204	26,916	76,076	0	0	0	15,486	0	15,486	42,005	
		117,257,121	7,712,684	92,808,976	2,317,154	7,062,276	0	0	0	1,442,340	0	1,442,340	3,703,039	
		115,555,517	7,012,414	91,569,311	2,287,491	6,977,711	0	0	0	1,421,409	0	1,421,409	3,671,185	
		25,896,776	1,436,714	20,447,976	570,283	1,965,929	0	0	0	317,440	0	317,440	886,811	
		0	0	0	0	0	0	0	0	0	0	0	0	
		75,914,638	4,468,921	60,150,990	2,011,417	4,619,209	0	0	0	893,600	0	893,600	2,955,614	
		30,650,152	1,997,556	30,624,413	1,135,428	2,356,937	0	0	0	475,422	0	475,422	1,631,280	
		9,981,025	539,814	7,116,107	233,911	545,829	0	0	0	110,473	0	110,473	343,971	
		931,019	114,871	737,692	0	53,337	0	0	0	11,452	0	11,452	6,286	
		2,971,373	305,560	2,354,385	0	172,060	0	0	0	36,550	0	36,550	20,217	
		50,169,951	2,718,073	39,752,116	1,341,053	3,060,498	0	0	0	617,123	0	617,123	1,972,844	
		53,549,020	2,797,956	42,249,519	1,502,040	3,274,944	0	0	0	658,668	0	658,668	2,183,795	
		28,660,691	1,420,821	21,124,828	703,010	1,626,489	0	0	0	327,943	0	327,943	1,036,864	
		0	0	0	0	0	0	0	0	0	0	0	0	
		3,345,656	477,823	6,512,673	228,697	509,678	0	0	0	102,657	0	102,657	353,363	
		23,658,121	1,226,973	18,746,283	707,715	1,454,332	0	0	0	261,023	0	261,023	1,086,775	
		8,761,546	601,329	6,042,203	169,389	526,718	0	0	0	107,773	0	107,773	271,063	
		313,276	40,910	248,224	0	17,891	0	0	0	7,992	0	7,992	2,715	
		658,518	72,511	514,953	37,445	37,445	0	0	0	7,980	0	7,980	5,932	
		\$2,107,550,616	\$120,022,654	\$1,670,232,807	\$55,731,662	\$128,378,115	\$0	\$454,436	\$25,929,150	\$0	\$454,436	\$25,929,150	\$92,488,784	

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American Electric Power
2016 Net Periodic Postretirement Benefit Cost - Non-UJMWA Benefits
Reflects Effect of Medicare Part D

Forecast year Discount rate	Accumulated Postretirement Benefit Obligation	2016 6.10%	Expected Net Benefit Payments	Fair Value of Assets	Service Cost	Interest Cost	Expected Return on Assets	Amortizations			Net Amortization	Net Periodic Postretirement Benefit Cost
								NTO	PSC	(G)I		
	Location											
	AEP Energy Services, Inc.	\$1,693,290	\$123,068	\$1,693,290	0	\$123,068	(\$129,335)	0	0	\$23,545	\$1,669,755	\$1,669,755
	AEP Pw Serv, Inc.	13,037	1,847	115,727	3,847	6,509	(8,653)	0	0	1,609	1,168	5,242
	AEP River Operations LLC	28,736,402	23,279,566	2,145,169	1,892,101	31,866,530	(32,226,476)	0	114,546	323,005	430,241	2,665,640
	AEP Services Corporation	520,009,558	421,289,482	77,203,638	31,966,530	7,887,744	(7,671,489)	0	0	1,394,309	1,394,309	22,821,249
	AEP Texas Central Co - Distribution	123,789,049	100,292,067	2,943,577	7,887,744	0	(60,596)	0	0	16,467	16,467	4,064,211
	AEP Texas Central Co - Generation	1,461,860	1,104,217	3,249	86,060	0	(90,596)	0	0	0	0	15,190
	AEP Texas Central Co - Nuclear	12,068,781	710,765	310,927	733,605	0	(747,937)	0	0	135,947	135,947	432,742
	AEP Texas North Co - Distribution	30,133,066	30,802,018	944,659	2,317,835	0	(2,363,215)	0	0	420,543	420,543	1,328,821
	AEP Texas North Co - Generation	7,039,019	5,702,397	0	408,800	0	(436,228)	0	0	79,290	79,290	51,932
	AEP Texas North Co - Transmission	5,873,441	4,758,140	147,840	357,948	0	(383,984)	0	0	65,160	65,160	200,063
	Appalachian Power Co - Distribution	169,061,521	11,164,787	136,859,607	3,374,583	10,163,716	(10,477,225)	0	0	1,904,364	1,904,364	4,894,838
	Appalachian Power Co - Generation	142,207,168	0,816,832	115,203,559	3,325,418	8,612,616	(8,612,616)	0	0	1,601,868	1,601,868	4,727,918
	Appalachian Power Co - Transmission	24,105,270	1,222,875	19,507,945	534,939	1,466,313	(1,483,872)	0	0	271,530	271,530	779,009
	Central Operating Company	34,847,035	2,192,362	28,229,950	802,864	2,115,437	(2,159,570)	0	0	392,528	392,528	1,231,059
	Cedar Coal Co.	986,334	147,407	607,141	0	56,947	(61,746)	0	0	11,223	11,223	5,824
	Central Ohio Coal Co.	2,060,774	262,802	1,699,450	0	117,810	(127,712)	0	0	23,213	23,213	15,311
	Columbus Southern Power Co - Distribution	91,393,840	8,131,863	74,039,160	1,997,730	5,572,636	(5,663,837)	0	0	1,029,490	1,029,490	2,875,979
	Columbus Southern Power Co - Generation	46,294,643	3,176,989	37,503,002	1,047,102	2,792,386	(2,669,011)	0	0	521,478	521,478	1,492,045
	Columbus Southern Power Co - Transmission	9,060,169	639,345	7,359,743	160,288	543,236	(551,484)	0	0	102,057	102,057	244,037
	Conestoga Coal Preparation Company	1,676,095	117,205	1,360,253	30,831	100,784	(104,050)	0	0	10,914	10,914	46,471
	Coak Coal Terminal	1,928,853	131,298	1,582,565	45,764	116,567	(118,538)	0	0	21,727	21,727	95,821
	CSW Energy, Inc.	1,129,412	35,715	807,658	40,147	69,721	(69,435)	0	0	12,621	12,621	53,054
	Elmwood	6,176,579	217,629	5,491,402	395,575	431,084	(420,098)	0	0	76,356	76,356	536,700
	Houston Pipeline (HPL)	2,000,113	135,820	1,620,314	0	117,926	(123,953)	0	0	22,530	22,530	282,620
	Indiana Michigan Power Co - Distribution	89,394,344	8,038,920	71,991,540	2,101,056	5,333,489	(5,477,461)	0	0	995,986	995,986	2,952,720
	Indiana Michigan Power Co - Generation	54,893,610	3,261,473	44,350,531	1,411,848	3,342,730	(3,408,111)	0	0	619,468	619,468	1,956,635
	Indiana Michigan Power Co - Nuclear	96,777,632	4,550,682	78,400,630	3,636,738	9,908,535	(9,887,568)	0	0	1,090,135	1,090,135	4,177,822
	Indiana Michigan Power Co - Transmission	10,868,460	1,091,584	15,285,595	492,069	1,145,782	(1,169,333)	0	0	212,541	212,541	641,029
	Kentucky Power Co - Distribution	35,888,050	2,098,345	29,961,407	631,883	2,177,480	(2,224,705)	0	0	404,367	404,367	1,189,126
	Kentucky Power Co - Generation	18,609,092	1,028,087	15,075,423	378,459	1,127,317	(1,153,258)	0	0	269,519	269,519	562,137
	Kentucky Power Co - Transmission	5,453,099	210,810	4,417,016	156,405	335,842	(337,844)	0	0	61,425	61,425	215,728
	Kingsport Power Co - Distribution	6,508,464	440,034	5,272,578	129,060	391,053	(403,348)	0	0	73,315	73,315	180,707
	Kingsport Power Co - Generation	1,232,450	80,922	1,038,843	20,262	77,523	(79,478)	0	0	14,446	14,446	40,752
	Kingsport Power Co - Transmission	118,923,887	7,062,032	96,341,556	2,433,012	7,166,528	(7,370,053)	0	0	1,339,597	1,339,597	3,959,084
	Ohio Power Co - Distribution	117,888,305	7,440,204	85,437,010	2,401,066	7,109,253	(7,300,917)	0	0	1,327,031	1,327,031	3,537,233
	Ohio Power Co - Generation	26,506,174	1,470,710	21,472,045	598,797	1,609,211	(1,642,663)	0	0	289,574	289,574	863,919
	Ohio Power Co - Transmission	70,076,442	4,653,862	63,250,580	2,111,587	4,751,652	(4,830,620)	0	0	879,470	879,470	2,904,489
	Public Service Co of Oklahoma - Distribution	40,154,921	2,149,294	32,529,946	1,162,200	2,457,581	(2,488,516)	0	0	452,318	452,318	1,610,584
	Public Service Co of Oklahoma - Generation	9,219,951	566,076	7,469,465	244,557	590,325	(571,387)	0	0	103,657	103,657	337,352
	Public Service Co of Oklahoma - Transmission	869,304	112,969	704,298	0	49,639	(63,078)	0	0	9,793	9,793	5,553
	Southern Ohio Coal - Maritima	2,837,473	309,341	2,238,668	0	163,821	(175,646)	0	0	31,062	31,062	19,937
	Southern Ohio Coal - Metis	51,953,439	2,806,059	42,007,044	1,408,116	3,164,613	(3,213,506)	0	0	584,094	584,094	1,943,318
	Southwestern Electric Power Co - Distribution	55,527,255	3,015,722	44,993,244	1,577,150	3,992,751	(3,944,182)	0	0	625,477	625,477	2,154,195
	Southwestern Electric Power Co - Generation	27,569,309	1,493,594	22,334,202	738,161	1,691,875	(1,706,549)	0	0	310,550	310,550	1,022,037
	Southwestern Electric Power Co - Transmission	6,605,207	320,736	5,987,173	240,132	524,738	(533,209)	0	0	56,932	56,932	328,512
	Southwestern Electric Power Co - Texas - Distribution	24,872,284	1,320,953	19,087,266	927,164	1,515,778	(1,525,010)	0	0	277,916	277,916	1,091,646
	Southwestern Electric Power Co - Texas - Transmission	0,850,326	38,947	717,607	177,659	532,108	(548,952)	0	0	69,761	69,761	260,876
	Walter Transporation (Lakin)	290,246	72,348	457,024	0	33,311	(38,083)	0	0	6,922	6,922	1,767
	Wheeling Power Co - Distribution	614,513	126,241,737	\$1,759,591,783	\$59,510,245	\$132,270,529	(\$194,607,375)	\$0	\$0	\$24,465,542	\$24,465,542	\$81,092,376
	Wheeling Power Co - Transmission	0	0	0	0	0	0	0	0	0	0	0
	Windsor Coal Co.	0	0	0	0	0	0	0	0	0	0	0
	Total	\$2,172,837,730	\$126,241,737	\$1,759,591,783	\$59,510,245	\$132,270,529	(\$194,607,375)	\$0	\$0	\$24,465,542	\$24,465,542	\$81,092,376

U.S. American Electric Power Co., Inc. 2016 Net Periodic Postretirement Benefit Cost - Non-UJMWA Benefits by Location, July 2018 FC

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American Electric Power
2017 Net Periodic Postretirement Benefit Cost - Non-UMWA Benefits
Effects of Medicare Part D

Forecast year Discount rate	2017 6.10%	Accumulated Postretirement Benefit Obligation	Expected Net Benefit Payments	Fair Value of Assets	Service Cost	Interest Cost	Expected Return on Assets	Amortizations			Net Amortization (GIL)	Net Postretirement Benefit Cost
								NTO	PSC	GIL		
Location		\$140,428	\$121,788	\$1,705,703	0	\$121,788	(\$130,471)	\$0	\$0	\$21,447	\$21,447	\$12,854
AEP Energy Services, Inc.		15,444	8,420	4,144	0	8,420	(8,938)	0	0	1,489	1,489	5,103
AEP Pro Serv, Inc.		32,021,410	2,353,477	18,910	4,144	2,065,994	(2,020,942)	0	0	332,466	332,466	2,634,535
AEP River Operations LLC		543,126,095	27,872,102	449,736,593	18,983,819	33,395,069	(34,277,889)	0	0	5,639,062	5,639,062	22,820,052
AEP Service Corporation		128,582,089	7,034,745	104,593,477	2,985,736	7,034,745	(7,098,816)	0	0	1,314,252	1,314,252	3,970,348
AEP Texas Central Co. - Distribution		1,440,952	94,335	1,190,530	3,411	85,272	(90,942)	0	0	14,951	14,951	12,703
AEP Texas Central Co. - Generation		0	0	0	0	0	0	0	0	0	0	0
AEP Texas Central Co. - Nuclear		12,402,748	705,141	10,247,293	326,473	754,333	(782,765)	0	0	128,773	128,773	426,874
AEP Texas Central Co. - Transmission		39,202,252	2,374,071	32,369,820	801,691	2,390,505	(2,474,141)	0	0	407,021	407,021	1,305,276
AEP Texas North Co. - Distribution		6,765,911	669,410	5,590,150	155,546	392,642	(427,018)	0	0	70,249	70,249	35,873
AEP Texas North Co. - Generation		6,057,994	346,493	5,013,442	369,212	369,212	(382,965)	0	0	63,002	63,002	294,595
AEP Texas North Co. - Transmission		171,454,422	11,601,513	141,857,479	3,543,312	10,326,253	(10,820,868)	0	0	1,780,143	1,780,143	4,828,840
Appalachian Power Co. - Distribution		145,329,370	9,813,186	120,072,581	3,492,739	8,798,301	(9,172,058)	0	0	1,508,897	1,508,897	4,027,879
Appalachian Power Co. - Generation		24,883,846	1,331,282	20,559,300	561,686	1,512,174	(1,570,475)	0	0	258,359	258,359	761,744
Appalachian Power Co. - Transmission		55,712,774	2,205,977	29,595,276	926,797	2,180,736	(2,263,912)	0	0	370,792	370,792	1,212,413
Cardinal Operating Company		905,274	134,357	747,947	0	51,154	(57,134)	0	0	9,399	9,399	3,449
Cedar Coal Co.		0	0	0	0	0	0	0	0	0	0	0
Central Coal Co.		1,915,763	253,695	1,582,040	0	109,240	(120,809)	0	0	19,891	19,891	8,222
Central Ohio Coal Co.		92,772,403	6,267,405	76,649,552	2,037,678	5,890,749	(5,855,071)	0	0	953,219	953,219	2,884,576
Columbus Southern Power Co. - Distribution		46,957,522	3,210,057	38,755,908	1,009,542	2,034,793	(2,963,593)	0	0	407,341	407,341	1,459,272
Columbus Southern Power Co. - Generation		9,124,348	651,240	7,538,534	169,303	547,283	(579,658)	0	0	94,734	94,734	234,462
Columbus Southern Power Co. - Transmission		1,693,504	112,687	1,399,191	32,373	101,892	(106,981)	0	0	17,503	17,503	44,957
Convensite Coal Preparation Company		1,860,865	39,000	1,620,104	49,102	116,432	(123,755)	0	0	20,359	20,359	54,137
Cook Coal Terminal		1,194,565	139,063	906,963	42,135	74,265	(75,392)	0	0	12,403	12,403	55,432
CSW Energy, Inc.		7,387,610	268,120	6,103,722	415,354	468,224	(466,248)	0	1,666	76,703	78,369	495,699
Elmwood		1,892,249	142,831	1,637,731	0	116,824	(125,192)	0	8,246	20,581	20,581	20,351
Houston Pipeline (HPL)		89,624,340	6,240,942	74,048,589	2,206,151	5,414,129	(5,856,390)	0	0	930,534	930,534	2,894,424
Indiana Michigan Power Co. - Distribution		55,465,716	3,495,165	48,659,969	1,482,442	3,430,974	(3,855,002)	0	0	566,479	566,479	1,934,893
Indiana Michigan Power Co. - Generation		101,692,233	9,124,348	84,751,397	3,916,575	6,295,181	(6,428,119)	0	0	1,057,491	1,057,491	4,744,128
Indiana Michigan Power Co. - Nuclear		19,374,767	1,125,401	16,007,590	474,672	1,176,095	(1,222,781)	0	0	201,160	201,160	630,047
Indiana Michigan Power Co. - Transmission		36,809,166	2,274,028	30,412,129	873,562	2,230,317	(2,323,108)	0	0	382,175	382,175	1,162,966
Kentucky Power Co. - Distribution		19,095,762	1,090,899	15,768,860	397,302	1,155,692	(1,204,545)	0	0	198,160	198,160	546,690
Kentucky Power Co. - Generation		5,734,427	248,350	4,737,945	164,225	352,355	(361,912)	0	0	59,536	59,536	214,206
Kentucky Power Co. - Transmission		0	0	0	0	0	0	0	0	0	0	0
Kingsport Power Co. - Distribution		1,307,332	83,110	1,090,132	29,676	78,080	(82,509)	0	0	13,574	13,574	39,800
Kingsport Power Co. - Generation		120,661,395	8,078,844	99,691,736	2,554,062	7,273,419	(7,615,207)	0	0	1,252,779	1,252,779	3,465,583
Kingsport Power Co. - Transmission		119,979,219	7,729,401	99,046,494	2,621,959	7,234,215	(7,565,843)	0	0	1,244,650	1,244,650	3,454,989
Ohio Power Co. - Distribution		27,243,472	1,556,157	22,508,948	828,737	1,653,445	(1,719,306)	0	0	282,398	282,398	645,644
Ohio Power Co. - Generation		0	0	0	0	0	0	0	0	0	0	0
Ohio Power Co. - Transmission		80,265,210	4,865,697	65,333,333	2,217,597	4,866,525	(5,067,041)	0	0	833,580	833,580	2,870,651
Pride River Coal Co. - Distribution		41,655,418	2,289,533	34,416,162	1,201,810	2,548,243	(2,626,966)	0	0	432,482	432,482	1,603,579
Public Service Co of Oklahoma - Distribution		9,459,757	983,749	7,814,925	255,765	575,107	(595,963)	0	0	98,207	98,207	333,136
Public Service Co of Oklahoma - Generation		806,053	300,716	110,229	0	155,234	(169,968)	0	0	0	0	3,354
Public Service Co of Oklahoma - Transmission		53,619,309	2,891,480	44,300,047	1,478,522	3,271,078	(3,394,033)	0	0	556,700	556,700	1,922,275
Southern Ohio Coal - Marinka		57,491,434	1,568,479	23,543,494	775,069	1,738,389	(1,798,430)	0	0	255,950	255,950	2,135,058
Southern Ohio Coal - Meigs		28,495,751	0	0	0	0	0	0	0	0	0	1,010,888
Southern Ohio Electric Power Co. - Distribution		0	0	0	0	0	0	0	0	0	0	0
Southern Ohio Electric Power Co. - Generation		0	0	0	0	0	0	0	0	0	0	0
Southern Ohio Electric Power Co. - Texas - Distribution		8,876,628	1,363,520	7,233,965	252,130	541,433	(560,224)	0	0	92,162	92,162	325,509
Southern Ohio Electric Power Co. - Texas - Generation		25,694,460	0	21,229,038	866,522	1,570,709	(1,621,634)	0	0	266,775	266,775	1,092,372
Southern Ohio Electric Power Co. - Texas - Transmission		8,094,739	266,805	7,391,977	185,752	537,427	(563,881)	0	0	92,765	92,765	252,754
Water Transportation (Lukin)		266,805	577,416	477,417	0	0	(16,939)	0	0	2,770	2,770	1,042
Whispering Power Co. - Distribution		0	0	0	0	0	0	0	0	0	0	0
Whispering Power Co. - Transmission		64,435	38,729	33,729	0	0	0	0	0	0	0	0
Windsor Coal Co.		\$2,236,584,715	\$162,522,047	\$1,847,890,227	\$61,444,157	\$136,187,667	(\$141,155,807)	\$0	\$15,464	\$23,221,570	\$23,235,036	\$70,721,063

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ML-11

American Electric Power
2018 Net Periodic Postretirement Benefit Cost - Non-UJMWA Benefits
Reflects Effect of Medicare Part D

Forecast year	Discount rate	Accumulated Postretirement Benefit Obligation	Expected Net Benefit Payments	Fair Value of Assets	Service Cost	Interest Cost	Expected Return on Assets	Amortizations			Net Amortization	Net Periodic Postretirement Benefit Cost
								NTO	PSC	(G)L		
2010	6.10%	\$2,047,050	\$139,391	\$1,720,914	0	\$120,662	(\$13,302)	\$0	\$0	\$19,729	\$19,729	\$9,109
		138,622	9,542	116,536	4,351	8,435	(9,061)	0	0	1,335	1,335	5,231
		35,546,070	997,143	29,857,503	2,365,151	2,280,853	(2,270,052)	0	0	342,289	342,289	2,711,241
		686,742,882	28,538,425	476,421,041	18,939,010	34,839,897	(36,349,945)	0	0	5,461,098	5,461,098	22,917,050
		129,401,316	6,133,967	108,784,593	3,135,044	7,840,304	(8,300,024)	0	0	1,247,151	1,247,151	3,922,474
		1,435,301	99,263	1,205,623	3,562	84,819	(92,963)	0	0	13,833	13,833	10,171
		12,748,473	766,951	10,717,334	342,787	775,522	(817,709)	0	0	122,868	122,868	423,478
		46,200,577	2,461,208	33,785,655	1,041,486	2,441,810	(2,579,559)	0	0	397,447	397,447	1,292,208
		6,490,234	659,650	5,456,003	0	376,107	(416,235)	0	0	62,552	62,552	22,364
		6,246,053	387,047	5,250,914	163,113	379,931	(400,633)	0	0	60,199	60,199	202,610
		174,722,474	12,039,472	146,094,231	3,723,478	19,461,681	(11,142,860)	0	0	1,874,312	1,874,312	4,713,610
		149,307,224	9,976,244	124,878,303	3,607,376	8,973,694	(9,512,662)	0	0	1,429,354	1,429,354	4,557,742
		25,625,414	1,448,655	21,543,508	569,770	1,555,657	(1,643,723)	0	0	248,084	248,084	748,588
		35,692,930	2,345,214	30,770,948	973,137	2,221,652	(2,347,756)	0	0	362,771	362,771	1,109,904
		622,091	125,948	691,112	0	46,366	(52,730)	0	0	7,923	7,923	1,559
		1,771,328	243,616	1,469,112	0	100,731	(113,616)	0	0	17,072	17,072	4,187
		84,201,425	6,353,750	79,192,865	2,202,563	5,689,722	(6,042,242)	0	0	907,900	907,900	2,757,843
		47,674,780	3,339,599	40,078,196	1,154,519	2,878,176	(3,057,879)	0	0	450,473	450,473	1,494,289
		9,189,094	674,317	7,724,713	176,718	551,028	(699,379)	0	0	88,559	88,559	226,926
		1,715,002	127,716	1,441,820	33,991	102,855	(110,008)	0	0	16,530	16,530	43,369
		1,899,415	153,900	1,672,463	51,557	119,875	(127,605)	0	0	19,174	19,174	53,001
		1,271,927	34,992	1,068,278	44,262	79,236	(81,584)	0	0	12,259	12,259	59,174
		6,013,658	287,216	6,736,385	436,122	506,170	(53,871)	0	0	77,229	77,229	506,149
		1,956,012	136,769	1,644,372	0	115,207	(125,462)	0	0	10,852	10,852	8,997
		91,003,679	6,347,555	76,504,595	2,316,459	5,501,704	(5,837,133)	0	0	877,090	877,090	2,650,189
		57,900,957	3,666,969	48,675,846	1,556,564	3,516,734	(3,713,868)	0	0	559,041	559,041	1,917,471
		106,965,789	5,420,497	109,509,688	4,009,504	6,607,713	(6,952,125)	0	0	1,031,095	1,031,095	4,786,187
		19,500,073	1,780,463	16,730,260	490,406	1,208,890	(1,275,483)	0	0	191,803	191,803	622,516
		37,639,040	2,378,555	31,642,232	917,252	2,260,459	(2,414,233)	0	0	362,760	362,760	1,146,247
		19,847,927	1,097,112	16,433,470	417,251	1,181,904	(1,253,838)	0	0	186,400	186,400	533,718
		6,002,697	281,365	5,940,209	172,435	368,226	(385,021)	0	0	57,853	57,853	213,494
		6,659,893	478,374	5,697,971	142,320	400,500	(427,113)	0	0	64,177	64,177	179,894
		1,332,957	94,544	1,120,584	31,169	80,671	(85,488)	0	0	12,847	12,847	38,178
		122,410,532	8,302,208	102,807,580	2,682,365	7,378,795	(7,851,623)	0	0	1,179,775	1,179,775	3,883,342
		121,905,992	8,144,770	102,464,425	2,648,057	7,353,058	(7,810,291)	0	0	1,174,913	1,174,913	3,556,766
		27,989,497	1,677,244	23,513,281	660,174	1,606,011	(1,794,012)	0	0	269,566	269,566	631,739
		82,524,643	5,025,511	69,376,476	2,326,466	5,025,000	(5,293,273)	0	0	795,361	795,361	2,855,554
		43,155,837	2,463,432	36,200,155	1,314,400	2,658,677	(2,768,097)	0	0	415,931	415,931	1,600,312
		9,706,909	610,751	8,160,355	269,624	590,216	(622,617)	0	0	99,554	99,554	330,777
		747,681	109,579	633,514	0	42,040	(47,573)	0	0	7,148	7,148	1,615
		2,547,471	299,871	2,141,598	0	146,415	(163,389)	0	0	533,720	533,720	1,910,920
		59,435,147	3,193,777	46,594,461	1,552,448	3,376,765	(3,552,004)	0	0	572,827	572,827	2,129,227
		23,440,739	1,679,031	24,750,111	913,022	1,795,075	(1,989,378)	0	0	293,746	293,746	1,004,264
		9,456,956	517,704	7,698,032	264,745	559,107	(587,343)	0	0	88,253	88,253	324,922
		26,756,163	1,489,345	22,493,261	911,948	1,643,002	(1,716,197)	0	0	237,872	237,872	1,096,636
		9,016,871	653,519	7,596,266	186,069	542,353	(578,358)	0	0	86,903	86,903	246,998
		243,186	37,170	204,441	0	13,171	(15,598)	0	0	2,344	2,344	483
		546,931	63,185	459,283	0	31,028	(35,933)	0	0	5,265	5,265	1,650
		\$2,301,704,462	\$138,142,071	\$1,934,997,409	\$64,516,365	\$140,159,456	(\$147,635,310)	\$0	\$0	\$22,163,500	\$22,163,500	\$75,223,011

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ML - 12

American Electric Power
2019 Net Periodic Postretirement Benefit Cost - Non-UMWA Benefits
Full-Elect Effect of Inflation Part D

Forecast year	Discount rate	Accumulated Postretirement Benefit Obligation	2019 6.10%	Fair Value of Assets	Service Cost	Interest Cost	Expected Return on Assets	Amortizations			Net Amortization	Net Periodic Postretirement Benefit Cost
								NTO	PSC	GIL		
		\$2,025,331	\$19,356	\$1,732,065	0	\$19,356	(\$132,042)	\$0	\$0	\$16,281	\$16,281	\$3,595
		141,866	4,569	121,144	0	4,569	(9,235)	0	0	1,279	1,279	5,243
		39,186,931	2,464,458	33,494,882	0	2,464,458	(2,505,337)	0	0	352,986	352,986	2,794,152
		590,980,354	19,913,361	504,694,024	0	19,913,361	(39,471,669)	0	0	5,026,414	5,026,414	23,000,056
		132,242,698	8,495,140	112,925,730	0	8,495,140	(8,608,766)	0	0	1,191,083	1,191,083	3,867,229
		1,425,439	3,761	1,247,222	0	3,761	(62,764)	0	0	12,847	12,847	7,685
		0	0	0	0	0	0	0	0	0	0	0
		13,099,841	359,937	11,866,320	0	359,937	(652,779)	0	0	118,067	118,067	422,739
		41,222,665	1,033,580	35,201,104	0	1,033,580	(3,683,529)	0	0	371,533	371,533	1,285,166
		6,207,491	663,606	5,300,750	0	663,606	(404,098)	0	0	55,947	55,947	10,560
		6,422,060	405,665	5,403,976	0	405,665	(418,066)	0	0	57,881	57,881	201,087
		175,846,181	3,805,501	150,159,946	0	3,805,501	(11,447,302)	0	0	1,584,874	1,584,874	4,640,479
		151,072,039	3,850,744	123,094,632	0	3,850,744	(9,834,546)	0	0	1,361,599	1,361,599	4,526,583
		25,323,175	619,258	22,478,094	0	619,258	(1,713,566)	0	0	237,247	237,247	739,852
		37,452,206	1,024,794	31,981,484	0	1,024,794	(2,438,078)	0	0	337,551	337,551	1,193,965
		742,609	0	634,135	0	0	(46,343)	0	0	6,693	6,693	138
		1,628,443	0	1,390,573	0	0	(166,009)	0	0	14,677	14,677	1,017
		95,739,951	2,312,692	81,755,017	0	2,312,692	(6,232,517)	0	0	862,889	862,889	2,730,564
		48,366,976	1,212,245	41,301,928	0	1,212,245	(3,446,606)	0	0	435,923	435,923	1,420,975
		9,242,122	7,802,105	1,654,594	0	7,802,105	(601,647)	0	0	83,298	83,298	221,701
		1,724,213	35,691	1,472,354	0	35,691	(112,244)	0	0	15,540	15,540	42,688
		2,006,947	163,870	1,713,788	0	163,870	(130,649)	0	0	18,088	18,088	62,376
		1,360,433	36,988	1,161,712	0	36,988	(80,582)	0	0	12,261	12,261	54,826
		8,668,734	345,031	7,492,476	0	7,492,476	(564,321)	0	0	78,130	78,130	516,165
		1,934,450	137,263	1,651,081	0	0	(125,930)	0	0	17,435	17,435	5,362
		02,474,375	6,480,673	70,956,451	0	2,432,202	(6,019,933)	0	0	833,457	833,457	2,840,077
		59,307,695	3,022,514	56,285,181	0	1,634,392	(3,860,835)	0	0	534,531	534,531	1,910,664
		121,480,509	5,927,501	95,794,069	0	4,209,970	(7,302,770)	0	0	1,011,065	1,011,065	4,839,983
		20,427,787	1,225,515	17,444,857	0	1,241,193	(1,329,616)	0	0	184,112	184,112	618,615
		38,458,105	2,490,401	32,840,450	0	953,125	(2,503,561)	0	0	346,617	346,617	1,136,043
		19,949,970	1,261,167	17,035,936	0	439,114	(1,298,711)	0	0	179,009	179,009	524,966
		6,261,955	330,220	5,947,258	0	181,058	(407,093)	0	0	56,438	56,438	212,954
		6,723,340	474,416	5,741,247	0	149,436	(437,879)	0	0	69,986	69,986	177,330
		1,360,242	86,100	1,161,549	0	32,716	(68,550)	0	0	12,260	12,260	38,610
		124,089,514	8,707,352	105,863,501	0	2,876,515	(8,078,027)	0	0	1,118,399	1,118,399	3,306,512
		123,762,336	8,460,101	105,694,114	0	2,760,460	(8,056,729)	0	0	1,115,451	1,115,451	3,304,076
		28,648,438	1,713,064	24,463,701	0	693,183	(1,864,857)	0	0	259,204	259,204	824,759
		0	0	0	0	0	0	0	0	0	0	0
		84,861,599	5,260,321	72,457,149	0	2,444,089	(5,523,702)	0	0	764,754	764,754	2,852,862
		44,645,882	2,659,714	36,124,365	0	1,300,120	(2,906,375)	0	0	402,386	402,386	1,003,627
		8,955,980	632,333	8,501,695	0	283,105	(640,119)	0	0	89,732	89,732	330,302
		677,142	102,208	578,230	0	36,234	(44,091)	0	0	6,103	6,103	256
		2,385,016	287,489	2,045,171	0	137,157	(155,912)	0	0	21,386	21,386	2,631
		57,112,507	3,359,714	46,770,305	0	1,630,071	(3,482,367)	0	0	514,750	514,750	1,909,229
		61,417,759	3,564,169	52,446,339	0	1,825,748	(3,988,187)	0	0	563,549	563,549	2,131,858
		30,370,596	1,726,212	25,934,239	0	854,513	(1,977,077)	0	0	273,725	273,725	1,004,022
		9,463,164	584,192	8,080,850	0	277,982	(616,037)	0	0	85,290	85,290	325,695
		27,821,768	1,613,693	23,757,705	0	957,546	(1,811,102)	0	0	250,753	250,753	1,104,195
		9,101,794	687,978	7,772,276	0	205,094	(502,512)	0	0	82,033	82,033	242,511
		219,734	35,449	187,637	0	12,338	(14,304)	0	0	1,980	1,980	15
		514,574	51,603	439,903	0	28,530	(33,498)	0	0	4,638	4,638	520
		\$2,367,237,242	\$148,042,228	\$2,021,449,971	0	\$87,742,163	(\$154,103,331)	\$0	\$0	\$21,335,540	\$21,335,540	\$79,149,928

V:\American_Electric_Power_C - 1071632019\REP\Financials - AEP\UMWA_2009\PRV_Expense_by_Location_2019.FC

Effect of Additional Pension Contributions Recorded As Prepaid Pension in Reducing Pension Cost
Kentucky Power Company

	Plan Contribution	Investment Return		Balance of Plan Assets
		Rate	Amount	
			FAS 87 Savings	
Prepaid Pension Balance from 2005 Contributions	15,390,035			15,390,035
2006 Return on 2005 Balance	-	8.50%	1,308,153	16,698,188
2007 Return on 2006 Balance	-	8.50%	1,419,346	18,117,534
2008 Return on 2007 Balance	-	8.00%	1,449,403	19,566,937
2009 Return on 2008 Balance	-	8.00%	1,565,355	21,132,292
Prepaid Pension Balance at September 2009	<u>15,390,035</u>			
		<u>2008</u>	<u>2009</u>	
Actual Pension Cost		995,487	2,218,216	
Prepaid Contribution Savings Above		<u>1,449,403</u>	<u>1,565,355</u>	
Pension Cost Without Contribution Savings		<u>2,444,890</u>	<u>3,783,571</u>	

**BEFORE THE
PUBLIC SERVICE COMMISSION OF KENTUCKY**

IN THE MATTER OF

**GENERAL ADJUSTMENTS IN
ELECTRIC RATES OF
KENTUCKY POWER COMPANY**

CASE NO. 2009-00459

**DIRECT TESTIMONY
OF
JAMES E. HENDERSON**

**ON BEHALF OF
KENTUCKY POWER COMPANY**

December 29, 2009

**DIRECT TESTIMONY OF
JAMES E. HENDERSON, ON BEHALF OF
KENTUCKY POWER COMPANY
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY**

CASE NO. 2009-00459

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**DIRECT TESTIMONY OF
JAMES E. HENDERSON, ON BEHALF OF
KENTUCKY POWER COMPANY
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY**

I. Introduction

1 **Q: PLEASE STATE YOUR NAME, POSITION AND BUSINESS ADDRESS.**

2 My name is James E. Henderson. My business address is 1 Riverside Plaza,
3 Columbus, Ohio 43215. My position is Senior Staff Accountant for American
4 Electric Power Service Corporation (AEPSC).

5 **Q: WHAT ARE YOUR PRINCIPAL AREAS OF RESPONSIBILITY?**

6 A. I am responsible for depreciation studies and coordination of plant accounting for
7 the AEP System companies.

II. BACKGROUND

8 **Q: PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND**
9 **BUSINESS EXPERIENCE.**

10 A. I received a Bachelor of Science Degree with a major in accounting from
11 Columbus Business University in 1969. I am a Public Accountant. I have
12 attended three sessions in depreciation life analysis sponsored by Western
13 Michigan University Center of Depreciation Studies. I have been a member of
14 the Depreciation Accounting Committee, which was merged into the Property
15 Accounting and Valuation Committee of Edison Electrical Institute since 1976. I
16 am a member of the Institute of Management Accountants and Senior Member of
17 the Society of Depreciation Professionals.

1 I joined Columbus Southern Power Company (CSP), one of the AEP
2 operating companies, as a part-time student employee in 1967. Upon graduation,
3 I was employed full time and held various positions in the Accounting
4 Department in the areas of plant accounting, tax accounting and depreciation.
5 From 1978 to 1980, I held the position of Director of Depreciation Accounting
6 and from 1980 to 1982, I held the position of Director of Plant Accounting and
7 Depreciation. My responsibilities in those positions included performing
8 depreciation studies, preparing book and federal income tax depreciation accruals,
9 preparing and analyzing property valuations for state and local property tax
10 assessments and supervising the accounting for CSP's investment in electric
11 utility plant.

12 In August 1982, I transferred from CSP to American Electric Power
13 Service Corporation (AEPSC).

14 **Q. HAVE YOU PREVIOUSLY FILED TESTIMONY IN REGULATORY**
15 **PROCEEDINGS?**

16 A. Yes. I have filed testimony regarding depreciation rates with the Public Service
17 Commissions in the states of Indiana, Kentucky, Ohio, Oklahoma, Texas,
18 Virginia and West Virginia. I was an industry panelist before the Federal Energy
19 Regulatory Commission (FERC) (FERC Docket 02-0700) testifying on the
20 implementation of Statement of Financial Standards No. 143, Accounting For
21 Asset Retirement Obligations (SFAS 143).

22

23

1

III. Purpose of Testimony

2 **Q: WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
3 **PROCEEDING?**

4 A. The purpose of my testimony is to recommend revised depreciation accrual rates
5 for Kentucky Power Company's (Kentucky Power or Company) electric plant in
6 service based on a depreciation study for Kentucky Power's electric utility plant
7 in service at December 31, 2008. Exhibit No. JEH-1 is a report of the results of
8 the study. The depreciation rates determined by my study are intended to provide
9 recovery of invested capital and cost of removal, and credit for salvage over the
10 expected life of the property.

11 **Q. WAS THIS DEPRECIATION STUDY PREPARED BY YOU OR UNDER**
12 **YOUR SUPERVISION?**

13 A. Yes.

14 **Q. WHAT WAS THE PURPOSE OF THE DEPRECIATION STUDY?**

15 A. In the Commission's Order in Case No. 2005-00341, Kentucky Power was
16 instructed to file a depreciation study within five years of the date of that Order or
17 by the filing date of its next general rate case. This study complies with that
18 Order. The purpose of the present study is to recommend appropriate annual
19 depreciation rates for Kentucky Power to use in computing annual book
20 depreciation expense in light of current conditions.

21 **Q. HOW DO THE DEPRECIATION RATES AND ANNUAL ACCRUALS AS**
22 **A RESULT OF YOUR STUDY COMPARE WITH KENTUCKY POWER'S**
23 **CURRENT RATES AND ACCRUALS?**

1 A. A comparison of Kentucky Power’s current rates and the study rates are shown
 2 below based on December 31, 2008 depreciable plant balances:

Composite Rates and Accruals

<u>Functional Plant Group</u>	<u>Existing</u>		<u>Study</u>	
	<u>Rates</u>	<u>Accruals</u>	<u>Rates</u>	<u>Accruals</u>
5 Steam Production Plant	3.89%	\$20,314,393(a)	4.05%	\$21,152,010
6 Transmission Plant	1.71%	7,329,252	3.24%	13,887,818
7 Distribution Plant	3.52%	18,532,028	3.96%	20,832,841
8 General Plant	2.54%	<u>817,176</u>	5.07%	1,632,019
9 Total	3.11%	<u>\$46,992,849</u>	3.81%	<u>\$57,504,688</u>

10 (a) Includes \$552,360 of amortization related to SCR Catalysts

11 The above summary is taken from Columns 4 through 7 of Schedule II of
 12 Exhibit JEH-1.

13 Based on the results of the study, I am recommending an increase in annual
 14 depreciation expense of \$10,511,839 or 0.70% in the annual accrual rate based on
 15 December 31, 2008 depreciable plant balances. The depreciation rate changes are
 16 necessary because of changes (both increases and decreases) in the average
 17 service lives and the gross salvage and cost of removal estimates that were used to
 18 calculate Kentucky Power’s current depreciation rates.

19 **Q. PLEASE EXPLAIN THE DEFINITION OF DEPRECIATION AS USED IN**
 20 **PREPARING YOUR STUDY.**

21 A. The definition of depreciation that I used in preparing the study is the same that is
 22 used by the Federal Energy Regulatory Commission and the National Association
 23 of Regulatory Utility Commissioners. That definition is:

1 Depreciation, as applied to depreciable electric plant, means the loss in service
2 value not restored by current maintenance, incurred in connection with the
3 consumption or prospective retirement of electric plant in the course of service
4 from causes which are known to be in current operation and against which the
5 utility is not protected by insurance. Among the causes to be given consideration
6 are wear and tear, decay, action of the elements, inadequacy, obsolescence,
7 changes in the art, changes in demand and requirements of public authorities.

8 Service value means the difference between original cost and the net
9 salvage value (net salvage value means the salvage value of the property
10 retired less the cost of removal) of the electric plant.

11 **Q. PLEASE BRIEFLY DESCRIBE THE METHODS AND PROCEDURES**
12 **USED IN THE STUDY.**

13 A. The methods and procedures are fully described on pages 1 through 9 of Exhibit
14 JEH-1. In summary, all of the property included in this report was considered on
15 a group plan. Under the group plan, depreciation is accrued upon the basis of the
16 original cost of all property included in each depreciable plant group instead of
17 individual items of property. Upon retirement of any depreciable property, its full
18 cost, less any net salvage realized, is charged to the accumulated provision for
19 depreciation regardless of the age of the particular item retired. Also under this
20 plan, the dollars in each primary plant account are considered as a separate group
21 for depreciation accounting purposes and an annual depreciation rate for each
22 account is determined. In this study, the plant groups consisted of the individual

1 primary plant accounts for Production, Transmission, Distribution and General
2 Plant property.

3 For Production Plant, the generating unit retirement dates and the interim
4 retirement history for the individual plant accounts were used to determine the
5 average service lives and the remaining lives of the plants. The average service
6 lives for the Company's Transmission, Distribution and General Plant were
7 determined using statistical procedures similar to those used in the insurance
8 industry in studies of human mortality. The historical retirement experience of
9 the property groups was studied and the retirement characteristics of the property
10 were described using the Iowa-type retirement dispersion curves.

11 The net salvage for each property group was determined based on actual
12 historical experience for the Production, Transmission, Distribution and General
13 Plant accounts. In addition, for Production Plant, Kentucky Power had a
14 conceptual demolition cost estimate made by Brandenburg Industrial Service
15 Company (Brandenburg). Brandenburg estimated the probable cost to demolish
16 Big Sandy Plant based on the current price levels. My recommended depreciation
17 rates for Production Plant included the probable demolition cost for Big Sandy
18 Plant at current price levels. However, I recommend that Kentucky Power adjust
19 the estimated cost to remove Big Sandy Plant in future depreciation studies to
20 reflect changes in price levels. This will enable the Company to recover the
21 estimated actual removal costs that can reasonably be expected to be incurred at
22 the time Big Sandy Plant is retired.

1 The depreciation rates were calculated by the Average Remaining Life
2 Method which is the same method that was used to calculate Kentucky Power's
3 current depreciation rates.

4 **Q. DO YOU HAVE ANY OTHER RECOMMENDATIONS REGARDING**
5 **THE ADOPTION OF YOUR RECOMMENDED DEPRECIATION**
6 **RATES?**

7 A. Yes. I recommend that the Commission authorize Kentucky Power to adopt and
8 apply the recommended depreciation accrual rates at the primary plant account
9 level and that the accumulated depreciation be established by primary plant
10 account as of a specific date, (e.g., the date the revised rates become effective)
11 and from that date forward Kentucky Power should apply depreciation rates and
12 maintain the accumulated depreciation at the primary plant account level.

13 **Q. PLEASE EXPLAIN WHY YOU ARE RECOMMENDING THAT**
14 **KENTUCKY POWER APPLY DEPRECIATION RATES AND MAINTAIN**
15 **THE ACCUMULATED DEPRECIATION AT THE PRIMARY PLANT**
16 **ACCOUNT LEVEL.**

17 A. Kentucky Power currently applies depreciation rates and maintains the
18 accumulated depreciation at a functional plant level (i.e. Production,
19 Transmission, Distribution and General). The amount of the accumulated
20 depreciation is an important component in calculating remaining life depreciation
21 rates. Thus, the amount of accumulated depreciation has a direct effect on
22 developing a depreciation rate for each plant account. If the accumulated
23 depreciation is not maintained at the primary account level, it is necessary to

1 allocate the functional plant accumulated depreciation to individual plant accounts
2 based on what the calculated accumulated depreciation would be based on the
3 survivor curves, average service lives, gross removal and gross salvage
4 determined in the current depreciation study.

5 When the accumulated depreciation is maintained by primary plant
6 account, it enables the Company to monitor depreciation accruals and
7 removal/salvage costs actually recorded in each primary plant account and
8 eliminate the requirement to allocate the accumulated depreciation to primary
9 plant accounts. This will facilitate the identification of changes that occur in the
10 primary plant account activity that lead to the recommendation of revised
11 depreciation rates.

12 **Q. DOES YOUR RECOMMENDATION THAT THE COMPANY MAINTAIN**
13 **THE ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT**
14 **HAVE ANY EFFECT ON THE DETERMINATION OF THE**
15 **DEPRECIATION RATES THAT YOU RECOMMENDED AS A RESULT**
16 **OF THIS DEPRECIATION STUDY?**

17 A. No, it does not. My recommendation affects how the Company should be
18 maintaining its accumulated depreciation in the future.

19 **Q. PLEASE DESCRIBE SFAS 143.**

20 A. The Financial Accounting Standards Board (FASB) issued SFAS 143 in June
21 2001. SFAS 143 prescribes the accounting for Asset Retirement Obligations
22 (ARO) and was implemented by Kentucky Power effective January 1, 2003 as
23 required by the FASB. SFAS 143 applies to legal obligations associated with the

1 retirement of tangible, long-lived assets and requires that those legal obligations
2 be recognized at fair value at the time the legal obligation was incurred if a
3 reasonable estimate of fair value can be made. SFAS 143 defines a legal
4 obligation as an obligation that a party is required to settle as a result of an
5 existing or enacted law, statute, ordinance, or written or oral contract or by legal
6 construction of a contract under the doctrine of promissory estoppel.

7 **Q. HAS KENTUCKY POWER RECOGNIZED ANY ARO'S UNDER SFAS**
8 **143?**

9 A. Yes. Kentucky Power has recognized an ARO for asbestos at Big Sandy
10 Generating Plant.

11 **Q. DOES SFAS 143 CHANGE THE ACCOUNTING REQUIREMENTS FOR**
12 **OBLIGATIONS THAT ARE NOT SPECIFIC LEGAL OBLIGATIONS**
13 **FOR RATE-REGULATED COMPANIES SUCH AS KENTUCKY**
14 **POWER?**

15 A. No it does not. Rate-regulated companies such as Kentucky Power can continue
16 to collect asset retirement costs (removal costs) that are not within the scope of
17 SFAS 143 through depreciation rates when authorized by a ratemaking such as
18 the Public Service Commission of Kentucky. However, for United States
19 Security and Exchange Commission (SEC) financial reporting purposes, the
20 amounts of removal coats that have been collected though the Company's
21 Commission approved depreciation rates, and included in accumulated
22 depreciation, must be reclassified to a regulatory liability. Kentucky Power has
23 followed this accounting for SEC financial reporting purposes.

1 **Q. HAS THE FERC ISSUED ANY ACCOUNTING INSTRUCTIONS FOR**
 2 **ARO'S?**

3 A. Yes. On April 9, 2003 FERC issued Order 631. Order 631 added new balance
 4 sheet and income statement accounts to be utilized for recording ARO's. In
 5 addition, Order 631 revised definitions and, the general and plant accounting
 6 instructions contained in the Uniform System of Accounts.

7 **Q. DID ORDER 631 ADDRESS THE ACCOUNTING FOR COST OF**
 8 **REMOVAL THAT DOES NOT CONSTITUTE A LEGAL OBLIGATION?**

9 A. Yes. The FERC specifically addressed accounting for cost of removal that does
 10 not constitute a legal obligation in Section III, paragraph 36 of Order 631 as
 11 follows:

12 As proposed in the NOPR, the rule applies to legal obligations
 13 associated with the retirement of tangible long-lived assets.

14 Under the existing requirements of the Uniform System of
 15 Accounts removal costs that are not asset retirement obligations
 16 are included as a component of the depreciation expense and
 17 recorded in accumulated depreciation. The Commission notes
 18 that certain jurisdictional entities may have been receiving
 19 specific allowances for cost of removal for non-legal retirement
 20 obligations as a specific component in their rates approved by
 21 their regulators. The Commission did not propose any changes
 22 to its existing accounting requirements for cost of removal for
 23 non-legal retirement obligations. Accordingly, jurisdictional

1 entities are accounting for such costs consistent with the
2 requirements of the Uniform System of Account under part 101
3 for public utilities and licensees, part 201 for natural gas
4 companies and Part 352 for oil pipeline companies.

5 **Q. DOES YOUR DEPRECIATION STUDY COMPLY WITH THE**
6 **ACCOUNTING REQUIREMENTS OF SFAS 143 AND FERC ORDER**
7 **631?**

8 A. Yes, it does. In my study I split the amounts of net salvage that I recommended
9 into a gross removal component and a gross salvage component. Thus, for SEC
10 financial reporting purposes, the amount of removal costs included in depreciation
11 rates and accruals can readily be determined and reclassified to a regulatory
12 liability account.

13 **Q. PLEASE EXPLAIN THE AVERAGE REMAINING LIFE METHOD OF**
14 **CALCULATING DEPRECIATION RATES.**

15 A. There are two basic methods commonly utilized to calculate depreciation rates.
16 They are the Average Life Method (sometimes referred to as the whole life
17 method) and the Average Remaining Life Method.

18 The Average Life Method recovers the original cost of the plant, adjusted
19 for net salvage, over the average service life of the investment. The basic
20 assumptions used in determining depreciation rates by the Average Life Method
21 are: 1) the property will be retired over a specified average life; and 2) the future
22 amount of net salvage is known. Neither of these assumptions can be confirmed
23 until the entire property group is retired. The major shortcoming of the Average

1 Life Method is that it does not provide a mechanism to adjust the accumulated
2 depreciation when changes occur in service life or net salvage.

3 The Remaining Life Method compensates for this shortfall by recovering
4 the original cost of the plant, adjusted for net salvage, less the accumulated
5 depreciation over the average remaining life of the plant.

6 **Q. PLEASE EXPLAIN THE RESULTS OF YOUR STUDY FOR PRODUCTION
7 PLANT.**

8 A. The composite rate for Steam Production Plant increased from 3.89% to 4.05%.
9 The increase was caused by an increase in the investments in the accounts since
10 the last study, offset in large part by an increase in the total life span of both units
11 and a decrease in the amount of negative net salvage.

12 **Q. PLEASE EXPLAIN THE RESULTS OF YOUR STUDY FOR
13 TRANSMISSION PLANT.**

14 A. The composite rate for Transmission Plant increased from 1.71% to 3.24%. The
15 increase was caused by a reduction of the average service lives for Accounts 353,
16 Station Equipment, 354 Towers and Fixtures and 355, Poles & Fixtures as
17 indicated in the life analysis for those accounts and by increases in the net
18 removal costs for this functional group of plant investment based on the actual
19 cost of removal experienced during the period 1994 through 2008.

20 **Q. PLEASE EXPLAIN THE RESULTS OF YOUR STUDY FOR
21 DISTRIBUTION PLANT.**

22 A. The composite rate for Distribution Plant increased from 3.52% to 3.96%. The
23 increase was caused by increases in net removal costs for this functional group of

1 plant investments based on the actual cost of removal experienced during the
2 period 1994 through 2008 offset, in part, by increases in the average service lives
3 for ten of the twelve individual plant accounts that comprise this functional plant
4 investment.

5 **Q. PLEASE EXPLAIN THE RESULTS OF YOUR STUDY FOR GENERAL**
6 **PLANT.**

7 A. The composite rate for General Plant increased from 2.54% to 5.07%. The
8 increase is mainly attributable to the decrease in average service life for Account
9 390, Structures and Improvements.

10 **Q: DOES THIS CONCLUDE YOUR PRE-FILED DIRECT TESTIMONY?**

11 A: Yes.

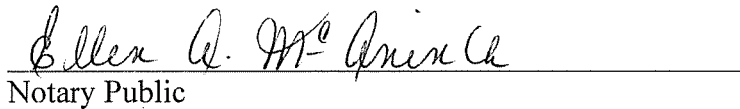
AFFIDAVIT

James E. Henderson, upon first being duly sworn, hereby makes oath that if the foregoing questions were propounded to him at a hearing before the Public Service Commission of Kentucky, he would give the answers recorded following each of said questions and that said answers are true.


James E. Henderson

State of Ohio)
)ss
County of Franklin)

Subscribed and sworn to before me, a Notary Public, by James E. Henderson this
17th day of November 2009.


Notary Public

My Commission Expires May 11th, 2011

KENTUCKY POWER COMPANY

DEPRECIATION STUDY REPORT

OF

ELECTRIC PLANT IN SERVICE

AT DECEMBER 31, 2008

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INTRODUCTION

This report presents the results of a depreciation study of Kentucky Power Company's (KPCo) depreciable electric utility plant in service at December 31, 2008. The study was prepared by James E. Henderson, Senior Staff Accountant at American Electric Power Service Corporation (AEPSC). The purpose of this depreciation study was to develop appropriate annual depreciation accrual rates for each of the primary plant accounts, which comprise the functional groups for which KPCo computes its annual depreciation expense.

The recommended depreciation rates are based on the Average Remaining Life Method of computing depreciation. Further explanation of this method is contained in Section II of this report.

The definition of depreciation used in this Study is the same as that used by the Federal Energy Regulatory Commission (FERC) and the National Association of Regulatory Utility Commissioners:

"Depreciation, as applied to depreciable electric plant, means the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of electric plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand and requirements of public authorities."

"Service value means the difference between original cost and the net salvage value (net salvage value means the salvage value of the property retired less the cost of removal) of the electric plant." (FERC Accounting and Reporting Requirements for Public Utilities and Licensees, ¶15.001.)

Section I of this report contains Schedule I, which shows the recommended depreciation accrual rates by primary plant accounts and composited to functional plant classifications; Schedule II, which shows a comparison of KPCo's current depreciation rates and accruals to the recommended rates and accruals and Schedule III that shows a comparison of the current mortality characteristics that were used to compute the recommended depreciation rates and the mortality characteristics used to determine the existing depreciation rates and accruals. A comparison of KPCo's current functional group composite depreciation rates and accruals to the recommended functional group rates and accruals based on plant-in-service at December 31, 2008 follows:

Annual Rates and Accruals

<u>Functional Group</u>	<u>Current</u>		<u>Recommended</u>		<u>Increase (Decrease)</u>
	<u>Rate %</u>	<u>Amount</u>	<u>Rate %</u>	<u>Amount</u>	
Steam Production	3.89	\$20,314,393(a)	4.05	\$21,152,010	\$ 837,617
Transmission Plant	1.71	7,329,252	3.24	13,887,818	6,558,566
Distribution Plant	3.52	18,532,028	3.96	20,832,841	2,300,813
General Plant	2.54	<u>817,176</u>	5.07	<u>1,632,019</u>	<u>814,843</u>
Total	3.11	<u>\$46,992,849</u>	3.81	<u>\$57,504,688</u>	<u>\$ 10,511,839</u>

(a) The current approved depreciation rate for Steam Production Plant is 3.78%. The 3.78% rate does not include the approved amortization of SCR Catalysts. For comparison purposes, the amounts shown above under Current Rates and Accruals have been adjusted to include an annual amortization of \$552,360 relating to the

catalysts. The recommended depreciation rates and accruals shown above reflect the catalysts in the recommended depreciation rate of 4.05%.

Based on Depreciable Plant In Service as of December 31, 2008, I am recommending an increase in annual depreciation expense of \$10,511,839 or 0.70% in the annual composite rate. The depreciation rate changes are necessary because of changes (both increases and decreases) in the average service lives and the gross salvage of removal estimates that were used to calculate KPCo's current depreciation rates.

KPCo currently applies depreciation rates and maintains the accumulated depreciation by functional plant classification. I recommend that KPCo adopt and apply the depreciation accrual rates at the primary plant account level and that the accumulated depreciation be established by primary plant account as of a specific date, (e.g. the date revised depreciation rates become effective) and from that date forward KPCo should apply depreciation rates and maintain the accumulated depreciation at the primary plant account level. This will facilitate monitoring the depreciation accruals and actual salvage and removal cost activity for future depreciation study purposes. This will also eliminate the requirement to allocate the accumulated depreciation to primary plant accounts in future depreciation studies.

Section II of this report contains an explanation of the methods and procedures used in this study. Examples of computations discussed in Section II appear in Appendix A.

SECTION I

SCHEDULES

SCHEDULES

SCHEDULE

SUBJECT

I	Determination of Recommended Annual Depreciation Rates and Accruals by Primary Plant Account
II	Comparison of Existing Annual Accrual Rates and Accruals To the Recommended Annual Accrual Rates and Accruals
III	Comparison of Property Mortality Characteristics

SCHEDULE I

Schedule I shows the determination of the recommended annual depreciation accrual rate by primary plant accounts by the straight line remaining life method. An explanation of the schedule follows:

Column I	-	Account number.
Column II	-	Account title.
Column III	-	Original Cost at December 31, 2008
Column IV	-	Average Life and (Iowa) Curve Type.
Column V	-	Terminal Retirement Date for accounts utilizing Life-Span Forecast
Column VI	-	Net Salvage Ratio.
Column VII	-	Total to be Recovered (Column III) * (Column IV).
Column VIII	-	Calculated Depreciation Requirement.
Column IX	-	Allocated Accumulated Depreciation – KPCo's Accounting group accumulated depreciation (book reserve) spread to each account on the basis of the Calculated Depreciation Requirement shown in Column VIII.
Column X	-	Remaining to be Recovered (Column VII - Column IX).
Column XI	-	Average Remaining Life.
Column XII	-	Recommended Annual Accrual Amount.
Column XIII	-	Recommend Annual Accrual Percent or Depreciation Rate (Column XII/Column III).

KENTUCKY POWER COMPANY
ANNUAL DEPRECIATION RATES AND ACCRUALS BY THE REMAINING LIFE METHOD
BASED ON PLANT IN SERVICE AT DECEMBER 31, 2008
AVERAGE LIFE GROUP (ALG) METHOD ACCRUAL RATES

NO.	ACCOUNT	ORIGINAL COST AT 12/31/08 (III)	AVERAGE LIFE AND CURVE TYPE (IV)	TERMINAL RETIREMENT DATE (V)	NET SALVAGE RATIO (VI)	TOTAL TO BE RECOVERED (VII)	CALCULATED DEPRECIATION REQUIREMENT (VIII)	ALLOCATED ACCUMULATED DEPRECIATION (IX)	REMAINING TO BE RECOVERED (X)	AVERAGE REMAINING LIFE (XI)	RECOMMENDED ANNUAL ACCRUAL AMOUNT (XII)	PERCENT (XIII)
STEAM PRODUCTION PLANT												
BIG SANDY PLANT												
2023/2029												
311.0	Structures & Improvements	40,583,921	FCST.	N.A.	1.09	44,236,474	25,526,271	20,936,998	23,299,478	19.27	1,208,106	2.98%
312.0	Boiler Plant Equipment	355,237,890	FCST.	N.A.	1.14	404,971,195	167,705,718	140,630,267 (a)	264,340,927	17.43	15,165,659	4.27%
314.0	Turbogenerator Units	104,506,857	FCST.	N.A.	1.15	120,162,886	58,517,988	47,997,266	72,185,619	17.44	4,139,084	3.93%
315.0	Accessory Electrical Equipment	15,303,286	FCST.	N.A.	1.10	16,933,615	10,227,664	8,368,871	8,444,744	18.86	447,759	2.65%
316.0	Misc. Power Plant Equip.	7,173,142	FCST.	N.A.	1.14	8,177,382	4,116,841	3,376,690	4,800,692	25.24	190,202	2.65%
	Total Steam Production Plant	522,805,096				584,401,551	266,094,492	221,330,092	373,071,459		21,152,010	4.05%
TRANSMISSION PLANT												
350.1	Land Rights	23,482,119	75 R4.0	N.A.	1.00	23,482,119	6,833,406	4,193,440	19,288,679	53.17	362,774	1.54%
352.0	Structures & Improvements	6,369,800	73 L2.0	N.A.	0.90	5,732,910	1,644,001	1,008,870	4,724,040	52.07	90,725	1.42%
353.0	Station Equipment	146,498,490	42 R2.0	N.A.	1.05	153,781,415	42,340,911	25,983,249	127,799,165	30.44	4,198,363	2.87%
354.0	Towers & Fixtures	94,722,543	50 R3.0	N.A.	1.65	156,292,196	66,308,125	40,691,154	115,601,042	28.79	4,015,319	4.24%
355.0	Poles & Fixtures	48,364,844	38 S4.0	N.A.	1.53	74,028,811	22,056,059	13,536,318	60,492,493	26.68	2,267,335	4.69%
356.0	OH Conductor & Devices	109,075,670	50 R2.0	N.A.	1.10	119,983,237	44,673,708	27,414,812	92,569,425	31.38	2,949,918	2.70%
356.0	Underground Conduit	11,590	37 R3.0	N.A.	1.00	11,590	3,109	1,908	9,682	27.07	358	3.09%
358.0	Underground Conductor	106,066	44 R1.0	N.A.	1.00	106,066	42,220	25,909	80,157	26.49	3,026	2.85%
	Total Transmission Plant	428,511,222				583,418,344	183,903,537	112,855,650	420,562,684		13,887,817	3.24%
DISTRIBUTION PLANT												
360.1	Land Rights	4,178,635	75 R4.0	N.A.	1.00	4,178,635	1,085,983	927,056	3,251,579	55.51	58,576	1.40%
361.0	Structures & Improvements	4,273,118	75 L2.0	N.A.	0.90	3,845,805	877,943	749,461	3,096,345	57.89	53,496	1.25%
362.0	Station Equipment	48,811,224	32 R1.0	N.A.	0.90	43,930,102	13,491,312	11,516,935	32,413,167	22.17	1,462,028	3.00%
364.0	Poles, Towers, & Fixtures	147,624,354	30 R0.5	N.A.	1.53	225,865,262	63,690,432	54,369,432	171,495,830	21.54	7,961,736	5.39%
365.0	Overhead Conductor & Devices	129,155,638	30 R0.5	N.A.	0.75	96,866,729	22,500,474	19,207,656	77,659,072	23.03	3,372,063	2.61%
366.0	Underground Conduit	4,302,754	50 R0.5	N.A.	1.00	4,302,754	590,402	504,000	3,798,754	43.14	88,056	2.05%
367.0	Underground Conductor	7,662,121	50 S-5	N.A.	1.00	7,652,121	1,052,228	889,240	6,753,881	43.12	156,630	2.05%
368.0	Line Transformers	96,415,063	30 R0.5	N.A.	0.75	73,811,290	20,690,817	17,662,633	56,148,457	21.59	2,600,670	2.64%
369.0	Services	38,162,243	25 L0.0	N.A.	1.15	43,885,579	9,171,430	7,823,242	36,057,337	19.78	1,822,919	4.78%
370.0	Meters	22,962,067	17 S6.0	N.A.	1.08	24,799,032	7,721,698	6,591,671	18,207,361	11.71	1,594,656	6.77%
373.0	Installations on Cuts, Prem. Street Lighting & Signal Sys.	18,001,253	14 R0.5	N.A.	1.15	20,701,441	6,153,501	5,252,971	15,448,470	9.84	1,569,966	6.72%
	Total Distribution Plant	526,479,063			1.02	552,838,145	147,846,754	128,210,213	426,627,932	17.43	20,832,842	3.86%
GENERAL PLANT												
389.2	Land Rights	219,615	75 R4.0	N.A.	1.00	219,615	13,110	6,415	213,200	70.52	3,023	1.38%
390.0	Structures & Improvements	19,910,322	28 L3.0	N.A.	0.89	17,720,187	10,028,639	4,906,914	12,813,273	12.15	1,054,590	5.30%
391.0	Office Furniture & Equipment	1,312,621	29 L23	N.A.	1.00	1,312,621	297,123	145,360	1,017,441	27.08	43,111	3.28%
392.0	Transportation Equipment	9,655	35 SQ	N.A.	1.00	9,655	1,841	901	8,754	24.28	361	3.73%
393.0	Stores Equipment	142,851	30 SQ	N.A.	1.00	135,708	33,077	16,184	119,524	22.89	5,268	3.69%
394.0	Tools Shop & Garage Equipment	2,579,396	30 SQ	N.A.	0.95	2,450,426	529,648	259,151	2,191,275	23.52	93,166	3.61%
395.0	Laboratory Equipment	262,378	30 SQ	N.A.	0.95	249,259	147,593	72,216	177,043	12.24	14,464	5.51%
396.0	Power Operated Equipment	5,891	8 SQ	N.A.	1.00	5,891	4,819	2,368	3,523	1.50	2,362	40.16%
397.0	Communication Equipment	6,755,008	22 SQ	N.A.	0.92	6,214,607	2,123,620	1,042,002	5,172,605	14.46	357,718	5.30%
398.0	Miscellaneous Equipment	974,320	20 SQ	N.A.	1.00	974,320	263,704	129,028	845,292	14.59	57,936	5.95%
	Total General Plant	32,172,297				29,292,950	13,449,173	6,560,548	22,711,992		1,632,020	5.07%
	Total Depreciable Plant	1,510,066,678				1,709,950,569	511,293,957	466,976,513 (a)	1,242,974,056		57,504,689	3.81%

(a) Includes allocated reserve of \$218,254,360 plus \$3,075,732 of accumulated amortization applicable to SCR Catalysts.

KENTUCKY POWER COMPANY
ANNUAL DEPRECIATION RATES AND ACCRUALS BY THE REMAINING LIFE METHOD
BASED ON PLANT IN SERVICE AT DECEMBER 31, 2008

SCHEDULE II

ACCOUNT		ORIGINAL	CURRENT	CURRENT	STUDY	STUDY	DIFFERENCE
NO.	TITLE	COST AT	RATE	ANNUAL	RATE	ACCRUAL	(DECREASE)
(1)	(2)	12/31/08	(4)	ACCURAL	(6)	(7)	(8)
		(3)		(5)			
PRODUCTION PLANT							
<u>Steam Production</u>							
<u>Big Sandy Plant</u>							
311	Structures & Improvements	40,583,921	3.78%	1,534,072	2.98%	1,209,106	(324,966)
312	Boiler Plant Equipment	355,237,890	3.94%	13,980,352 (a)	4.27%	15,165,859	1,185,507
314	Turbogenerator Units	104,506,857	3.78%	3,950,359	3.96%	4,139,084	188,725
315	Accessory Electrical Equipment	15,303,286	3.78%	578,464	2.93%	447,759	(130,705)
316	Misc. Power Plant Equipment	<u>7,173,142</u>	3.78%	<u>271,145</u>	2.65%	<u>190,202</u>	<u>(80,943)</u>
	Total Steam Production	<u>522,805,096</u>	3.89%	<u>20,314,393</u>	4.05%	<u>21,152,010</u>	<u>837,617</u>
TRANSMISSION PLANT							
350.1	Rights of Way	23,482,119	1.71%	401,544	1.54%	362,774	(38,770)
352.0	Structures & Improvements	6,369,900	1.71%	108,925	1.42%	90,725	(18,200)
353.0	Station Equipment	146,458,490	1.71%	2,504,440	2.87%	4,198,363	1,693,923
354.0	Towers & Fixtures	94,722,543	1.71%	1,619,755	4.24%	4,015,319	2,395,564
355.0	Poles & Fixtures	48,384,844	1.71%	827,381	4.69%	2,267,335	1,439,954
356.0	OH Cond. & Devices	109,075,670	1.71%	1,865,194	2.70%	2,949,918	1,084,724
357.0	Underground Conduit	11,590	1.71%	198	3.09%	358	160
358.0	Underground Conductor	<u>106,066</u>	1.71%	<u>1,814</u>	2.85%	<u>3,026</u>	<u>1,212</u>
	Total Transmission Plant	<u>428,611,222</u>	1.71%	<u>7,329,252</u>	3.24%	<u>13,887,818</u>	<u>6,558,566</u>
DISTRIBUTION PLANT							
360.1	Rights of Way	4,178,635	3.52%	147,088	1.40%	58,576	(88,512)
361.0	Structures & Improvements	4,273,118	3.52%	150,414	1.25%	53,496	(96,918)
362.0	Station Equipment	48,811,224	3.52%	1,718,155	3.00%	1,462,028	(256,127)
364.0	Poles, Towers, & Fixtures	147,624,354	3.52%	5,196,377	5.39%	7,961,738	2,765,361
365.0	Overhead Conductor & Devices	129,155,638	3.52%	4,546,278	2.61%	3,372,083	(1,174,195)
366.0	Underground Conduit	4,302,754	3.52%	151,457	2.05%	88,056	(63,401)
367.0	Underground Conductor	7,652,121	3.52%	269,355	2.05%	156,630	(112,725)
368.0	Line Transformers	98,415,053	3.52%	3,464,210	2.64%	2,600,670	(863,540)
369.0	Services	38,162,243	3.52%	1,343,311	4.78%	1,822,919	479,608
370.0	Meters	22,962,067	3.52%	808,265	6.77%	1,554,856	746,591
371.0	Installations on Custs. Prem.	18,001,253	3.52%	633,644	8.72%	1,569,966	936,322
373.0	Street Lighting & Signal Sys.	<u>2,939,603</u>	3.52%	<u>103,474</u>	4.48%	<u>131,823</u>	<u>28,349</u>
	Total Distribution Plant	<u>526,478,063</u>	3.52%	<u>18,532,028</u>	3.96%	<u>20,832,841</u>	<u>2,300,813</u>
GENERAL PLANT							
389.1	Land Rights	219,615	2.54%	5,578	1.38%	3,023	(2,555)
390.0	Structures & Improvements	19,910,322	2.54%	505,722	5.30%	1,054,590	548,868
391.0	Office Furniture & Equipment	1,312,821	2.54%	33,346	3.28%	43,111	9,765
392.0	Transportation Equipment	9,655	2.54%	245	3.74%	361	116
393.0	Stores Equipment	142,851	2.54%	3,628	3.69%	5,268	1,640
394.0	Tools Shop & Garage Equipment	2,579,396	2.54%	65,517	3.61%	93,166	27,649
395.0	Laboratory Equipment	262,378	2.54%	6,664	5.51%	14,464	7,800
396.0	Power Operated Equipment	5,931	2.54%	151	40.16%	2,382	2,231
397.0	Communication Equipment	6,755,008	2.54%	171,577	5.30%	357,718	186,141
398.0	Miscellaneous Equipment	<u>974,320</u>	2.54%	<u>24,748</u>	5.95%	<u>57,936</u>	<u>33,188</u>
	Total General Plant	<u>32,172,297</u>	2.54%	<u>817,176</u>	5.07%	<u>1,632,019</u>	<u>814,843</u>
	Total Depreciable Plant	<u>1,510,066,678</u>	3.11%	<u>46,992,849 (a)</u>	3.81%	<u>57,504,688</u>	<u>10,511,839</u>

(a) Includes \$552,360 of amortization related to SCR Catalysts

KENTUCKY POWER COMPANY
COMPARISON OF MORTALITY CHARACTERISTICS

SCHEDULE III

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
		<u>Existing Rates</u>			<u>Study Rates</u>				
		Average	Net		Average	Cost of		Net	
		Service	Iowa	Salvage	Service	Iowa	Salvage	Removal	Salvage
		<u>Life</u>	<u>Curve</u>	<u>Factor</u>	<u>Life</u>	<u>Curve</u>	<u>Factor</u>	<u>Factor</u>	<u>Factor</u>
		(Years)			(Years)				
<u>TRANSMISSION PLANT</u>									
350.1	Rights of Way	75	R4.0	0%	75	R4.0	0%	0%	0%
352.0	Structures & Improvements	55	S1.5	0%	73	L2.0	10%	0%	10%
353.0	Station Equipment	50	RO.5	25%	42	R2.0	15%	20%	-5%
354.0	Towers & Fixtures	55	R4.0	0%	50	R3.0	10%	75%	-65%
355.0	Poles & Fixtures	45	R3.0	0%	38	S4.0	2%	55%	-53%
356.0	OH Cond. & Devices	50	R3.0	10%	50	R3.0	15%	25%	-10%
357.0	Underground Conduit	37	R2.0	0%	37	R2.0	0%	0%	0%
358.0	Underground Conductor and Devices	44	R1.0	0%	44	R1.0	0%	0%	0%
<u>DISTRIBUTION PLANT</u>									
360.1	Rights of Way	75	R4.0	0%	75	R4.0	0%	0%	0%
361.0	Structures & Improvements	65	LO.5	0%	75	L2.0	15%	5%	10%
362.0	Station Equipment	25	LO.0	25%	32	R1.0	35%	25%	10%
364.0	Poles, Towers, & Fixtures	28	LO.0	25%	30	RO.5	12%	65%	-53%
365.0	Overhead Conductor & Devices	26	R1.5	25%	30	R0.5	50%	25%	25%
366.0	Underground Conduit	37	R2.0	0%	50	R0.5	0%	0%	0%
367.0	Underground Conductor	44	R1.0	0%	50	S.5	0%	0%	0%
368.0	Line Transformers	25	R1.5	15%	30	RO.5	35%	10%	25%
369.0	Services	18	R2.0	0%	25	L0.0	0%	15%	-15%
370.0	Meters	27	R0.5	0%	17	S6.0	2%	10%	-8%
371.0	Installations on Custs. Prem.	11	LO.0	30%	14	R0.5	5%	20%	-15%
373.0	Street Lighting & Signal Sys.	15	LO.0	15%	24	LO.0	3%	5%	-2%
<u>GENERAL PLANT</u>									
389.2	Rights of Way	75	R4.0	0%	75	R4.0	0%	0%	0%
390.0	Structures & Improvements	45	L3.0	0%	28	L3.0	11%	0%	11%
391.0	Office Furniture & Equipment	35	SQ	10%	35	SQ	0%	0%	0%
392.0	Transportation Equipment	30	SQ	0%	30	SQ	0%	0%	0%
393.0	Stores Equipment	30	SQ	0%	30	SQ	5%	0%	5%
394.0	Tools Shop & Garage Equipment	30	SQ	0%	30	SQ	5%	0%	5%
395.0	Laboratory Equipment	30	SQ	0%	30	SQ	5%	0%	5%
396.0	Power Operated Equipment				8	SQ	0%	0%	0%
397.0	Communication Equipment	22	SQ	0%	22	SQ	10%	2%	8%
398.0	Miscellaneous Equipment	20	SQ	0%	20	SQ	0%	0%	0%

SECTION II

DISCUSSION OF METHODS AND PROCEDURES USED IN THE STUDY

SECTION II

DISCUSSION OF METHODS
AND PROCEDURES USED IN THE STUDY

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SECTION IIDISCUSSION OF METHODS AND PROCEDURES USED IN THE STUDY1. Group Method

All of the depreciable property included in this report was considered on a group plan. Under the group plan, depreciation expense is accrued upon the basis of the original cost of all property included in each depreciable plant account. Upon retirement of any depreciable property, its full cost, less any net salvage realized, is charged to the accrued depreciation reserve regardless of the age of the particular item retired. Also, under this plan, the dollars in each primary plant account are considered as a separate group for depreciation accounting purposes and an annual depreciation rate for each account is determined. The annual accruals by primary account were then summed, to arrive at the total accrual for each functional group. The total accrual divided by the original cost yields the functional group accrual rate.

2. Determination of Annual Depreciation RatesBy the Average Remaining Life Method

KPCo's current depreciation rates are based on the Average Remaining Life Method. The Average Remaining Life Method recovers the original cost of the plant, adjusted for net salvage, less the accumulated depreciation, over the average remaining life of the plant. By this method, the annual depreciation rate for each account is determined on the following basis:

Annual
Depreciation Expense =

$$\frac{(\text{Orig. Cost}) (\text{Net Salvage Ratio}) - \text{Accumulated Depreciation}}{\text{Average Remaining Life}}$$

Annual
Depreciation Rate = $\frac{\text{Annual Depreciation Expense}}{\text{Original Cost}}$

3. Methods of Life Analysis

Depending upon the type of property and the nature of the data available from the property accounting records, one of three life analyses was used to arrive at the historically realized mortality characteristics and service lives of the depreciable plant investments. These methods are identified and described as follows:

Forecast Analysis

The life span forecast analysis was employed for Production Plant. KPCo's investment in production is the Big Sandy Generating Station which consists of Unit One with a nameplate capacity of 260,000 KW and Unit Two with a nameplate capacity of 800,000 KW. Units One and Two were placed in service in 1963 and 1969 respectively. The life-span method of analysis is particularly suited to specific location property, such as Big Sandy, where all of the surviving investments are likely to be retired in total at a future date.

The key elements in the life span forecast analysis are the age of the surviving investments, the projected retirement date of the facility and the expected interim retirements. Interim retirements are those that are expected to occur between the date of the depreciation study and the expected final retirement date of the generating plant. Examples of interim retirements include fans,

pumps, motors, a set of boiler tubes, a turbine rotor, etc. The interim retirement history for each primary production plant account was analyzed and the results of those analyses were used to project future interim retirements. An example of the interim retirement for Account 311, Structures and Improvements, is shown in the Appendix on Page A-1.

The age of the surviving investments were obtained from KPCo's property accounting records. American Electric Power Service Corporation provided the retirement dates used in the life-span analysis. The retirement dates for Big Sandy Plant are Unit 1 in 2023 and Unit 2 in 2029.

Actuarial Analysis

This method of analyzing past experience represents the application to industrial property of statistical procedures developed in the life insurance field for investigating human mortality. It is distinguished from other methods of life estimation by the requirement that it is necessary to know the age of the property at the time of its retirement and the age of survivors, or plant remaining in service; that is, the installation date must be known for each particular retirement and for each particular survivor.

The application of this method involves the statistical procedure known as the "annual rate method" of analysis. This procedure relates the retirements during each age interval to the exposures at the beginning of that interval, the ratio of these being the annual retirement ratio. Subtracting each retirement ratio from unity yields a sequence of annual survival ratios from which a survivor curve can be determined. This is accomplished by the consecutive multiplication of the survivor ratios. The length of this curve depends primarily upon the age of the oldest property. Normally, if the period of years from the inception of the

account to the time of the study is short in relation to the expected maximum life of the property, an incomplete or stub survivor curve results.

While there are a number of acceptable methods of smoothing and extending this stub survivor curve in order to compute the area under it from which the average life is determined, the well-known Iowa Type Curve Method was used in this study.

By this procedure, instead of mathematically smoothing and projecting the stub survivor curve to determine the average life of the group, it was assumed that the stub curve would have the same mortality characteristics as the type curve selected. The selection of the appropriate type curve and average life is accomplished by plotting the stub curve, superimposing on it Iowa curves of the various types and average lives drawn to the same scale, and then determining which Iowa type curve and average life best matches the stub.

An example of the calculations involved in the Actuarial Method of Life Analysis is shown in the Appendix on Pages A-2 through A-4 for Account 362.0-Distribution Station Equipment. Pages A-2 AND A-3 show the computation of the actual survivor curve for the experience band 1969 - 2008, inclusive based on historical data supplied by KPCO. The actual survivor curve for the 1969- 2008 period is plotted and matched on Page A-4, as explained above. This method was used for the following accounts:

- 352.0 Transmission Structures & Improvements
- 353.0 Transmission Station Equipment
- 361.0 Distribution Structures & Improvements
- 362.0 Distribution Station Equipment

390.1 General Structures & Improvements

Simulated Plant Record Analysis

The "Simulated Plant Record" (SPR) method designates a class of statistical techniques that provide an estimate of the age distribution, mortality dispersion and average service life of property accounts whose recorded history provides no indication of the age of the property units when retired from service. For each such account, the available property records usually reveal only the annual gross additions, annual retirements and balances with no indication of the age of either plant retirements or annual plant balances. For this study, the "Balances method" of analysis was used.

The SPR Balances Method is a trial and error procedure that attempts to duplicate the annual balance of a plant account by distributing the actual annual gross additions over time according to an assumed mortality distribution. Specifically, the dollars remaining in service at any date are estimated by multiplying each year's additions by the successive proportion surviving at each age as given by the assumed survivor characteristics. For a given year, the balance indicated is the accumulation of survivors from all vintages and this is compared with the actual book balance. This process is repeated for a different survivor curves and average life combinations until a pattern is discovered which produces a series of "simulated balances" most nearly equaling the actual balances shown in a company's books.

This determination is based on the distribution producing the minimum sum of squared differences between the simulated balance and the actual balances over a test period of years.

The iterative nature of the simulated methods makes them ideally suited for computerized analysis. For each analysis of a given property account, the computer program provides a single page summary containing the results of each analysis indicating the “best fit” based on criteria selected by the user.

The results of such an analysis by the Balance Method is shown for Account 367 – Underground Conductor & Devices on page A-5 in the Appendix. In the case of the Balances Method each curve type tested is shown along with the average service life that produced the minimum sum of squared differences from the actual balances. The analysis also shows the value of the Index of Variation of the difference that is calculated according to the following equation for the Balances Method:

$$\text{Index of Variation} = (1000) \sqrt{\frac{\text{Sum of Squared Differences}}{\text{Number of Test Years}}} \div \frac{\text{Average Actual Balance}}$$

The lower the value of the Index the better the agreement with the actual data.

The SPR Method of Life Analysis was utilized for the following accounts:

- 354.0 Transmission Towers & Fixtures
- 355.0 Transmission Poles & Fixtures
- 356.0 OH Conductor & Devices
- 364.0 Distribution Poles, Towers & Fixtures
- 365.0 Distribution OH Conductor & Devices
- 366.0 Underground Conduit
- 367.0 Underground Conductor & Devices
- 368.0 Distribution Line Transformers

- 369.0 Distribution Services
- 370.0 Distribution Meters
- 371.0 Installation on Customers Premises
- 373.0 Street Lighting & Signal Systems

4. Final Selection of Average Life and Curve Type

The final selection of average life and curve type for each depreciable plant account analyzed by the Actuarial Method was primarily based on the results of the mortality analyses of past retirement history.

5. Net Salvage

The net salvage percentages used in this report are expressed as percent of original cost and are based primarily on the Company's experience combined with the experienced judgment of the analyst. KPCo maintains salvage and removal costs at the functional plant level, rather than by primary plant accounts. To aid in the selection of net salvage percentages, a review was made of the Company's experience for each plant function with respect to salvage and removal costs for the period 1994-2008. A sample of the type of salvage analysis made appears in Appendix A on Pages A-6 through A-11 for the Distribution Plant function. In order to determine gross salvage, gross removal and net salvage percentages for the individual plant accounts, the original cost retirements were detailed by account for the period 1994 through 2008 and, based on judgment, gross salvage and cost of removal percentages were selected for each account so that the gross salvage and gross removal would approximate the total functional percentages for the period 1994 through 2008. The salvage and removal percentages for each account were then netted to determine a net salvage percentage for each account.

The net salvage percents were converted to net salvage ratios and appear in Column VI on Schedule I and were used to determine the total amount to be recovered through depreciation. The same net salvage was also reflected in the determination of the calculated depreciation requirement, which was used to allocate the accumulated depreciation at the functional group to the accounts comprising each group.

The net salvage ratios shown in Column VI on Schedule I in Section I of this report may be explained as follows:

- a. Where the ratio is shown as unity (1.00), it was assumed that the net salvage in that particular account would be zero.
- b. Where the ratio is less than unity, it was assumed that the salvage exceeded the removal costs. For example, if the net salvage were 20%, the net salvage ratio would be expressed as .80.
- c. Where the ratio is greater than unity, it was assumed that the salvage was less than the cost of removal. For example, if the net salvage were minus 5%, the net salvage ratio would be expressed as 1.05.

Net Salvage for Steam Production Plant

While the analysis described above was used to determine the net salvage applicable to interim retirements for steam production plant, the most significant net salvage realization for generating plants occurs at the end of their life. Therefore, to assist in establishing the net salvage applicable to KPCo's steam generating plant, KPCo had a conceptual demolition cost estimate prepared by Brandenburg Industrial Service Company for Big Sandy Plant. The cost estimate to demolish the plant is based on

current (2004) price levels. The estimates of demolition costs were incorporated into the net salvage ratios for Steam Production Plant.

6. Effects of Statement of Financial Accounting Standards No. 143 (SFAS 143) and Federal Energy Regulatory Commission (FERC) Order 631 on Net Salvage

The Financial Accounting Standards Board (FASB) issued SFAS 143, Accounting for Asset Retirement Obligations, in June 2002. SFAS 143 became effective January 1, 2003 for companies whose fiscal year ends on December 31. SFAS 143 is a financial accounting requirement that deals with the identification, measurement and recording of legal liabilities associated with asset retirement. SFAS 143 was designed to standardize the way that different companies and different industries account for cost of removal when there is a legal asset retirement obligation. SFAS 143 was not intended to address the appropriate ratemaking treatment for regulated utilities.

As stated in KPCo's financial statements, KPCo has identified, but not recognized, asset retirement obligations related to electric transmission and distribution as a result of the nature of certain easements on property on which KPCo has assets. Generally these easements are perpetual and require only the retirement and removal of transmission and distribution assets upon the cessation of the property's use. The retirement obligation is not estimable for such easements as KPCo plans to use the facilities indefinitely. KPCo has identified asbestos at Big Sandy plant to constitute an ARO.

SFAS 143 did not directly change the accounting requirements for rate-regulated companies for removal costs that are not a legal retirement obligation. The Security and Exchange Commission (SEC) has interpreted SFAS 143 to require that cost of removal that is not a legal obligation should not be recognized under Generally Accepted

Accounting Principles (GAAP) by unregulated entities. Statement of Financial Accounting Standards No. 71 (SFAS 71) provides that any such amounts that are recovered in rates by regulated enterprises would be classified as regulatory liabilities for SEC reporting purposes.

The (FERC) issued Order 631 on April 9, 2003. Order 631 added new balance sheet and income statement accounts to be used for recording legal Asset Retirement Obligations. In addition, Order 631 revised definitions and, the general and plant instructions contained in the FERC Uniform System of Accounts.

FERC also specifically addressed accounting for cost of removal that does not constitute a legal obligation in Section III, paragraph 36 of Order 631 as follows:

As proposed in the NOPR, the rule applies to legal obligations associated with the retirement of tangible long-lived assets. Under existing requirements of the Uniform System of Accounts removal costs that are not asset retirement obligations are included as a component of the depreciation expense and recorded in accumulated depreciation. The Commission notes that certain jurisdictional entities may have been receiving specific allowances for cost of removal for non-legal retirement obligations as a specific component in their rates approved by their regulators. The Commission did not propose any changes to its existing accounting requirements for cost of removal for non-legal retirement obligations. Accordingly, jurisdictional entities are accounting for such costs consistent with the requirements of the Uniform System of Accounts under Part 101 for public utilities and licensees, Part 201 for natural gas companies and Part 352 for oil pipeline companies.

KPCo's current book depreciation study rate recommendations comply with the

accounting requirements of SFAS 143 and FERC Order 631. The study splits the amount of net salvage into a gross removal component and a gross salvage component. Thus, for SEC financial reporting purposes, the amount of removal costs included in depreciation rates and accruals can readily be determined and reclassified to a regulatory liability account.

7. Calculation of Depreciation Requirement at December 31, 2008

The accumulated depreciation by functional group was allocated to individual plant accounts based on the calculation of a depreciation requirement (theoretical reserve) for each plant account using the average service life, curve type and net salvage amount recommended in this study. An example of the calculation of the depreciation requirement at December 31, 2008, for Account 361 – Distribution Structures, is shown on Pages A-12 and A-13 in Appendix A.

8. Study Results

The average service life, retirement dispersion pattern and net salvage pattern used to calculate each primary plant account rate are shown on Schedule 2. The mortality characteristics and net salvage values for the current rates are also shown. The changes to the mortality characteristics follow the trends shown by the historical retirement experience. The gross salvage and gross cost of removal percentages were based on the history of the account for the period 1994-2008.

Production Plant

The composite rate for Steam Production Plant increased from 3.89% to 4.05%. The increase was caused by an increase in the investments in the accounts since the last depreciation study, offset in large part by an increase in the total life span of both units

and a decrease in the amount of negative net salvage.

Transmission Plant

The composite rate for Transmission Plant increased from 1.71% to 3.24%. The increase was caused by a reduction of the average service lives for Accounts 353, Station Equipment and 355, Poles & Fixtures as indicated in the life analysis for those accounts and by increases in the net removal costs for this functional group of plant investment based on the actual cost of removal experienced during the period 1994 through 2008.

Distribution Plant

The composite rate for Distribution Plant increased from 3.52% to 3.96%. The increase was caused by increases in net removal costs for this functional group of plant investments based on the actual cost of removal experienced during the period 1994 through 2008 offset, in part, by increases in the average service lives for ten of the twelve individual plant accounts that comprise this functional plant investment.

General Plant

The composite rate for General Plant increased from 2.54% to 5.07%. The increase is mainly attributable to the decrease in average service life for Accounts 390, Structures and Improvements.

APPENDIX A

EXHIBIT JEH-1

KENTUCKY POWER COMPANY
 CALCULATION OF INTERIM RETIREMENT RATIOS
 STEAM PRODUCTION PLANT
 ACCOUNT 311.0 STRUCTURES & IMPROVEMENTS

<u>YEAR</u>	<u>ADDITIONS</u>	<u>RETIREMENTS</u>	<u>BALANCE</u>	<u>AVERAGE BALANCE</u>	<u>RETIREMENT RATIO</u>
1963	6,127,706	0	6,127,706	N. A.	N. A.
1964	13,194	0	6,140,900	6,134,303	0.0000
1965	18,607	255	6,159,252	6,150,076	0.0000
1966	4,255	7,338	6,156,169	6,157,711	0.0012
1967	575	69,333	6,087,411	6,121,790	0.0113
1968	21,282	0	6,108,693	6,098,052	0.0000
1969	15,770,374	0	21,879,067	13,993,880	0.0000
1970	803,526	7,182	22,675,411	22,277,239	0.0003
1971	163,043	37,002	22,801,452	22,738,432	0.0016
1972	56,860	0	22,858,312	22,829,882	0.0000
1973	2,605	0	22,860,917	22,859,615	0.0000
1974	66,090	1,665	22,925,342	22,893,130	0.0001
1975	29,219	0	22,954,561	22,939,952	0.0000
1976	65,662	0	23,020,223	22,987,392	0.0000
1977	87,499	0	23,107,722	23,063,973	0.0000
1978	297,729	24,379	23,381,072	23,244,397	0.0010
1979	214,311	5,000	23,590,383	23,485,728	0.0002
1980	27,547	6,618	23,611,312	23,600,848	0.0003
1981	212,801	358	23,823,755	23,717,534	0.0000
1982	716,535	44,396	24,495,894	24,159,825	0.0018
1983	389,851	307,808	24,577,937	24,536,916	0.0125
1984	81,115	469	24,658,583	24,618,260	0.0000
1985	64,741	1,605	24,721,719	24,690,151	0.0001
1986	0	0	24,721,719	24,721,719	0.0000
1987	34,955	966	24,755,708	24,738,714	0.0000
1988	171,684	718	24,926,674	24,841,191	0.0000
1989	28,362	2,856	24,952,180	24,939,427	0.0001
1990	484,041	3,690	25,432,531	25,192,356	0.0001
1991	18,357	35,387	25,415,501	25,424,016	0.0014
1992	22,217	13,640	25,424,078	25,419,790	0.0005
1993	168,711	56,800	25,535,989	25,480,034	0.0022
1994	1,254,912	4,050	26,786,851	26,161,420	0.0002
1995	45,725	9,070	26,823,506	26,805,179	0.0003
1996	113,294	94,931	26,841,869	26,832,688	0.0035
1997	0	101,804	26,740,065	26,790,967	0.0038
1998	2,448,051	54,548	29,133,568	27,936,817	0.0020
1999	220,173	4,000	29,349,741	29,241,655	0.0001
2000	46,629	17,282	29,379,088	29,364,415	0.0006
2001	20,444	8,355	29,391,177	29,385,133	0.0003
2002	431	1,168	29,390,440	29,390,809	0.0000
2003	6,265,695	5,061	35,651,074	32,520,757	0.0002
2004	630,676	74,097	36,207,653	35,929,364	0.0021
2005	2,005,164	60,910	38,151,907	37,179,780	0.0016
2006	484,134	118,897	38,517,144	38,334,526	0.0031
2007	1,141,080	258,942	39,399,282	38,958,213	0.0066
2008	1,533,583	348,944	40,583,921	39,991,602	0.0087
TOTAL 1975-2008	14,161,367	879,056	788,802,573	782,161,418	0.0537

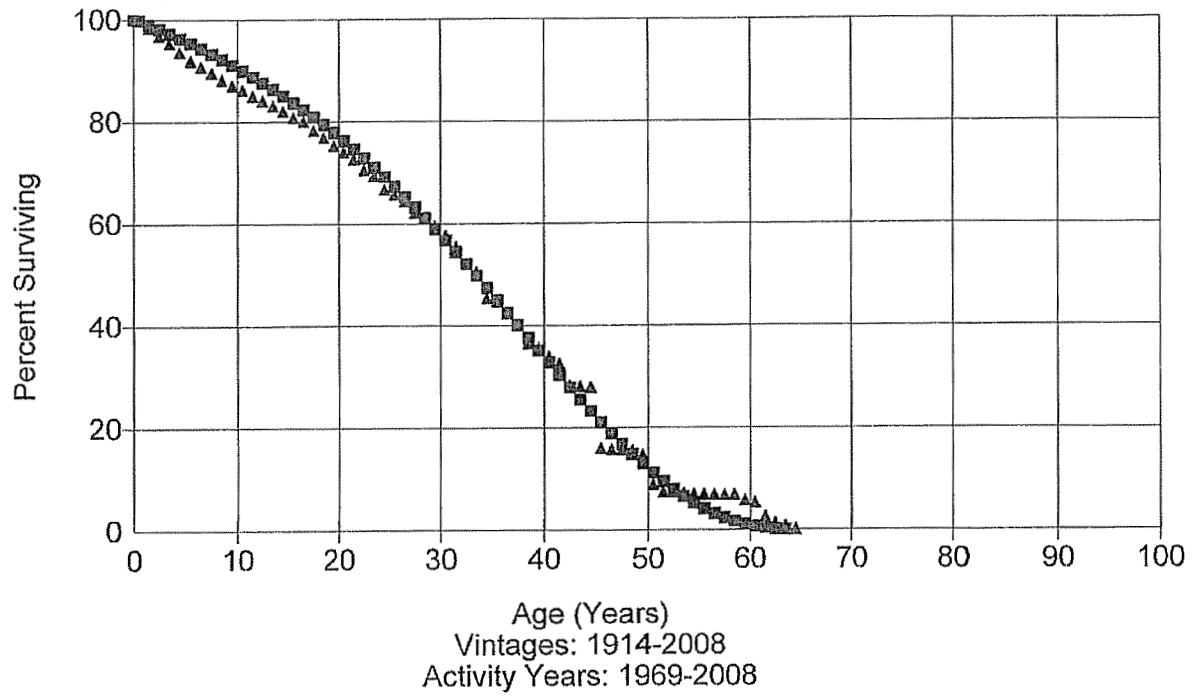
Used 1975 through 2008 interim retirements. Based on retirements five years after in-service date of Unit 2.

AVERAGE INTERIM RATE $\frac{0.0537}{0.0016}$

Account: KEPCo 101/6 362 - KY
Scenario: KEPCO DISTRIBUTION 2008 NEW

▲ Actual Data

■ R1 31.86



Actuarial Life Analysis

EXHIBIT JEH-1

Account: KEPCo 101/6 362 - KY
Scenario: KEPCO DISTRIBUTION 2008
Placement Band: 1914 - 2008
Function: Survivorship Annual Rate Method
Weighting: Unweighted
T-Cut: None

Observation Band	Censoring		Error Sum of Squares	Best Fit	
	Age	Percent		Disp	ASL
1969 -2008	94.5	0.00	0.03943455	R1	31.86

Observed Life Table

EXHIBIT JEH-1

Scenario: KEPCO DISTRIBUTION 2008

Account: KEPCo 101/6 362 - KY

Placement Band: 1914 - 2008

Observation Band: 1969 - 2008

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
0	59,985,742.89	95,997.00	0.00160	0.99840	100.00
0.5	59,323,302.21	787,640.82	0.01328	0.98672	99.84
1.5	56,260,881.34	961,667.23	0.01709	0.98291	98.51
2.5	52,496,365.06	787,381.07	0.01500	0.98500	96.83
3.5	48,262,548.88	883,989.43	0.01832	0.98168	95.38
4.5	46,863,612.93	870,467.55	0.01857	0.98143	93.63
5.5	45,040,509.33	564,357.53	0.01253	0.98747	91.89
6.5	43,870,474.71	590,977.03	0.01347	0.98653	90.74
7.5	41,310,178.14	608,387.84	0.01473	0.98527	89.52
8.5	39,025,002.34	509,696.24	0.01306	0.98694	88.20
9.5	37,488,552.39	375,115.70	0.01001	0.98999	87.05
10.5	36,399,250.11	516,939.35	0.01420	0.98580	86.18
11.5	34,269,086.91	340,545.36	0.00994	0.99006	84.96
12.5	32,265,407.49	380,919.42	0.01181	0.98819	84.12
13.5	27,506,410.48	353,632.11	0.01286	0.98714	83.13
14.5	25,870,415.65	379,032.58	0.01465	0.98535	82.06
15.5	22,316,533.76	223,168.02	0.01000	0.99000	80.86
16.5	21,122,946.21	479,248.43	0.02269	0.97731	80.05
17.5	19,283,088.40	326,077.46	0.01691	0.98309	78.23
18.5	18,638,065.72	392,058.95	0.02104	0.97896	76.91
19.5	17,924,689.42	295,941.08	0.01651	0.98349	75.29
20.5	17,446,790.83	322,228.18	0.01847	0.98153	74.05
21.5	15,461,836.06	458,812.55	0.02967	0.97033	72.68
22.5	13,817,901.14	219,271.18	0.01587	0.98413	70.52
23.5	12,968,924.12	506,496.37	0.03905	0.96095	69.40
24.5	11,819,895.00	166,890.39	0.01412	0.98588	66.69
25.5	10,947,470.25	210,003.59	0.01918	0.98082	65.76
26.5	9,762,598.13	344,075.32	0.03524	0.96476	64.49
27.5	8,734,296.39	140,671.46	0.01611	0.98389	62.22
28.5	6,162,356.68	163,183.85	0.02648	0.97352	61.22
29.5	5,571,673.14	182,596.92	0.03277	0.96723	59.60
30.5	4,565,331.66	170,685.72	0.03739	0.96261	57.65
31.5	3,697,547.84	220,582.40	0.05966	0.94034	55.49
32.5	3,338,844.77	107,673.01	0.03225	0.96775	52.18
33.5	2,899,794.83	292,997.95	0.10104	0.89896	50.50
34.5	2,322,768.13	35,180.41	0.01515	0.98485	45.40
35.5	1,863,045.96	94,900.00	0.05094	0.94906	44.71
36.5	1,260,741.63	70,970.12	0.05629	0.94371	42.43
37.5	921,418.79	79,953.11	0.08677	0.91323	40.04
38.5	765,507.98	19,569.00	0.02556	0.97444	36.57
39.5	728,441.97	34,540.43	0.04742	0.95258	35.64
40.5	572,590.96	23,938.39	0.04181	0.95819	33.95
41.5	437,736.97	56,689.84	0.12951	0.87049	32.53
42.5	329,186.59	2,981.00	0.00906	0.99094	28.32
43.5	325,218.59	1,312.00	0.00403	0.99597	28.06
44.5	304,618.57	129,889.59	0.42640	0.57360	27.95
45.5	107,889.15	1,647.00	0.01527	0.98473	16.03
46.5	111,031.21	823.00	0.00741	0.99259	15.79
47.5	83,649.55	409.00	0.00489	0.99511	15.67
48.5	93,364.55	5,126.00	0.05490	0.94510	15.59
49.5	93,290.55	36,688.00	0.39326	0.60674	14.73
50.5	61,392.55	10,337	A 4 6837	0.83163	8.94
51.5	35,019.00	0	0000	1.00000	7.43
52.5	40,616.00	954.00	0.02349	0.97651	7.43

Observed Life Table

EXHIBIT JEH-1

Scenario: KEPCO DISTRIBUTION 2008

Account: KEPCo 101/6 362 - KY

Placement Band: 1914 - 2008

Observation Band: 1969 - 2008

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
53.5	41,790.00	906.00	0.02168	0.97832	7.26
54.5	41,960.00	870.00	0.02073	0.97927	7.10
55.5	41,090.00	379.00	0.00922	0.99078	6.95
56.5	40,711.00	0.00	0.00000	1.00000	6.89
57.5	40,711.00	0.00	0.00000	1.00000	6.89
58.5	40,711.00	6,534.00	0.16050	0.83950	6.89
59.5	34,177.00	2,128.00	0.06226	0.93774	5.78
60.5	32,049.00	16,211.00	0.50582	0.49418	5.42
61.5	15,838.00	7,606.00	0.48024	0.51976	2.68
62.5	8,232.00	3,014.00	0.36613	0.63387	1.39
63.5	5,218.00	4,350.00	0.83365	0.16635	0.88
64.5	868.00	868.00	1.00000	0.00000	0.15
65.5	0.00	0.00	0.00000	1.00000	0.00

Simulated Plant Record Analysis
Kentucky Power - Distr

EXHIBIT JEH-1

Account: KEPCo 101/6 367 - KY
Version: KEPCO DISTRIBUTION 2008
Method: Simulated Balances

No. of Test Points: 40 Interval: 0 Observation Band: 1969 - 2008

Dispersion	Avg Service <u>Life</u>	Sum of Squared <u>Differences</u>	Index of <u>Variation</u>	Conformance <u>Index</u>	Retirement Experience <u>Index</u>
S-.5	49.6	1.19E+10	7.1041	140.76	76.77
R1	43.0	1.21E+10	7.1537	139.79	94.11
R0.5	51.8	1.24E+10	7.2383	138.15	73.74
L0	54.8	1.26E+10	7.2917	137.14	71.23
L0.5	47.1	1.64E+10	8.3340	119.99	81.60
R1.5	37.7	1.77E+10	8.6522	115.58	99.80
S0	40.7	1.96E+10	9.1087	109.79	95.53
L1	41.3	2.81E+10	10.8986	91.75	90.54
S0.5	36.8	3.23E+10	11.6972	85.49	99.93
R2	34.1	3.89E+10	12.8274	77.96	100.00
L1.5	37.7	4.61E+10	13.9653	71.61	95.71
S1	33.9	5.73E+10	15.5764	64.20	100.00
R2.5	31.7	7.47E+10	17.7842	56.23	100.00
L2	34.4	8.02E+10	18.4262	54.27	98.86
S1.5	32.4	8.62E+10	19.0977	52.36	100.00
S2	30.7	1.29E+11	23.3729	42.78	100.00
R3	30.3	1.36E+11	23.9983	41.67	100.00
L3	31.1	1.60E+11	26.0489	38.39	100.00
S3	29.3	2.20E+11	30.5292	32.76	100.00
L4	29.0	2.67E+11	33.6344	29.73	100.00
R4	28.7	2.68E+11	33.6871	29.68	100.00
S4	28.3	3.45E+11	38.2156	26.17	100.00
L5	28.3	3.79E+11	40.0704	24.96	100.00
R5	28.0	4.17E+11	42.0333	23.79	100.00
S5	27.9	4.50E+11	43.6313	22.92	100.00
S6	27.4	5.16E+11	46.7445	21.39	100.00
SQ	29.9	9.82E+11	64.4743	15.51	100.00

21-Oct-09

KENTUCKY POWER COMPANY
Distribution Plant Net Salvage Test

Year	Original Cost Retired by Plant Account											Total	Net Salvage %	Functional Net Salvage
	361	362	364	365	366	367	368	369	370	371	373			
1994	19,675	267,934	144,412	1,379,552	199	18,365	1,164,053	562,102	576,545	354,006	37,451	4,524,294	4%	200,646
1995	2,757	287,579	1,671,011	2,549,129	5,942	19,071	1,313,309	497,449	631,063	350,093	30,017	7,957,320	1%	39,259
1996	5,030	454,597	1,128,837	1,662,236	1,248	37,421	1,578,917	475,561	517,207	246,115	18,665	6,125,834	2%	96,665
1997	6,522	734,060	1,542,829	1,666,505	4,035	46,345	2,186,374	522,610	836,156	529,850	26,937	8,102,223	6%	474,137
1998	57,059	430,669	1,082,705	867,054	1,777	16,729	1,560,837	431,172	723,727	553,968	20,374	5,746,071	8%	487,840
1999	462	133,384	779,722	767,232	2,608	11,656	1,278,242	344,602	979,544	465,115	15,450	4,778,017	4%	178,028
2000	0	430,936	1,459,576	1,553,565	6,479	36,661	1,443,110	569,287	1,709,961	637,697	26,217	7,873,489	16%	1,288,086
2001	0	543,501	1,402,184	1,323,285	9,421	11,194	1,029,459	390,080	639,511	563,686	22,268	5,934,589	-7%	-403,255
2002	0	163,287	1,100,199	2,020,300	16,953	71,261	1,055,795	508,684	970,185	370,170	27,698	6,304,532	30%	1,866,215
2003	0	448,926	770,546	1,665,159	2,929	23,089	1,073,924	630,850	624,632	155,468	39,163	5,434,676	-2%	-121,659
2004	370	325,880	3,264,700	1,048,651	2,052	37,052	1,076,284	511,999	832,607	115,921	33,892	7,249,358	-15%	-1,080,231
2005	25,016	1,290,872	728,627	1,665,652	143	36,728	1,190,630	760,371	1,515,899	818,523	78,077	8,110,338	-7%	-556,174
2006	0	854,863	839,957	2,373,219	7,368	144,643	1,756,227	1,144,609	9,319,669	1,063,929	145,114	17,649,598	6%	1,086,023
2007	0	811,720	1,283,667	2,993,281	3,259	36,512	2,367,716	887,176	9,974,912	930,355	102,177	19,390,775	-10%	-1,906,849
2008	206	197,774	1,315,032	3,155,687	694	53,234	2,310,335	720,680	1,023,534	1,050,049	97,394	9,994,619	-22%	-2,182,453
TOTAL	117,097	7,375,782	18,514,004	26,690,507	65,007	599,961	22,385,162	8,957,232	30,875,152	8,214,935	720,894	124,515,733	0%	-532,722

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EVALUATION BASED ON 1994-2008 ACTUAL

Total Retirals	117,097	7,375,782	18,514,004	26,690,507	65,007	599,961	22,385,162	8,957,232	30,875,152	8,214,935	720,894	124,515,733		
Net Salvage %	10	10	-53	25	0	0	25	-15	-8	-15	-2	-1		
Net Salvage \$	11,710	737,578	-9,812,422	6,672,627	0	0	5,596,291	-1,343,585	-2,470,012	-1,232,240	-14,418	-1,854,472		

EXHIBIT JEH-1

21-Oct-09

KENTUCKY POWER COMPANY
Distribution Plant Gross Removal Test

Year	Original Cost Retired by Plant Account										373	Total	Removal %	Functional Gross Removal
	361	362	364	365	366	367	368	369	370	371				
1994	19,675	267,934	144,412	1,379,552	199	18,365	1,164,053	562,102	576,545	354,006	37,451	4,524,294	43%	1,954,453
1995	2,757	287,579	1,671,011	2,549,129	5,842	19,071	1,313,309	487,449	631,063	350,093	30,017	7,357,320	29%	2,119,861
1996	5,030	484,597	1,128,837	1,662,236	1,248	37,421	1,578,917	475,561	517,207	246,115	18,665	6,125,834	20%	1,245,388
1997	6,522	734,060	1,542,829	1,666,505	4,035	46,845	2,186,374	522,610	836,156	529,850	26,937	8,102,223	18%	1,444,506
1998	57,059	430,669	1,082,705	867,054	1,777	16,729	1,560,837	431,172	723,727	553,968	20,374	5,746,071	14%	804,413
1999	462	133,384	779,722	767,232	2,608	11,656	1,278,242	344,602	979,544	465,115	15,450	4,778,017	5%	262,662
2000	0	430,936	1,459,576	1,553,565	6,479	36,661	1,443,110	569,287	1,709,961	637,697	26,217	7,873,489	3%	213,654
2001	0	543,501	1,402,184	1,323,285	9,421	11,194	1,029,459	390,080	639,511	563,686	22,268	5,934,569	44%	2,593,366
2002	0	163,287	1,100,199	2,020,300	16,953	71,261	1,055,795	508,684	970,185	370,170	27,698	6,304,532	47%	2,969,610
2003	0	448,926	770,546	1,665,159	2,929	23,089	1,073,924	630,950	624,632	155,458	39,163	5,434,676	31%	1,682,264
2004	370	325,980	3,264,700	1,048,651	2,052	37,052	1,076,234	511,999	832,607	115,921	33,892	7,249,358	29%	2,119,206
2005	25,016	1,290,672	728,627	1,665,652	143	36,728	1,190,690	760,371	1,515,999	818,523	78,077	8,110,338	8%	623,423
2006	0	854,863	839,957	2,373,219	7,368	144,643	1,144,609	9,319,669	9,974,912	1,063,929	145,114	17,649,598	14%	2,537,791
2007	0	811,720	1,283,667	2,993,281	3,259	36,512	2,367,716	887,176	9,974,912	930,355	102,177	19,390,775	20%	3,935,794
2008	206	197,774	1,315,032	3,155,687	694	53,294	2,310,335	720,680	1,023,534	1,060,049	97,394	9,934,619	39%	3,692,317
TOTAL	117,087	7,375,782	18,514,004	26,690,507	65,007	599,951	22,385,162	8,957,232	30,875,152	8,214,935	720,894	124,515,733	23%	28,395,728

EVALUATION BASED ON 1994-2008 ACTUAL

Total Retmits	361	362	364	365	366	367	368	369	370	371	373	Total
	117,087	7,375,782	18,514,004	26,690,507	65,007	599,961	22,385,162	8,957,232	30,875,152	8,214,935	720,894	124,515,733
Gross Removal, %	5	25	65	25	0	0	10	15	10	20	5	23
Gross Removal \$	5,855	1,843,946	12,034,103	6,672,627	0	0	2,238,516	1,343,585	3,087,515	1,642,987	36,045	28,905,178

EXHIBIT JEH-1

21-Oct-09

KENTUCKY POWER COMPANY
Distribution Plant Gross Salvage Test

Year	Original Cost Retired by Plant Account											Total	Salvage %	Functional Gross Salvage
	361	362	364	365	366	367	368	369	370	371	373			
1994	19,675	267,934	144,412	1,379,562	199	18,365	1,164,053	562,102	576,545	354,006	37,451	4,524,294	48%	2,155,099
1995	2,757	287,579	1,671,011	2,549,129	5,842	19,071	1,313,309	497,449	631,063	350,093	30,017	7,357,320	29%	2,159,120
1996	5,030	454,597	1,128,837	1,662,236	1,248	37,421	1,578,917	475,561	517,207	246,115	18,665	6,125,834	22%	1,342,053
1997	6,522	794,060	1,542,829	1,666,505	4,035	46,345	2,186,374	522,610	836,156	529,850	26,937	8,102,223	24%	1,918,643
1998	57,059	430,669	1,082,705	867,054	1,777	16,729	1,560,837	431,172	723,727	553,958	20,374	5,746,071	22%	1,292,253
1999	462	133,384	779,722	767,232	2,608	11,656	1,278,242	344,602	979,544	465,115	15,450	4,778,017	9%	440,710
2000	0	430,936	1,459,576	1,553,565	6,479	36,661	1,443,110	569,287	1,709,961	637,697	26,217	7,873,489	19%	1,501,740
2001	0	543,501	1,402,184	1,323,285	9,421	11,194	1,029,459	390,080	639,511	563,686	22,268	5,934,589	37%	2,190,111
2002	0	163,287	1,100,199	2,020,300	16,953	71,261	1,055,795	508,684	970,185	370,170	27,698	6,304,532	77%	4,835,825
2003	0	448,926	770,546	1,665,159	2,929	23,089	1,073,924	630,850	624,632	155,458	39,163	5,434,676	29%	1,560,605
2004	370	325,980	3,264,700	1,048,651	2,052	37,052	1,076,234	511,999	832,607	115,921	33,892	7,249,358	14%	1,038,975
2005	25,016	1,290,672	728,627	1,665,652	143	36,728	1,190,630	760,371	1,515,899	818,523	78,077	8,110,338	1%	67,249
2006	0	854,863	839,957	2,373,219	7,368	144,643	1,756,227	1,144,609	9,319,669	1,063,929	145,114	17,649,598	21%	3,623,814
2007	0	811,720	1,283,667	2,993,281	3,259	36,512	2,367,716	887,476	9,974,912	930,355	102,177	19,390,775	10%	2,029,945
2008	206	197,774	1,315,032	3,155,687	694	53,234	2,310,335	720,680	1,023,534	1,060,049	97,394	9,934,619	17%	1,709,864
TOTAL	117,097	7,375,782	18,514,004	26,690,507	65,007	599,961	22,385,162	8,857,232	30,875,152	8,214,935	720,894	124,515,733	22%	27,866,006

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EVALUATION BASED ON 1994-2008 RESERVE ACTIVITY

	361	362	364	365	366	367	368	369	370	371	373	Total
Total Retmts	117,097	7,375,782	18,514,004	26,690,507	65,007	599,961	22,385,162	8,957,232	30,875,152	8,214,935	720,894	124,515,733
Gross Salvage %	15	35	12	50	0	0	35	0	2	5	3	22
Gross Salvage \$	17,565	2,581,524	2,221,680	13,345,254	0	0	7,834,807	0	617,503	410,747	21,627	27,060,706

EXHIBIT JEH-1

Depreciation Reserve Summary

EXHIBIT JEH-1

Unit: KEPCo 101/6 361 - KY

Scenario: KEPCO DISTRIBUTION 2008 NEW

Dispersion: 75 - L2

Average Net Salvage Rate: 10.00%

Future Net Salvage Rate: 10.00%

Broad Group Procedure

January 1, 2009

	Plant Amt	Depreciation Reserve		Net Plant	
		Amount	Ratio	Amount	Ratio
Recorded	\$4,273,116.69	\$749,460.89	0.1754	\$3,096,344.13	0.7246
Computed	\$4,273,116.69	\$877,942.90	0.2055	\$2,967,862.12	0.6945
Difference		(\$128,482.01)	-0.0301	\$128,482.01	0.0301

Generation Arrangement Report

EXHIBIT JEH-1

Account: KEPCo 101/6 361 - KY

Dispersion: 75.00 - L2

Average Net Salvage Rate: 10.00%

Future Net Salvage Rate: 10.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2008	0.50	\$121,240.22	75.00	74.50	0.8940	1.0000	\$108,388.39	\$1,454.88
2005	3.50	\$8,634.85	75.00	71.51	0.8581	1.0000	\$7,409.48	\$103.62
2003	5.50	\$395,783.91	75.00	69.53	0.8344	1.0000	\$330,235.37	\$4,749.41
2002	6.50	\$38,513.72	75.00	68.55	0.8226	1.0000	\$31,681.44	\$462.16
2001	7.50	\$7,027.54	75.00	67.58	0.8109	1.0000	\$5,698.75	\$84.33
2000	8.50	\$100,752.20	75.00	66.61	0.7993	1.0000	\$80,532.22	\$1,209.03
1999	9.50	\$387,262.85	75.00	65.65	0.7878	1.0000	\$305,071.32	\$4,647.15
1998	10.50	\$30,887.03	75.00	64.69	0.7763	1.0000	\$23,978.77	\$370.64
1997	11.50	\$67,892.00	75.00	63.75	0.7650	1.0000	\$51,937.75	\$814.70
1996	12.50	\$35,578.00	75.00	62.81	0.7537	1.0000	\$26,816.66	\$426.94
1995	13.50	\$604,605.00	75.00	61.88	0.7426	1.0000	\$448,988.83	\$7,255.26
1994	14.50	\$104,061.00	75.00	60.97	0.7316	1.0000	\$76,129.94	\$1,248.73
1993	15.50	\$254,730.00	75.00	60.05	0.7206	1.0000	\$183,568.28	\$3,056.76
1992	16.50	\$112,019.00	75.00	59.15	0.7098	1.0000	\$79,514.72	\$1,344.23
1991	17.50	\$344,187.00	75.00	58.26	0.6991	1.0000	\$240,630.33	\$4,130.24
1990	18.50	\$32,711.00	75.00	57.37	0.6885	1.0000	\$22,521.37	\$392.53
1989	19.50	\$33,374.00	75.00	56.50	0.6780	1.0000	\$22,627.98	\$400.49
1988	20.50	\$35,799.00	75.00	55.64	0.6676	1.0000	\$23,900.34	\$429.59
1987	21.50	\$127,890.00	75.00	54.78	0.6573	1.0000	\$84,063.81	\$1,534.68
1986	22.50	\$148,205.00	75.00	53.93	0.6471	1.0000	\$95,910.27	\$1,778.46
1985	23.50	\$119,083.00	75.00	53.09	0.6371	1.0000	\$75,864.68	\$1,429.00
1984	24.50	\$10,503.00	75.00	52.26	0.6271	1.0000	\$6,586.10	\$126.04
1983	25.50	\$7,053.00	75.00	51.43	0.6172	1.0000	\$4,353.24	\$84.64
1982	26.50	\$62,465.00	75.00	50.62	0.6075	1.0000	\$37,945.95	\$749.58
1981	27.50	\$92,865.00	75.00	49.82	0.5978	1.0000	\$55,517.51	\$1,114.38
1980	28.50	\$373,477.00	75.00	49.03	0.5884	1.0000	\$219,753.51	\$4,481.72
1979	29.50	\$5,950.00	75.00	48.26	0.5791	1.0000	\$3,445.80	\$71.40
1978	30.50	\$44,891.00	75.00	47.50	0.5700	1.0000	\$25,587.22	\$538.69
1977	31.50	\$83,665.00	75.00	46.76	0.5611	1.0000	\$46,945.95	\$1,003.98
1976	32.50	\$24,921.00	75.00	46.04	0.5524	1.0000	\$13,767.45	\$299.05
1975	33.50	\$72,704.00	75.00	45.33	0.5439	1.0000	\$39,545.89	\$872.45
1974	34.50	\$62,865.00	75.00	44.64	0.5357	1.0000	\$33,678.19	\$754.38
1973	35.50	\$44,691.00	75.00	43.98	0.5277	1.0000	\$23,585.05	\$536.29

Generation Arrangement Report

EXHIBIT JEH-1

Account: KEPCo 101/6 361 - KY

Dispersion: 75.00 - L2

Average Net Salvage Rate: 10.00%

Future Net Salvage Rate: 10.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1972	36.50	\$49,794.00	75.00	43.33	0.5199	1.0000	\$25,888.78	\$597.53
1971	37.50	\$60,176.00	75.00	42.70	0.5124	1.0000	\$30,835.90	\$722.11
1970	38.50	\$13,257.00	75.00	42.10	0.5052	1.0000	\$6,696.84	\$159.08
1969	39.50	\$6,970.00	75.00	41.50	0.4981	1.0000	\$3,471.48	\$83.64
1968	40.50	\$20,793.00	75.00	40.94	0.4913	1.0000	\$10,215.05	\$249.52
1967	41.50	\$15,108.00	75.00	40.39	0.4847	1.0000	\$7,323.01	\$181.30
1966	42.50	\$31,096.00	75.00	39.86	0.4783	1.0000	\$14,873.67	\$373.15
1965	43.50	\$1,812.70	75.00	39.35	0.4722	1.0000	\$855.97	\$21.75
1964	44.50	\$495.00	75.00	38.86	0.4663	1.0000	\$230.82	\$5.94
1963	45.50	\$5,202.00	75.00	38.38	0.4606	1.0000	\$2,395.86	\$62.42
1962	46.50	\$190.00	75.00	37.92	0.4551	1.0000	\$86.47	\$2.28
1961	47.50	\$1,585.00	75.00	37.48	0.4498	1.0000	\$712.91	\$19.02
1960	48.50	\$291.00	75.00	37.05	0.4446	1.0000	\$129.39	\$3.49
1959	49.50	\$193.00	75.00	36.64	0.4397	1.0000	\$84.86	\$2.32
1957	51.50	\$6,356.00	75.00	35.86	0.4303	1.0000	\$2,735.10	\$76.27
1956	52.50	\$5,955.00	75.00	35.49	0.4259	1.0000	\$2,536.12	\$71.46
1955	53.50	\$701.00	75.00	35.13	0.4216	1.0000	\$295.53	\$8.41
1954	54.50	\$4,906.00	75.00	34.78	0.4174	1.0000	\$2,047.74	\$58.87
1953	55.50	\$9,315.00	75.00	34.45	0.4134	1.0000	\$3,850.54	\$111.78
1952	56.50	\$4,482.00	75.00	34.12	0.4095	1.0000	\$1,835.17	\$53.78
1951	57.50	\$2,866.00	75.00	33.80	0.4056	1.0000	\$1,162.58	\$34.39
1950	58.50	\$3,771.63	75.00	33.50	0.4020	1.0000	\$1,516.03	\$45.26
1949	59.50	\$3,862.00	75.00	33.20	0.3984	1.0000	\$1,538.45	\$46.34
1948	60.50	\$5,174.00	75.00	32.90	0.3949	1.0000	\$2,043.00	\$62.09
1947	61.50	\$2,508.00	75.00	32.62	0.3914	1.0000	\$981.71	\$30.10
1946	62.50	\$42.00	75.00	32.34	0.3881	1.0000	\$16.30	\$0.50
1945	63.50	\$946.00	75.00	32.07	0.3848	1.0000	\$364.04	\$11.35
1943	65.50	\$1,672.00	75.00	31.54	0.3784	1.0000	\$632.76	\$20.06
1942	66.50	\$977.00	75.00	31.28	0.3754	1.0000	\$366.72	\$11.72
1941	67.50	\$140.00	75.00	31.02	0.3723	1.0000	\$52.12	\$1.68
1940	68.50	\$3,539.00	75.00	30.77	0.3693	1.0000	\$1,306.81	\$42.47
1938	70.50	\$12,655.04	75.00	30.28	0.3633	1.0000	\$4,597.80	\$151.86
		\$4,273,116.69	75.00	57.88	0.6945	1.0000	\$2,967,862.12	\$51,277.40

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF 12-31-08

STUDY WORKPAPERS

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF 12-31-08

STEAM PRODUCTION PLANT WORKPAPERS

KENTUCKY POWER COMPANY
 Depreciation Study as of December 31, 2008
 Production Plant

This investment consists of two generating units located on the Big Sandy River near Louisa, Kentucky. Unit 1 is rated at 260 MW and was placed in service in 1963. Unit 2 is rated at 800MW and was placed in service in 1969. The estimated final retirement dates for the units were provided by the Asset and Outage Planning Section of AEP's Generating Division.

Life Analysis

Interim retirements for the Big Sandy Plant were determined by analyzing past history for each of the accounts in the production plant function. Interim retirement ratio's were developed based on the period 1975 through 2008. Interim retirements are not usually considered representative of the future until the generating units have experienced a few years of actual operation. Since Unit 2 was placed in-service in 1969, the period beginning in 1975 provided for five years of operational experience.

In addition to the interim retirements experienced to date, the Selective Catalytic Reduction (SCR) system that is installed at Big Sandy Plant will have the SCR Catalysts replaced at future intervals. The AEP Engineering group provided the following details for replacement of the SCR Catalysts:

Layer 1 will be replaced in year 2015
 Layer 2 will be replaced in year 2016
 Layer 3 will be replaced in year 2011

The original cost of the catalysts are as follows:

Layer 1	\$3,259,048
Layer 2	\$3,259,049
Layer 3	\$1,629,524

After determining the interim retirements and the retirement of the SCR catalysts, a remaining life was calculated for each of the primary production plant accounts. The surviving plant balances by primary plant account at 12/31/08 were also aged. The age of the surviving balances plus the remaining life were summed to determine the total life of the investments.

Salvage and Cost of Removal

Kentucky Power Company engaged the firm of Brandenburg Industrial Service Company to perform a conceptual demolition cost estimate for the Big Sandy Plant. The demolition cost is estimated to be \$32,000,000 in current (2008) dollars. It is appropriate to include the final retirement costs for the Big Sandy plant in depreciation rates in order to ensure that the generation of customers that are receiving service from the plant also share in the final removal costs of the plant.

There are also gross salvage and removal costs associated with the removal/replacement of equipment during the operating life of the plant. An analysis of interim retirements was made for the production plant function and the fifteen year period of 1994-2008 was used as the basis to determine a gross salvage percentage and a gross removal percentage. The estimates of salvage and removal for both the final plant retirement and the interim retirements were combined to calculate a net salvage for each plant account. That calculation is as follows:

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2008
Production Plant

Calculation of Removal and Salvage:

Interim Retirements:

Account	Interim Retirements (From Remaining Life Workpaper)	Gross Removal Percent	Gross Salvage Percent	Interim Retirement Net Salvage Percent
311	1,250,309	34%	6%	-28%
312	76,510,548	34%	6%	-28%
314	24,276,603	34%	6%	-28%
315	1,086,040	34%	6%	-28%
316	1,354,889	34%	6%	-28%
Total	104,478,389			

Account	Plant In-Service at 12/31/08	Net Salvage on Interim Retirement	Final Demolition Cost (a)	Total Net Salvage Costs	Net Salvage as Percent of Plant
311	40,583,921	-350,087	-3,342,154	-3,692,240	-9%
312	355,237,890	-21,422,953	-29,254,434	-50,677,387	-14%
314	104,506,857	-6,797,449	-8,606,314	-15,403,763	-15%
315	15,303,286	-304,091	-1,260,251	-1,564,342	-10%
316	6,518,954	-379,369	-536,847	-916,216	-14%
Total	522,150,908	-29,253,949	-43,000,000	-72,253,949	-14%

Notes: (a) Costs allocated to plant accounts based on Plant-In-Service Balances at 12/31/08

Calculation of Theoretical Reserve and Depreciation Rates

A theoretical reserve was determined based on the above calculations of average age, remaining life and net salvage. The theoretical reserve was used to allocate the actual book reserve to the individual plant accounts.

Based on plant balances at 12/31/08 and the allocated book reserve, remaining life depreciation rates were calculated for each primary plant account.

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF 12-31-08
STEAM PRODUCTION PLANT WORKPAPERS

INTERIM RETIRMENT RATIOS

KENTUCKY POWER COMPANY
 CALCULATION OF INTERIM RETIREMENT RATIOS
 STEAM PRODUCTION PLANT
 ACCOUNT 311.0 STRUCTURES & IMPROVEMENTS

<u>YEAR</u>	<u>ADDITIONS</u>	<u>RETIREMENTS</u>	<u>BALANCE</u>	<u>AVERAGE BALANCE</u>	<u>RETIREMENT RATIO</u>
1963	6,127,706	0	6,127,706	N. A.	N. A.
1964	13,194	0	6,140,900	6,134,303	0.0000
1965	18,607	255	6,159,252	6,150,076	0.0000
1966	4,255	7,338	6,156,169	6,157,711	0.0012
1967	575	69,333	6,087,411	6,121,790	0.0113
1968	21,282	0	6,108,693	6,098,052	0.0000
1969	15,770,374	0	21,879,067	13,993,880	0.0000
1970	803,526	7,182	22,675,411	22,277,239	0.0003
1971	163,043	37,002	22,801,452	22,738,432	0.0016
1972	56,860	0	22,858,312	22,829,882	0.0000
1973	2,605	0	22,860,917	22,859,615	0.0000
1974	66,090	1,665	22,925,342	22,893,130	0.0001
1975	29,219	0	22,954,561	22,939,952	0.0000
1976	65,662	0	23,020,223	22,987,392	0.0000
1977	87,499	0	23,107,722	23,063,973	0.0000
1978	297,729	24,379	23,381,072	23,244,397	0.0010
1979	214,311	5,000	23,590,383	23,485,728	0.0002
1980	27,547	6,618	23,611,312	23,600,848	0.0003
1981	212,801	358	23,823,755	23,717,534	0.0000
1982	716,535	44,396	24,495,894	24,159,825	0.0018
1983	389,851	307,808	24,577,937	24,536,916	0.0125
1984	81,115	469	24,658,583	24,618,260	0.0000
1985	64,741	1,605	24,721,719	24,690,151	0.0001
1986	0	0	24,721,719	24,721,719	0.0000
1987	34,955	966	24,755,708	24,738,714	0.0000
1988	171,684	718	24,926,674	24,841,191	0.0000
1989	28,362	2,856	24,952,180	24,939,427	0.0001
1990	484,041	3,690	25,432,531	25,192,356	0.0001
1991	18,357	35,387	25,415,501	25,424,016	0.0014
1992	22,217	13,640	25,424,078	25,419,790	0.0005
1993	168,711	56,800	25,535,989	25,480,034	0.0022
1994	1,254,912	4,050	26,786,851	26,161,420	0.0002
1995	45,725	9,070	26,823,506	26,805,179	0.0003
1996	113,294	94,931	26,841,869	26,832,688	0.0035
1997	0	101,804	26,740,065	26,790,967	0.0038
1998	2,448,051	54,548	29,133,568	27,936,817	0.0020
1999	220,173	4,000	29,349,741	29,241,655	0.0001
2000	46,629	17,282	29,379,088	29,364,415	0.0006
2001	20,444	8,355	29,391,177	29,385,133	0.0003
2002	431	1,168	29,390,440	29,390,809	0.0000
2003	6,265,695	5,061	35,651,074	32,520,757	0.0002
2004	630,676	74,097	36,207,653	35,929,364	0.0021
2005	2,005,164	60,910	38,151,907	37,179,780	0.0016
2006	484,134	118,897	38,517,144	38,334,526	0.0031
2007	1,141,080	258,942	39,399,282	38,958,213	0.0066
2008	1,533,583	348,944	40,583,921	39,991,602	0.0087
TOTAL 1975-2008	14,161,367	879,056	788,802,573	782,161,418	0.0537

Used 1975 through 2008 interim retirements. Based on retirements five years after in-service date of Unit 2.

AVERAGE INTERIM RATE $\frac{0.0537}{0.0016}$

KENTUCKY POWER COMPANY
 CALCULATION OF INTERIM RETIREMENT RATIOS
 STEAM PRODUCTION PLANT
 ACCOUNT 312.0 BOILER PLANT EQUIPMENT

<u>YEAR</u>	<u>ADDITIONS</u>	<u>RETIREMENTS</u>	<u>BALANCE</u>	<u>AVERAGE BALANCE</u>	<u>RETIREMENT RATIO</u>
1963	27,271,786	0	27,271,786	N. A.	N. A.
1964	119,842	8,093	27,383,535	27,327,661	0.0003
1965	33,135	7,505	27,409,165	27,396,350	0.0003
1966	176,256	19,803	27,565,618	27,487,392	0.0007
1967	7,026	3,196	27,569,448	27,567,533	0.0001
1968	39,011	127,966	27,480,493	27,524,971	0.0046
1969	57,241,411	5,000	84,716,904	56,098,699	0.0001
1970	2,611,299	569,493	86,758,710	85,737,807	0.0066
1971	1,703,522	87,366	88,374,866	87,566,788	0.0010
1972	773,998	23,261	89,125,603	88,750,235	0.0003
1973	124,697	24,700	89,225,600	89,175,602	0.0003
1974	795,833	128,171	89,893,262	89,559,431	0.0014
1975	1,177,739	43,910	91,027,091	90,460,177	0.0005
1976	4,699,081	1,136,240	94,589,932	92,808,512	0.0122
1977	1,500,565	738,415	95,352,082	94,971,007	0.0078
1978	3,596,304	210,933	98,737,453	97,044,768	0.0022
1979	3,702,290	690,851	101,748,892	100,243,173	0.0069
1980	1,574,173	1,302,708	102,020,357	101,884,625	0.0128
1981	2,710,157	1,947,465	102,783,049	102,401,703	0.0190
1982	4,780,741	1,372,184	106,191,606	104,487,328	0.0131
1983	2,053,897	244,647	108,000,856	107,096,231	0.0023
1984	1,928,226	583,176	109,345,906	108,673,381	0.0054
1985	1,775,366	79,270	111,042,002	110,193,954	0.0007
1986	1,302,549	1,199,650	111,144,901	111,093,452	0.0108
1987	2,870,827	941,836	113,073,892	112,109,397	0.0084
1988	2,769,412	757,438	115,085,866	114,079,879	0.0066
1989	1,780,224	543,698	116,322,392	115,704,129	0.0047
1990	2,114,057	841,371	117,595,078	116,958,735	0.0072
1991	1,503,783	964,562	118,134,299	117,864,689	0.0082
1992	3,022,972	929,688	120,227,583	119,180,941	0.0078
1993	6,037,402	2,619,487	123,645,498	121,936,541	0.0215
1994	11,992,454	1,471,709	134,166,243	128,905,871	0.0114
1995	10,399,357	5,694,627	138,870,973	136,518,608	0.0417
1996	12,608,246	12,608,246	138,870,973	138,870,973	0.0908
1997	0	3,024,973	135,846,000	137,358,487	0.0220
1998	10,554,688	901,600	145,499,088	140,672,544	0.0064
1999	1,940,785	263,258	147,176,615	146,337,852	0.0018
2000	2,930,632	704,876	149,402,371	148,289,493	0.0048
2001	925,934	356,729	149,971,576	149,686,974	0.0024
2002	3,329,584	560,581	152,740,579	151,356,078	0.0037
2003	183,221,112	15,170,924	320,790,767	236,765,673	0.0641
2004	6,041,203	2,293,276	324,538,694	322,664,731	0.0071
2005	6,490,044	946,348	330,082,390	327,310,542	0.0029
2006	7,880,638	2,730,271	335,232,757	332,657,574	0.0082
2007	4,975,558	2,668,838	337,539,477	336,386,117	0.0079
2008	23,004,352	5,305,939	355,237,890	346,388,684	0.0153
TOTAL 1975-2008	294,843,760	60,198,328	3,993,942,614	3,876,619,898	0.4486

Used 1975 through 2008 interim retirements. Based on retirements five years after in-service date of Unit 2.

AVERAGE INTERIM RATE 0.4486

 0.0132

KENTUCKY POWER COMPANY
 CALCULATION OF INTERIM RETIREMENT RATIOS
 STEAM PRODUCTION PLANT
 ACCOUNT 314.0 TURBO-GENERATOR UNITS

<u>YEAR</u>	<u>ADDITIONS</u>	<u>RETIREMENTS</u>	<u>BALANCE</u>	<u>AVERAGE BALANCE</u>	<u>RETIREMENT RATIO</u>
1963	11,920,700	0	11,920,700	N. A.	N. A.
1964	19,361	0	11,940,061	11,930,381	0.0000
1965	12,601	755	11,951,907	11,945,984	0.0001
1966	7,592	872	11,958,627	11,955,267	0.0001
1967	7,158	0	11,965,785	11,962,206	0.0000
1968	52,378	0	12,018,163	11,991,974	0.0000
1969	26,377,737	0	38,395,900	25,207,032	0.0000
1970	1,024,372	180,383	39,239,889	38,817,895	0.0046
1971	713,082	0	39,952,971	39,596,430	0.0000
1972	272,380	0	40,225,351	40,089,161	0.0000
1973	63,768	0	40,289,119	40,257,235	0.0000
1974	63,140	0	40,352,259	40,320,689	0.0000
1975	336,271	80,578	40,607,952	40,480,106	0.0020
1976	74,777	2,746	40,679,983	40,643,968	0.0001
1977	33,676	1,548	40,712,111	40,696,047	0.0000
1978	45,149	6,818	40,750,442	40,731,277	0.0002
1979	1,007,454	398,443	41,359,453	41,054,948	0.0097
1980	66,913	214,355	41,212,011	41,285,732	0.0052
1981	1,916,304	618,632	42,509,683	41,860,847	0.0148
1982	1,006,642	82,616	43,433,709	42,971,696	0.0019
1983	1,067,481	549,626	43,951,564	43,692,637	0.0126
1984	237,266	2,944	44,185,886	44,068,725	0.0001
1985	528,415	7,819	44,706,482	44,446,184	0.0002
1986	634,657	709,776	44,631,363	44,668,923	0.0159
1987	229,683	307,098	44,553,948	44,592,656	0.0069
1988	5,606,623	58,088	50,102,483	47,328,216	0.0012
1989	3,103,073	2,768,504	50,437,052	50,269,768	0.0551
1990	2,320,315	1,094,464	51,662,903	51,049,978	0.0214
1991	2,065,521	138,353	53,590,071	52,626,487	0.0026
1992	836,989	1,593,641	52,833,419	53,211,745	0.0299
1993	2,739,309	550,206	55,022,522	53,927,971	0.0102
1994	2,265,960	2,354,678	54,933,804	54,978,163	0.0428
1995	1,186,873	444,477	55,676,200	55,305,002	0.0080
1996	126,815	477,746	55,325,269	55,500,735	0.0086
1997	13,047,841	4,684,964	63,688,146	59,506,708	0.0787
1998	0	695,946	62,992,200	63,340,173	0.0110
1999	0	205,238	62,786,962	62,889,581	0.0033
2000	227,801	52,538	62,962,225	62,874,594	0.0008
2001	47,682	141,367	62,868,540	62,915,383	0.0022
2002	1,505,312	257,582	64,116,270	63,492,405	0.0041
2003	9,648,825	1,427,668	72,337,427	68,226,849	0.0209
2004	1,394,539	692,983	73,038,983	72,688,205	0.0095
2005	1,257,589	333,750	73,962,822	73,500,903	0.0045
2006	1,053,124	493,138	74,522,808	74,242,815	0.0066
2007	1,393,818	884,733	75,031,893	74,777,351	0.0118
2008	29,686,507	211,543	104,506,857	89,769,375	0.0024
TOTAL 1975-2008	53,308,166	20,621,442	1,557,669,063	1,541,325,701	0.4054

Used 1975 through 2008 interim retirements. Based on retirements five years after in-service date of Unit 2.

AVERAGE INTERIM RATE $\frac{0.4054}{0.0119}$

KENTUCKY POWER COMPANY
 CALCULATION OF INTERIM RETIREMENT RATIOS
 STEAM PRODUCTION PLANT
 ACCOUNT 315.0 ACCESSORY ELECTRICAL EQUIPMENT

<u>YEAR</u>	<u>ADDITIONS</u>	<u>RETIREMENTS</u>	<u>BALANCE</u>	<u>AVERAGE BALANCE</u>	<u>RETIREMENT RATIO</u>
1963	2,298,368	0	2,298,368	N. A.	N. A.
1964	9,817	2,835	2,305,350	2,301,859	0.0012
1965	2,265	0	2,307,615	2,306,483	0.0000
1966	20,284	0	2,327,899	2,317,757	0.0000
1967	4,595	0	2,332,494	2,330,197	0.0000
1968	947	0	2,333,441	2,332,968	0.0000
1969	6,451,294	0	8,784,735	5,559,088	0.0000
1970	555,696	0	9,340,431	9,062,583	0.0000
1971	356,319	0	9,696,750	9,518,591	0.0000
1972	13,318	2,910	9,707,158	9,701,954	0.0003
1973	114,131	12,654	9,808,635	9,757,897	0.0013
1974	1,489	4,680	9,805,444	9,807,040	0.0005
1975	0	0	9,805,444	9,805,444	0.0000
1976	425,620	0	10,231,064	10,018,254	0.0000
1977	113,934	0	10,344,998	10,288,031	0.0000
1978	226,909	0	10,571,907	10,458,453	0.0000
1979	40,978	0	10,612,885	10,592,396	0.0000
1980	81,148	0	10,694,033	10,653,459	0.0000
1981	607,835	49,582	11,252,286	10,973,160	0.0045
1982	369,121	120,858	11,500,549	11,376,418	0.0106
1983	92,707	10,516	11,582,740	11,541,645	0.0009
1984	88,302	5,454	11,665,588	11,624,164	0.0005
1985	108,963	11,203	11,763,348	11,714,468	0.0010
1986	38,938	19,802	11,782,484	11,772,916	0.0017
1987	119,792	27,283	11,874,993	11,828,739	0.0023
1988	187,376	71,442	11,990,927	11,932,960	0.0060
1989	100,224	0	12,091,151	12,041,039	0.0000
1990	286,615	24,236	12,353,530	12,222,341	0.0020
1991	106,173	12,852	12,446,851	12,400,191	0.0010
1992	38,842	10,027	12,475,666	12,461,259	0.0008
1993	115,632	9,068	12,582,230	12,528,948	0.0007
1994	79,021	1,052	12,660,199	12,621,215	0.0001
1995	35,386	91,239	12,604,346	12,632,273	0.0072
1996	12,996	0	12,617,342	12,610,844	0.0000
1997	1,139,691	324,810	13,432,223	13,024,783	0.0249
1998	363,986	24,960	13,771,249	13,601,736	0.0018
1999	8,929	1,372	13,778,806	13,775,028	0.0001
2000	368,049	80,920	14,065,935	13,922,371	0.0058
2001	46,339	32,876	14,079,398	14,072,667	0.0023
2002	7,426	2,009	14,084,815	14,082,107	0.0001
2003	244,780	587,860	13,741,735	13,913,275	0.0423
2004	4,907	4,041	13,742,601	13,742,168	0.0003
2005	1,210,759	12,798	14,940,562	14,341,582	0.0009
2006	206,091	57,499	15,089,154	15,014,858	0.0038
2007	173,582	46,468	15,216,268	15,152,711	0.0031
2008	103,305	16,287	15,303,286	15,259,777	0.0011
TOTAL 1975-2008	5,460,619	1,523,462	366,201,323	364,232,745	0.1259

Used 1975 through 2008 interim retirements. Based on retirements five years after in-service date of Unit 2.

AVERAGE INTERIM RATE 0.1259
----- 0.0037
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KENTUCKY POWER COMPANY
 CALCULATION OF INTERIM RETIREMENT RATIOS
 STEAM PRODUCTION PLANT
 ACCOUNT 316.0 MISCELLANEOUS POWER PLANT EQUIPMENT

<u>YEAR</u>	<u>ADDITIONS</u>	<u>RETIREMENTS</u>	<u>BALANCE</u>	<u>AVERAGE BALANCE</u>	<u>RETIREMENT RATIO</u>
1963	726,100	0	726,100	N. A.	N. A.
1964	5,839	1,922	730,017	728,059	0.0026
1965	5,676	0	735,693	732,855	0.0000
1966	15,702	292	751,103	743,398	0.0004
1967	2,344	394	753,053	752,078	0.0005
1968	8,129	150	761,032	757,043	0.0002
1969	1,686,335	1,226	2,446,141	1,603,587	0.0008
1970	204,242	8,507	2,641,876	2,544,009	0.0033
1971	88,954	1,728	2,729,102	2,685,489	0.0006
1972	58,425	83	2,787,444	2,758,273	0.0000
1973	93,582	1,700	2,879,326	2,833,385	0.0006
1974	555	37,702	2,842,179	2,860,753	0.0132
1975	132,129	1,473	2,972,835	2,907,507	0.0005
1976	20,739	6,251	2,987,323	2,980,079	0.0021
1977	66,965	13,849	3,040,439	3,013,881	0.0046
1978	37,660	27,895	3,050,204	3,045,322	0.0092
1979	25,265	5,173	3,070,296	3,060,250	0.0017
1980	17,868	15,971	3,072,193	3,071,245	0.0052
1981	117,316	3,482	3,186,027	3,129,110	0.0011
1982	122,076	54,567	3,253,536	3,219,782	0.0169
1983	6,160	14,806	3,244,890	3,249,213	0.0046
1984	78,342	5,857	3,317,375	3,281,133	0.0018
1985	101,194	2,086	3,416,483	3,366,929	0.0006
1986	108,695	11,296	3,513,882	3,465,183	0.0033
1987	32,012	12,552	3,533,342	3,523,612	0.0036
1988	29,324	12,736	3,549,930	3,541,636	0.0036
1989	169,870	5,926	3,713,874	3,631,902	0.0016
1990	34,137	10,400	3,737,611	3,725,743	0.0028
1991	41,416	3,814	3,775,213	3,756,412	0.0010
1992	127,431	70,529	3,832,115	3,803,664	0.0185
1993	21,290	623	3,852,782	3,842,449	0.0002
1994	803,660	136,159	4,520,283	4,186,533	0.0325
1995	91,614	104,801	4,507,096	4,513,690	0.0232
1996	39,964	9,510	4,537,550	4,522,323	0.0021
1997	865,744	31,903	5,371,391	4,954,471	0.0064
1998	6,545	51,000	5,326,936	5,349,164	0.0095
1999	31,382	805	5,357,513	5,342,225	0.0002
2000	64,253	0	5,421,766	5,389,640	0.0000
2001	59,062	4,330	5,476,498	5,449,132	0.0008
2002	67,283	38,540	5,505,241	5,490,870	0.0070
2003	442,131	62,105	5,885,267	5,695,254	0.0109
2004	698,136	64,449	6,518,954	6,202,111	0.0104
2005	191,000	31,593	6,678,361	6,598,658	0.0048
2006	176,384	20,681	6,834,064	6,756,213	0.0031
2007	302,266	15,563	7,120,767	6,977,416	0.0022
2008	78,252	25,877	7,173,142	7,146,955	0.0036
TOTAL 1975-2008	4,459,663	782,888	122,548,845	120,710,458	0.1996

Used 1975 through 2008 interim retirements. Based on retirements five years after in-service date of Unit 2.

AVERAGE INTERIM RATE 0.1996

 0.0059
 34

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF 12-31-08
STEAM PRODUCTION PLANT WORKPAPERS

AVERAGE AGE CALCULATIONS

KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2008
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT
 BIG SANDY GENERATING PLANT

311

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1963	5,733,371	45.5	260,868,402	
1964	13,194	44.5	587,133	
1965	18,352	43.5	798,312	
1966	3,636	42.5	154,530	
1967	217	41.5	9,006	
1968	21,282	40.5	861,921	
1969	15,030,655	39.5	593,710,888	
1970	798,917	38.5	30,758,305	
1971	162,704	37.5	6,101,400	
1972	56,780	36.5	2,072,470	
1973	2,605	35.5	92,478	
1974	5,005	34.5	172,673	
1975	28,389	33.5	951,032	
1976	65,662	32.5	2,134,015	
1977	76,759	31.5	2,417,909	
1978	290,514	30.5	8,860,677	
1979	163,014	29.5	4,808,925	
1980	23,035	28.5	656,501	
1981	212,801	27.5	5,852,028	
1982	659,475	26.5	17,476,075	
1983	334,415	25.5	8,527,595	
1984	2,624	24.5	64,287	
1985	-2,666	23.5	-62,648	
1986	0	22.5	0	
1987	34,955	21.5	751,533	
1988	171,684	20.5	3,519,522	
1989	15,604	19.5	304,278	
1990	452,845	18.5	8,377,626	
1991	11,250	17.5	196,875	
1992	20,716	16.5	341,814	
1993	157,920	15.5	2,447,760	
1994	1,185,417	14.5	17,188,551	
1995	21,942	13.5	296,214	
1996	465,478	12.5	5,818,479	
1997	719,120	11.5	8,269,880	
1998	1,341,044	10.5	14,080,965	
1999	56,378	9.5	535,594	
2000	202,044	8.5	1,717,378	
2001	431	7.5	3,229	
2002	6,208,831	6.5	40,357,401	
2003	315,933	5.5	1,737,633	
2004	555,899	4.5	2,501,544	
2005	1,838,533	3.5	6,434,866	
2006	864,204	2.5	2,160,510	
2007	941,391	1.5	1,412,086	
2008	<u>1,301,560</u>	0.5	<u>650,780</u>	
TOTALS	<u>40,583,920</u>		<u>1,066,978,425</u>	<u>26.29</u>

KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2008
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT
 BIG SANDY GENERATING PLANT 312

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1963	5,221,363	45.5	237,572,034	
1964	104,317	44.5	4,642,107	
1965	28,441	43.5	1,237,184	
1966	31,857	42.5	1,353,923	
1967	1,203	41.5	49,925	
1968	35,690	40.5	1,445,452	
1969	35,005,251	39.5	1,382,707,404	
1970	2,331,209	38.5	89,751,554	
1971	1,583,333	37.5	59,374,988	
1972	650,002	36.5	23,725,065	
1973	54,734	35.5	1,943,057	
1974	634,949	34.5	21,905,735	
1975	927,822	33.5	31,082,037	
1976	656,789	32.5	21,345,633	
1977	569,745	31.5	17,946,956	
1978	3,517,702	30.5	107,289,911	
1979	2,834,222	29.5	83,609,546	
1980	1,520,576	28.5	43,336,409	
1981	2,042,101	27.5	56,157,778	
1982	3,684,145	26.5	97,629,838	
1983	1,682,108	25.5	42,893,758	
1984	1,270,809	24.5	31,134,815	
1985	1,591,926	23.5	37,410,250	
1986	1,277,585	22.5	28,745,664	
1987	2,803,811	21.5	60,281,934	
1988	2,626,915	20.5	53,851,762	
1989	1,288,604	19.5	25,127,785	
1990	1,606,399	18.5	29,718,378	
1991	1,132,899	17.5	19,825,725	
1992	2,519,831	16.5	41,577,219	
1993	2,527,668	15.5	39,178,861	
1994	11,283,386	14.5	163,609,095	
1995	10,084,567	13.5	136,141,654	
1996	7,699,950	12.5	96,249,369	
1997	6,801,256	11.5	78,214,444	
1998	6,103,229	10.5	64,083,902	
1999	180,737	9.5	1,717,006	
2000	814,117	8.5	6,919,997	
2001	359,889	7.5	2,699,167	
2002	33,455,436	6.5	217,460,335	
2003	152,049,189	5.5	836,270,539	
2004	5,715,692	4.5	25,720,613	
2005	4,740,964	3.5	16,593,373	
2006	7,054,669	2.5	17,636,672	
2007	4,413,992	1.5	6,620,989	
2008	<u>22,716,813</u>	0.5	<u>11,358,406</u>	
TOTALS	<u>355,237,890</u>		<u>4,375,148,243</u>	<u>12.32</u>

KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2008
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT
 BIG SANDY GENERATING PLANT 314

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1963	5,378,356	45.5	244,715,205	
1964	0	44.5	0	
1965	14	43.5	619	
1966	59,271	42.5	2,518,999	
1967	-2,274	41.5	-94,366	
1968	-30	40.5	-1,199	
1969	20,503,966	39.5	809,906,637	
1970	905,886	38.5	34,876,600	
1971	702,552	37.5	26,345,700	
1972	263,990	36.5	9,635,635	
1973	59,137	35.5	2,099,364	
1974	14,534	34.5	501,419	
1975	240,134	33.5	8,044,489	
1976	9,309	32.5	302,543	
1977	19,103	31.5	601,745	
1978	11,239	30.5	342,787	
1979	529,416	29.5	15,617,786	
1980	-9,347	28.5	-266,396	
1981	1,893,106	27.5	52,060,415	
1982	412,999	26.5	10,944,474	
1983	1,014,327	25.5	25,865,339	
1984	96,771	24.5	2,370,878	
1985	353	23.5	8,304	
1986	182,239	22.5	4,100,366	
1987	226,283	21.5	4,865,090	
1988	3,248,362	20.5	66,591,426	
1989	1,951,999	19.5	38,063,981	
1990	949,491	18.5	17,565,589	
1991	1,613,279	17.5	28,232,379	
1992	0	16.5	0	
1993	2,630,759	15.5	40,776,761	
1994	2,166,603	14.5	31,415,744	
1995	1,138,602	13.5	15,371,132	
1996	1,599,423	12.5	19,992,791	
1997	127	11.5	1,461	
1998	11,093,444	10.5	116,481,159	
1999	7,235	9.5	68,737	
2000	79,722	8.5	677,637	
2001	17,232	7.5	129,237	
2002	9,082,076	6.5	59,033,493	
2003	1,861,942	5.5	10,240,681	
2004	1,510,645	4.5	6,797,904	
2005	614,020	3.5	2,149,069	
2006	1,779,841	2.5	4,449,602	
2007	993,516	1.5	1,490,273	
2008	<u>29,657,206</u>	0.5	<u>14,828,603</u>	
TOTALS	<u>104,506,857</u>		<u>1,729,720,089</u>	<u>16.55</u>

KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2008
 CALCULATION OF AVERAGE AGE OF SURVIVING PLANT
 BIG SANDY GENERATING PLANT

315

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1963	1,461,926	45.5	66,517,635	
1964	0	44.5	0	
1965	1,390	43.5	60,467	
1966	0	42.5	0	
1967	0	41.5	0	
1968	0	40.5	0	
1969	6,089,160	39.5	240,521,819	
1970	555,061	38.5	21,369,840	
1971	355,383	37.5	13,326,863	
1972	13,318	36.5	486,107	
1973	114,131	35.5	4,051,651	
1974	1,489	34.5	51,371	
1975	0	33.5	0	
1976	289,966	32.5	9,423,895	
1977	113,934	31.5	3,588,921	
1978	216,942	30.5	6,616,731	
1979	40,978	29.5	1,208,851	
1980	79,680	28.5	2,270,877	
1981	429,265	27.5	11,804,776	
1982	353,773	26.5	9,374,985	
1983	89,002	25.5	2,269,551	
1984	88,303	24.5	2,163,424	
1985	87,208	23.5	2,049,380	
1986	486	22.5	10,935	
1987	119,792	21.5	2,575,528	
1988	187,376	20.5	3,841,208	
1989	100,224	19.5	1,954,368	
1990	259,710	18.5	4,804,635	
1991	106,173	17.5	1,858,028	
1992	38,842	16.5	640,893	
1993	115,632	15.5	1,792,296	
1994	29,209	14.5	423,535	
1995	18,207	13.5	245,799	
1996	360,098	12.5	4,501,225	
1997	945,619	11.5	10,874,619	
1998	405,268	10.5	4,255,314	
1999	2,861	9.5	27,180	
2000	228,090	8.5	1,938,763	
2001	77,560	7.5	581,698	
2002	548,314	6.5	3,564,041	
2003	893,356	5.5	4,913,459	
2004	19,722	4.5	88,750	
2005	6,829	3.5	23,902	
2006	182,121	2.5	455,302	
2007	173,582	1.5	260,374	
2008	<u>103,306</u>	0.5	<u>51,653</u>	
TOTALS	<u>15,303,286</u>		<u>446,840,645</u>	<u>29.20</u>

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF DECEMBER 31, 2008
CALCULATION OF AVERAGE AGE OF SURVIVING PLANT
BIG SANDY GENERATING PLANT

316

<u>VINTAGE YEAR</u>	<u>SURVIVING BALANCE</u>	<u>AGE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE AGE (YEARS)</u>
1963	787,153	45.5	35,815,443	
1964	4,644	44.5	206,658	
1965	5,340	43.5	232,290	
1966	8,383	42.5	356,278	
1967	2,344	41.5	97,276	
1968	3,755	40.5	152,078	
1969	1,535,776	39.5	60,663,158	
1970	197,493	38.5	7,603,481	
1971	84,826	37.5	3,180,975	
1972	48,144	36.5	1,757,256	
1973	23,088	35.5	819,624	
1974	94	34.5	3,243	
1975	124,869	33.5	4,183,112	
1976	18,611	32.5	604,858	
1977	8,980	31.5	282,868	
1978	34,424	30.5	1,049,932	
1979	25,081	29.5	739,890	
1980	11,193	28.5	318,991	
1981	97,226	27.5	2,673,715	
1982	72,372	26.5	1,917,863	
1983	0	25.5	0	
1984	65,241	24.5	1,598,405	
1985	87,922	23.5	2,066,167	
1986	96,287	22.5	2,166,458	
1987	32,012	21.5	688,258	
1988	29,324	20.5	601,142	
1989	82,538	19.5	1,609,491	
1990	17,035	18.5	315,142	
1991	29,306	17.5	512,855	
1992	93,344	16.5	1,540,169	
1993	11,344	15.5	175,839	
1994	1,249,784	14.5	18,121,868	
1995	125,591	13.5	1,695,479	
1996	184,929	12.5	2,311,613	
1997	217,359	11.5	2,499,627	
1998	58,674	10.5	616,077	
1999	42,911	9.5	407,653	
2000	7,491	8.5	63,670	
2001	50,660	7.5	379,952	
2002	73,297	6.5	476,432	
2003	611,808	5.5	3,364,943	
2004	195,654	4.5	880,445	
2005	197,186	3.5	690,150	
2006	214,203	2.5	535,508	
2007	264,613	1.5	396,919	
2008	<u>40,836</u>	0.5	<u>20,418</u>	
TOTALS	<u>7,173,143</u>		<u>166,393,664</u>	<u>23.20</u>

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF 12-31-08
STEAM PRODUCTION PLANT WORKPAPERS

AVERAGE REMAINING LIFE CALCULATIONS

KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2008
 CALCULATION OF AVERAGE REMAINING LIFE
 BIG SANDY PLANT ACCOUNT 311
 RETIREMENT YEARS - UNIT 1 2023; UNIT 2 2029

ANNUAL INTERIM RETIREMENT RATE 0.0016

<u>YEAR</u>	<u>AMOUNT RETIRED</u>	<u>REM. LIFE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE REM. LIFE</u>
2009	64,934	0.5	32,467	
2010	64,934	1.5	97,401	
2011	64,934	2.5	162,336	
2012	64,934	3.5	227,270	
2013	64,934	4.5	292,204	
2014	64,934	5.5	357,139	
2015	64,934	6.5	422,073	
2016	64,934	7.5	487,007	
2017	64,934	8.5	551,941	
2018	64,934	9.5	616,876	
2019	64,934	10.5	681,810	
2020	64,934	11.5	746,744	
2021	64,934	12.5	811,678	
2022	64,934	13.5	876,613	
2023	6,111,995	14.5	88,623,931	
2024	55,259	15.5	856,514	
2025	55,259	16.5	911,773	
2026	55,259	17.5	967,032	
2027	55,259	18.5	1,022,291	
2028	55,259	19.5	1,077,550	
2029	33,286,551	20.5	682,374,296	
TOTALS	40,583,921		782,196,947	19.27

INTERIM RETIREMENTS:

Total Plant at 12/31/08	40,583,921
Less Retirement of Unit 1 in 2023	-6,047,061
Less Final Retirement in year 2029	<u>-33,286,551</u>
Total Interim Retirements	<u>1,250,309</u>

KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2008
 CALCULATION OF AVERAGE REMAINING LIFE
 BIG SANDY PLANT ACCOUNT 312
 RETIREMENT YEARS - UNIT 1 2023; UNIT 2 2029

ANNUAL INTERIM RETIREMENT RATE 0.0132

<u>YEAR</u>	<u>AMOUNT RETIRED</u>	<u>REM. LIFE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE REM. LIFE</u>
2009	4,689,140	0.5	2,344,570	
2010	4,689,140	1.5	7,033,710	
2011	6,318,664	2.5	15,796,660	
2012	4,667,630	3.5	16,336,707	
2013	4,667,630	4.5	21,004,337	
2014	4,667,630	5.5	25,671,967	
2015	7,926,679	6.5	51,523,416	
2016	7,883,660	7.5	59,127,450	
2017	4,581,592	8.5	38,943,528	
2018	4,581,592	9.5	43,525,120	
2019	4,581,592	10.5	48,106,711	
2020	4,581,592	11.5	52,688,303	
2021	4,581,592	12.5	57,269,894	
2022	4,581,592	13.5	61,851,486	
2023	4,581,592	14.5	66,433,077	
2024	4,581,592	15.5	71,014,669	
2025	4,581,592	16.5	75,596,261	
2026	4,581,592	17.5	80,177,852	
2027	4,581,592	18.5	84,759,444	
2028	4,581,592	19.5	89,341,035	
2029	254,748,616	20.5	5,222,346,633	
TOTALS	355,237,890		6,190,892,831	17.43

INTERIM RETIREMENTS:

Total Plant at 12/31/08	355,237,890
Less Retirement of Unit 1 in 2023	-22,537,880
Less Final Retirement in year 2029	<u>-254,748,616</u>
Total Interim Retirements	<u>77,951,394</u>

Retirement of SCR Catalysts

Layer 1 2015	3,259,048
Layer 2 2016	3,259,049
Layer 3 2011	<u>1,629,524</u>
	<u>8,147,621</u>

KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2008
 CALCULATION OF AVERAGE REMAINING LIFE
 BIG SANDY PLANT ACCOUNT 314
 RETIREMENT YEARS - UNIT 1 2023; UNIT 2 2029

ANNUAL INTERIM RETIREMENT RATE 0.0119

<u>YEAR</u>	<u>AMOUNT RETIRED</u>	<u>REM. LIFE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE REM. LIFE</u>
2009	1,243,632	0.5	621,816	
2010	1,243,632	1.5	1,865,447	
2011	1,243,632	2.5	3,109,079	
2012	1,243,632	3.5	4,352,711	
2013	1,243,632	4.5	5,596,342	
2014	1,243,632	5.5	6,839,974	
2015	1,243,632	6.5	8,083,605	
2016	1,243,632	7.5	9,327,237	
2017	1,243,632	8.5	10,570,869	
2018	1,243,632	9.5	11,814,500	
2019	1,243,632	10.5	13,058,132	
2020	1,243,632	11.5	14,301,763	
2021	1,243,632	12.5	15,545,395	
2022	1,243,632	13.5	16,789,027	
2023	11,260,925	14.5	163,283,407	
2024	1,124,426	15.5	17,428,600	
2025	1,124,426	16.5	18,553,026	
2026	1,124,426	17.5	19,677,452	
2027	1,124,426	18.5	20,801,878	
2028	1,124,426	19.5	21,926,303	
2029	70,212,961	20.5	1,439,365,700	

TOTALS	104,506,857		1,822,912,262	17.44
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INTERIM RETIREMENTS:

Total Plant at 12/31/08	104,506,857
Less Retirement of Unit 1 in 2023	-10,017,293
Less Final Retirement in year 2029	<u>-70,212,961</u>
Total Interim Retirements	<u>24,276,603</u>

KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2008
 CALCULATION OF AVERAGE REMAINING LIFE
 BIG SANDY PLANT ACCOUNT 315
 RETIREMENT YEARS - UNIT 1 2023; UNIT 2 2029

ANNUAL INTERIM RETIREMENT RATE 0.0037

<u>YEAR</u>	<u>AMOUNT RETIRED</u>	<u>REM. LIFE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE REM. LIFE</u>
2009	56,622	0.5	28,311	
2010	56,622	1.5	84,933	
2011	56,622	2.5	141,555	
2012	56,622	3.5	198,178	
2013	56,622	4.5	254,800	
2014	56,622	5.5	311,422	
2015	56,622	6.5	368,044	
2016	56,622	7.5	424,666	
2017	56,622	8.5	481,288	
2018	56,622	9.5	537,911	
2019	56,622	10.5	594,533	
2020	56,622	11.5	651,155	
2021	56,622	12.5	707,777	
2022	56,622	13.5	764,399	
2023	2,266,458	14.5	32,863,639	
2024	48,426	15.5	750,598	
2025	48,426	16.5	799,024	
2026	48,426	17.5	847,450	
2027	48,426	18.5	895,876	
2028	48,426	19.5	944,301	
2029	12,001,989	20.5	246,040,782	
TOTALS	15,303,286		288,690,642	18.86

INTERIM RETIREMENTS:

Total Plant at 12/31/08	15,303,286
Less Retirement of Unit 1 in 2023	-2,215,257
Less Final Retirement in year 2029	<u>-12,001,989</u>
Total Interim Retirements	<u>1,086,040</u>

KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2008
 CALCULATION OF AVERAGE REMAINING LIFE
 BIG SANDY PLANT ACCOUNT 316
 RETIREMENT YEARS - UNIT 1 2023; UNIT 2 2029

ANNUAL INTERIM RETIREMENT RATE 0.0059

<u>YEAR</u>	<u>AMOUNT RETIRED</u>	<u>REM. LIFE (YEARS)</u>	<u>DOLLAR YEARS</u>	<u>AVERAGE REM. LIFE</u>
2009	42,322	0.5	21,161	
2010	42,322	1.5	63,482	
2011	42,322	2.5	105,804	
2012	42,322	3.5	148,125	
2013	42,322	4.5	190,447	
2014	42,322	5.5	232,768	
2015	42,322	6.5	275,090	
2016	42,322	7.5	317,412	
2017	42,322	8.5	359,733	
2018	42,322	9.5	402,055	
2019	42,322	10.5	444,376	
2020	42,322	11.5	486,698	
2021	42,322	12.5	529,019	
2022	42,322	13.5	571,341	
2023	743,023	14.5	10,773,827	
2024	38,187	15.5	591,905	
2025	38,187	16.5	630,092	
2026	38,187	17.5	668,280	
2027	38,187	18.5	706,467	
2028	38,187	19.5	744,654	
2029	5,646,681	20.5	115,756,959	
TOTALS	7,173,142		134,019,694	18.68

INTERIM RETIREMENTS:

Total Plant at 12/31/08	7,173,142
Less Retirement of Unit 1 in 2023	-700,701
Less Final Retirement in year 2029	<u>-5,646,681</u>
Total Interim Retirements	<u>825,760</u>

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2008
Retirement of Big Sandy Unit 1

Account	311	312	314	315	316
12/31/08 Vintage 1963-1968	6,185,619	27,647,056	12,019,790	2,336,276	763,790
Interim Retirement Ratios	0.0016	0.0132	0.0119	0.0037	0.0059
Interim Retirements 2009-2022	138,558	5,109,176	2,002,497	121,019	63,089
Unit 1 Balance at 2023	6,047,061	22,537,880	10,017,293	2,215,257	700,701

Note: Big Sandy Plant is not identified by unit in the property record. Therefore only plant balances prior to the in-service date of Unit 2 in 1969 were used to determine the amount to retire for Unit 1.

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF 12-31-08
STEAM PRODUCTION PLANT WORKPAPERS

INTERIM SALVAGE AND REMOVAL ANALYSIS

KENTUCKY POWER COMPANY
 Depreciation Study as of December 31, 2008
 Analysis of Removal and Salvage Activity from 1994 through 2008
 Steam Production Plant

<u>Year</u>	<u>Original Cost Retired</u>	<u>Gross Cost of Removal</u>	<u>Gross Salvage</u>
1994	3,969,598	2,038,522	60,472
1995	6,338,609	2,274,820	1,919,772
1996	2,883,635	2,268,116	-108,297
1997	8,213,501	1,652,784	1,622,235
1998	1,885,004	2,094,579	-109,746
1999	474,672	8,266	3,780
2000	855,616	203,653	1,711
2001	543,659	-80,513	172,103
2002	875,114	55,395	30,879
2003	17,253,619	1,578,174	-28,698
2004	3,134,846	4,362,183	39,640
2005	1,385,399	712,514	-561
2006	3,420,486	979,945	-336
2007	3,874,545	1,820,214	60,127
2008	<u>5,908,590</u>	<u>936,547</u>	<u>97,941</u>
Total	<u>61,016,893</u>	<u>20,905,199</u>	<u>3,761,022</u>
Percent		34%	6%

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF 12-31-08
STEAM PRODUCTION PLANT WORKPAPERS

DEMOLITION REPORT

American Electric Power Company
Big Sandy Power
LOUISA, KY

Dismantling Information

October 13, 2009

BIG SANDY AEP POWER PLANT
CONCEPTUAL DEMOLITION PLAN

DEFINITIONS:

ACM

Asbestos Containing Material

CFC's

Chlorofluorocarbons.

Construction / Demolition Debris

Any solid waste resulting from the construction, remodeling, repair, or demolition of structures. Such wastes may include, but not limited to, brick, stone, and concrete.

Contractor

The individual, partnership or corporation with which AEP Company enters into a contract to perform all of the work described in the Specification.

Contract

A purchase order placed by Purchaser and accepted by Contractor, together with this Specification and all other documents referred to in such purchase order, or a formal contract executed by Purchaser and Contractor, together with this Specification and all other documents referred to in such formal contract.

Engineer

The Engineer or his authorized representative designated by AEP Company to be assigned to this contract.

Fill Material

Material to be used to bring area to grade. Material shall meet the requirements of all applicable Federal and/or State rules and/or regulations. Material shall also meet the requirements of the Engineer.

Greases

Any used or unused greases or waste containing grease.

Hazardous Substance

This definition shall be the same definition as found in CERCLA Section 101(14), and shall include but limited to any substance or pollutant defined under Sections 311(b)(2)(A) and 307(a) of the Federal Water Pollution Control Act, Section 102 of CERCLA, Section 3001 of the Solid Waste Disposal Act and Section 112 of the Clean Air Act.

Hazardous Waste

Hazardous waste as defined in 40 CFR 261.3 or as defined in any applicable state regulation.

HAZMATs

Any hazardous, toxic or regulated substance controlled under RCRA, CERCLA or any other Federal, State, or Local law, statute, regulation or ordinance pertaining to the handling, transportation, or disposal of any controlled substance.

Industrial Process Waste

Any solid waste generated by manufacturing or industrial process waste that is not a hazardous waste. Such waste may include, but not limited to, refractory brick, fire clay refractory earth brick, and ceramic block.

Landfill

River City Disposal
1837 River Cities Drive
Ashland, KY 41102

MSDS

Material Safety Data Sheet.

ODCS

Ozone Depleting Chemicals as defined under Title VI of the CAA Amendments of 1990

Oils

Any used or unused hydraulic, lubrication, rolling, waste or other such oil or oily waste.

OSHA

Occupational Safety and Health Act and amendments thereto.

PCBs

Polychlorinated By-phenols.

Process Materials

Any raw materials, blended raw materials, recyclable process generated dusts (such as flue dust), fly ash, ash slurry and etc.

RACM

Regulated Asbestos Containing Material as defined in 40 CFR 61, Subpart M and any other applicable Federal, State, and/or Local rules, regulations and/or ordinances.

Scrap

All ferrous scrap designated by the Engineer to be suitable for melting at a steel processing plant.

Structural Removal

As in the Specification, shall mean all work of every nature described herein, implied herein, or necessary to complete the work described or implied herein, with the exception of Asbestos Abatement.

AEP Company

American Electric Power Company

American Electric Power Company
Big Sandy Power
LOUISA, KY

Information Sheets

Dismantling Information

October 13, 2009

BIG SANDY POWER

1. GENERAL SCOPE OF WORK

- 1.1. The work to be performed under the terms of this specification shall consist of the dismantling and removal of all facilities, machinery, equipment, all associated structures, foundations, debris, asbestos containing materials, hazardous substances and hazardous waste as directed by the Engineer. Upon completion each dismantling site shall be left in a neat, clean, safe condition.
- 1.2. Work under this specification shall be performed in accordance with the terms and conditions of the Contract, entered into between AEP Company and the Contractor, and in accordance with all EPA, OSHA, Federal, State, County, and Local laws, statutes, ordinances, and regulations.
- 1.3. The Contractor shall perform all utility disconnection and/or relocation work which is necessary to complete the proposed dismantling and removal work, without disrupting active utilities.
- 1.4. The Contractor shall perform all excavation, back-filling, construction and closure work which is necessary to complete the proposed dismantling work.
- 1.5. The Contractor shall provide all labor, materials, equipment, services and pay all necessary taxes, in addition to securing all required permits, to perform the dismantling.
- 1.6. The Contractor is responsible to clean up and dispose of any and all materials which are generated as a result of a spill caused by the Contractor, or which are generated as a result of the improper handling of any materials by the Contractor. This includes all RACM, Hazardous Substances, Hazardous Waste, Special wastes, Non-process Debris, Demolition Debris, and combustible materials.

2. FACILITY DISMANTLEMENT AND RELATED WORK

- 2.1. Perform the environment abatement of the following:
 - 2.1.1. Vacuum the inside area of Unit 1 Boiler
 - 2.1.2. Chemical sweep of structures, tanks and pipe in Unit 1 Boiler area
 - 2.1.3. Abate tank insulation in Unit 1 Boiler along with all connected pipes
 - 2.1.4. Abate Unit 1 Boiler, boiler breeching and piping
 - 2.1.5. Abate Unit 1 Boiler building siding, office and turbine building siding, Unit 1 coil conveyor, Unit 1 coil conveyor transfer building, Unit 1 train coal unload station house and miscellaneous outside structures.
 - 2.1.6. Remove Units 1 fluorescent light bulbs, PCB ballast, mercury vapor light, HID vapor lights and mercury containing instruments.
 - 2.1.7. Vacuum the inside area of Unit 2 Boiler

- 2.1.8. Chemical sweep of structures, tanks and pipe in Unit 2 Boiler area
- 2.1.9. Abate tank insulation in Unit 2 Boiler along with all connected pipes
- 2.1.10. Abate Unit 2 Boiler, boiler breeching and piping
- 2.1.11. Abate Unit 2 miscellaneous outside structures.
- 2.1.12. Remove Unit 2 fluorescent light bulbs, PCB ballast, mercury vapor light, HID vapor lights and mercury containing instruments.
- 2.1.13. Remove storage building fluorescent light bulbs, PCB ballast, mercury vapor light, HID vapor lights and mercury containing instruments.
- 2.1.14. Remove the secondary and primary river water pump house building fluorescent light bulbs, PCB ballast, mercury vapor light, HID vapor lights and mercury containing instruments.
- 2.2. Perform the building dismantling, equipment removal, concrete removal to surrounding grade elevation of the following.
 - 2.2.1. Unit 1 boiler building, turbine generator building, precipitators, office and maintenance building, coal conveyor.
 - 2.2.2. Unit 2 boiler building, turbine generator building, precipitators, office and maintenance building the chemical lab building, coal conveyor to Unit 2 coal pile the SCR building and the Unit 1 & 2 concrete smoke stack.
- 2.3. Perform the removal of the following to grade elevation.
 - 2.3.1. Unit 1 water cooling tower structure, adjacent pump structures, adjacent condensate water tank to surround grade elevation. Fill the pits and trenches to surround grade elevation.
 - 2.3.2. The pump house and metal cleaning waste treatment tank located west of Unit 1 boiler building.
 - 2.3.3. The coal train car unload building, adjacent control building, the coal conveyor and coal transfer and sampling building.
 - 2.3.4. The tractor shed and locomotive house building.
 - 2.3.5. The remains of the standby river water make-up equipment, railroad ties and pipes to the Big Sandy River.
 - 2.3.6. The in-service sanitary treatment equipment, trenches and tanks located adjacent to the Big Sandy River.
 - 2.3.7. The secondary and primary river water pump building structures, the two electrical control buildings. Remove building and water intakes to surrounding grade elevation. Install a barricade in the water inlet from the Big Sandy River. Remove the water inlet screens from the river.
 - 2.3.8. The ammonia storage building and chemical manufacturing building structure and ammonia storage tank structures.
 - 2.3.9. The 500,000 gallon fuel oil tank and oil pump station. Remove the oil tank dyke down to surround grade elevation.
 - 2.3.10. The six single story maintenance, storage and office buildings located south of the Unit 2 boiler building.
 - 2.3.11. The Unit 2 water cooling tower structure, adjacent pump structures, adjacent clean condensate water tank, dirty condensate water tank, the fire water control building, the sulfuric acid storage and control building, the chlorine tank and control building to surround grade elevation. Fill the pits and trenches to surround grade elevation.
 - 2.3.12. The Unit 2 coal conveyor from the coal pile to the Unit 2 boiler.
 - 2.3.13. The coal train unload building, coal conveyor from the unload building to the coal transfer building to the coal storage area. Remove all bents and transfer building to surround grade elevation. Remove the coal

truck unload equipment from grade elevation to the bottom of the pit. Fill the truck unload pit and the coal train unload pit to surrounding grade elevation. Fill the pit from the coal train station to the coal conveyor exit with fill material to surround grade elevation.

- 2.3.14. The coal system sample building, trailer and sample equipment to surrounding grade elevation.
- 2.3.15. The coal system transportation office and maintenance building located east of the coal storage area.
- 2.3.16. The two truck scales, control building, and coal train car warming structure and equipment down to surrounding grade elevation.
- 2.3.17. The abandoned 3,400,000 gallon fuel storage tank. Remove the dyke wall surrounding the fuel tank to surrounding grade elevation. Remove all pumps, pipe, wires, and controls from the tank area to the Unit 2 boiler structure.
- 2.3.18. Remove the maintenance parts storage building located north of the Unit 2 turbine building.
- 2.3.19. Remove the electrical wire, and electric towers from the transformers located adjacent to Unit 2 boiler building to the 345,000 volt electrical station located north of highway 23.

3. WORK BY CONTRACTOR

The Contractor Shall:

- 3.1. Furnish all supervision, labor, materials, tools, supplies and equipment necessary to perform the work, including dismantling and removal of all the facilities, equipment, structures, etc. noted herein with the exception of specific structures which are designated in this Specification to remain.
- 3.2. Furnish on the site, during the performance of the work, an experienced supervisor who shall be duly authorized to represent and act for the Contractor in all matters pertaining to the work covered by this Specification.
- 3.3. Provide all written instructions, orders, and other communications delivered to the Contractor's construction office shall be considered as having been delivered to the Contractor himself.
- 3.4. Develop detailed written demolition plans for each area to be dismantled, and submit them to the Engineer for his review prior to the start of work in an area. Such plans shall include, but limited to:
 - 3.4.1. A detailed and complete schedule for the performance of the work.
 - 3.4.2. A survey of each area, identifying all materials to be disposed of other than scrap and equipment.
 - 3.4.3. Identification and protection of demolition areas.
 - 3.4.4. Termination and/or relocation of utilities.
 - 3.4.5. Asbestos abatement and disposal.
 - 3.4.6. Handling and disposal of hazardous wastes and materials.
 - 3.4.7. Handling and disposal of oils and greases.
 - 3.4.8. Handling and disposal of non-hazardous debris and materials.
 - 3.4.9. Handling and disposal of ODC's.
 - 3.4.10. Fire prevention and protection.
 - 3.4.11. Handling and storage locations for ferrous and non-ferrous scrap.
 - 3.4.12. Method of demolition and/or equipment removal.
 - 3.4.13. Clean-out, breaking open, and filling of basements, pits, and tunnels.
 - 3.4.14. Final grading and restoration of demolition site.
- 3.5. Clear each site of existing equipment, structures, and material designated to be removed. Each site will be left in a neat, clean, safe condition in conformity with all applicable Federal, State, or Local laws, statutes and/or regulations, including

but not limited to CAA, OSHA, RCRA, SARA, TSCA, and/or CERCLA. The finished condition of each site will be approved by the Engineer.

- 3.6. Remove all structures down to final grade except where otherwise noted. Final grade will generally be the adjacent grade surrounding the facility to be removed. The removal of concrete & debris and grading will be done concurrent with the demolition work. As one area is cleared of structures, the required concrete removal work in that area will be done simultaneously with the demolition of structures in the next area of work. If the Contractor breaches the provisions of this section AEP Company reserves the right, in AEP Company's sole opinion, to stop the Contractor from doing further demolition until the concrete and debris removal is current.
- 3.7. Perform all material removal and asbestos abatement work in accordance with all applicable Federal, State, and/or Local rules, regulations and/or ordinances, which is necessary to complete the proposed removal work.
- 3.8. Perform all utility, telecommunications and telemetering disconnection and/or relocation work which is necessary to complete the proposed removal work.
- 3.9. Prior to beginning demolition of any facility, Contractor shall ascertain that no live utilities remain in the facility and identify and locate all underground utilities. It shall be the Contractor's exclusive responsibility to determine that all utility systems in each area remain isolated from active utility systems.
- 3.10. Perform all excavation, back-filling, construction and closure work which is necessary to complete the proposed dismantling and removal work.
- 3.11. Remove all debris generated as a result of the proposed removal work.
- 3.12. Break the floors of all pits, trenches and depressions sufficiently to provide drainage and to prevent the accumulation of water within the underground structure.
- 3.13. Tunnel and basement roof structures which do not support structures designated to remain and which are located less than 3 feet below finish grade elevation will be broken in. Said tunnel excavations will be filled with fill materials approved by the Site Engineer up to finish grade elevation.
- 3.14. Properly drain and capture all contents of pipelines prior to dismantling any pipelines.
- 3.15. Empty and shovel clean all pits, sumps, basements, and depressions to the satisfaction of the Engineer. Areas will be inspected by the Site Engineer prior to filling. Any pits, sumps, basements or depressions in contact with a hazardous waste or PCB shall be decontaminated in accordance with any applicable Federal and/or State rules and/or regulations.
- 3.16. Back-fill all pits, sumps, and depressions up to existing grade. Each site shall be rough graded and left in a neat, clean, safe condition. Contractor will use fill material approved by the Engineer. The final six inches of fill shall be other select fill material approved by the Engineer.
- 3.17. Furnish all fill material in accordance with the Specification. If the work activity generates more fill material than needed, the Contractor shall pay for the transportation and disposal off site. If the work activity is fill negative, the Contractor shall pay for the purchase and transportation of required fill to the site. Such purchased material shall be approved by the Site Engineer.
- 3.18. Furnish portable sanitary facilities and drinking water for Contractor's personnel in areas of removal.
- 3.19. Furnish electric power and temporary lighting in those areas of removal where active utilities are not available.
- 3.20. Provide adequate protective barriers for open pits, holes and depressions, as a result of the equipment removal work, until they are properly backfilled. Temporary barricades shall conform to all applicable Federal, State and Local, rules and regulations or standards including, but not limited to OSHA.
- 3.21. Remove above ground utility support systems such as poles, structural steel towers or guy wires which have been designated to be removed by the Engineer.
- 3.22. Remove and scrap all tanks, including supporting steel and concrete structures. Prior to removal work Contractor shall remove the contents of each tank, drain each tank and otherwise purge each tank in accordance with all applicable rules or regulations to render them safe for removal. Notify Engineer of any potentially contaminated soils. Remove of these

tanks shall conform to all applicable Federal, State, and Local laws, statutes, regulations or ordinances.

- 3.23. Secure the approval of local Fire Department for the Fire Prevention Plan. Contractor shall meet with representatives of the Fire Department prior to commencement of work on each facility. Prior to the commencement of removal work, Contractor shall inspect all fire hydrants in the work area and shall notify the Engineer of those that are not in good operating condition.
- 3.24. Provide fire extinguishers and fire hoses as required to immediately control any fires resulting from the work. Implement all fire prevention measures as directed by the Fire Department. Measures required by Fire Department may include, but will not be limited to, the maintenance of pressurized fire hoses at each removal site.
- 3.25. Attend a safety meeting with AEP Company's representatives prior to starting work in each facility or designed area.
- 3.26. Furnish all temporary or permanent supports or protective devices which are necessary to preserve active pipes, electrical lines or other structures which AEP Company designates to remain in place.
- 3.27. Abide by AEP Company Contractor Safety Responsibilities, AEP Company Energy Control-Lockout and Tryout Rules, as well as all Federal, State, and Local regulations.
- 3.28. Secure the Engineer's approval prior to using any railroad track or mobile crane movements to or from the dismantling site.
- 3.29. Schedule rail movements, order all railroad cars and be solely responsible for demurrage charges resulting from the Contractor's operations.
- 3.30. Where Contractor removes railroad track, the Contractor shall remove all wooden and concrete ties, and load and transport them to an approved disposal site approved by the Engineer. Contractor shall be responsible for the cost of all removal, loading, transportation, and disposal of such material.
- 3.31. ACM ABATEMENT
 - 3.31.1. Contractor shall provide all supervision, labor, consumable materials, tools, equipment, documentation, services and permits required to identify, remove, and dispose of all ACM located on, in, adjacent to or forming a part of each structure designated for removal. RACM removal work shall include but is not necessarily limited to the work described herein.
 - 3.31.2. Prepare a complete, written ACM removal plan for each dismantling site. Contractor shall obtain and analyze all bulk sample analyses of any suspect RACM. Prior to the commencement of work, Contractor shall provide the Engineer with the results of the analyses and Contractor's removal plan.
 - 3.31.3. Provide all respirators, protective clothing and equipment required to protect all personnel associated with the RACM removal work. All respirators, protective clothing and equipment shall conform to all applicable rules, regulations, and standards, including but not limited to OSHA..
 - 3.31.4. Employ only competent persons, trained, knowledgeable and qualified in the techniques of abatement, handling and disposal of RACM and subsequent cleaning of contaminated areas. Employees who perform RACM removal work shall possess current, valid asbestos abatement licenses as required by any governmental agency having jurisdiction over the work.
 - 3.31.5. Perform all RACM removal in strict accordance with all applicable Federal, State, and Local laws, statutes, ordinances and regulations. Contractor shall provide timely and accurate notification in accordance with all Federal, State, and Local laws, statutes, and regulations and ordinances.
 - 3.31.6. Adequately wet all friable RACM prior to removal. Adequately wet RACM debris shall be packaged in bags provided by Contractor. Bags of ACM debris shall promptly be placed in dumpster boxes provided by Contractor.
 - 3.31.7. Haul all RACM debris from each RACM removal site to the disposal site approved by AEP Company. Contractor shall unload RACM at the disposal site. All transportation of RACM shall be performed in enclosed dumpster boxes.
 - 3.31.8. Be responsible for any spilling, escape or release of RACM which occurs during the transportation of RACM to

the disposal site. AEP Company shall be responsible for any spilling, escape or release of RACM which occurs after the RACM has been unloaded by Contractor at the disposal site approved by AEP Company. Contractor shall immediately report to AEP Company any spilling, escape or release of RACM which occurs during the transportation of RACM. Contractor shall submit copies of reports of spilling, escape or release of RACM to all authorities as required by Federal, State or Local laws, statutes, regulations and ordinances.

- 3.31.9. Maintain complete and accurate records of all removal, transportation and disposal activities in accordance with all Federal, State and Local laws, statutes, regulations and ordinances. Contractor shall submit copies of all such records to AEP Company on a daily basis.
- 3.31.10. Perform personal and area air monitoring as necessary to assure the safety of all persons associated with the removal of ACM and as required by Federal, State and Local laws, statutes, regulations and ordinances. Contractor shall perform environmental air monitoring in the area at each location where RACM removal work is performed. Environmental air monitoring shall conform to all applicable Federal, State, and Local laws, statutes, regulations and ordinances.

3.32. HAZARDOUS WASTE HANDLING AND DISPOSAL

- 3.32.1. Contractor shall provide all supervision, labor, consumable materials, tools, equipment, documentation, services and permits required to identify, remove and load any hazardous waste located in, adjacent to or forming a part of the equipment designated for removal. Contractor shall be responsible to perform all in-plant handling of such materials, including, but not limited to removal, loading, and in-plant transportation. Hazardous waste removal work shall include, but is not necessarily limited to, the work described herein.
- 3.32.2. Contractor is required to secure samples of all materials, which are suspected of being a hazardous waste, located in the areas defined in this Specification. Samples shall be collected in accordance with all applicable regulations. Contractor shall deliver all samples of suspected hazardous waste to the Engineer. AEP Company shall secure required analyses of all such samples.
- 3.32.3. Prepare a complete written hazardous waste removal plan for each work site that will be submitted to the Engineer for his review prior to the start of work in an area.
- 3.32.4. Contractor shall provide all respirators, protective clothing and equipment required to protect all personnel associated with the handling or removal of any Hazardous Wastes. All said respirators, protective clothing and equipment shall conform to all applicable rules, regulations and standards, including but not limited to OSHA.
- 3.32.5. Employ only competent persons, trained, knowledgeable and qualified in the techniques of handling and disposal of hazardous wastes and subsequent cleaning of contaminated areas. Employees who perform hazardous waste removal work shall possess current, valid licenses as required by any government agency having jurisdiction over the work. Perform all hazardous waste removal in strict accordance with all applicable Federal, State and Local laws, statutes, ordinances and regulations. Contractor shall provide timely and accurate notification in accordance with all Federal, State and Local laws, statutes, regulations and ordinances.
- 3.32.6. Contractor shall post all appropriate warning signs at each work area, as is required by applicable regulations.
- 3.32.7. Contractor shall be solely responsible for any spills, releases, escapes or improper handling of hazardous wastes caused by the Contractor (or by their approved subcontractor). Contractor shall pay all penalties, clean up, and disposal costs incurred as a result of improper handling by Contractor. Contractor shall immediately report any spilling, escape or release of any hazardous waste to the Engineer in accordance with Section 6.48 of the Specification.
- 3.32.8. Maintain complete and accurate records of all removal activities in accordance with all Federal, State, and Local laws, statutes, regulations and ordinances. Contractor shall submit copies of all such records to AEP Company on a weekly basis.
- 3.32.9. Perform personal monitoring as necessary to assure the safety of all persons associated with the removal of hazardous wastes and as required by Federal, State, and Local laws, statutes, regulations and ordinances. If so required, Contractor shall perform environmental air monitoring in the area of each location where hazardous

waste removal work is performed. Environmental air monitoring shall comply with applicable Federal, State, and Local laws, statutes, regulations and ordinances.

3.32.10. AEP Company shall be responsible for disposal, the method of disposal and the disposal site for all identified hazardous waste except asbestos waste. Contractor shall load all such wastes into trucks or containers provided by AEP Company.

3.33. COMBUSTIBLE DEBRIS

3.33.1. Contractor is responsible for identification, (including sampling and testing if required), removal, transportation, and disposal of all combustible debris located in the areas defined in this Specification, or which are generated by the Contractor in the performance of the work defined herein.

3.33.2. Contractor shall dispose of all combustible debris to a licensed off-plant disposal site. Such disposal site shall be approved by the Engineer.

3.34. CONSTRUCTION / DEMOLITION WASTE

3.34.1. Contractor is required to perform the work described herein in a manner that will separate construction / demolition waste from ferrous scrap, combustible waste, non-ferrous scrap, ferrous scrap, process demolition waste, oils and greases, hazardous wastes, and all other materials.

3.34.2. Contractor shall identify all quantities of construction / demolition waste to the Engineer. The Engineer shall positively identify all such materials as being construction / demolition waste.

3.34.3. For all materials which have been positively identified by the Engineer as construction / demolition waste, Contractor shall use such materials as clean fill in locations approved for filling by the Engineer.

3.34.4. Contractor shall be responsible to perform all in-plant handling of such materials, including, but not limited to, screening, separation, from other materials, loading, crushing and transportation.

3.34.5. Contractor shall be responsible for any costs that are incurred as a result of his handling construction / demolition waste, including, but not limited to, sampling, analysis, permit applications, loading, on and off-site transportation, and disposal at an approved disposal site.

3.35. OILS

3.35.1. Contractor is required to secure samples of all oils and oily wastes located in the areas defined in this Specification. Samples shall be collected in accordance with all applicable regulations.

3.35.2. AEP Company shall secure analyses required by the applicable regulations, or by the disposal facility, of all such samples, including, but not limited to, analysis for PCB contamination.

3.35.3. For all oils which have been positively identified as being free of PCB contamination (i.e. less than 50 ppm), Contractor shall be responsible to perform all handling of such materials, including, but not limited to, removal, clean up, loading and transportation.

3.35.4. Contractor shall be responsible to pay for fees to dispose of all oils and oily waste in accordance with all applicable regulations. The Engineer shall approve all methods of disposal and disposal sites for all oils and oily waste.

3.36. GREASES

3.36.1. Contractor is required to secure samples of all greases and wastes containing grease located in the areas defined in this Specification. Samples shall be collected in accordance with all applicable regulations.

3.36.2. AEP Company shall secure analyses required by the applicable regulations, or by the disposal facility, of all such samples.

3.36.3. Contractor shall be responsible to perform all handling of such materials, including, but not limited to, removal, clean up, loading, and transportation.

3.36.4. AEP Company shall be responsible for the disposal of all special and hazardous greases and waste containing

greases in accordance with all applicable regulations.

3.37. PROCESS MATERIALS

- 3.37.1. Contractor is required to perform the work described herein in a manner that will separate process demolition debris from ferrous scrap, combustible debris, non-ferrous scrap, construction / demolition waste, oils and greases, hazardous wastes, and all other materials.
- 3.37.2. Prior to the start of demolition in an area, Contractor shall identify all quantities of process materials to the Engineer. The Engineer shall positively identify all such materials as being process materials.
- 3.37.3. Contractor is required to secure samples of all process materials located in the areas defined in this Specification. Contractor must provide samples to the Engineer with sufficient lead time so as not to interfere with the dismantling work.

3.38. PCBs AND EQUIPMENT CONTAINING PCBs

- 3.38.1. Prior to dismantling, Contractor shall conduct a survey of each dismantling area to locate and identify any electrical or hydraulic equipment which has not been clearly identified as being free of PCB contamination and, therefore, may contain PCBs. Contractor shall provide the Engineer with the location and description of any surveyed equipment which may contain PCBs. Where so directed by AEP Company, Contractor shall provide AEP Company with a sample of the oil contained in the piece of equipment. AEP Company will secure analysis and provide Contractor with the written results.
- 3.38.2. Prior to dismantling the facility, the Contractor shall remove, intact each piece of PCB contaminated equipment. Contractor shall transport said PCB equipment to AEP Company's designated PCB storage facility. Contractor shall schedule and coordinate said deliveries with the Engineer. Alternatively, at the direction of the Engineer, Contractor shall load PCB equipment onto vehicles provided by AEP Company. Contractor shall schedule and coordinate said loading with the Engineer. Contractor shall schedule and coordinate the pumping and removal of PCB dielectric fluid from transformers prior to loading when so directed by the Engineer.
- 3.38.3. AEP Company shall be responsible for the disposal of all PCB equipment and fluids.
- 3.38.4. Contractor shall be solely responsible for any spills, releases, escapes, or improper handling of the hazardous substance caused by the Contractor. Contractor shall pay all penalties, clean up, and disposal costs incurred as a result of improper handling by Contractor. Contractor shall immediately report any spilling, escape, or release of any hazardous substance to the Engineer in accordance with Section 6.48 of the Specification.

3.39. ODC's:

- 3.39.1. Prior to dismantling, Contractor shall conduct a survey to locate and identify any equipment which may contain ODCs, including, but not limited to CFCs. Contractor shall provide the engineer with the location and description of any surveyed equipment which may contain ODCs.
- 3.39.2. Prior to dismantling the facility, the Contractor shall remove, intact, any piece of equipment which contains ODCs. Contractor shall transport said ODC containing equipment to a designated location.
- 3.39.3. Contractor shall be responsible for the removal and disposal of ODCs from equipment in accordance with all applicable regulations. Contractor shall provide the Engineer with documentation showing proper removal and disposal.
- 3.39.4. Contractor shall be responsible for the disposal of all equipment after all ODCs have been properly removed.
- 3.39.5. Contractor shall be solely responsible for any spills, releases, escapes, or improper handling of ODCs caused by the Contractor (or by their approved subcontractor). Contractor shall pay all penalties, clean up, and disposal costs incurred as a result of improper handling by Contractor. Contractor shall immediately report any spilling, escape, or release of any ODCs to the Engineer in accordance with Section 6.48 of this Specification.

3.40. PIPING SYSTEMS

- 3.40.1. Prior to the commencement of dismantling work, Contractor shall identify, plan and perform all piping shut

offs, disconnections, and relocation work necessary to complete the work specified in a safe, orderly manner.

- 3.40.2. Piping shall be purged (where necessary) and shall be removed to a point of origin as designated by the Engineer.
- 3.40.3. Contractor shall submit plans, procedures and working drawings showing design details for all piping work to the Engineer for review. Contractor shall secure the Engineer's review of all designs, plans and procedures prior to the commencement of work. The correctness of the design shall remain the Contractors responsibility.
- 3.40.4. Contractor shall provide all supervision, labor, materials, tools and equipment necessary to complete all piping work required for the work as specified herein. Contractor shall be responsible for the identification of all piping construction, disconnection and relocation work which will be required to complete all work specified herein.
- 3.40.5. Contractor shall perform all piping construction, disconnection and relocation work using methods which will not interrupt AEP Company's ongoing operations.
- 3.40.6. Secure the Engineer's permission prior to any utility outage. In the absence of the Engineer's approval of Contractor's proposed outage, Contractor shall perform the proposed work on live pressurized lines.

3.41. ELECTRICAL SYSTEMS

- 3.41.1. Prior to the commencement of dismantling work, Contractor shall identify, plan and perform all electrical shut offs, disconnections, and relocation work necessary to complete the work specified in a safe and orderly manner.
- 3.41.2. Conduit, cable, wireways, and buss shall be removed to a point of origin as designated by the Engineer.
- 3.41.3. Contractor shall submit plans, procedures and working drawings showing design details for all electrical and related work to the Engineer for review. Contractor shall secure the Engineer's review of all designs prior to the commencement of work. The correctness of design shall remain the Contractor's responsibility.
- 3.41.4. Contractor shall provide all supervision, labor, materials, tools and equipment necessary to complete all electrical, telecommunication and telemetering work required for the dismantling work specified herein. Contractor shall be responsible for the identification of all electrical, telecommunication and telemetering construction, disconnection and relocation work which will be required to complete all work specified herein.
- 3.41.5. Contractor shall perform all electrical construction, disconnection and relocation work using methods which will not interrupt AEP Company's ongoing operations.
- 3.41.6. Contractor shall secure the Engineer's permission prior to any utility outage. In the absence of the Engineer's approval of Contractor's proposed outage, Contractor shall perform the proposed work on live energized lines.

4. WORK BY PURCHASER:

AEP Company Shall:

- 4.1. Provide Material Safety Data Sheets (MSDS) in accordance with OSHA "Right to Know" regulations for each substance listed under said regulations.
- 4.2. Provide, where available, utility services such as 460 Volt, 3 phase, 60 Hz power, 250 Volt DC current, potable water, oxygen, compressed air, or natural gas, which are deemed available by AEP Company. Contractor may, at his own expense and approval of the Engineer, make necessary connections provided there is no interruption to normal production operations. AEP Company assumes no responsibility or liability for loss of, or damage to, the equipment or materials of the Contractor or his subcontractors. Contractor will pay charges that may be assessed. The assessment of charges and/or the availability of utilities may change through the course of the contract as determined.
- 4.3. Provide existing railroad tracks, railroad tracks sidings, and roadways on plant site, if available, for Contractor's use when and where the Engineer may designate. Contractor shall keep traffic lanes free of congestion so as to avoid interference with normal plant operations.

- 4.4. Provide one copy of all available drawings necessary for the completion of the work specified. These drawings are to be used by the Contractor for reference only in the performance of the work. Said drawings are not to be construed as a complete description of the Scope of Work, nor as fully depicting existing conditions. Additional copies may be purchased by Contractor through the Purchaser.
 - 4.5. Approve the selection of all subcontractors before they will be allowed to enter the job site and perform work. Subcontractors are subject to all applicable terms and conditions contained herein.
 - 4.6. Provide written releases for the demolition of each specific area or facility as identified in the Schedule of Values. Demolition shall not commence without the receipt of said release.
 - 4.7. Assign to Contractor ownership of each facility to be dismantled. The assignment shall include:
 - 4.7.1. All ferrous and non-ferrous scrap resulting from the dismantling work
 - 4.7.2. All ferrous and non-ferrous scrap located within each dismantling area as identified by Engineer during the site visitation.
 - 4.7.3. Spare parts and/or spare equipment.
 - 4.7.4. All railroad track designated for removal.
 - 4.7.5. All vehicles and mobile equipment located within each dismantling area as identified in the Specification.
 - 4.8. AEP Company will maintain ownership of all real estate
5. Pricing
- 5.1. Environmental Abatement
\$4,000,000
 - 5.2. Demolition of Unit 1, 2, cooling towers, stacks, buildings, railroad tracks and tanks
\$9,000,000
 - 5.3. Capping of bottom and slurry ash ponds
\$30,000,000

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF 12-31-08
STEAM PRODUCTION PLANT WORKPAPERS

CALCULATED ACCUMULATED DEPRECIATION

KENTUCKY POWER COMPANY
 DEPRECIATION STUDY AS OF DECEMBER 31, 2008
 CALCULATED DEPRECIATION RESERVE
 STEAM PRODUCTION PLANT

ACCOUNT	PLANT BALANCE AT 12-31-08	AVERAGE AGE	AVERAGE REM. LIFE	AVERAGE LIFE	NET SALVAGE	% REM. LIFE TO AVG. LIFE	CALCULATED RESERVE %	CALCULATED RESERVE W/O NET SALVAGE	CALCULATED RESERVE WITH NET SALVAGE
BIG SANDY									
311	40,583,921	26.29	19.27	45.56	-9%	42.30%	57.70%	23,418,597	25,526,271
312	355,237,890	12.32	17.43	29.75	-14%	58.59%	41.41%	147,110,279	167,705,718
314	104,506,857	16.55	17.44	33.99	-15%	51.31%	48.69%	50,885,216	58,517,998
315	15,303,286	29.20	18.86	48.06	-10%	39.24%	60.76%	9,297,877	10,227,664
316	<u>6,518,954</u>	23.20	18.68	41.88	-14%	44.60%	55.40%	<u>3,611,264</u>	<u>4,116,841</u>
Total	<u>522,150,908</u>							<u>234,323,233</u>	<u>266,094,492</u>

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF 12-31-08
TRANSMISSION PLANT WORKPAPERS

LIFE ANALYSIS

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2008
Transmission Plant

Account 3502 RIGHTS OF WAY

Depreciable Balance \$23,482,119

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

An actuarial analysis was not performed on this account because of the minimal retirements. The recommendation is to continue the current average service and retirement dispersion for this account.

Retirements from this account should not be expected to incur removal costs or receive any salvage.

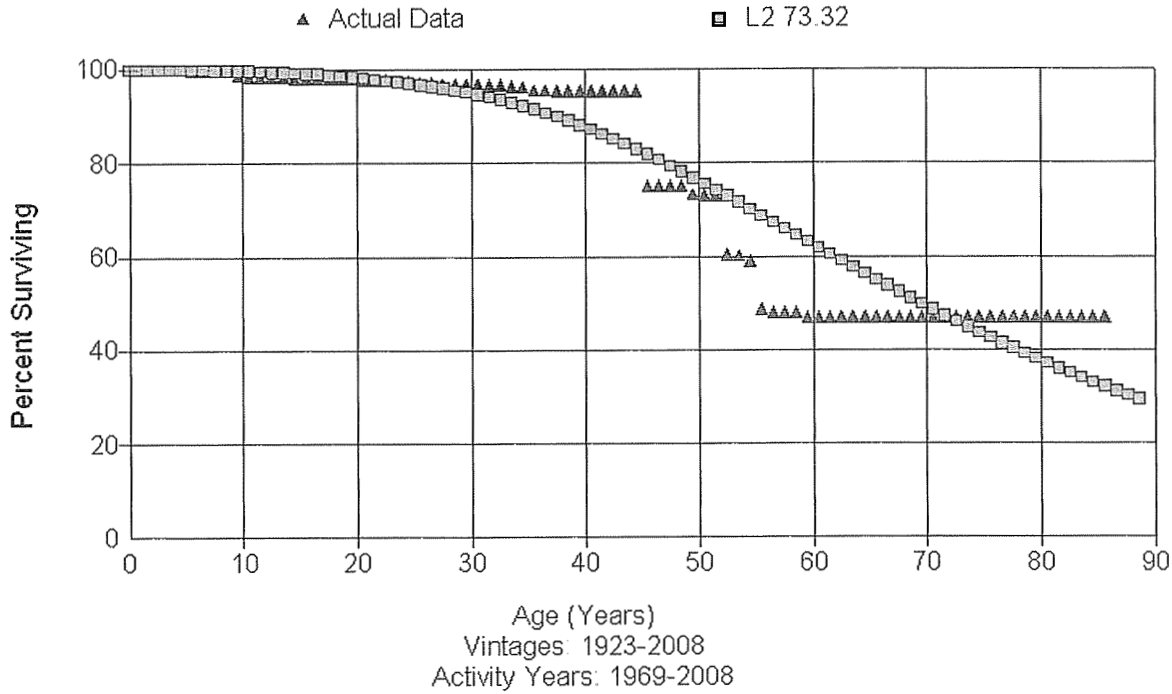
KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2008
Transmission Plant

Account	<u>352 STRUCTURES & IMPROVEMENTS</u>	
Depreciable Balance	\$6,369,900	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	55	73
Iowa Curve	S1.5	L2.0
Gross Removal, %		0%
Gross Salvage, %		10%
Net Salvage %	0%	10%

The 40 year band analysis of the account shows the best fit curve is an L2.0 with a 73 year average service life. Due to minimal retirement experience in the 20 year and 10 year bands, the actuarial analyses were not meaningful.

Retirements from the structures account should provide some salvage but no measureable removal costs would be expected.

Account: KEPCo 101/6 352 - KY
Scenario: KEPCO TRANSMISSION 2008



Actuarial Life Analysis

Page 44 of 350

Account: KEPCo 101/6 352 - KY
 Scenario: KEPCO TRANSMISSION 2008
 Placement Band: 1923 - 2008
 Transition: Survivorship Annual Rate Method
 Weighting: Unweighted
 T-Cut: None

Observation Band	Censoring		Error Sum of Squares	Best Fit	
	Age	Percent		Disp	ASL
1969 -2008	85.5	46.97	0.49268125	L2	73.32

Observed Life Table

Scenario: KEPCO TRANSMISSION 2008

Account: KEPCo 101/6 352 - KY

Placement Band: 1923 - 2008

Observation Band: 1969 - 2008

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
0	6,292,828.06	0.00	0.00000	1.00000	100.00
0.5	6,184,874.74	0.00	0.00000	1.00000	100.00
1.5	6,201,894.40	0.00	0.00000	1.00000	100.00
2.5	6,237,136.40	1,954.00	0.00031	0.99969	100.00
3.5	6,173,534.45	1,667.00	0.00027	0.99973	99.97
4.5	6,180,313.45	3,388.00	0.00055	0.99945	99.94
5.5	6,197,626.45	2,007.00	0.00032	0.99968	99.89
6.5	5,401,409.10	1,459.00	0.00027	0.99973	99.86
7.5	5,400,005.93	1,986.00	0.00037	0.99963	99.83
8.5	5,316,655.55	61,166.00	0.01150	0.98850	99.79
9.5	5,241,108.40	5,840.00	0.00111	0.99889	98.64
10.5	5,184,749.40	841.00	0.00016	0.99984	98.53
11.5	4,981,474.39	271.00	0.00005	0.99995	98.51
12.5	4,859,681.24	8,260.00	0.00170	0.99830	98.51
13.5	4,740,203.24	9,144.00	0.00193	0.99807	98.34
14.5	4,721,383.24	1,281.00	0.00027	0.99973	98.15
15.5	4,351,122.24	724.00	0.00017	0.99983	98.12
16.5	4,242,767.24	0.00	0.00000	1.00000	98.10
17.5	4,208,519.24	684.00	0.00016	0.99984	98.10
18.5	4,142,040.24	7,165.00	0.00173	0.99827	98.08
19.5	4,133,365.24	9,049.00	0.00219	0.99781	97.91
20.5	4,119,120.24	369.00	0.00009	0.99991	97.70
21.5	4,104,291.24	318.00	0.00008	0.99992	97.69
22.5	3,947,748.24	544.00	0.00014	0.99986	97.68
23.5	3,845,679.24	11,644.00	0.00303	0.99697	97.67
24.5	3,720,801.24	7,387.00	0.00199	0.99801	97.37
25.5	3,671,314.33	2,500.00	0.00068	0.99932	97.18
26.5	3,481,599.33	5,102.00	0.00147	0.99853	97.11
27.5	1,834,638.33	359.00	0.00020	0.99980	96.97
28.5	1,735,063.33	1,237.00	0.00071	0.99929	96.95
29.5	1,730,686.33	4,232.00	0.00245	0.99755	96.88
30.5	1,726,668.33	0.00	0.00000	1.00000	96.64
31.5	1,568,043.94	0.00	0.00000	1.00000	96.64
32.5	1,480,504.94	5,298.00	0.00358	0.99642	96.64
33.5	1,464,196.77	852.00	0.00058	0.99942	96.29
34.5	308,999.77	2,213.00	0.00716	0.99284	96.23
35.5	259,904.00	325.00	0.00125	0.99875	95.54
36.5	259,579.00	200.00	0.00077	0.99923	95.42
37.5	248,274.00	0.00	0.00000	1.00000	95.35
38.5	227,424.00	0.00	0.00000	1.00000	95.35
39.5	242,062.00	0.00	0.00000	1.00000	95.35
40.5	210,013.00	0.00	0.00000	1.00000	95.35
41.5	189,894.09	0.00	0.00000	1.00000	95.35
42.5	168,387.09	0.00	0.00000	1.00000	95.35
43.5	168,090.09	44.00	0.00026	0.99974	95.35
44.5	159,600.09	33,904.00	0.21243	0.78757	95.33
45.5	109,107.09	0.00	0.00000	1.00000	75.08
46.5	102,135.09	0.00	0.00000	1.00000	75.08
47.5	102,014.09	0.00	0.00000	1.00000	75.08
48.5	99,097.09	2,428.00	0.02450	0.97550	75.08
49.5	94,870.09	339.00	0.00357	0.99643	73.24
50.5	90,117.09	0.00	0.00000	1.00000	72.98
51.5	89,538.09	15,534.00	0.17349	0.82651	72.98
52.5	73,623.09	241.00	0.00327	0.99673	60.32

Observed Life Table

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Scenario: KEPCO TRANSMISSION 2008

Account: KEPCo 101/6 352 - KY

Placement Band: 1923 - 2008

Observation Band: 1969 - 2008

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
53.5	72,866.09	1,476.00	0.02026	0.97974	60.12
54.5	32,596.09	5,704.00	0.17499	0.82501	58.90
55.5	26,181.09	356.00	0.01360	0.98640	48.59
56.5	25,733.09	0.00	0.00000	1.00000	47.93
57.5	17,332.09	0.00	0.00000	1.00000	47.93
58.5	17,332.09	352.00	0.02031	0.97969	47.93
59.5	16,980.09	0.00	0.00000	1.00000	46.96
60.5	16,980.09	0.00	0.00000	1.00000	46.96
61.5	16,980.09	0.00	0.00000	1.00000	46.96
62.5	16,828.09	0.00	0.00000	1.00000	46.96
63.5	16,828.09	0.00	0.00000	1.00000	46.96
64.5	14,691.09	0.00	0.00000	1.00000	46.96
65.5	8,951.00	0.00	0.00000	1.00000	46.96
66.5	1,616.00	0.00	0.00000	1.00000	46.96
67.5	1,616.00	0.00	0.00000	1.00000	46.96
68.5	0.00	0.00	0.00000	1.00000	46.96

Surviving Percent Report

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Scenario: KEPCO TRANSMISSION 2008

Account: KEPCo 101/6 352 - KY

Placement Band: 1923 - 2008

Observation Band: 1969- 2008

Age	Actual	L2 73.32
0.0	100.00	100.00
0.5	100.00	100.00
1.5	100.00	100.00
2.5	100.00	100.00
3.5	99.97	99.99
4.5	99.94	99.98
5.5	99.89	99.96
6.5	99.85	99.94
7.5	99.83	99.89
8.5	99.79	99.86
9.5	98.64	99.81
10.5	98.53	99.71
11.5	98.52	99.65
12.5	98.51	99.50
13.5	98.34	99.41
14.5	98.15	99.32
15.5	98.13	99.10
16.5	98.11	98.97
17.5	98.11	98.84
18.5	98.10	98.54
19.5	97.93	98.38
20.5	97.71	98.20
21.5	97.70	97.82
22.5	97.70	97.62
23.5	97.68	97.17
24.5	97.39	96.93
25.5	97.19	96.68
26.5	97.13	96.14
27.5	96.98	95.85
28.5	96.97	95.54
29.5	96.90	94.86
30.5	96.66	94.49
31.5	96.66	94.10
32.5	96.66	93.24
33.5	96.31	92.78
34.5	96.26	91.78
35.5	95.57	91.24
36.5	95.45	90.67
37.5	95.37	89.46
38.5	95.37	88.82
39.5	95.37	88.15
40.5	95.37	86.73
41.5	95.37	85.99
42.5	95.37	85.22
43.5	95.37	83.62
44.5	95.35	82.78
45.5	75.09	81.06
46.5	75.09	80.17
47.5	75.09	79.26
48.5	75.09	77.40
49.5	73.25	76.45
50.5	72.99	75.49
51.5	72.99	73.54
52.5	60.33	72.55
53.5	60.13	71.55

Surviving Percent Report

Page 48 of 350

Scenario: KEPCO TRANSMISSION 2008

Account: KEPCo 101/6 352 - KY

Placement Band: 1923 - 2008

Observation Band: 1969- 2008

Age	Actual	L2 73.32
54.5	58.91	69.53
55.5	48.60	68.52
56.5	47.94	66.48
57.5	47.94	65.46
58.5	47.94	64.44
59.5	46.97	62.40
60.5	46.97	61.39
61.5	46.97	60.38
62.5	46.97	58.37
63.5	46.97	57.37
64.5	46.97	56.38
65.5	46.97	54.42
66.5	46.97	53.45
67.5	46.97	51.53
68.5	46.97	50.59
69.5	46.97	49.66
70.5	46.97	47.82
71.5	46.97	46.92
72.5	46.97	46.03
73.5	46.97	44.28
74.5	46.97	43.42
75.5	46.97	42.57
76.5	46.97	40.91
77.5	46.97	40.09
78.5	46.97	38.50
79.5	46.97	37.72
80.5	46.97	36.95
81.5	46.97	35.45
82.5	46.97	34.71
83.5	46.97	33.99
84.5	46.97	32.57
85.5	46.97	31.88

Actuarial Life Analysis

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Account: KEPCo 101/6 352 - KY
Scenario: KEPCO TRANSMISSION 2008
Placement Band: 1923 - 2008
Function: Survivorship Annual Rate Method
Weighting: Unweighted
T-Cut: None

Observation Band	<u>Censoring</u>		Error Sum <u>of Squares</u>	<u>Best Fit</u>	
	Age	Percent		Disp	ASL
1989 -2008	85.5	94.05	0.00635642	R1.5	251.32

Observed Life Table

Scenario: KEPCO TRANSMISSION 2008

Account: KEPCo 101/6 352 - KY

Placement Band: 1923 - 2008

Observation Band: 1989 - 2008

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
0	2,333,502.73	0.00	0.00000	1.00000	100.00
0.5	2,197,565.41	0.00	0.00000	1.00000	100.00
1.5	2,206,020.16	0.00	0.00000	1.00000	100.00
2.5	2,362,397.16	410.00	0.00017	0.99983	100.00
3.5	2,397,622.21	119.00	0.00005	0.99995	99.98
4.5	2,513,082.21	3,388.00	0.00135	0.99865	99.98
5.5	2,568,898.21	270.00	0.00011	0.99989	99.85
6.5	1,957,550.86	0.00	0.00000	1.00000	99.84
7.5	3,599,698.69	636.00	0.00018	0.99982	99.84
8.5	3,617,687.31	61,166.00	0.01691	0.98309	99.82
9.5	3,544,927.16	649.00	0.00018	0.99982	98.13
10.5	3,485,743.16	0.00	0.00000	1.00000	98.11
11.5	3,441,977.54	271.00	0.00008	0.99992	98.11
12.5	3,406,980.39	943.00	0.00028	0.99972	98.10
13.5	3,304,785.56	7,381.00	0.00223	0.99777	98.07
14.5	4,405,019.56	418.00	0.00009	0.99991	97.85
15.5	4,093,432.33	89.00	0.00002	0.99998	97.84
16.5	3,979,800.33	0.00	0.00000	1.00000	97.84
17.5	3,945,938.33	406.00	0.00010	0.99990	97.84
18.5	3,931,311.33	0.00	0.00000	1.00000	97.83
19.5	3,931,053.33	7,625.00	0.00194	0.99806	97.83
20.5	3,950,281.33	79.00	0.00002	0.99998	97.64
21.5	3,958,222.24	0.00	0.00000	1.00000	97.64
22.5	3,836,797.24	0.00	0.00000	1.00000	97.64
23.5	3,738,355.24	3,162.00	0.00085	0.99915	97.64
24.5	3,628,060.24	7,217.00	0.00199	0.99801	97.56
25.5	3,585,106.24	0.00	0.00000	1.00000	97.37
26.5	3,397,528.24	1,293.00	0.00038	0.99962	97.37
27.5	1,754,241.24	103.00	0.00006	0.99994	97.33
28.5	1,654,238.24	522.00	0.00032	0.99968	97.32
29.5	1,652,375.24	3,791.00	0.00229	0.99771	97.29
30.5	1,652,873.24	0.00	0.00000	1.00000	97.07
31.5	1,494,827.85	0.00	0.00000	1.00000	97.07
32.5	1,407,669.85	3,313.00	0.00235	0.99765	97.07
33.5	1,393,862.68	852.00	0.00061	0.99939	96.84
34.5	277,459.68	2,213.00	0.00798	0.99202	96.78
35.5	229,074.91	0.00	0.00000	1.00000	96.01
36.5	229,166.91	0.00	0.00000	1.00000	96.01
37.5	226,468.91	0.00	0.00000	1.00000	96.01
38.5	175,848.91	0.00	0.00000	1.00000	96.01
39.5	174,596.91	0.00	0.00000	1.00000	96.01
40.5	142,547.91	0.00	0.00000	1.00000	96.01
41.5	120,959.00	0.00	0.00000	1.00000	96.01
42.5	91,187.00	0.00	0.00000	1.00000	96.01
43.5	90,890.00	0.00	0.00000	1.00000	96.01
44.5	84,581.00	0.00	0.00000	1.00000	96.01
45.5	74,084.09	0.00	0.00000	1.00000	96.01
46.5	74,447.09	0.00	0.00000	1.00000	96.01
47.5	74,326.09	0.00	0.00000	1.00000	96.01
48.5	73,025.09	0.00	0.00000	1.00000	96.01
49.5	71,226.09	0.00	0.00000	1.00000	96.01
50.5	66,812.09	0.00	0.00000	1.00000	96.01
51.5	66,233.09	0.00	0.00000	1.00000	96.01
52.5	65,852.09	0.00	0.00000	1.00000	96.01

Observed Life Table

Scenario: KEPCO TRANSMISSION 2008

Account: KEPCo 101/6 352 - KY

Placement Band: 1923 - 2008

Observation Band: 1989 - 2008

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
53.5	65,336.09	6.00	0.00009	0.99991	96.01
54.5	26,536.09	0.00	0.00000	1.00000	96.00
55.5	25,825.09	0.00	0.00000	1.00000	96.00
56.5	25,733.09	0.00	0.00000	1.00000	96.00
57.5	17,332.09	0.00	0.00000	1.00000	96.00
58.5	17,332.09	352.00	0.02031	0.97969	96.00
59.5	16,980.09	0.00	0.00000	1.00000	94.05
60.5	16,980.09	0.00	0.00000	1.00000	94.05
61.5	16,980.09	0.00	0.00000	1.00000	94.05
62.5	16,828.09	0.00	0.00000	1.00000	94.05
63.5	16,828.09	0.00	0.00000	1.00000	94.05
64.5	14,691.09	0.00	0.00000	1.00000	94.05
65.5	8,951.00	0.00	0.00000	1.00000	94.05
66.5	1,616.00	0.00	0.00000	1.00000	94.05
67.5	1,616.00	0.00	0.00000	1.00000	94.05
68.5	0.00	0.00	0.00000	1.00000	94.05

Surviving Percent Report

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Scenario: KEPCO TRANSMISSION 2008

Account: KEPCo 101/6 352 - KY

Placement Band: 1923 - 2008

Observation Band: 1989- 2008

Age	Actual	R1.5 251.32	L2 73.00
0.0	100.00	100.00	100.00
0.5	100.00	100.00	100.00
1.5	100.00	100.00	100.00
2.5	100.00	100.00	100.00
3.5	99.98	99.82	99.99
4.5	99.98	99.82	99.98
5.5	99.84	99.64	99.96
6.5	99.83	99.64	99.94
7.5	99.83	99.64	99.89
8.5	99.81	99.46	99.86
9.5	98.13	99.46	99.77
10.5	98.11	99.27	99.71
11.5	98.11	99.27	99.65
12.5	98.10	99.27	99.50
13.5	98.07	99.08	99.41
14.5	97.86	99.08	99.32
15.5	97.85	98.89	99.10
16.5	97.84	98.89	98.97
17.5	97.84	98.89	98.84
18.5	97.83	98.69	98.54
19.5	97.83	98.69	98.38
20.5	97.64	98.49	98.02
21.5	97.64	98.49	97.82
22.5	97.64	98.49	97.62
23.5	97.64	98.28	97.17
24.5	97.56	98.28	96.93
25.5	97.37	98.08	96.68
26.5	97.37	98.08	96.14
27.5	97.33	98.08	95.85
28.5	97.32	97.86	95.21
29.5	97.29	97.86	94.86
30.5	97.07	97.64	94.49
31.5	97.07	97.64	93.68
32.5	97.07	97.64	93.24
33.5	96.84	97.42	92.78
34.5	96.78	97.42	91.78
35.5	96.01	97.20	91.24
36.5	96.01	97.20	90.08
37.5	96.01	97.20	89.46
38.5	96.01	96.97	88.82
39.5	96.01	96.97	87.45
40.5	96.01	96.74	86.73
41.5	96.01	96.74	85.99
42.5	96.01	96.74	84.43
43.5	96.01	96.50	83.62
44.5	96.01	96.50	82.78
45.5	96.01	96.26	81.06
46.5	96.01	96.26	80.17
47.5	96.01	96.26	78.34
48.5	96.01	96.01	77.40
49.5	96.01	96.01	76.45
50.5	96.01	95.76	74.52
51.5	96.01	95.76	73.54
52.5	96.01	95.76	72.55
53.5	96.01	95.51	70.54

Surviving Percent Report

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Scenario: KEPCO TRANSMISSION 2008

Account: KEPCo 101/6 352 - KY

Placement Band: 1923 - 2008

Observation Band: 1989- 2008

Age	Actual	R1.5 251.32	L2 73.00
54.5	96.00	95.51	69.53
55.5	96.00	95.25	67.50
56.5	96.00	95.25	66.48
57.5	96.00	95.25	65.46
58.5	96.00	94.99	63.42
59.5	94.05	94.99	62.40
60.5	94.05	94.72	61.39
61.5	94.05	94.72	59.37
62.5	94.05	94.72	58.37
63.5	94.05	94.44	57.37
64.5	94.05	94.44	55.39
65.5	94.05	94.17	54.42
66.5	94.05	94.17	52.49
67.5	94.05	94.17	51.53
68.5	94.05	93.89	50.59
69.5	94.05	93.89	48.74
70.5	94.05	93.60	47.82
71.5	94.05	93.60	46.92
72.5	94.05	93.60	45.15
73.5	94.05	93.31	44.28
74.5	94.05	93.31	42.57
75.5	94.05	93.01	41.73
76.5	94.05	93.01	40.91
77.5	94.05	93.01	39.29
78.5	94.05	92.71	38.50
79.5	94.05	92.71	37.72
80.5	94.05	92.40	36.19
81.5	94.05	92.40	35.45
82.5	94.05	92.40	33.99
83.5	94.05	92.09	33.27
84.5	94.05	92.09	32.57
85.5	94.05	91.78	31.20

Actuarial Life Analysis

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Account: KEPCo 101/6 352 - KY
Scenario: KEPCO TRANSMISSION 2008
Placement Band: 1923 - 2008
Inclusion: Survivorship Annual Rate Method
Weighting: Unweighted
T-Cut: None

Observation Band	Censoring		Error Sum of Squares	Best Fit	
	Age	Percent		Disp	ASL
1999 -2008	85.5	91.63	0.03130360	R0.5	280.35

Observed Life Table

Scenario: KEPCO TRANSMISSION 2008

Account: KEPCo 101/6 352 - KY

Placement Band: 1923 - 2008

Observation Band: 1999 - 2008

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
0	1,125,852.57	0.00	0.00000	1.00000	100.00
0.5	1,043,379.25	0.00	0.00000	1.00000	100.00
1.5	1,239,877.01	0.00	0.00000	1.00000	100.00
2.5	1,419,991.16	0.00	0.00000	1.00000	100.00
3.5	1,469,351.21	0.00	0.00000	1.00000	100.00
4.5	1,518,538.21	1,180.00	0.00078	0.99922	100.00
5.5	1,888,743.21	270.00	0.00014	0.99986	99.92
6.5	1,196,345.86	0.00	0.00000	1.00000	99.91
7.5	1,240,714.69	0.00	0.00000	1.00000	99.91
8.5	1,222,228.31	60,792.00	0.04974	0.95026	99.91
9.5	1,146,766.16	0.00	0.00000	1.00000	94.94
10.5	1,093,302.16	0.00	0.00000	1.00000	94.94
11.5	904,170.15	0.00	0.00000	1.00000	94.94
12.5	938,203.00	0.00	0.00000	1.00000	94.94
13.5	924,478.00	0.00	0.00000	1.00000	94.94
14.5	990,870.00	0.00	0.00000	1.00000	94.94
15.5	672,081.00	0.00	0.00000	1.00000	94.94
16.5	752,713.00	0.00	0.00000	1.00000	94.94
17.5	2,349,758.00	0.00	0.00000	1.00000	94.94
18.5	2,386,780.00	0.00	0.00000	1.00000	94.94
19.5	2,388,410.00	0.00	0.00000	1.00000	94.94
20.5	2,383,339.00	0.00	0.00000	1.00000	94.94
21.5	2,528,705.39	0.00	0.00000	1.00000	94.94
22.5	2,459,867.39	0.00	0.00000	1.00000	94.94
23.5	2,372,340.56	0.00	0.00000	1.00000	94.94
24.5	3,411,106.56	0.00	0.00000	1.00000	94.94
25.5	3,407,876.33	0.00	0.00000	1.00000	94.94
26.5	3,213,326.33	0.00	0.00000	1.00000	94.94
27.5	1,582,419.33	103.00	0.00007	0.99993	94.94
28.5	1,530,119.33	0.00	0.00000	1.00000	94.93
29.5	1,528,231.33	1,202.00	0.00079	0.99921	94.93
30.5	1,558,953.33	0.00	0.00000	1.00000	94.86
31.5	1,422,769.85	0.00	0.00000	1.00000	94.86
32.5	1,365,154.85	3,313.00	0.00243	0.99757	94.86
33.5	1,351,128.68	852.00	0.00063	0.99937	94.63
34.5	204,377.68	2,213.00	0.01083	0.98917	94.57
35.5	171,870.91	0.00	0.00000	1.00000	93.55
36.5	178,842.91	0.00	0.00000	1.00000	93.55
37.5	167,858.91	0.00	0.00000	1.00000	93.55
38.5	120,155.91	0.00	0.00000	1.00000	93.55
39.5	120,702.91	0.00	0.00000	1.00000	93.55
40.5	93,067.91	0.00	0.00000	1.00000	93.55
41.5	72,058.00	0.00	0.00000	1.00000	93.55
42.5	42,515.00	0.00	0.00000	1.00000	93.55
43.5	42,734.00	0.00	0.00000	1.00000	93.55
44.5	73,082.00	0.00	0.00000	1.00000	93.55
45.5	57,204.00	0.00	0.00000	1.00000	93.55
46.5	50,324.00	0.00	0.00000	1.00000	93.55
47.5	58,610.00	0.00	0.00000	1.00000	93.55
48.5	55,693.00	0.00	0.00000	1.00000	93.55
49.5	53,894.00	0.00	0.00000	1.00000	93.55
50.5	49,480.00	0.00	0.00000	1.00000	93.55
51.5	48,901.00	0.00	0.00000	1.00000	93.55
52.5	48,672.00	0.00	0.00000	1.00000	93.55

Observed Life Table

Scenario: KEPCO TRANSMISSION 2008

Account: KEPCo 101/6 352 - KY

Placement Band: 1923 - 2008

Observation Band: 1999 - 2008

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
53.5	48,156.00	6.00	0.00012	0.99988	93.55
54.5	11,493.00	0.00	0.00000	1.00000	93.54
55.5	16,874.09	0.00	0.00000	1.00000	93.54
56.5	24,117.09	0.00	0.00000	1.00000	93.54
57.5	15,716.09	0.00	0.00000	1.00000	93.54
58.5	17,332.09	352.00	0.02031	0.97969	93.54
59.5	16,980.09	0.00	0.00000	1.00000	91.64
60.5	16,980.09	0.00	0.00000	1.00000	91.64
61.5	16,980.09	0.00	0.00000	1.00000	91.64
62.5	16,828.09	0.00	0.00000	1.00000	91.64
63.5	16,828.09	0.00	0.00000	1.00000	91.64
64.5	14,691.09	0.00	0.00000	1.00000	91.64
65.5	8,951.00	0.00	0.00000	1.00000	91.64
66.5	1,616.00	0.00	0.00000	1.00000	91.64
67.5	1,616.00	0.00	0.00000	1.00000	91.64
68.5	0.00	0.00	0.00000	1.00000	91.64

Surviving Percent Report

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Scenario: KEPCO TRANSMISSION 2008

Account: KEPCo 101/6 352 - KY

Placement Band: 1923 - 2008

Observation Band: 1999- 2008

Age	Actual	R0.5 280.35	L3 73.00
0.0	100.00	100.00	100.00
0.5	100.00	100.00	100.00
1.5	100.00	100.00	100.00
2.5	100.00	100.00	100.00
3.5	100.00	99.62	100.00
4.5	100.00	99.62	100.00
5.5	99.92	99.62	100.00
6.5	99.91	99.24	100.00
7.5	99.91	99.24	100.00
8.5	99.91	98.86	100.00
9.5	94.94	98.86	100.00
10.5	94.94	98.86	99.99
11.5	94.94	98.47	99.99
12.5	94.94	98.47	99.97
13.5	94.94	98.47	99.96
14.5	94.94	98.09	99.94
15.5	94.94	98.09	99.90
16.5	94.94	98.09	99.87
17.5	94.94	97.70	99.84
18.5	94.94	97.70	99.76
19.5	94.94	97.70	99.71
20.5	94.94	97.31	99.59
21.5	94.94	97.31	99.52
22.5	94.94	96.92	99.45
23.5	94.94	96.92	99.28
24.5	94.94	96.92	99.18
25.5	94.94	96.52	99.07
26.5	94.94	96.52	98.83
27.5	94.94	96.52	98.70
28.5	94.93	96.13	98.40
29.5	94.93	96.13	98.23
30.5	94.86	96.13	98.06
31.5	94.86	95.73	97.67
32.5	94.86	95.73	97.45
33.5	94.63	95.73	97.22
34.5	94.57	95.33	96.72
35.5	93.54	95.33	96.44
36.5	93.54	94.93	95.83
37.5	93.54	94.93	95.49
38.5	93.54	94.93	95.13
39.5	93.54	94.53	94.33
40.5	93.54	94.53	93.89
41.5	93.54	94.53	93.42
42.5	93.54	94.12	92.39
43.5	93.54	94.12	91.82
44.5	93.54	94.12	91.21
45.5	93.54	93.72	89.89
46.5	93.54	93.72	89.17
47.5	93.54	93.72	87.60
48.5	93.54	93.31	86.76
49.5	93.54	93.31	85.87
50.5	93.54	92.90	83.98
51.5	93.54	92.90	82.97
52.5	93.54	92.90	81.92
53.5	93.54	92.49	79.70

Surviving Percent Report

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Scenario: KEPCO TRANSMISSION 2008

Account: KEPCo 101/6 352 - KY

Placement Band: 1923 - 2008

Observation Band: 1999- 2008

Age	Actual	R0.5 280.35	L3 73.00
54.5	93.53	92.49	78.54
55.5	93.53	92.49	76.12
56.5	93.53	92.08	74.86
57.5	93.53	92.08	73.57
58.5	93.53	92.08	70.93
59.5	91.63	91.66	69.58
60.5	91.63	91.66	68.21
61.5	91.63	91.66	65.43
62.5	91.63	91.24	64.03
63.5	91.63	91.24	62.62
64.5	91.63	90.82	59.81
65.5	91.63	90.82	58.40
66.5	91.63	90.82	55.61
67.5	91.63	90.40	54.23
68.5	91.63	90.40	52.87
69.5	91.63	90.40	50.18
70.5	91.63	89.98	48.86
71.5	91.63	89.98	47.57
72.5	91.63	89.98	45.04
73.5	91.63	89.56	43.81
74.5	91.63	89.56	41.43
75.5	91.63	89.56	40.28
76.5	91.63	89.13	39.16
77.5	91.63	89.13	36.99
78.5	91.63	88.71	35.94
79.5	91.63	88.71	34.92
80.5	91.63	88.71	32.96
81.5	91.63	88.28	32.02
82.5	91.63	88.28	30.21
83.5	91.63	88.28	29.35
84.5	91.63	87.85	28.50
85.5	91.63	87.85	26.88

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2008
Transmission Plant

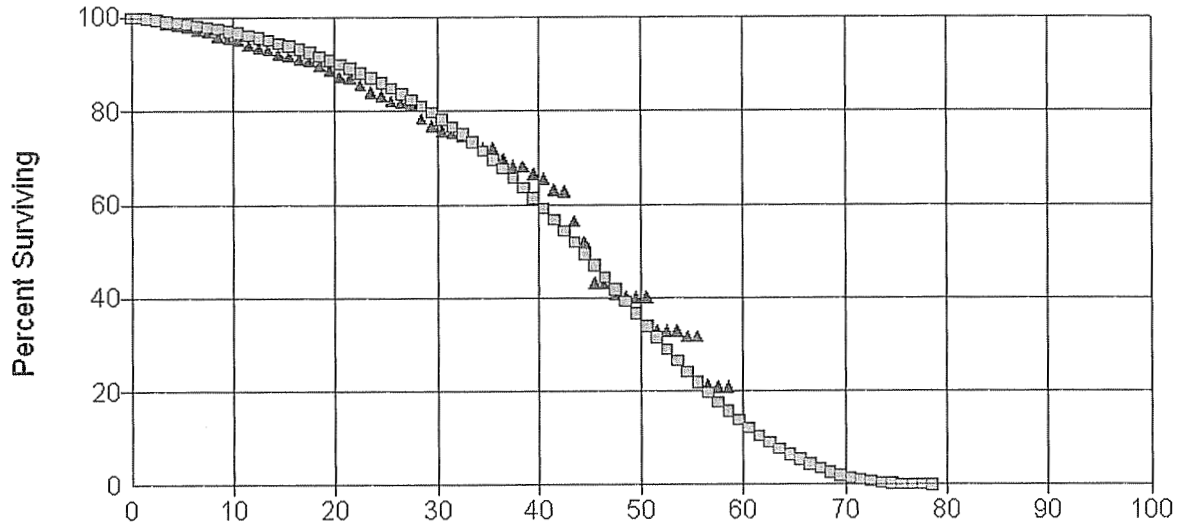
Account	<u>353 STATION EQUIPMENT</u>	
Depreciable Balance	\$146,458,490	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	50	42
Iowa Curve	RO.5	R2.0
Gross Removal, %		20%
Gross Salvage, %		15%
Net Salvage %	25%	-5%

The actuarial analysis indicate that the current 50 year average service life for this account should be shortened. Based on the analysis of the 40 year band, recommendation is to move to a 42 year average service life following an R2.0 type dispersion.

The removal of station equipment will require labor and equipment costs and some salvage would be expected from the scrap values and reuse of the material.

Account: KEPCo 101/6 353 - KY
Scenario: KEPCO TRANSMISSION 2008

▲ Actual Data □ R2 42.22



Age (Years)
Vintages: 1916-2008
Activity Years: 1969-2008

Actuarial Life Analysis

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Account: KEPCo 101/6 353 - KY
Scenario: KEPCO TRANSMISSION 2008
Placement Band: 1916 - 2008
Transition: Survivorship Annual Rate Method
Weighting: Unweighted
T-Cut: None

Observation Band	Censoring		Error Sum of Squares	Best Fit	
	Age	Percent		Disp	ASL
1969 -2008	92.5	0.00	0.14609933	R2	42.22

Observed Life Table

Scenario: KEPCO TRANSMISSION 2008

Account: KEPCo 101/6 353 - KY

Placement Band: 1916 - 2008

Observation Band: 1969 - 2008

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
0	158,770,054.58	88,301.00	0.00056	0.99944	100.00
0.5	146,237,516.57	161,021.00	0.00110	0.99890	99.94
1.5	144,768,267.99	313,688.00	0.00217	0.99783	99.83
2.5	134,563,930.14	1,085,702.00	0.00807	0.99193	99.61
3.5	131,727,554.56	655,240.00	0.00497	0.99503	98.81
4.5	128,279,079.69	516,028.00	0.00402	0.99598	98.32
5.5	124,894,734.49	753,720.00	0.00603	0.99397	97.92
6.5	120,507,580.51	575,370.00	0.00477	0.99523	97.33
7.5	116,974,854.15	944,062.00	0.00807	0.99193	96.87
8.5	113,596,404.96	636,873.00	0.00561	0.99439	96.09
9.5	111,658,793.55	302,826.00	0.00271	0.99729	95.55
10.5	100,386,632.37	1,229,866.00	0.01225	0.98775	95.29
11.5	62,477,651.11	362,851.00	0.00581	0.99419	94.12
12.5	59,747,607.67	273,968.00	0.00459	0.99541	93.57
13.5	58,654,324.63	683,381.00	0.01165	0.98835	93.14
14.5	56,082,909.51	196,811.00	0.00351	0.99649	92.05
15.5	50,277,130.40	275,537.00	0.00548	0.99452	91.73
16.5	48,182,592.24	261,269.00	0.00542	0.99458	91.23
17.5	44,178,678.91	409,131.00	0.00926	0.99074	90.74
18.5	40,802,355.30	457,121.00	0.01120	0.98880	89.90
19.5	39,267,091.78	716,735.00	0.01825	0.98175	88.89
20.5	38,028,239.21	89,639.00	0.00236	0.99764	87.27
21.5	35,921,425.59	653,577.00	0.01819	0.98181	87.06
22.5	34,773,226.59	618,190.00	0.01778	0.98222	85.48
23.5	33,439,336.67	237,217.00	0.00709	0.99291	83.96
24.5	31,995,181.67	469,737.00	0.01468	0.98532	83.36
25.5	30,321,935.27	153,185.00	0.00505	0.99495	82.14
26.5	28,576,586.24	43,402.00	0.00152	0.99848	81.73
27.5	21,350,804.22	831,854.00	0.03896	0.96104	81.61
28.5	15,242,898.36	333,833.00	0.02190	0.97810	78.43
29.5	13,973,393.06	171,898.00	0.01230	0.98770	76.71
30.5	13,897,099.27	97,331.00	0.00700	0.99300	75.77
31.5	11,809,345.14	73,709.00	0.00624	0.99376	75.24
32.5	10,688,901.70	182,578.00	0.01708	0.98292	74.77
33.5	9,742,596.70	188,855.00	0.01938	0.98062	73.49
34.5	8,524,898.95	14,310.00	0.00168	0.99832	72.07
35.5	8,349,277.24	259,105.00	0.03103	0.96897	71.95
36.5	7,921,386.16	164,869.00	0.02081	0.97919	69.72
37.5	7,555,200.74	13,605.00	0.00180	0.99820	68.27
38.5	6,851,704.99	152,639.00	0.02228	0.97772	68.15
39.5	1,961,198.63	30,716.00	0.01566	0.98434	66.63
40.5	1,871,058.63	72,083.00	0.03853	0.96147	65.59
41.5	1,560,051.16	5,110.00	0.00328	0.99672	63.06
42.5	1,549,478.16	158,998.00	0.10261	0.89739	62.85
43.5	1,294,284.54	102,193.00	0.07896	0.92104	56.40
44.5	1,189,747.28	199,980.00	0.16809	0.83191	51.95
45.5	428,806.28	2,021.00	0.00471	0.99529	43.22
46.5	441,292.28	23,804.00	0.05394	0.94606	43.02
47.5	417,141.28	6,012.00	0.01441	0.98559	40.70
48.5	385,745.31	177.00	0.00046	0.99954	40.11
49.5	333,200.76	0.00	0.00000	1.00000	40.09
50.5	332,623.76	59,244.00	0.17811	0.82189	40.09
51.5	264,399.25	403.00	0.00152	0.99848	32.95
52.5	264,130.25	327.00	0.00124	0.99876	32.90

Observed Life Table

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Scenario: KEPCO TRANSMISSION 2008

Account: KEPCo 101/6 353 - KY

Placement Band: 1916 - 2008

Observation Band: 1969 - 2008

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
53.5	262,906.25	8,887.00	0.03380	0.96620	32.86
54.5	28,122.00	0.00	0.00000	1.00000	31.75
55.5	20,547.00	6,860.00	0.33387	0.66613	31.75
56.5	13,687.00	134.00	0.00979	0.99021	21.15
57.5	13,553.00	0.00	0.00000	1.00000	20.94
58.5	13,553.00	13,553.00	1.00000	0.00000	20.94
59.5	0.00	0.00	0.00000	1.00000	0.00

Surviving Percent Report

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Scenario: KEPCO TRANSMISSION 2008

Account: KEPCo 101/6 353 - KY

Placement Band: 1916 - 2008

Observation Band: 1969- 2008

Age	Actual	R2 42.22
0.0	100.00	100.00
0.5	99.94	99.91
1.5	99.83	99.71
2.5	99.62	99.49
3.5	98.81	99.15
4.5	98.32	98.89
5.5	97.93	98.49
6.5	97.34	98.19
7.5	96.87	97.88
8.5	96.09	97.37
9.5	95.55	97.01
10.5	95.29	96.63
11.5	94.12	96.01
12.5	93.58	95.56
13.5	93.15	95.09
14.5	92.06	94.34
15.5	91.74	93.80
16.5	91.24	92.93
17.5	90.74	92.32
18.5	89.90	91.67
19.5	88.90	90.64
20.5	87.27	89.90
21.5	87.07	89.13
22.5	85.48	87.89
23.5	83.96	87.02
24.5	83.37	85.63
25.5	82.14	84.65
26.5	81.73	83.62
27.5	81.60	81.98
28.5	78.42	80.83
29.5	76.71	79.63
30.5	75.76	77.73
31.5	75.23	76.39
32.5	74.76	75.00
33.5	73.49	72.82
34.5	72.06	71.28
35.5	71.94	68.88
36.5	69.71	67.21
37.5	68.26	65.48
38.5	68.13	62.79
39.5	66.62	60.93
40.5	65.57	59.01
41.5	63.05	56.05
42.5	62.84	54.02
43.5	56.39	50.91
44.5	51.94	48.79
45.5	43.21	46.65
46.5	43.01	43.40
47.5	40.69	41.21
48.5	40.10	39.02
49.5	40.08	35.75
50.5	40.08	33.59
51.5	32.94	31.44
52.5	32.89	28.30
53.5	32.85	26.25

Surviving Percent Report

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Scenario: KEPCO TRANSMISSION 2008

Account: KEPCo 101/6 353 - KY

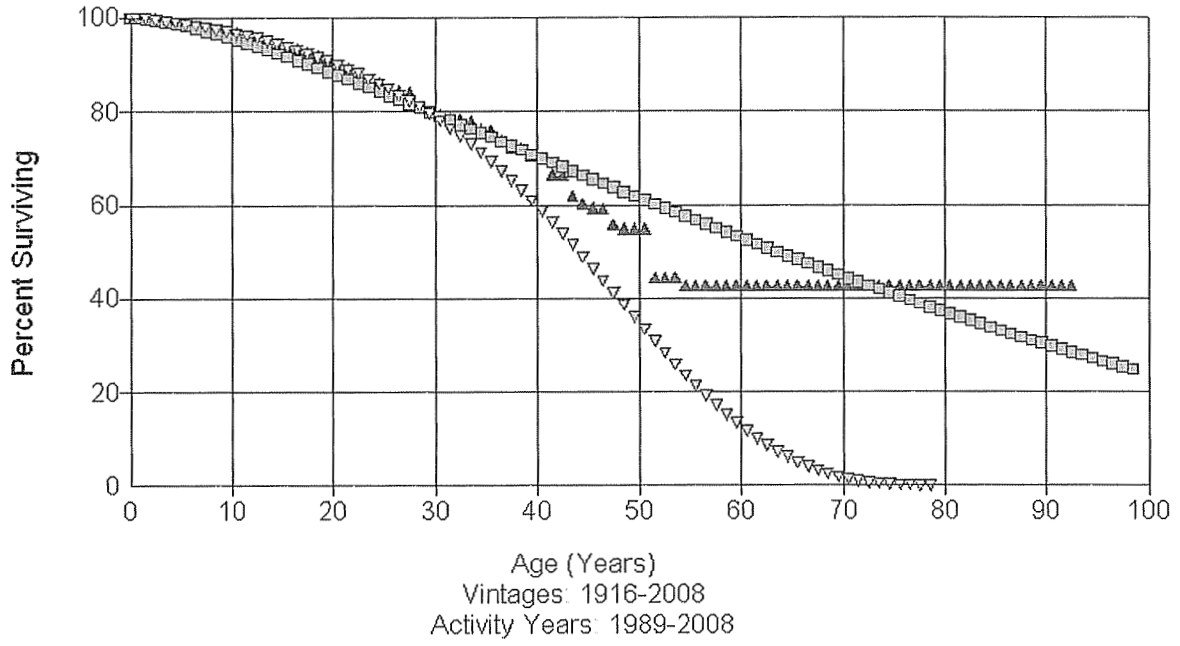
Placement Band: 1916 - 2008

Observation Band: 1969- 2008

Age	Actual	R2 42.22
54.5	31.74	23.28
55.5	31.74	21.38
56.5	21.14	19.54
57.5	20.94	16.93
58.5	20.94	15.30
59.5	0	13.74
60.5	0	11.58
61.5	0	10.25
62.5	0	8.43
63.5	0	7.33
64.5	0	6.32
65.5	0	4.96
66.5	0	4.16
67.5	0	3.44
68.5	0	2.51
69.5	0	1.99
70.5	0	1.53
71.5	0	0.98
72.5	0	0.69
73.5	0	0.36
74.5	0	0.21
75.5	0	0.11
76.5	0	0.03
77.5	0	0.01
78.5	0	0
79.5	0	0
80.5	0	
81.5	0	
82.5	0	
83.5	0	
84.5	0	
85.5	0	
86.5	0	
87.5	0	
88.5	0	
89.5	0	
90.5	0	
91.5	0	
92.5	0	

Account: KEPCo 101/6 353 - KY
Scenario: KEPCO TRANSMISSION 2008

▲ Actual Data □ L0 69.07 ▼ R2 42.00



Actuarial Life Analysis

Account: KEPCo 101/6 353 - KY
Scenario: KEPCO TRANSMISSION 2008
Placement Band: 1916 - 2008
Inction: Survivorship Annual Rate Method
Weighting: Unweighted
T-Cut: None

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Observation Band	<u>Censoring</u>		Error Sum <u>of Squares</u>	<u>Best Fit</u>	
	Age	Percent		Disp	ASL
1989 -2008	92.5	42.70	0.39718772	L0	69.07

Observed Life Table

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Scenario: KEPCO TRANSMISSION 2008

Account: KEPCo 101/6 353 - KY

Placement Band: 1916 - 2008

Observation Band: 1989 - 2008

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
0	115,554,490.43	6,132.00	0.00005	0.99995	100.00
0.5	103,556,584.99	41,737.00	0.00040	0.99960	100.00
1.5	104,287,231.56	207,662.00	0.00199	0.99801	99.96
2.5	94,469,559.71	429,862.00	0.00455	0.99545	99.76
3.5	92,738,977.43	493,160.00	0.00532	0.99468	99.31
4.5	90,644,141.30	153,844.00	0.00170	0.99830	98.78
5.5	88,533,672.50	694,506.00	0.00784	0.99216	98.61
6.5	85,991,728.55	131,698.00	0.00153	0.99847	97.84
7.5	91,995,174.21	325,680.00	0.00354	0.99646	97.69
8.5	95,261,679.91	300,469.00	0.00315	0.99685	97.34
9.5	94,523,591.25	153,218.00	0.00162	0.99838	97.03
10.5	83,689,694.86	962,618.00	0.01150	0.98850	96.87
11.5	48,209,037.22	150,774.00	0.00313	0.99687	95.76
12.5	46,727,918.22	155,095.00	0.00332	0.99668	95.46
13.5	46,493,103.18	576,403.00	0.01240	0.98760	95.14
14.5	44,862,485.56	77,616.00	0.00173	0.99827	93.96
15.5	39,510,742.16	149,478.00	0.00378	0.99622	93.80
16.5	37,443,890.08	250,921.00	0.00670	0.99330	93.45
17.5	33,670,268.17	332,352.00	0.00987	0.99013	92.82
18.5	31,090,390.31	266,591.00	0.00857	0.99143	91.90
19.5	36,713,988.15	649,282.00	0.01768	0.98232	91.11
20.5	35,629,931.58	65,030.00	0.00183	0.99817	89.50
21.5	33,869,878.43	639,232.00	0.01887	0.98113	89.34
22.5	32,780,230.43	507,975.00	0.01550	0.98450	87.65
23.5	31,684,108.13	97,460.00	0.00308	0.99692	86.29
24.5	30,450,428.39	465,455.00	0.01529	0.98471	86.02
25.5	29,188,835.99	152,166.00	0.00521	0.99479	84.70
26.5	27,453,651.96	28,241.00	0.00103	0.99897	84.26
27.5	20,198,547.94	800,841.00	0.03965	0.96035	84.17
28.5	14,154,315.05	168,119.00	0.01188	0.98812	80.83
29.5	13,145,034.30	123,396.00	0.00939	0.99061	79.87
30.5	12,968,856.51	88,497.00	0.00682	0.99318	79.12
31.5	10,900,981.89	40,033.00	0.00367	0.99633	78.58
32.5	9,769,519.45	63,477.00	0.00650	0.99350	78.29
33.5	8,943,341.45	188,744.00	0.02110	0.97890	77.78
34.5	8,131,209.95	14,310.00	0.00176	0.99824	76.14
35.5	7,963,163.24	233,376.00	0.02931	0.97069	76.01
36.5	7,561,001.16	163,760.00	0.02166	0.97834	73.78
37.5	7,195,924.74	11,618.00	0.00161	0.99839	72.18
38.5	6,494,729.99	152,065.00	0.02341	0.97659	72.06
39.5	1,604,797.63	11,504.00	0.00717	0.99283	70.37
40.5	1,533,869.63	72,076.00	0.04699	0.95301	69.87
41.5	1,222,869.16	5,110.00	0.00418	0.99582	66.59
42.5	1,211,916.16	80,090.00	0.06609	0.93391	66.31
43.5	1,035,630.54	30,513.00	0.02946	0.97054	61.93
44.5	1,002,773.28	13,293.00	0.01326	0.98674	60.11
45.5	428,519.28	1,734.00	0.00405	0.99595	59.31
46.5	420,879.28	23,804.00	0.05656	0.94344	59.07
47.5	396,728.28	6,012.00	0.01515	0.98485	55.73
48.5	365,332.31	177.00	0.00048	0.99952	54.89
49.5	312,787.76	0.00	0.00000	1.00000	54.86
50.5	312,210.76	59,244.00	0.18976	0.81024	54.86
51.5	243,986.25	403.00	0.00165	0.99835	44.45
52.5	243,583.25	327.00	0.00134	0.99866	44.38

Observed Life Table

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Scenario: KEPCO TRANSMISSION 2008

Account: KEPCo 101/6 353 - KY

Placement Band: 1916 - 2008

Observation Band: 1989 - 2008

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
53.5	242,359.25	8,887.00	0.03667	0.96333	44.32
54.5	7,575.00	0.00	0.00000	1.00000	42.69
55.5	0.00	0.00	0.00000	1.00000	42.69

Surviving Percent Report

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Scenario: KEPCO TRANSMISSION 2008

Account: KEPCo 101/6 353 - KY

Placement Band: 1916 - 2008

Observation Band: 1989- 2008

Age	Actual	L0 69.07	R2 42.00
0.0	100.00	100.00	100.00
0.5	99.99	100.00	99.91
1.5	99.95	99.68	99.71
2.5	99.76	99.45	99.49
3.5	99.30	98.89	99.15
4.5	98.77	98.58	98.89
5.5	98.61	98.24	98.49
6.5	97.83	97.50	98.19
7.5	97.68	97.11	97.88
8.5	97.34	96.27	97.37
9.5	97.03	95.83	97.01
10.5	96.87	94.92	96.43
11.5	95.76	94.45	96.01
12.5	95.46	93.47	95.56
13.5	95.14	92.97	94.85
14.5	93.96	92.46	94.34
15.5	93.80	91.41	93.80
16.5	93.44	90.88	92.93
17.5	92.82	89.78	92.32
18.5	91.90	89.23	91.34
19.5	91.11	88.10	90.64
20.5	89.50	87.53	89.90
21.5	89.34	86.37	88.73
22.5	87.65	85.78	87.89
23.5	86.30	84.59	87.02
24.5	86.03	83.99	85.63
25.5	84.71	83.39	84.65
26.5	84.27	82.18	83.09
27.5	84.19	81.57	81.98
28.5	80.85	80.34	80.83
29.5	79.89	79.72	79.01
30.5	79.14	78.48	77.73
31.5	78.60	77.86	76.39
32.5	78.31	76.62	74.29
33.5	77.80	75.99	72.82
34.5	76.16	75.37	70.50
35.5	76.02	74.12	68.88
36.5	73.80	73.50	67.21
37.5	72.20	72.25	64.60
38.5	72.08	71.62	62.79
39.5	70.39	70.38	59.97
40.5	69.89	69.76	58.04
41.5	66.61	68.51	56.05
42.5	66.33	67.89	53.00
43.5	61.94	67.27	50.91
44.5	60.12	66.04	48.79
45.5	59.32	65.42	45.57
46.5	59.08	64.19	43.40
47.5	55.74	63.57	40.12
48.5	54.90	62.35	37.93
49.5	54.87	61.74	35.75
50.5	54.87	60.52	32.51
51.5	44.46	59.91	30.39
52.5	44.38	58.70	27.27
53.5	44.32	58.10	25.25

Surviving Percent Report

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Scenario: KEPCO TRANSMISSION 2008

Account: KEPCo 101/6 353 - KY

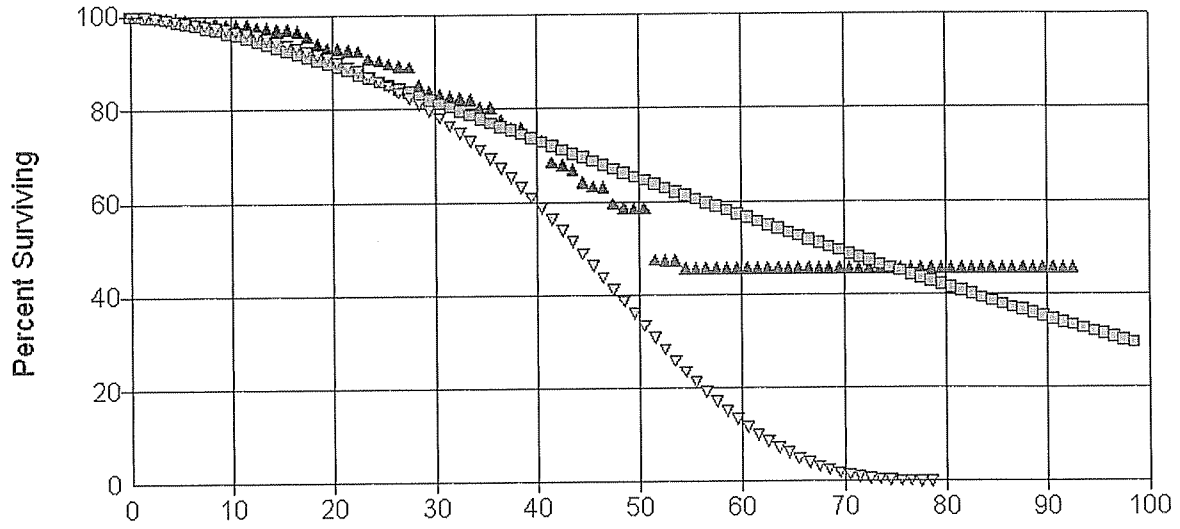
Placement Band: 1916 - 2008

Observation Band: 1989- 2008

Age	Actual	L0 69.07	R2 42.00
54.5	42.70	57.50	23.28
55.5	42.70	56.31	20.45
56.5	42.70	55.71	18.65
57.5	42.70	54.53	16.93
58.5	42.70	53.94	14.51
59.5	42.70	52.77	13.00
60.5	42.70	52.18	10.91
61.5	42.70	51.02	9.62
62.5	42.70	50.45	8.43
63.5	42.70	49.87	6.81
64.5	42.70	48.73	5.84
65.5	42.70	48.17	4.96
66.5	42.70	47.04	3.79
67.5	42.70	46.48	3.12
68.5	42.70	45.37	2.24
69.5	42.70	44.82	1.75
70.5	42.70	43.73	1.33
71.5	42.70	43.18	0.82
72.5	42.70	42.64	0.56
73.5	42.70	41.57	0.28
74.5	42.70	41.04	0.16
75.5	42.70	39.99	0.07
76.5	42.70	39.47	0.01
77.5	42.70	38.44	0
78.5	42.70	37.93	0
79.5	42.70	36.91	0
80.5	42.70	36.41	
81.5	42.70	35.92	
82.5	42.70	34.93	
83.5	42.70	34.44	
84.5	42.70	33.48	
85.5	42.70	33.00	
86.5	42.70	32.06	
87.5	42.70	31.59	
88.5	42.70	30.67	
89.5	42.70	30.21	
90.5	42.70	29.31	
91.5	42.70	28.87	
92.5	42.70	28.43	

Account: KEPCo 101/6 353 - KY
Scenario: KEPCO TRANSMISSION 2008

▲ Actual Data □ L0 75.00 ▼ R2 42.00



Age (Years)
Vintages: 1916-2008
Activity Years: 1999-2008

Actuarial Life Analysis

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Account: KEPCo 101/6 353 - KY
Scenario: KEPCO TRANSMISSION 2008
Placement Band: 1916 - 2008
Action: Survivorship Annual Rate Method
Weighting: Unweighted
T-Cut: None

Observation Band	Censoring		Error Sum of Squares	Best Fit	
	Age	Percent		Disp	ASL
1999 -2008	92.5	45.55	0.41200720	L0	75.00

Observed Life Table

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Scenario: KEPCO TRANSMISSION 2008

Account: KEPCo 101/6 353 - KY

Placement Band: 1916 - 2008

Observation Band: 1999 - 2008

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
0	44,599,905.90	3,244.00	0.00007	0.99993	100.00
0.5	43,170,970.07	9,526.00	0.00022	0.99978	99.99
1.5	78,371,483.79	12,591.00	0.00016	0.99984	99.97
2.5	70,703,385.38	307,249.00	0.00435	0.99565	99.95
3.5	69,143,420.22	19,460.00	0.00028	0.99972	99.52
4.5	68,569,086.46	120,453.00	0.00176	0.99824	99.49
5.5	70,669,612.37	480,898.00	0.00680	0.99320	99.31
6.5	68,692,544.55	25,042.00	0.00036	0.99964	98.63
7.5	69,424,688.52	24,865.00	0.00036	0.99964	98.59
8.5	69,936,940.97	198,466.00	0.00284	0.99716	98.55
9.5	69,602,838.53	76,596.00	0.00110	0.99890	98.27
10.5	58,933,874.92	34,320.00	0.00058	0.99942	98.16
11.5	24,482,929.77	112,016.00	0.00458	0.99542	98.10
12.5	22,410,921.33	73,392.00	0.00327	0.99673	97.65
13.5	22,287,451.21	49,097.00	0.00220	0.99780	97.33
14.5	21,166,695.84	7,252.00	0.00034	0.99966	97.12
15.5	17,030,286.13	52,243.00	0.00307	0.99693	97.09
16.5	16,636,893.00	227,186.00	0.01366	0.98634	96.79
17.5	20,531,430.69	325,948.00	0.01588	0.98412	95.47
18.5	23,262,944.94	214,296.00	0.00921	0.99079	93.95
19.5	22,842,095.72	64,297.00	0.00281	0.99719	93.08
20.5	22,351,801.94	44,522.00	0.00199	0.99801	92.82
21.5	22,414,758.45	61,935.00	0.00276	0.99724	92.64
22.5	22,963,782.89	438,930.00	0.01911	0.98089	92.38
23.5	22,546,287.97	65,904.00	0.00292	0.99708	90.61
24.5	22,386,670.72	175,539.00	0.00784	0.99216	90.35
25.5	21,085,004.03	127,912.00	0.00607	0.99393	89.64
26.5	19,537,947.08	20,927.00	0.00107	0.99893	89.10
27.5	12,503,582.48	528,416.00	0.04226	0.95774	89.00
28.5	7,397,338.37	131,193.00	0.01774	0.98226	85.24
29.5	11,837,909.43	80,115.00	0.00677	0.99323	83.73
30.5	11,764,986.64	83,958.00	0.00714	0.99286	83.16
31.5	10,004,284.98	27,160.00	0.00271	0.99729	82.57
32.5	8,891,538.54	35,081.00	0.00395	0.99605	82.35
33.5	8,198,407.16	168,446.00	0.02055	0.97945	82.02
34.5	7,013,328.67	14,245.00	0.00203	0.99797	80.33
35.5	7,398,732.96	233,206.00	0.03152	0.96848	80.17
36.5	7,002,646.88	161,806.00	0.02311	0.97689	77.64
37.5	6,642,923.46	4,463.00	0.00067	0.99933	75.85
38.5	5,974,378.68	151,509.00	0.02536	0.97464	75.80
39.5	1,179,474.87	11,504.00	0.00975	0.99025	73.88
40.5	1,109,123.87	72,076.00	0.06498	0.93502	73.16
41.5	809,168.91	5,110.00	0.00632	0.99368	68.41
42.5	798,215.91	13,107.00	0.01642	0.98358	67.98
43.5	689,810.29	28,247.00	0.04095	0.95905	66.86
44.5	995,198.28	13,293.00	0.01336	0.98664	64.12
45.5	428,519.28	1,734.00	0.00405	0.99595	63.26
46.5	420,879.28	23,804.00	0.05656	0.94344	63.00
47.5	396,728.28	6,012.00	0.01515	0.98485	59.44
48.5	365,332.31	177.00	0.00048	0.99952	58.54
49.5	312,787.76	0.00	0.00000	1.00000	58.51
50.5	312,210.76	59,244.00	0.18976	0.81024	58.51
51.5	243,986.25	403.00	0.00165	0.99835	47.41
52.5	243,583.25	327.00	0.00134	0.99866	47.33

Observed Life Table

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Scenario: KEPCO TRANSMISSION 2008

Account: KEPCo 101/6 353 - KY

Placement Band: 1916 - 2008

Observation Band: 1999 - 2008

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
53.5	242,359.25	8,887.00	0.03667	0.96333	47.27
54.5	7,575.00	0.00	0.00000	1.00000	45.54
55.5	0.00	0.00	0.00000	1.00000	45.54

Surviving Percent Report

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Scenario: KEPCO TRANSMISSION 2008

Account: KEPCo 101/6 353 - KY

Placement Band: 1916 - 2008

Observation Band: 1999- 2008

Age	Actual	L0 75.00	R2 42.00
0.0	100.00	100.00	100.00
0.5	99.99	100.00	99.91
1.5	99.97	99.68	99.71
2.5	99.95	99.45	99.49
3.5	99.52	99.19	99.15
4.5	99.49	98.89	98.89
5.5	99.32	98.24	98.49
6.5	98.64	97.88	98.19
7.5	98.61	97.11	97.88
8.5	98.57	96.70	97.37
9.5	98.29	96.27	97.01
10.5	98.18	95.38	96.43
11.5	98.13	94.92	96.01
12.5	97.68	94.45	95.56
13.5	97.36	93.47	94.85
14.5	97.14	92.97	94.34
15.5	97.11	92.46	93.80
16.5	96.81	91.41	92.93
17.5	95.49	90.88	92.32
18.5	93.97	90.33	91.34
19.5	93.11	89.78	90.64
20.5	92.85	88.67	89.90
21.5	92.66	88.10	88.73
22.5	92.40	87.53	87.89
23.5	90.64	86.37	87.02
24.5	90.37	85.78	85.63
25.5	89.66	85.19	84.65
26.5	89.12	83.99	83.09
27.5	89.02	83.39	81.98
28.5	85.26	82.79	80.83
29.5	83.75	81.57	79.01
30.5	83.18	80.95	77.73
31.5	82.59	80.34	76.39
32.5	82.37	79.10	74.29
33.5	82.04	78.48	72.82
34.5	80.36	77.86	70.50
35.5	80.19	76.62	68.88
36.5	77.66	75.99	67.21
37.5	75.87	75.37	64.60
38.5	75.82	74.12	62.79
39.5	73.90	73.50	59.97
40.5	73.18	72.87	58.04
41.5	68.42	71.62	56.05
42.5	67.99	71.00	53.00
43.5	66.87	70.38	50.91
44.5	64.13	69.13	48.79
45.5	63.28	68.51	45.57
46.5	63.02	67.89	43.40
47.5	59.46	66.65	40.12
48.5	58.56	66.04	37.93
49.5	58.53	65.42	35.75
50.5	58.53	64.19	32.51
51.5	47.42	63.57	30.39
52.5	47.34	62.96	27.27
53.5	47.28	61.74	25.25

Surviving Percent Report

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Scenario: KEPCO TRANSMISSION 2008

Account: KEPCo 101/6 353 - KY

Placement Band: 1916 - 2008

Observation Band: 1999- 2008

Age	Actual	L0 75.00	R2 42.00
54.5	45.55	61.13	23.28
55.5	45.55	60.52	20.45
56.5	45.55	59.31	18.65
57.5	45.55	58.70	16.93
58.5	45.55	58.10	14.51
59.5	45.55	56.90	13.00
60.5	45.55	56.31	10.91
61.5	45.55	55.71	9.62
62.5	45.55	54.53	8.43
63.5	45.55	53.94	6.81
64.5	45.55	53.35	5.84
65.5	45.55	52.18	4.96
66.5	45.55	51.60	3.79
67.5	45.55	51.02	3.12
68.5	45.55	49.87	2.24
69.5	45.55	49.30	1.75
70.5	45.55	48.17	1.33
71.5	45.55	47.60	0.82
72.5	45.55	47.04	0.56
73.5	45.55	45.92	0.28
74.5	45.55	45.37	0.16
75.5	45.55	44.82	0.07
76.5	45.55	43.73	0.01
77.5	45.55	43.18	0
78.5	45.55	42.64	0
79.5	45.55	41.57	0
80.5	45.55	41.04	
81.5	45.55	40.52	
82.5	45.55	39.47	
83.5	45.55	38.95	
84.5	45.55	38.44	
85.5	45.55	37.42	
86.5	45.55	36.91	
87.5	45.55	36.41	
88.5	45.55	35.42	
89.5	45.55	34.93	
90.5	45.55	34.44	
91.5	45.55	33.48	
92.5	45.55	33.00	

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2008
Transmission Plant

Account	<u>354 TOWERS & FIXTURES</u>	
Depreciable Balance	\$94,722,543	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	45	50
Iowa Curve	R3.0	R3.0
Gross Removal, %		75%
Gross Salvage, %		10%
Net Salvage %	0%	-65%

This account has experienced minimal retirements. The simulation analyses of all bands do not provide meaningful results. Based on the limited retirements and the age of the investments in this account, the recommendation is to retain the current average service life of 45 years following an R3.0 type dispersion.

The cost of removing the towers will be labor and equipment intensive. Scrap salvage should be expected from the sale of the towers.

Simulated Plant Record Analysis
 Kentucky Power - Transm

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Account: KEPCo 101/6 354 - KY
 Version: KEPCO TRANSMISSION 2008
 Method: Simulated Balances

No. of Test Points: 40 Interval: 0 Observation Band: 1969 - 2008

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
R0.5	1243.0	4.80E+11	1.9546	511.61	2.52
R1	852.1	4.86E+11	1.9662	508.60	2.62
R1.5	593.5	4.94E+11	1.9836	504.13	2.74
S-.5	891.5	5.01E+11	1.9980	500.50	2.78
R2	344.9	5.26E+11	2.0470	488.52	3.30
R2.5	225.0	5.73E+11	2.1351	468.36	4.35
L0.5	478.9	6.58E+11	2.2896	436.76	4.14
L1	289.7	6.62E+11	2.2951	435.71	5.79
L0	641.4	6.68E+11	2.3064	433.58	4.04
L1.5	201.7	7.98E+11	2.5207	396.72	8.64
R3	121.3	8.38E+11	2.5837	387.04	12.84
S0	312.1	8.78E+11	2.6445	378.14	5.98
S0.5	226.2	9.28E+11	2.7176	367.97	7.57
SQ	47.0	1.10E+12	2.9531	338.63	100.00
S6	48.2	1.14E+12	3.0183	331.31	100.00
S1	141.8	1.27E+12	3.1741	315.05	15.45
L2	127.7	1.30E+12	3.2114	311.39	20.57
S1.5	116.5	1.31E+12	3.2281	309.78	21.07
S5	51.0	1.39E+12	3.3252	300.73	100.00
R4	70.5	1.47E+12	3.4223	292.20	77.15
S2	88.7	1.59E+12	3.5549	281.30	40.39
R5	53.5	1.60E+12	3.5720	279.96	100.00
L3	83.3	1.61E+12	3.5765	279.60	53.49
L5	54.3	1.63E+12	3.6002	277.76	99.49
S4	56.4	1.71E+12	3.6940	270.71	99.62
S3	68.0	1.76E+12	3.7425	267.20	78.42
L4	63.8	1.78E+12	3.7653	265.58	87.60

Simulated Plant Record Analysis
 Kentucky Power - Transm

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Account: KEPCo 101/6 354 - KY
 rsion: KEPCO TRANSMISSION 2008
 Method: Simulated Balances

No. of Test Points: 20 Interval: 0 Observation Band: 1989 - 2008

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
R0.5	1279.3	3.20E+11	1.4803	675.54	2.45
R1	877.0	3.24E+11	1.4904	670.96	2.54
R1.5	610.8	3.31E+11	1.5056	664.19	2.65
S-.5	918.8	3.36E+11	1.5188	658.41	2.69
R2	351.5	3.55E+11	1.5605	640.82	3.22
R2.5	229.3	3.90E+11	1.6359	611.28	4.21
L0.5	486.0	4.58E+11	1.7727	564.11	4.06
L1	293.9	4.60E+11	1.7759	563.09	5.63
L0	657.3	4.68E+11	1.7919	558.07	3.90
L1.5	204.7	5.69E+11	1.9753	506.25	8.36
R3	123.6	6.01E+11	2.0305	492.49	12.13
S0	315.3	6.30E+11	2.0785	481.12	5.88
S0.5	230.8	6.70E+11	2.1432	466.59	7.28
SQ	46.3	7.20E+11	2.2227	449.90	100.00
J6	48.4	8.64E+11	2.4342	410.81	100.00
S1	142.4	9.53E+11	2.5562	391.21	15.29
L2	129.6	9.77E+11	2.5888	386.28	19.73
S1.5	118.2	9.89E+11	2.6042	384.00	20.27
S5	51.2	1.09E+12	2.7288	366.46	100.00
R4	71.1	1.13E+12	2.7884	358.63	75.26
S2	89.1	1.23E+12	2.9048	344.26	39.92
L3	83.7	1.25E+12	2.9223	342.20	52.92
R5	54.2	1.27E+12	2.9460	339.44	100.00
L5	54.8	1.29E+12	2.9790	335.68	99.39
S4	56.6	1.37E+12	3.0657	326.19	99.57
S3	68.3	1.39E+12	3.0891	323.72	77.79
L4	63.8	1.41E+12	3.1109	321.45	87.71

Simulated Plant Record Analysis
 Kentucky Power - Transm

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Account: KEPCo 101/6 354 - KY

Version: KEPCO TRANSMISSION 2008

Method: Simulated Balances

No. of Test Points: 10 Interval: 0 Observation Band: 1999 - 2008

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
R0.5	1462.1	2.08E+10	0.4941	2023.88	2.14
R1	1002.3	2.12E+10	0.4988	2004.81	2.20
R1.5	698.1	2.19E+10	0.5071	1972.00	2.29
S-.5	1046.7	2.24E+10	0.5125	1951.22	2.33
R2	401.7	2.47E+10	0.5386	1856.67	2.68
R2.5	256.9	2.88E+10	0.5811	1720.87	3.44
L0.5	542.2	3.61E+10	0.6511	1535.86	3.45
L0	726.1	3.75E+10	0.6632	1507.84	3.40
L1	324.7	3.76E+10	0.6646	1504.66	4.63
L1.5	222.6	5.39E+10	0.7954	1257.23	6.93
S0	343.2	5.92E+10	0.8340	1199.04	5.10
R3	133.0	5.94E+10	0.8351	1197.46	9.77
S0.5	248.7	6.60E+10	0.8805	1135.72	6.29
S1	151.9	1.22E+11	1.1981	834.65	13.12
L2	136.0	1.28E+11	1.2258	815.79	17.17
S1.5	123.6	1.32E+11	1.2427	804.70	17.96
R4	73.1	1.77E+11	1.4429	693.05	68.99
S2	92.3	2.01E+11	1.5373	650.49	36.32
L3	86.9	2.08E+11	1.5641	639.35	48.14
S6	49.4	2.24E+11	1.6227	616.26	100.00
S5	52.2	2.36E+11	1.6634	601.18	100.00
R5	55.2	2.46E+11	1.7012	587.82	100.00
S3	69.6	2.61E+11	1.7494	571.62	75.00
L4	65.6	2.61E+11	1.7518	570.84	85.27
L5	55.8	2.74E+11	1.7947	557.20	99.13
S4	57.7	2.90E+11	1.8437	542.39	99.26
SQ	49.1	3.95E+11	2.1547	464.10	100.00

Act Yr	Additions	Retirements	Ending Balance
2008	\$2,400,232	\$646	\$94,722,543
2007	\$0	\$0	\$92,322,958
2006	\$0	\$20,749	\$92,322,958
2005	\$16,026	\$36,676	\$92,343,707
2004	\$5,437	\$0	\$92,364,357
2003	\$27,463	\$2,124	\$92,358,920
2002	\$96,142	\$4,473	\$92,333,581
2001	\$994,594	\$405	\$92,241,911
2000	\$657,177	\$0	\$91,247,723
1999	\$4,771,185	\$0	\$90,590,545
1998	\$6,759,532	\$0	\$85,819,360
1997	\$860,276	\$9,923	\$79,059,828
1996	\$363,575	\$894	\$78,209,475
1995	\$315,635	\$0	\$77,846,794
1994	\$0	\$0	\$77,531,159
1993	\$182,665	\$5,820	\$77,531,159
1992	\$41,132	\$2,222	\$77,354,314
1991	\$15	\$1,436	\$77,315,404
1990	\$427,812	\$68,846	\$77,316,825
1989	\$0	\$14,276	\$76,957,859
1988	\$0	\$0	\$76,972,135
1987	\$0	\$0	\$76,972,135
1986	\$783,128	\$193,909	\$76,972,135
1985	\$59,889,883	\$0	\$76,382,916
1984	\$177,806	\$43,412	\$16,493,033
1983	\$0	\$11,161	\$16,358,639
1982	\$273,723	\$17,051	\$16,369,800
1981	\$0	\$0	\$16,113,128
1980	\$0	\$15,975	\$16,113,128
1979	\$0	\$0	\$16,129,103
1978	\$81,431	\$0	\$16,129,103
1977	\$28,623	\$0	\$16,047,672
1976	\$158,516	\$9,324	\$16,019,049
1975	\$72,763	\$3,317	\$15,869,657
1974	\$20,383	\$2,557	\$15,800,411

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Act Yr Additions Retirements Ending Balance

1973	\$112,943	\$0	\$15,782,585	\$0
1972	\$8,467,428	\$8,796	\$15,669,642	\$0
1971	\$26,158	\$0	\$7,211,010	\$0
1970	\$4,036,456	\$0	\$7,184,852	\$0
1969	\$0	\$0	\$3,148,396	\$0
1968	\$768,389	\$0	\$3,148,396	\$0
1967	\$370,618	\$33,709	\$2,380,007	\$0
1966	\$19,067	\$0	\$2,043,098	\$0
1965	\$450,200	\$259	\$2,024,031	\$0
1964	\$97,303	\$0	\$1,574,091	\$0
1963	\$681,030	\$5,906	\$1,476,788	\$0
1962	\$115,749	\$0	\$801,663	\$0
1961	\$227	\$0	\$685,914	\$0
1960	\$0	\$0	\$685,687	\$0
1959	\$376,337	\$0	\$685,687	\$0
1958	\$9,324	\$0	\$309,350	\$0
1957	\$0	\$0	\$300,026	\$0
1956	\$8,760	\$0	\$300,026	\$0
1955	\$0	\$0	\$291,266	\$0
1954	\$65,848	\$0	\$291,266	\$0
1953	\$0	\$0	\$225,418	\$0
1952	\$0	\$0	\$225,418	\$0
1951	\$0	\$0	\$225,418	\$0
1950	\$0	\$0	\$225,418	\$0
1949	\$0	\$0	\$225,418	\$0
1948	\$0	\$0	\$225,418	\$0
1947	\$0	\$0	\$225,418	\$0
1946	\$0	\$0	\$225,418	\$0
1945	\$0	\$0	\$225,418	\$0
1944	\$1,370	\$0	\$225,418	\$0
1943	\$0	\$0	\$224,048	\$0
1942	\$184,841	\$0	\$224,048	\$0
1941	\$0	\$0	\$39,207	\$0
1940	\$2,636	\$0	\$39,207	\$0
1939	\$848	\$0	\$36,571	\$0

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Act Yr	Additions	Retirements	Ending Balance
1938	\$7,093	\$0	\$35,723
1937	\$0	\$0	\$28,630
1936	\$462	\$0	\$28,630
1935	\$0	\$0	\$28,168
1934	\$0	\$0	\$28,168
1933	\$45	\$0	\$28,168
1932	\$539	\$0	\$28,123
1931	\$0	\$0	\$27,584
1930	\$2,645	\$0	\$27,584
1929	\$18,867	\$0	\$24,939
1928	\$5,349	\$0	\$6,072
1927	\$723	\$0	\$723

\$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2008
Transmission Plant

Account	<u>355 POLES & FIXTURES</u>	
Depreciable Balance	\$48,384,844	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	43	38
lowa Curve	R3.0	S4.0
Gross Removal, %		55%
Gross Salvage, %		2%
Net Salvage %	0%	-53%

Both the 40 year and 20 year simulation band analyses indicate that the average service life for this account is 38 years following an S4.0 type retirement dispersion pattern.

The removal cost for poles involves significant labor, equipment and transportation costs since the poles must be transported back to the storeroom for disposal. There could be some reuse salvage of insulators and crossarms.

Simulated Plant Record Analysis
 Kentucky Power - Transm

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Account: KEPCo 101/6 355 - KY
 rsion: KEPCO TRANSMISSION 2008
 Method: Simulated Balances

No. of Test Points: 40 Interval: 0 Observation Band: 1969 - 2008

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
S4	37.6	7.87E+11	8.2291	121.52	100.00
L4	39.0	7.95E+11	8.2697	120.92	99.90
L5	37.3	8.11E+11	8.3571	119.66	100.00
S3	39.7	8.96E+11	8.7819	113.87	99.99
S5	36.6	9.34E+11	8.9655	111.54	100.00
L3	42.3	9.37E+11	8.9812	111.34	95.73
R5	36.9	1.00E+12	9.3005	107.52	100.00
R4	38.6	1.05E+12	9.5136	105.11	100.00
S2	42.6	1.11E+12	9.7532	102.53	98.72
R3	41.9	1.22E+12	10.2399	97.66	100.00
L2	48.3	1.25E+12	10.3932	96.22	84.53
S1.5	45.3	1.27E+12	10.4616	95.59	94.09
R2.5	45.4	1.36E+12	10.8139	92.47	97.29
S6	36.4	1.40E+12	10.9634	91.21	100.00
J1	48.2	1.43E+12	11.0913	90.16	86.81
L1.5	53.9	1.48E+12	11.2712	88.72	74.94
R2	50.3	1.52E+12	11.4235	87.54	86.45
S0.5	53.9	1.62E+12	11.8173	84.62	73.68
L1	60.9	1.63E+12	11.8496	84.39	64.37
R1.5	58.5	1.75E+12	12.2889	81.37	65.55
S0	61.4	1.79E+12	12.3998	80.65	60.21
L0.5	72.7	1.82E+12	12.5164	79.90	52.95
R1	69.8	1.93E+12	12.8958	77.54	47.89
L0	86.7	1.96E+12	12.9760	77.07	44.46
S-.5	80.6	1.97E+12	13.0146	76.84	42.50
R0.5	88.4	2.04E+12	13.2631	75.40	36.55
SQ	38.1	5.71E+12	22.1617	45.12	100.00

Simulated Plant Record Analysis
 Kentucky Power - Transm

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Account: KEPCo 101/6 355 - KY
 Version: KEPCO TRANSMISSION 2008
 Method: Simulated Balances

No. of Test Points: 20 Interval: 0 Observation Band: 1989 - 2008

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
S4	37.5	6.29E+11	6.4535	154.95	100.00
L4	39.0	6.33E+11	6.4752	154.44	99.91
L5	37.3	6.60E+11	6.6129	151.22	100.00
S3	39.7	7.32E+11	6.9601	143.68	99.99
S5	36.6	7.67E+11	7.1272	140.31	100.00
L3	42.3	7.67E+11	7.1273	140.31	95.74
R5	36.9	8.26E+11	7.3934	135.26	100.00
R4	38.6	8.42E+11	7.4682	133.90	100.00
S2	42.2	9.16E+11	7.7896	128.38	98.95
R3	41.9	1.00E+12	8.1355	122.92	100.00
L2	48.3	1.04E+12	8.3083	120.36	84.55
S1.5	44.9	1.06E+12	8.3759	119.39	94.68
R2.5	45.4	1.11E+12	8.5565	116.87	97.31
S1	48.2	1.18E+12	8.8448	113.06	86.82
L1.5	53.9	1.21E+12	8.9514	111.71	74.96
S6	36.4	1.22E+12	8.9698	111.49	100.00
R2	49.7	1.22E+12	8.9728	111.45	87.52
S0.5	53.9	1.31E+12	9.3257	107.23	73.69
L1	60.9	1.33E+12	9.3763	106.65	64.38
R1.5	57.9	1.36E+12	9.4958	105.31	66.71
S0	60.8	1.43E+12	9.7159	102.92	61.00
L0.5	71.9	1.43E+12	9.7381	102.69	53.56
R1	69.0	1.47E+12	9.8537	101.48	48.68
S-.5	79.8	1.50E+12	9.9688	100.31	43.02
L0	85.8	1.52E+12	10.0271	99.73	44.95
R0.5	86.6	1.53E+12	10.0605	99.40	37.47
SQ	38.1	5.40E+12	18.9172	52.86	100.00

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Simulated Plant Record Analysis
 Kentucky Power - Transm

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Account: KEPCo 101/6 355 - KY
 Version: KEPCO TRANSMISSION 2008
 Method: Simulated Balances

No. of Test Points: 10 Interval: 0 Observation Band: 1999 - 2008

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
R0.5	82.4	7.15E+10	2.2592	442.63	39.85
R1	66.4	7.94E+10	2.3800	420.17	51.80
S-.5	76.3	8.00E+10	2.3901	418.39	45.45
L0	82.1	9.09E+10	2.5465	392.70	47.14
R1.5	56.2	9.10E+10	2.5486	392.37	70.04
L0.5	69.5	9.72E+10	2.6343	379.61	55.64
L1	58.8	9.87E+10	2.6545	376.72	66.77
S0	59.1	1.07E+11	2.7665	361.47	63.34
R2	48.8	1.14E+11	2.8476	351.17	89.44
S0.5	52.3	1.15E+11	2.8636	349.21	76.36
L1.5	52.6	1.16E+11	2.8726	348.12	76.64
S1	47.3	1.28E+11	3.0212	330.99	88.43
R2.5	44.5	1.36E+11	3.1117	321.37	98.05
L2	47.6	1.39E+11	3.1527	317.19	85.43
S1.5	44.5	1.46E+11	3.2285	309.74	95.19
S2	41.8	1.52E+11	3.2899	303.96	99.15
R3	41.0	1.84E+11	3.6274	275.68	100.00
L3	41.7	1.88E+11	3.6645	272.89	96.25
S3	38.9	2.38E+11	4.1173	242.88	100.00
L4	38.8	3.05E+11	4.6655	214.34	99.92
R4	38.2	3.52E+11	5.0137	199.45	100.00
S4	37.6	3.99E+11	5.3398	187.27	100.00
L5	37.1	5.00E+11	5.9767	167.32	100.00
S5	36.6	6.15E+11	6.6230	150.99	100.00
R5	36.9	6.46E+11	6.7913	147.25	100.00
S6	36.4	1.02E+12	8.5424	117.06	100.00
SQ	38.9	7.67E+12	23.4019	42.73	100.00

Act Yr	Additions	Retirements	Ending Balance
2008	\$7,821,843	\$331,274	\$48,384,844
2007	\$547,335	\$147,838	\$40,894,275
2006	\$1,905,268	\$267,008	\$40,494,778
2005	\$1,400,727	\$45,454	\$38,856,517
2004	\$1,450,694	\$358,451	\$37,501,245
2003	\$725,788	\$23,421	\$36,409,002
2002	\$1,374,086	\$169,001	\$35,706,635
2001	\$3,034,077	\$129,176	\$34,501,550
2000	\$2,016,921	\$380,242	\$31,596,649
1999	\$7,276,249	\$459,086	\$29,959,970
1998	\$246,198	\$70,017	\$23,142,807
1997	\$2,200,205	\$189,108	\$22,966,626
1996	\$966,627	\$46,630	\$20,955,529
1995	\$502,094	\$39,055	\$20,035,533
1994	\$2,853,695	\$49,130	\$19,572,494
1993	\$2,024,333	\$250,034	\$16,767,929
1992	\$1,980,376	\$164,329	\$14,993,630
1991	\$1,225,759	\$71,533	\$13,177,583
1990	\$379,655	\$23,776	\$12,023,357
1989	\$526,772	\$0	\$11,667,478
1988	\$501,638	\$3,739	\$11,140,706
1987	\$208,776	\$6,838	\$10,642,807
1986	\$743,795	\$0	\$10,440,869
1985	\$286,320	\$11,886	\$9,697,074
1984	\$129,011	\$5,073	\$9,422,640
1983	\$472,313	\$207	\$9,298,701
1982	\$1,190,640	\$14,204	\$8,826,595
1981	\$831,647	\$661	\$7,650,160
1980	\$971,067	\$6,242	\$6,819,174
1979	\$163,523	\$2,975	\$5,854,349
1978	\$400,964	\$0	\$5,693,801
1977	\$372,518	\$0	\$5,292,837
1976	\$465,135	\$91,810	\$4,920,319
1975	\$413,882	\$1,856	\$4,546,994
1974	\$343,018	\$34,862	\$4,134,968

Act Yr	Additions	Retirements	Ending Balance
1973	\$125,643	\$5,370	\$3,826,812
1972	\$154,289	\$5,093	\$3,706,539
1971	\$241,075	\$2,120	\$3,557,343
1970	\$5,279	\$1,424	\$3,318,387
1969	\$331,595	\$1,640	\$3,314,532
1968	\$245,351	\$245	\$2,984,577
1967	\$434,577	\$110,772	\$2,739,471
1966	\$672,143	\$0	\$2,415,666
1965	\$586,942	\$818	\$1,743,523
1964	\$116,699	\$3,754	\$1,157,398
1963	\$40,074	\$3,221	\$1,044,453
1962	\$83,740	\$461	\$1,007,600
1961	\$53,310	\$91	\$924,321
1960	\$80,558	\$330	\$871,102
1959	\$72,589	\$1,163	\$790,873
1958	\$31,500	\$2,062	\$719,448
1957	\$12,111	\$1,344	\$690,009
1956	\$52,891	\$1,662	\$679,242
1955	\$11,248	\$2,462	\$628,013
1954	\$159,582	\$5,534	\$619,227
1953	\$59,562	\$0	\$465,179
1952	\$9,029	\$0	\$405,617
1951	\$4,317	\$0	\$396,588
1950	\$2,849	\$0	\$392,271
1949	\$16,466	\$0	\$389,422
1948	\$2,881	\$0	\$372,956
1947	\$802	\$0	\$370,075
1946	\$1,398	\$0	\$369,273
1945	\$11,786	\$0	\$367,875
1944	\$76,227	\$0	\$356,089
1943	\$0	\$0	\$279,862
1942	\$164,194	\$0	\$279,862
1941	\$2,006	\$0	\$115,668
1940	\$0	\$0	\$113,662
1939	\$0	\$0	\$113,662

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Act Yr	Additions	Retirements	Ending Balance
1938	\$113,662	\$0	\$113,662

\$0

\$0

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KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2008
Transmission Plant

Account	<u>356 OVERHEAD CONDUCTOR & DEVICES</u>	
Depreciable Balance	\$109,075,670	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	50	50
Iowa Curve	R3.0	R3.0
Gross Removal, %		25%
Gross Salvage, %		15%
Net Salvage %	10%	-10%

The simulation analyses for all bands do not provide meaningful guidance since the retirements from this account have been minimal. The recommendation is to continue the current 50 year average service life following an R3.0 type retirement dispersion.

Removal costs should be expected from the labor and transportation costs involved in removing the conductor. Salvage costs would be expected from the sale of the conductor and the reuse of circuit breakers, insulators and switches.

Simulated Plant Record Analysis
 Kentucky Power - Transm

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Account: KEPCo 101/6 356 - KY
 Version: KEPCO TRANSMISSION 2008
 Method: Simulated Balances

No. of Test Points: 40 Interval: 0 Observation Band: 1969 - 2008

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
L0	302.1	3.09E+11	1.5234	656.43	12.26
L0.5	225.6	3.13E+11	1.5344	651.72	14.39
R2	146.7	3.16E+11	1.5424	648.34	14.83
R2.5	106.3	3.27E+11	1.5688	637.43	26.08
S-.5	343.7	3.42E+11	1.6042	623.36	9.10
R1.5	227.2	3.48E+11	1.6167	618.54	9.57
R1	316.6	3.63E+11	1.6533	604.85	8.35
L1	151.6	3.72E+11	1.6736	597.51	23.41
R0.5	450.1	3.78E+11	1.6856	593.26	7.60
S0	170.1	4.07E+11	1.7484	571.95	17.94
S0.5	131.6	4.88E+11	1.9149	522.22	23.96
L1.5	118.5	5.06E+11	1.9508	512.61	32.35
R3	77.1	6.43E+11	2.1992	454.71	63.83
S1	96.3	9.19E+11	2.6286	380.43	40.79
.2	90.3	1.00E+12	2.7471	364.02	52.03
S1.5	82.8	1.06E+12	2.8200	354.61	54.64
S6	46.8	1.11E+12	2.8876	346.31	100.00
S5	48.9	1.36E+12	3.1945	313.04	100.00
R5	50.5	1.41E+12	3.2519	307.51	100.00
S2	70.1	1.53E+12	3.3870	295.25	76.06
L3	67.4	1.55E+12	3.4159	292.75	80.86
R4	58.1	1.57E+12	3.4329	291.30	99.99
L5	51.0	1.59E+12	3.4589	289.11	99.99
L4	56.5	1.66E+12	3.5322	283.11	97.73
SQ	47.0	1.74E+12	3.6178	276.41	100.00
S4	52.0	1.77E+12	3.6480	274.12	100.00
S3	58.7	1.83E+12	3.7096	269.57	97.54

Simulated Plant Record Analysis
 Kentucky Power - Transm

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Account: KEPCo 101/6 356 - KY

Version: KEPCO TRANSMISSION 2008

Method: Simulated Balances

No. of Test Points: 20 Interval: 0 Observation Band: 1989 - 2008

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
L0	302.2	1.81E+11	1.0805	925.50	12.26
L0.5	227.9	1.85E+11	1.0916	916.09	14.16
R2.5	107.4	1.99E+11	1.1327	882.85	25.40
R2	146.7	2.10E+11	1.1637	859.33	14.83
L1	151.6	2.21E+11	1.1936	837.80	23.40
S0	170.1	2.27E+11	1.2103	826.24	17.94
S-.5	347.2	2.50E+11	1.2688	788.15	8.99
R1.5	227.2	2.56E+11	1.2840	778.82	9.57
R1	316.6	2.75E+11	1.3306	751.54	8.35
S0.5	131.6	2.85E+11	1.3557	737.63	23.95
R0.5	450.1	2.91E+11	1.3685	730.73	7.60
L1.5	119.7	3.10E+11	1.4134	707.51	31.72
R3	77.1	4.14E+11	1.6335	612.18	63.82
S1	97.3	6.26E+11	2.0083	497.93	39.99
_2	90.3	6.87E+11	2.1047	475.13	52.02
S6	47.2	7.18E+11	2.1516	464.77	100.00
S1.5	83.7	7.41E+11	2.1847	457.73	53.55
S5	48.9	9.50E+11	2.4741	404.19	100.00
R5	50.5	9.56E+11	2.4818	402.93	100.00
S2	70.1	1.14E+12	2.7078	369.30	76.04
L3	67.4	1.15E+12	2.7175	367.99	80.85
R4	58.7	1.16E+12	2.7285	366.50	99.98
L5	51.0	1.17E+12	2.7404	364.91	99.99
SQ	47.0	1.17E+12	2.7500	363.64	100.00
L4	56.5	1.21E+12	2.7895	358.49	97.73
S4	52.0	1.36E+12	2.9563	338.26	100.00
S3	58.8	1.41E+12	3.0115	332.06	97.54

Simulated Plant Record Analysis
 Kentucky Power - Transm

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Account: KEPCo 101/6 356 - KY

Version: KEPCO TRANSMISSION 2008

Method: Simulated Balances

No. of Test Points: 10 Interval: 0 Observation Band: 1999 - 2008

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
R0.5	432.6	3.30E+10	0.5700	1754.39	7.92
R1	307.3	3.89E+10	0.6191	1615.25	8.64
R1.5	220.5	4.62E+10	0.6744	1482.80	9.97
S-.5	333.5	4.75E+10	0.6841	1461.77	9.44
R2	143.8	8.03E+10	0.8892	1124.61	15.42
L0	297.8	1.08E+11	1.0332	967.87	12.50
L0.5	224.6	1.16E+11	1.0704	934.23	14.50
R2.5	106.3	1.36E+11	1.1578	863.71	26.08
L1	150.9	1.91E+11	1.3716	729.08	23.60
S0	169.3	2.04E+11	1.4163	706.07	18.06
S0.5	132.3	2.63E+11	1.6081	621.85	23.71
L1.5	119.1	2.88E+11	1.6836	593.97	32.01
SQ	45.4	3.73E+11	1.9164	521.81	100.00
R3	77.1	3.77E+11	1.9262	519.16	63.82
S1	97.8	5.06E+11	2.2321	448.01	39.56
L2	90.7	5.52E+11	2.3319	428.83	51.56
S1.5	84.1	5.85E+11	2.4004	416.60	52.96
S6	47.0	6.58E+11	2.5457	392.82	100.00
R5	50.5	8.23E+11	2.8478	351.15	100.00
S2	70.5	8.54E+11	2.9011	344.70	75.39
R4	58.7	8.55E+11	2.9021	344.58	99.98
L3	67.8	8.71E+11	2.9288	341.44	80.45
L4	56.8	9.03E+11	2.9822	335.32	97.57
S5	49.2	9.07E+11	2.9886	334.60	100.00
L5	51.3	1.01E+12	3.1493	317.53	99.98
S3	59.1	1.04E+12	3.2072	311.80	97.31
S4	52.3	1.09E+12	3.2804	304.84	100.00

10/20/2009

Act Yr	Additions	Retirements	Ending Balance
2008	\$7,615,245	\$149,255	\$109,075,670
2007	\$388,254	\$2,896	\$101,609,681
2006	\$278,653	\$126,720	\$101,224,323
2005	\$743,703	\$35,213	\$101,072,390
2004	\$244,995	\$55,180	\$100,363,900
2003	\$653,965	\$102,595	\$100,174,085
2002	\$203,910	\$107,844	\$99,622,715
2001	\$1,212,538	\$8,636	\$99,526,649
2000	\$1,907,562	\$112,146	\$98,322,748
1999	\$11,988,969	\$315,114	\$96,527,332
1998	\$4,941,738	\$140,443	\$84,853,476
1997	\$712,207	\$85,900	\$80,052,182
1996	\$1,377,965	\$34,379	\$79,425,875
1995	\$1,023,703	\$0	\$78,082,289
1994	\$3,258,062	\$17,616	\$77,058,586
1993	\$1,695,513	\$152,787	\$73,818,140
1992	\$2,241,118	\$80,152	\$72,275,414
1991	\$704,245	\$62,359	\$70,114,448
1990	\$430,845	\$3,248	\$69,472,562
1989	\$273,872	\$28,688	\$69,044,965
1988	\$187,297	\$71	\$68,799,781
1987	\$131,020	\$0	\$68,612,555
1986	\$838,491	\$73,842	\$68,481,535
1985	\$46,009,402	\$6,075	\$67,716,886
1984	\$171,899	\$25,128	\$21,713,559
1983	\$42,428	\$0	\$21,567,788
1982	\$1,827,109	\$78,806	\$21,525,360
1981	\$694,030	\$489	\$19,777,057
1980	\$452,258	\$31,345	\$19,083,516
1979	\$91,746	\$28	\$18,662,604
1978	\$2,009,798	\$0	\$18,570,886
1977	\$512,195	\$0	\$16,561,088
1976	\$229,904	\$0	\$16,048,893
1975	\$299,105	\$2,437	\$15,818,989
1974	\$44,958	\$22	\$15,522,321

Act Yr	Additions	Retirements	Ending Balance
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1973	\$72,762	\$8,297	\$15,477,385	\$0
1972	\$158,182	\$4,566	\$15,412,920	\$0
1971	\$1,144,132	\$44	\$15,259,304	\$0
1970	\$8,258,593	\$0	\$14,115,216	\$0
1969	\$306,367	\$29,269	\$5,856,623	\$0
1968	\$1,214,668	\$124	\$5,579,525	\$0
1967	\$622,934	\$134,776	\$4,364,981	\$0
1966	\$235,126	\$0	\$3,876,823	\$0
1965	\$750,175	\$0	\$3,641,697	\$0
1964	\$332,032	\$1,576	\$2,891,522	\$0
1963	\$516,316	\$0	\$2,561,066	\$0
1962	\$116,770	\$0	\$2,044,750	\$0
1961	\$35,760	\$0	\$1,927,980	\$0
1960	\$34,230	\$0	\$1,892,220	\$0
1959	\$203,931	\$17	\$1,857,990	\$0
1958	\$363,538	\$101	\$1,654,076	\$0
1957	\$9,636	\$0	\$1,290,639	\$0
1956	\$41,375	\$0	\$1,281,003	\$0
1955	\$4,298	\$17	\$1,239,627	\$0
1954	\$318,755	\$489	\$1,235,346	\$0
1953	\$63,843	\$0	\$917,080	\$0
1952	\$15,004	\$0	\$853,237	\$0
1951	\$13,420	\$0	\$838,233	\$0
1950	\$4,533	\$0	\$824,813	\$0
1949	\$63,341	\$0	\$820,280	\$0
1948	\$14,823	\$0	\$756,939	\$0
1947	\$11,563	\$0	\$742,116	\$0
1946	\$5,928	\$0	\$730,553	\$0
1945	\$27,493	\$0	\$724,625	\$0
1944	\$5,349	\$0	\$697,132	\$0
1943	\$5,002	\$0	\$691,783	\$0
1942	\$378,305	\$0	\$686,781	\$0
1941	\$6,577	\$0	\$308,476	\$0
1940	\$101,822	\$0	\$301,899	\$0
1939	\$476	\$0	\$200,077	\$0

KENTUCKY POWER COMPANY
 Depreciation Study as of December 31, 2008
 Transmission Plant

Account	<u>356 UNDERGROUND CONDUIT</u>	
Depreciable Balance	\$11,590	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	37	37
Iowa Curve	R2.0	R2.0
Gross Removal, %		0%
Gross Salvage, %		0%
Net Salvage %	0%	0%

No life analysis was performed for this account since there have been no retirements. The recommendation is to continue the current average service life of 37 years following an R2.0 type dispersion.

The underground conduit will likely be retired in place. Therefore the investment is not anticipated to incur removal or salvage cost.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2008
Transmission Plant

Account 358 UNDERGROUND CONDUCTOR & DEVICES

Depreciable Balance	\$106,066	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	44	44
Iowa Curve	R1.0	R1.0
Gross Removal, %		0%
Gross Salvage, %		0%
Net Salvage %	0%	0%

As in account 357, there have been no retirements from this account. No life analysis was performed. The recommendation is to continue the current 44 year average service life following an R1.0 dispersion.

Do the minimal investment, neither removal or salvage is expected from the investment in this account.

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF 12-31-08
TRANSMISSION PLANT WORKPAPERS

SALVAGE AND REMOVAL ANALYSIS

21-Oct-09

KENTUCKY POWER COMPANY
Transmission Plant Net Salvage Test

Original Cost Retired by Plant Account

Year	352	353	354.0	355.0	356.0	357	358	Total	Removal %	Net Salvage
1994	522	807,484	0	51,836	12,669	0	0	872,511	12%	101,360
1995	2,589	143,408	0	50,733	0	0	0	196,730	-55%	-109,112
1996	11,283	32,475	894	58,862	40,165	0	0	143,679	-8%	-11,869
1997	6,190	1,056,611	9,923	205,721	85,900	0	0	1,364,345	1%	12,548
1998	373	165,269	0	126,426	170,083	0	0	462,151	15%	68,230
1999	852	357,124	0	459,086	315,114	0	0	1,132,176	18%	198,240
2000	0	308,529	0	307,215	112,148	0	0	727,892	-4%	-29,822
2001	852	104,157	405	129,175	8,636	0	0	243,225	-281%	-683,524
2002	352	167,185	4,473	169,000	107,845	0	0	448,855	-4%	-17,372
2003	0	462,374	2,124	23,422	102,595	0	0	590,515	-103%	-606,791
2004	0	699,507	0	358,451	55,179	0	0	1,113,137	-9%	-95,408
2005	57,776	687,089	36,676	45,455	35,212	0	0	862,208	-21%	-176,866
2006	0	783,966	20,749	267,008	126,720	0	0	1,198,443	0%	4,099
2007	2,382	298,345	0	147,839	2,897	0	0	451,463	-92%	-417,573
2008	8458	1369350	646	331275	149255	0	0	1,858,984	-10%	-186,146
TOTAL	91,629	7,442,873	75,890	2,731,504	1,324,418	0	0	11,666,314	-17%	-1,950,006

EVALUATION BASED ON 1994-2008 ACTUAL

	352	353	354.1	355.1	356.1	357	358	Total	
Total Retmts	91,629	7,442,873	75,890	2,731,504	1,324,418	0	0	11,666,314	
Gross Removal %	0	-5	-65	-53	-10	0	0	-17	
Gross Removal \$	0	-372,144	-49,329	-1,447,697	-132,442	0	0	-2,001,611	

21-Oct-09

KENTUCKY POWER COMPANY
Transmission Plant Gross Removal Test

Year	<u>Original Cost Retired by Plant Account</u>							<u>Total</u>	<u>Removal %</u>	<u>Functional Gross Removal</u>
	<u>352</u>	<u>353</u>	<u>354.0</u>	<u>355.0</u>	<u>356.0</u>	<u>357</u>	<u>358</u>			
1994	522	807,484	0	51,836	12,669	0	0	872,511	11%	92,692
1995	2,589	143,408	0	50,733	0	0	0	196,730	77%	151,723
1996	11,283	32,475	894	58,862	40,165	0	0	143,679	-4%	-6,225
1997	6,190	1,056,611	9,923	205,721	85,900	0	0	1,364,345	3%	39,136
1998	373	165,269	0	126,426	170,083	0	0	462,151	47%	215,982
1999	852	357,124	0	459,086	315,114	0	0	1,132,176	3%	33,535
2000	0	308,529	0	307,215	112,148	0	0	727,892	7%	53,562
2001	852	104,157	405	129,175	8,636	0	0	243,225	323%	785,132
2002	352	167,185	4,473	169,000	107,845	0	0	448,855	11%	48,654
2003	0	462,374	2,124	23,422	102,595	0	0	590,515	155%	912,736
2004	0	699,507	0	358,451	55,179	0	0	1,113,137	20%	224,657
2005	57,776	687,089	36,676	45,455	35,212	0	0	862,208	21%	176,975
2006	0	783,966	20,749	267,008	126,720	0	0	1,198,443	12%	141,984
2007	2,382	298,345	0	147,839	2,897	0	0	451,463	65%	292,847
2008	8458	1369350	646	331275	149255	0	0	1,858,984	9%	176,513
TOTAL	<u>91,629</u>	<u>7,442,873</u>	<u>75,890</u>	<u>2,731,504</u>	<u>1,324,418</u>	<u>0</u>	<u>0</u>	<u>11,666,314</u>	<u>29%</u>	<u>3,339,903</u>

EVALUATION BASED ON 1994-2008 ACTUAL

Total Retirmts	352	353	354	355	356	357	358	Total
	91,629	7,442,873	75,890	2,731,504	1,324,418	0	0	11,666,314
Gross Removal %	10	20	75	55	25	0	0	29
Gross Removal \$	9,163	1,488,575	56,918	1,502,327	331,105	0	0	3,388,087

21-Oct-09

KENTUCKY POWER COMPANY
Transmission Plant Gross Salvage Test

Year	Retirements								Total	Salvage %	Functional Gross Salvage
	352	353	354.0	355.0	356.0	357	358				
1994	522	807,484	0	51,836	12,669	0	0	872,511	22%	194,052	
1995	2,589	143,408	0	50,733	0	0	0	196,730	22%	42,611	
1996	11,283	32,475	894	58,862	40,165	0	0	143,679	-4%	-5,644	
1997	6,190	1,056,611	9,923	205,721	85,900	0	0	1,364,345	4%	51,684	
1998	373	165,269	0	126,426	170,083	0	0	462,151	61%	284,212	
1999	852	357,124	0	459,086	315,114	0	0	1,132,176	20%	231,775	
2000	0	308,529	0	307,215	112,148	0	0	727,892	3%	23,740	
2001	852	104,157	405	129,175	8,636	0	0	243,225	42%	101,608	
2002	352	167,185	4,473	169,000	107,845	0	0	448,855	7%	31,282	
2003	0	462,374	2,124	23,422	102,595	0	0	590,515	52%	305,945	
2004	0	699,507	0	358,451	55,179	0	0	1,113,137	12%	129,249	
2005	57,776	687,089	36,676	45,455	35,212	0	0	862,208	0%	109	
2006	0	783,966	20,749	267,008	126,720	0	0	1,198,443	12%	146,083	
2007	2,382	298,345	0	147,839	2,897	0	0	451,463	-28%	-124,726	
2008	8458	1369350	646	331275	149255	0	0	1,858,984	-1%	-9,633	
TOTAL	91,629	7,442,873	75,890	2,731,504	1,324,418	0	0	11,666,314	12%	1,402,347	

EVALUATION BASED ON 1994-2008 ACTUAL

Total Retmts	352	353	354	355	356	357	358	Total
Gross Salvage %	91,629	7,442,873	75,890	2,731,504	1,324,418	0	0	11,666,314
Gross Salvage \$	10	15	10	2	15	0	0	12
	9,163	1,116,431	7,589	54,630	198,663	0	0	1,386,476

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF 12-31-08
TRANSMISSION PLANT WORKPAPERS

CALCULATION OF AGE OF SIMULATED PLANT
BALANCES

Computed Age Distribution Report

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Account: KEPCo 101/6 354 - KY

Version: KEPCO TRANSMISSION 2008

Dispersion: 50 - R3

Vintage	Additions	Age 2009	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
2008	2,400,231	0.5	99.99	2,399,871	100.00	2,400,232	0.50
2005	16,025	3.5	99.86	16,003	100.00	16,026	3.50
2004	5,437	4.5	99.80	5,426	100.01	5,438	4.50
2003	27,462	5.5	99.74	27,390	100.00	27,463	5.50
2002	96,142	6.5	99.66	95,817	100.00	96,143	6.50
2001	994,593	7.5	99.58	990,366	100.00	994,594	7.50
2000	657,177	8.5	99.48	653,727	100.00	657,178	8.50
1999	4,771,185	9.5	99.36	4,740,697	100.00	4,771,186	9.50
1998	6,759,531	10.5	99.23	6,707,618	100.00	6,759,532	10.50
1997	860,276	11.5	99.09	852,413	100.00	860,277	11.50
1996	363,575	12.5	98.92	359,652	100.00	363,576	12.50
1995	315,635	13.5	98.74	311,642	100.00	315,636	13.50
1993	182,665	15.5	98.30	179,551	100.00	182,666	15.50
1992	41,132	16.5	98.04	40,325	100.00	41,133	16.50
1991	15	17.5	97.75	15	103.33	16	17.79
1990	427,812	18.5	97.43	416,830	100.00	427,813	18.50
1986	783,128	22.5	95.81	750,338	100.00	783,129	22.50
1985	59,889,883	23.5	95.31	57,079,850	100.00	59,889,884	23.50
1984	177,806	24.5	94.76	168,485	100.00	177,807	24.50
1982	273,723	26.5	93.51	255,964	100.00	273,724	26.50
1978	81,431	30.5	90.35	73,572	100.00	81,432	30.50
1977	28,623	31.5	89.40	25,589	100.00	28,624	31.50
1976	158,516	32.5	88.38	140,096	100.00	158,517	32.50
1975	72,763	33.5	87.29	63,511	100.00	72,764	33.50
1974	20,383	34.5	86.11	17,552	100.00	20,384	34.50
1973	112,943	35.5	84.85	95,834	100.00	112,944	35.50
1972	8,467,428	36.5	83.51	7,070,810	100.00	8,467,429	36.50
1971	26,158	37.5	82.07	21,467	100.00	26,159	37.50
1970	4,036,456	38.5	80.53	3,250,477	100.00	4,036,457	38.50
1968	768,389	40.5	77.14	592,728	99.70	766,108	40.44
1967	370,618	41.5	75.28	278,998	97.30	360,608	40.94
1966	19,067	42.5	73.30	13,977	94.75	18,066	41.38
1965	450,199	43.5	71.21	320,582	92.04	414,357	41.77
1964	97,303	44.5	69.00	67,134	89.18	86,772	42.09
1963	681,030	45.5	66.66	453,975	86.16	586,767	42.35
1962	115,749	46.5	64.21	74,317	82.99	96,055	42.54
1961	227	47.5	61.64	140	79.88	181	42.72
1959	376,337	49.5	56.17	211,385	72.60	273,216	42.72
1958	9,324	50.5	53.29	4,969	68.89	6,423	42.64
1956	8,760	52.5	47.32	4,145	61.16	5,358	42.31
1954	65,848	54.5	41.16	27,106	53.20	35,034	41.75
1944	1,370	64.5	13.92	191	18.03	247	38.07
1942	184,841	66.5	10.20	18,850	13.18	24,363	37.63
1940	2,636	68.5	7.17	189	9.28	245	37.43
1939	848	69.5	5.91	50	7.68	65	37.42

Computed Age Distribution Report

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Version: KEPCO TRANSMISSION 2008

ersion: 50 - R3

Vintage	Additions	Age 2009	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
1938	7,093	70.5	4.80	340	6.19	439	37.43
1936	462	72.5	3.01	14	3.97	18	37.69
1933	45	75.5	1.24	1	2.69	1	38.77
1932	539	76.5	0.86	5	1.18	6	38.70
1930	2,645	78.5	0.35	9	0.45	12	39.43
1929	18,866	79.5	0.19	36	0.24	46	39.85
1928	5,349	80.5	0.09	5	0.12	6	40.30
1927	722	81.5	0.04		0.04		40.77
95,236,401				88,880,032		94,722,544 *	

* Recorded Balance January 1, 2009: 94,722,544

Computed Age Distribution Report

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Account: KEPCo 101/6 355 - KY

Version: KEPCO TRANSMISSION 2008

Dispersion: 38 - S4

age	Additions	Age 2009	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
2008	7,821,842	0.5	100.00	7,821,842	100.00	7,821,843	0.50
2007	547,335	1.5	100.00	547,335	100.00	547,336	1.50
2006	1,905,268	2.5	100.00	1,905,268	100.00	1,905,269	2.50
2005	1,400,726	3.5	100.00	1,400,726	100.00	1,400,727	3.50
2004	1,450,693	4.5	100.00	1,450,693	100.00	1,450,694	4.50
2003	725,787	5.5	100.00	725,787	100.00	725,788	5.50
2002	1,374,086	6.5	100.00	1,374,086	100.00	1,374,087	6.50
2001	3,034,077	7.5	100.00	3,034,077	100.00	3,034,078	7.50
2000	2,016,920	8.5	100.00	2,016,920	100.00	2,016,921	8.50
1999	7,276,249	9.5	100.00	7,276,249	100.00	7,276,250	9.50
1998	246,197	10.5	100.00	246,197	100.00	246,198	10.50
1997	2,200,205	11.5	100.00	2,200,205	100.00	2,200,206	11.50
1996	966,626	12.5	100.00	966,626	100.00	966,627	12.50
1995	502,094	13.5	100.00	502,089	100.00	502,095	13.50
1994	2,853,694	14.5	100.00	2,853,604	100.00	2,853,695	14.50
1993	2,024,333	15.5	99.99	2,024,180	100.00	2,024,334	15.50
1992	1,980,376	16.5	99.98	1,980,029	100.00	1,980,377	16.50
1991	1,225,759	17.5	99.96	1,225,285	100.00	1,225,760	17.50
1990	379,655	18.5	99.92	379,352	100.00	379,656	18.50
1989	526,772	19.5	99.85	525,968	100.00	526,773	19.50
1988	501,637	20.5	99.72	500,257	100.00	501,638	20.50
1987	208,776	21.5	99.52	207,780	100.00	208,777	21.50
1986	743,795	22.5	99.21	737,944	100.00	743,796	22.50
1985	286,320	23.5	98.75	282,748	99.69	285,437	23.46
1984	129,011	24.5	98.09	126,546	99.02	127,749	24.38
1983	472,313	25.5	97.18	458,978	98.10	463,342	25.26
1982	1,190,639	26.5	95.95	1,142,372	96.86	1,153,232	26.08
1981	831,647	27.5	94.35	784,623	95.24	792,082	26.85
1980	971,066	28.5	92.33	896,576	93.21	905,099	27.53
1979	163,523	29.5	89.82	146,883	90.68	148,280	28.13
1978	400,964	30.5	86.82	348,129	87.65	351,438	28.62
1977	372,517	31.5	83.30	310,308	84.09	313,258	28.99
1976	465,134	32.5	79.25	368,619	80.00	372,123	29.25
1975	413,881	33.5	74.72	309,237	75.43	312,177	29.38
1974	343,018	34.5	69.73	239,201	70.40	241,475	29.39
1973	125,643	35.5	64.38	80,887	64.99	81,656	29.29
1972	154,289	36.5	58.75	90,640	59.31	91,501	29.07
1971	241,075	37.5	52.93	127,612	53.44	128,825	28.77
1970	5,279	38.5	47.07	2,485	47.52	2,509	28.40
1969	331,594	39.5	41.25	136,794	41.65	138,094	27.98
1968	245,350	40.5	35.62	87,397	35.96	88,228	27.53
1967	434,577	41.5	30.27	131,528	30.55	132,778	27.09
1966	672,143	42.5	25.28	169,942	25.52	171,556	26.67
1965	586,942	43.5	20.75	121,790	20.95	122,947	26.31
1964	116,699	44.5	16.70	19,488	16.86	19,674	26.00

Computed Age Distribution Report

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Version: KEPCO TRANSMISSION 2008

Dispersion: 38 - S4

Age	Additions	Age 2009	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
1963	40,074	45.5	13.18	5,281	13.30	5,331	25.78
1962	83,740	46.5	10.18	8,521	10.27	8,602	25.64
1961	53,310	47.5	7.67	4,089	7.74	4,128	25.59
1960	80,558	48.5	5.65	4,555	5.71	4,598	25.63
1959	72,588	49.5	4.05	2,942	4.09	2,970	25.76
1958	31,500	50.5	2.82	889	2.85	898	25.97
1957	12,111	51.5	1.91	231	1.93	234	26.25
1956	52,890	52.5	1.25	660	1.26	666	26.58
1955	11,248	53.5	0.79	88	0.80	90	26.96
1954	159,581	54.5	0.48	761	0.48	767	27.38
1953	59,562	55.5	0.28	164	0.28	165	27.83
1952	9,028	56.5	0.15	14	0.16	14	28.29
1951	4,317	57.5	0.08	3	0.08	4	28.77
1950	2,849	58.5	0.04	1	0.05	1	29.26
1949	16,466	59.5	0.02	3	0.01	2	29.75
1948	2,881	60.5	0.01		0.01		30.25
1947	802	61.5	0.00		0.02		30.76
1946	1,398	62.5	0.00		-0.02	()	31.25
1945	11,785	63.5	0.00		-0.00	(1)	31.75
1944	76,227	64.5	0.00		0.00		0.00
1942	164,194	66.5	0.00		0.00		0.00
1941	2,006	67.5	0.00		0.00		0.00
1938	113,662	70.5	0.00		0.00		0.00
51,929,303				48,313,486		48,384,844 *	

* Recorded Balance January 1, 2009: 48,384,844

Computed Age Distribution Report

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Account: KEPCo 101/6 356 - KY

Version: KEPCO TRANSMISSION 2008

Dispersion: 50 - R3

age	Additions	Age 2009	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
2008	7,615,244	0.5	99.99	7,614,102	100.00	7,615,245	0.50
2007	388,254	1.5	99.95	388,056	100.00	388,255	1.50
2006	278,652	2.5	99.91	278,396	100.00	278,653	2.50
2005	743,702	3.5	99.86	742,661	100.00	743,703	3.50
2004	244,994	4.5	99.80	244,511	100.00	244,995	4.50
2003	653,964	5.5	99.74	652,251	100.00	653,965	5.50
2002	203,909	6.5	99.66	203,220	100.00	203,910	6.50
2001	1,212,537	7.5	99.58	1,207,384	100.00	1,212,538	7.50
2000	1,907,562	8.5	99.48	1,897,547	100.00	1,907,563	8.50
1999	11,988,969	9.5	99.36	11,912,359	100.00	11,988,970	9.50
1998	4,941,737	10.5	99.23	4,903,784	100.00	4,941,738	10.50
1997	712,207	11.5	99.09	705,697	100.00	712,208	11.50
1996	1,377,964	12.5	98.92	1,363,096	100.00	1,377,965	12.50
1995	1,023,703	13.5	98.74	1,010,753	100.00	1,023,704	13.50
1994	3,258,061	14.5	98.53	3,210,070	100.00	3,258,062	14.50
1993	1,695,512	15.5	98.30	1,666,604	100.00	1,695,513	15.50
1992	2,241,118	16.5	98.04	2,197,125	100.00	2,241,119	16.50
1991	704,245	17.5	97.75	688,399	100.00	704,246	17.50
1990	430,845	18.5	97.43	419,785	100.00	430,846	18.50
1989	273,872	19.5	97.08	265,883	100.00	273,873	19.50
1988	187,297	20.5	96.70	181,112	100.00	187,298	20.50
1987	131,020	21.5	96.28	126,141	100.00	131,021	21.50
1986	838,491	22.5	95.81	803,383	100.00	838,492	22.50
1985	46,009,402	23.5	95.31	43,850,641	100.00	46,009,403	23.50
1984	171,899	24.5	94.76	162,888	100.00	171,900	24.50
1983	42,428	25.5	94.16	39,950	100.00	42,429	25.50
1982	1,827,109	26.5	93.51	1,708,566	100.00	1,827,110	26.50
1981	694,030	27.5	92.81	644,129	100.00	694,031	27.50
1980	452,257	28.5	92.05	416,307	100.00	452,258	28.50
1979	91,746	29.5	91.23	83,702	100.00	91,747	29.50
1978	2,009,798	30.5	90.35	1,815,832	100.00	2,009,799	30.50
1977	512,195	31.5	89.40	457,902	100.00	512,196	31.50
1976	229,904	32.5	88.38	203,189	100.00	229,905	32.50
1975	299,105	33.5	87.29	261,074	100.00	299,106	33.50
1974	44,958	34.5	86.11	38,713	100.00	44,959	34.50
1973	72,762	35.5	84.85	61,740	100.00	72,763	35.50
1972	158,182	36.5	83.51	132,091	99.80	157,862	36.46
1971	1,144,131	37.5	82.07	938,943	98.08	1,122,122	37.14
1970	8,258,592	38.5	80.53	6,650,479	96.24	7,947,927	37.78
1969	306,367	39.5	78.89	241,684	94.28	288,835	38.37
1968	1,214,668	40.5	77.14	936,983	92.19	1,119,780	38.92
1967	622,934	41.5	75.28	468,938	89.97	560,424	39.42
1966	235,126	42.5	73.30	172,354	87.60	205,980	39.87
1965	750,174	43.5	71.21	534,191	85.10	638,407	40.26
1964	332,032	44.5	69.00	229,085	82.46	273,778	40.60

Computed Age Distribution Report

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Version: KEPCO TRANSMISSION 2008

Dispersion: 50 - R3

Age	Additions	Age 2009	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
1963	516,316	45.5	66.66	344,176	79.66	411,322	40.87
1962	116,770	46.5	64.21	74,972	76.73	89,599	41.09
1961	35,760	47.5	61.64	22,041	73.66	26,341	41.24
1960	34,229	48.5	58.95	20,179	70.46	24,116	41.34
1959	203,931	49.5	56.17	114,546	67.13	136,893	41.36
1958	363,538	50.5	53.29	193,737	63.69	231,532	41.33
1957	9,636	51.5	50.34	4,850	60.16	5,797	41.24
1956	41,375	52.5	47.32	19,577	56.55	23,397	41.09
1955	4,298	53.5	44.25	1,902	52.90	2,274	40.90
1954	318,755	54.5	41.16	131,212	49.19	156,809	40.66
1953	63,843	55.5	38.07	24,308	45.50	29,050	40.38
1952	15,004	56.5	35.01	5,252	41.84	6,277	40.07
1951	13,420	57.5	31.98	4,292	38.22	5,130	39.74
1950	4,533	58.5	29.03	1,316	34.70	1,573	39.40
1949	63,340	59.5	26.17	16,576	31.28	19,810	39.05
1948	14,823	60.5	23.42	3,472	28.00	4,150	38.72
1947	11,563	61.5	20.81	2,407	24.88	2,876	38.40
1946	5,928	62.5	18.35	1,088	21.94	1,301	38.11
1945	27,492	63.5	16.05	4,413	19.18	5,274	37.84
1944	5,349	64.5	13.92	745	16.65	891	37.62
1943	5,002	65.5	11.97	599	14.32	716	37.44
1942	378,305	66.5	10.20	38,580	12.19	46,103	37.30
1941	6,577	67.5	8.60	566	10.28	676	37.22
1940	101,822	68.5	7.17	7,302	8.57	8,726	37.19
1939	476	69.5	5.91	28	7.16	34	37.24
1938	129,975	70.5	4.80	6,238	5.73	7,453	37.27
1937	8,842	71.5	3.84	339	4.59	406	37.39
1936	9,973	72.5	3.01	300	3.59	358	37.55
1935	1,327	73.5	2.31	31	2.78	37	37.77
1934	2,159	74.5	1.72	37	2.07	45	38.02
1933	1,642	75.5	1.24	20	1.50	25	38.32
1932	2,108	76.5	0.86	18	1.03	22	38.65
1931	2,112	77.5	0.56	12	0.68	14	39.01
1930	4,553	78.5	0.35	16	0.41	19	39.41
1929	15,583	79.5	0.19	30	0.22	35	39.84
1928	3,395	80.5	0.09	3	0.11	4	40.30
1927	4,792	81.5	0.04	2	0.04	2	40.77
1926	8,394	82.5	0.01	1	0.01	1	41.25
1925	1,862	83.5	0.00		0.00		41.75
1924	369	84.5	0.00		-0.14	(1)	42.19
1923	1,121	85.5	0.00		0.00		0.00
1922	1,393	86.5	0.00		0.00		0.00
111,095,343				103,776,885		109,075,670 *	

* Recorded Balance January 1, 2009: 109,075,670

Computed Age Distribution Report

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Account: KEPCo 101/6 357 - KY

Version: KEPCO TRANSMISSION 2008

Dispersion: 37 - R2

Age	Additions	Age 2009	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
1997	11,590	11.5	95.07	11,019	100.00	11,591	11.50
	11,590			11,019		11,591 *	

* Recorded Balance January 1, 2009: 11,591

Computed Age Distribution Report

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Account: KEPCo 101/6 358 - KY

Version: KEPCO TRANSMISSION 2008

Dispersion: 44 - R1

Age	Additions	Age 2009	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
1983	106,066	25.5	78.95	83,738	100.00	106,067	25.50
	106,066			83,738		106,067 *	

* Recorded Balance January 1, 2009: 106,067

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF 12-31-08
TRANSMISSION PLANT WORKPAPERS

CALCULATED RESERVE

Depreciation Reserve Summary

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Account: KEPCo 101/6 350 Land Rights
 Scenario: KEPCO TRANSMISSION 2008 NEW
 Conversion: 75 - R4

Age Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2009

	Plant Amt	<u>Depreciation Reserve</u>		<u>Net Plant</u>	
		Amount	Ratio	Amount	Ratio
Recorded	\$23,482,119.13	\$4,193,440.40	0.1786	\$19,288,678.73	0.8214
Computed	\$23,482,119.13	\$6,833,405.81	0.2910	\$16,648,713.32	0.7090
Difference		(\$2,639,965.41)	-0.1124	\$2,639,965.41	0.1124

Account: KEPCo 101/6 350 Land Rights

Dispersion: 75.00 - R4

Age Net Salvage Rate: 0.00%

Structure Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2008	0.50	\$7,611.97	75.00	74.50	0.9933	1.0000	\$7,561.27	\$101.49
2007	1.50	\$2,274.15	75.00	73.50	0.9800	1.0000	\$2,228.71	\$30.32
2006	2.50	\$103,998.38	75.00	72.50	0.9667	1.0000	\$100,535.18	\$1,386.65
2005	3.50	\$92,305.72	75.00	71.50	0.9534	1.0000	\$88,003.21	\$1,230.74
2004	4.50	\$33,991.00	75.00	70.51	0.9401	1.0000	\$31,953.84	\$453.21
2003	5.50	(\$9,734.24)	75.00	69.51	0.9268	1.0000	(\$9,021.33)	(\$129.79)
2002	6.50	(\$200,238.00)	75.00	68.51	0.9135	1.0000	(\$182,908.75)	(\$2,669.84)
2001	7.50	\$480,775.90	75.00	67.51	0.9002	1.0000	\$432,775.09	\$6,410.35
2000	8.50	\$321,568.93	75.00	66.51	0.8869	1.0000	\$285,188.26	\$4,287.59
1999	9.50	\$966,674.32	75.00	65.52	0.8736	1.0000	\$844,471.77	\$12,888.99
1998	10.50	\$1,280,236.00	75.00	64.52	0.8603	1.0000	\$1,101,398.63	\$17,069.81
1997	11.50	\$580,453.00	75.00	63.53	0.8470	1.0000	\$491,664.30	\$7,739.37
1996	12.50	\$126,373.00	75.00	62.53	0.8338	1.0000	\$105,366.30	\$1,684.97
1995	13.50	\$339,788.00	75.00	61.54	0.8205	1.0000	\$278,805.29	\$4,530.51
1994	14.50	\$321,828.00	75.00	60.55	0.8073	1.0000	\$259,809.91	\$4,291.04
1993	15.50	\$316,776.00	75.00	59.56	0.7941	1.0000	\$251,545.01	\$4,223.68
1992	16.50	\$75,805.00	75.00	58.57	0.7809	1.0000	\$59,193.95	\$1,010.73
1991	17.50	\$325,286.00	75.00	57.58	0.7677	1.0000	\$249,718.09	\$4,337.15
1990	18.50	\$104,145.00	75.00	56.59	0.7545	1.0000	\$78,578.91	\$1,388.60
1989	19.50	\$15,874.00	75.00	55.60	0.7414	1.0000	\$11,768.68	\$211.65
1988	20.50	\$3,265.00	75.00	54.62	0.7283	1.0000	\$2,377.77	\$43.53
1987	21.50	\$1,327.00	75.00	53.64	0.7152	1.0000	\$949.02	\$17.69
1986	22.50	\$82,584.00	75.00	52.66	0.7021	1.0000	\$57,983.06	\$1,101.12
1985	23.50	\$12,474,189.00	75.00	51.68	0.6891	1.0000	\$8,595,731.04	\$166,322.52
1984	24.50	\$294,262.00	75.00	50.71	0.6761	1.0000	\$198,943.70	\$3,923.49
1983	25.50	\$502,031.00	75.00	49.73	0.6631	1.0000	\$332,911.24	\$6,693.75
1982	26.50	\$148,856.00	75.00	48.77	0.6502	1.0000	\$96,789.13	\$1,984.75
1981	27.50	\$154,641.00	75.00	47.80	0.6373	1.0000	\$98,558.83	\$2,061.88
1980	28.50	\$259,692.00	75.00	46.84	0.6245	1.0000	\$162,185.69	\$3,462.56
1979	29.50	\$4,236,751.00	75.00	45.88	0.6118	1.0000	\$2,591,909.23	\$56,490.01
1975	33.50	\$38,729.00	75.00	42.10	0.5613	1.0000	\$21,738.31	\$516.39
		\$23,482,119.13	75.00	53.17	0.7090	1.0000	\$16,648,713.32	\$313,094.92

Depreciation Reserve Summary

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Account: KEPCo 101/6 352 - KY
 Scenario: KEPCO TRANSMISSION 2008 NEW
 Dispersion: 73 - L2
 Average Net Salvage Rate: 10.00%
 Future Net Salvage Rate: 10.00%

Broad Group Procedure

January 1, 2009

	Plant Amt	Depreciation Reserve		Net Plant	
		Amount	Ratio	Amount	Ratio
Recorded	\$6,369,901.06	\$1,008,870.00	0.1584	\$4,724,040.95	0.7416
Computed	\$6,369,901.06	\$1,644,000.50	0.2581	\$4,088,910.45	0.6419
Difference		(\$635,130.50)	-0.0997	\$635,130.50	0.0997

Account: KEPCo 101/6 352 - KY

Dispersion: 73.00 - L2

Age Net Salvage Rate: 10.00%

Future Net Salvage Rate: 10.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2008	0.50	\$141,133.32	73.00	72.50	0.8938	1.0000	\$126,149.59	\$1,740.00
2007	1.50	\$7,094.25	73.00	71.50	0.8815	1.0000	\$6,253.70	\$87.46
2005	3.50	\$66,214.95	73.00	69.51	0.8570	1.0000	\$56,742.99	\$816.35
2002	6.50	\$806,045.35	73.00	66.55	0.8205	1.0000	\$661,376.97	\$9,937.55
2001	7.50	\$701.17	73.00	65.58	0.8085	1.0000	\$566.92	\$8.64
2000	8.50	\$84,281.38	73.00	64.61	0.7966	1.0000	\$67,138.29	\$1,039.09
1999	9.50	\$16,180.15	73.00	63.66	0.7848	1.0000	\$12,698.02	\$199.48
1998	10.50	\$58,660.00	73.00	62.70	0.7731	1.0000	\$45,348.49	\$723.21
1997	11.50	\$203,592.01	73.00	61.76	0.7614	1.0000	\$155,021.64	\$2,510.04
1996	12.50	\$122,344.15	73.00	60.83	0.7499	1.0000	\$91,749.93	\$1,508.35
1995	13.50	\$115,575.00	73.00	59.90	0.7385	1.0000	\$85,355.56	\$1,424.90
1994	14.50	\$49,187.00	73.00	58.99	0.7272	1.0000	\$35,770.12	\$606.42
1993	15.50	\$371,115.00	73.00	58.08	0.7161	1.0000	\$265,737.61	\$4,575.39
1992	16.50	\$113,918.00	73.00	57.18	0.7050	1.0000	\$80,307.64	\$1,404.47
1991	17.50	\$45,070.00	73.00	56.29	0.6940	1.0000	\$31,279.31	\$555.66
1990	18.50	\$65,795.00	73.00	55.41	0.6832	1.0000	\$44,950.13	\$811.17
1989	19.50	\$1,510.00	73.00	54.54	0.6724	1.0000	\$1,015.37	\$18.62
1988	20.50	\$5,196.00	73.00	53.68	0.6618	1.0000	\$3,438.87	\$64.06
1987	21.50	\$14,460.00	73.00	52.83	0.6513	1.0000	\$9,418.20	\$178.27
1986	22.50	\$156,377.00	73.00	51.99	0.6409	1.0000	\$100,224.41	\$1,927.94
1985	23.50	\$101,850.00	73.00	51.15	0.6306	1.0000	\$64,230.05	\$1,255.68
1984	24.50	\$115,579.00	73.00	50.32	0.6204	1.0000	\$71,708.29	\$1,424.95
1983	25.50	\$52,326.00	73.00	49.51	0.6104	1.0000	\$31,939.06	\$645.12
1982	26.50	\$194,550.00	73.00	48.71	0.6005	1.0000	\$116,824.01	\$2,398.56
1981	27.50	\$1,642,115.00	73.00	47.91	0.5907	1.0000	\$969,982.75	\$20,245.25
1980	28.50	\$102,817.00	73.00	47.14	0.5811	1.0000	\$59,750.53	\$1,267.61
1979	29.50	\$3,140.00	73.00	46.38	0.5718	1.0000	\$1,795.33	\$38.71
1978	30.50	\$125.00	73.00	45.63	0.5625	1.0000	\$70.32	\$1.54
1977	31.50	\$158,624.39	73.00	44.90	0.5536	1.0000	\$87,816.70	\$1,955.64
1976	32.50	\$87,539.00	73.00	44.19	0.5448	1.0000	\$47,693.67	\$1,079.25
1975	33.50	\$11,010.17	73.00	43.51	0.5364	1.0000	\$5,905.65	\$135.74
1974	34.50	\$1,154,345.00	73.00	42.84	0.5282	1.0000	\$609,685.70	\$14,231.65
1973	35.50	\$46,882.77	73.00	42.19	0.5201	1.0000	\$24,384.77	\$578.01

Account: KEPCo 101/6 352 - KY

Dispersion: 73.00 - L2

Age Net Salvage Rate: 10.00%

Future Net Salvage Rate: 10.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1971	37.50	\$11,105.00	73.00	40.96	0.5050	1.0000	\$5,607.58	\$136.91
1970	38.50	\$50,620.00	73.00	40.37	0.4977	1.0000	\$25,192.98	\$624.08
1969	39.50	\$1,252.00	73.00	39.80	0.4907	1.0000	\$614.40	\$15.44
1968	40.50	\$32,049.00	73.00	39.26	0.4840	1.0000	\$15,511.89	\$395.12
1967	41.50	\$21,588.91	73.00	38.73	0.4775	1.0000	\$10,308.25	\$266.16
1966	42.50	\$29,924.00	73.00	38.22	0.4712	1.0000	\$14,101.16	\$368.93
1965	43.50	\$297.00	73.00	37.73	0.4652	1.0000	\$138.15	\$3.66
1964	44.50	\$8,446.00	73.00	37.26	0.4594	1.0000	\$3,879.79	\$104.13
1963	45.50	\$16,589.00	73.00	36.81	0.4538	1.0000	\$7,527.58	\$204.52
1962	46.50	\$6,972.00	73.00	36.37	0.4483	1.0000	\$3,125.82	\$85.96
1961	47.50	\$121.00	73.00	35.94	0.4432	1.0000	\$53.62	\$1.49
1960	48.50	\$2,917.00	73.00	35.54	0.4381	1.0000	\$1,278.04	\$35.96
1959	49.50	\$1,799.00	73.00	35.14	0.4333	1.0000	\$779.47	\$22.18
1958	50.50	\$4,414.00	73.00	34.77	0.4286	1.0000	\$1,891.88	\$54.42
1957	51.50	\$579.00	73.00	34.40	0.4241	1.0000	\$245.54	\$7.14
1956	52.50	\$381.00	73.00	34.04	0.4197	1.0000	\$159.92	\$4.70
1955	53.50	\$516.00	73.00	33.70	0.4155	1.0000	\$214.40	\$6.36
1954	54.50	\$38,794.00	73.00	33.37	0.4114	1.0000	\$15,960.63	\$478.28
1953	55.50	\$711.00	73.00	33.05	0.4075	1.0000	\$289.70	\$8.77
1952	56.50	\$92.00	73.00	32.74	0.4036	1.0000	\$37.13	\$1.13
1951	57.50	\$8,401.00	73.00	32.43	0.3999	1.0000	\$3,359.34	\$103.57
1946	62.50	\$152.00	73.00	31.03	0.3825	1.0000	\$58.15	\$1.87
1944	64.50	\$2,137.00	73.00	30.50	0.3761	1.0000	\$803.63	\$26.35
1943	65.50	\$5,740.09	73.00	30.25	0.3729	1.0000	\$2,140.60	\$70.77
1942	66.50	\$7,335.00	73.00	29.99	0.3698	1.0000	\$2,712.49	\$90.43
1940	68.50	\$1,616.00	73.00	29.50	0.3637	1.0000	\$587.72	\$19.92
		\$6,369,901.06	73.00	52.07	0.6419	1.0000	\$4,088,910.45	\$78,533.03

Depreciation Reserve Summary

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Account: KEPCo 101/6 353 - KY
 Scenario: KEPCO TRANSMISSION 2008 NEW
 Dispersion: 42 - R2
 Age Net Salvage Rate: -5.00%
 Future Net Salvage Rate: -5.00%

Broad Group Procedure

January 1, 2009

	Plant Amt	Depreciation Reserve		Net Plant	
		Amount	Ratio	Amount	Ratio
Recorded	\$146,458,490.21	\$25,983,249.06	0.1774	\$127,798,165.66	0.8726
Computed	\$146,458,490.21	\$42,340,910.64	0.2891	\$111,440,504.08	0.7609
Difference		(\$16,357,661.58)	-0.1117	\$16,357,661.58	0.1117

Generation Arrangement Report

Page 122 of 350

Account: KEPCo 101/6 353 - KY

Dispersion: 42.00 - R2

Age Net Salvage Rate: -5.00%

Structure Net Salvage Rate: -5.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2008	0.50	\$12,624,818.01	42.00	41.55	1.0387	1.0000	\$13,113,243.81	\$315,620.45
2007	1.50	\$1,708,499.05	42.00	40.65	1.0161	1.0000	\$1,736,082.91	\$42,712.48
2006	2.50	\$10,134,361.85	42.00	39.75	0.9938	1.0000	\$10,071,455.97	\$253,359.05
2005	3.50	\$2,121,353.20	42.00	38.86	0.9716	1.0000	\$2,061,072.13	\$53,033.83
2004	4.50	\$2,898,108.13	42.00	37.98	0.9495	1.0000	\$2,751,820.68	\$72,452.70
2003	5.50	\$3,593,864.20	42.00	37.11	0.9277	1.0000	\$3,333,850.25	\$89,846.61
2002	6.50	\$3,657,236.98	42.00	36.24	0.9059	1.0000	\$3,313,266.14	\$91,430.92
2001	7.50	\$3,023,907.36	42.00	35.38	0.8844	1.0000	\$2,674,367.88	\$75,597.68
2000	8.50	\$2,475,078.16	42.00	34.52	0.8631	1.0000	\$2,136,165.10	\$61,876.95
1999	9.50	\$1,485,510.96	42.00	33.68	0.8419	1.0000	\$1,250,648.56	\$37,137.77
1998	10.50	\$11,131,808.18	42.00	32.84	0.8209	1.0000	\$9,138,580.73	\$278,295.20
1997	11.50	\$36,704,773.77	42.00	32.01	0.8002	1.0000	\$29,370,648.11	\$917,619.34
1996	12.50	\$2,459,852.44	42.00	31.18	0.7796	1.0000	\$1,917,729.27	\$61,496.31
1995	13.50	\$843,447.04	42.00	30.37	0.7593	1.0000	\$640,402.43	\$21,086.18
1994	14.50	\$2,295,811.37	42.00	29.56	0.7391	1.0000	\$1,696,827.34	\$57,395.28
1993	15.50	\$5,624,959.11	42.00	28.77	0.7192	1.0000	\$4,045,453.03	\$140,623.98
1992	16.50	\$2,112,501.16	42.00	27.98	0.6995	1.0000	\$1,477,703.46	\$52,812.53
1991	17.50	\$3,780,305.33	42.00	27.20	0.6800	1.0000	\$2,570,663.40	\$94,507.63
1990	18.50	\$2,980,615.61	42.00	26.43	0.6608	1.0000	\$1,969,555.23	\$74,515.39
1989	19.50	\$1,181,931.52	42.00	25.67	0.6418	1.0000	\$758,563.92	\$29,548.29
1988	20.50	\$525,646.57	42.00	24.92	0.6230	1.0000	\$327,492.99	\$13,141.16
1987	21.50	\$2,020,844.62	42.00	24.18	0.6045	1.0000	\$1,221,689.24	\$50,521.12
1986	22.50	\$499,860.00	42.00	23.45	0.5863	1.0000	\$293,051.21	\$12,496.50
1985	23.50	\$742,291.92	42.00	22.73	0.5683	1.0000	\$421,849.16	\$18,557.30
1984	24.50	\$1,222,337.00	42.00	22.02	0.5506	1.0000	\$673,019.96	\$30,558.43
1983	25.50	\$1,385,202.40	42.00	21.33	0.5331	1.0000	\$738,505.73	\$34,630.06
1982	26.50	\$1,592,738.03	42.00	20.64	0.5160	1.0000	\$821,850.07	\$39,818.45
1981	27.50	\$7,233,381.02	42.00	19.97	0.4991	1.0000	\$3,610,417.34	\$180,834.53
1980	28.50	\$5,281,891.86	42.00	19.30	0.4825	1.0000	\$2,548,706.77	\$132,047.30
1979	29.50	\$935,672.30	42.00	18.65	0.4663	1.0000	\$436,279.26	\$23,391.81
1978	30.50	\$54,420.79	42.00	18.01	0.4503	1.0000	\$24,504.32	\$1,360.52
1977	31.50	\$1,990,423.13	42.00	17.39	0.4346	1.0000	\$865,124.87	\$49,760.58
1976	32.50	\$1,091,429.44	42.00	16.77	0.4193	1.0000	\$457,653.68	\$27,285.74

Account: KEPCo 101/6 353 - KY

Dispersion: 42.00 - R2

Average Net Salvage Rate: -5.00%

Future Net Salvage Rate: -5.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1975	33.50	\$763,727.00	42.00	16.17	0.4043	1.0000	\$308,764.37	\$19,093.18
1974	34.50	\$1,028,842.75	42.00	15.58	0.3896	1.0000	\$400,856.74	\$25,721.07
1973	35.50	\$161,311.71	42.00	15.01	0.3752	1.0000	\$60,531.72	\$4,032.79
1972	36.50	\$168,786.08	42.00	14.45	0.3613	1.0000	\$60,977.02	\$4,219.65
1971	37.50	\$201,316.42	42.00	13.91	0.3476	1.0000	\$69,983.09	\$5,032.91
1970	38.50	\$690,132.75	42.00	13.37	0.3343	1.0000	\$230,713.43	\$17,253.32
1969	39.50	\$4,737,867.36	42.00	12.85	0.3214	1.0000	\$1,522,583.50	\$118,446.68
1968	40.50	\$59,424.00	42.00	12.35	0.3088	1.0000	\$18,348.59	\$1,485.60
1967	41.50	\$238,924.47	42.00	11.86	0.2965	1.0000	\$70,845.91	\$5,973.11
1966	42.50	\$5,843.00	42.00	11.39	0.2846	1.0000	\$1,663.18	\$146.08
1965	43.50	\$96,195.62	42.00	10.92	0.2731	1.0000	\$26,270.94	\$2,404.89
1964	44.50	\$2,344.26	42.00	10.48	0.2619	1.0000	\$614.02	\$58.61
1963	45.50	\$560,961.00	42.00	10.04	0.2511	1.0000	\$140,856.61	\$14,024.03
1962	46.50	\$5,906.00	42.00	9.62	0.2406	1.0000	\$1,421.00	\$147.65
1961	47.50	\$347.00	42.00	9.22	0.2304	1.0000	\$79.96	\$8.68
1960	48.50	\$25,383.97	42.00	8.82	0.2206	1.0000	\$5,599.99	\$634.60
1959	49.50	\$52,367.55	42.00	8.44	0.2111	1.0000	\$11,054.41	\$1,309.19
1958	50.50	\$577.00	42.00	8.07	0.2019	1.0000	\$116.48	\$14.43
1957	51.50	\$8,980.51	42.00	7.72	0.1930	1.0000	\$1,732.85	\$224.51
1955	53.50	\$897.00	42.00	7.03	0.1758	1.0000	\$157.73	\$22.42
1954	54.50	\$225,897.25	42.00	6.71	0.1677	1.0000	\$37,878.20	\$5,647.43
1953	55.50	\$7,575.00	42.00	6.39	0.1597	1.0000	\$1,209.41	\$189.38
		\$146,458,490.21	42.00	30.44	0.7609	1.0000	\$111,440,504.09	\$3,661,462.26

Depreciation Reserve Summary

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Account: KEPCo 101/6 354 - KY
 Scenario: KEPCO TRANSMISSION 2008 NEW
 Dispersion: 50 - R3
 age Net Salvage Rate: -65.00%
 Future Net Salvage Rate: -65.00%

Broad Group Procedure

January 1, 2009

	Plant Amt	Depreciation Reserve		Net Plant	
		Amount	Ratio	Amount	Ratio
Recorded	\$94,722,543.90	\$40,691,154.00	0.4296	\$115,601,043.44	1.2204
Computed	\$94,722,543.90	\$66,308,124.56	0.7000	\$89,984,072.88	0.9500
Difference		(\$25,616,970.56)	-0.2704	\$25,616,970.56	0.2704

Account: KEPCo 101/6 354 - KY

Dispersion: 50.00 - R3

Average Net Salvage Rate: -65.00%

Future Net Salvage Rate: -65.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2008	0.50	\$2,400,231.50	50.00	49.51	1.6337	1.0000	\$3,921,369.33	\$79,207.64
2005	3.50	\$16,025.50	50.00	46.57	1.5367	1.0000	\$24,626.79	\$528.84
2004	4.50	\$5,437.50	50.00	45.59	1.5046	1.0000	\$8,181.23	\$179.44
2003	5.50	\$27,462.50	50.00	44.62	1.4726	1.0000	\$40,440.27	\$906.26
2002	6.50	\$96,142.50	50.00	43.66	1.4407	1.0000	\$138,509.98	\$3,172.70
2001	7.50	\$994,593.50	50.00	42.69	1.4089	1.0000	\$1,401,300.82	\$32,821.59
2000	8.50	\$657,177.50	50.00	41.74	1.3773	1.0000	\$905,142.34	\$21,686.86
1999	9.50	\$4,771,185.50	50.00	40.78	1.3459	1.0000	\$6,421,439.40	\$157,449.12
1998	10.50	\$6,759,531.50	50.00	39.84	1.3146	1.0000	\$8,886,130.04	\$223,064.54
1997	11.50	\$860,276.50	50.00	38.89	1.2835	1.0000	\$1,104,182.18	\$28,389.12
1996	12.50	\$363,575.50	50.00	37.96	1.2526	1.0000	\$455,426.85	\$11,997.99
1995	13.50	\$315,635.50	50.00	37.03	1.2220	1.0000	\$385,694.64	\$10,415.97
1993	15.50	\$182,665.50	50.00	35.19	1.1613	1.0000	\$212,125.85	\$6,027.96
1992	16.50	\$41,132.50	50.00	34.28	1.1313	1.0000	\$46,532.91	\$1,357.37
1991	17.50	\$15.50	50.00	33.38	1.1016	1.0000	\$17.07	\$0.51
1990	18.50	\$427,812.50	50.00	32.49	1.0721	1.0000	\$458,656.22	\$14,117.81
1986	22.50	\$783,128.50	50.00	29.00	0.9570	1.0000	\$749,487.35	\$25,843.24
1985	23.50	\$59,889,883.50	50.00	28.15	0.9290	1.0000	\$55,639,270.15	\$1,976,366.16
1984	24.50	\$177,806.50	50.00	27.31	0.9013	1.0000	\$160,261.04	\$5,867.61
1982	26.50	\$273,723.50	50.00	25.66	0.8469	1.0000	\$231,812.01	\$9,032.88
1978	30.50	\$81,431.50	50.00	22.49	0.7421	1.0000	\$60,431.25	\$2,687.24
1977	31.50	\$28,623.50	50.00	21.72	0.7168	1.0000	\$20,517.72	\$944.58
1976	32.50	\$158,516.50	50.00	20.97	0.6919	1.0000	\$109,676.99	\$5,231.04
1975	33.50	\$72,763.50	50.00	20.22	0.6674	1.0000	\$48,560.12	\$2,401.20
1974	34.50	\$20,383.50	50.00	19.49	0.6433	1.0000	\$13,111.70	\$672.66
1973	35.50	\$112,943.50	50.00	18.77	0.6195	1.0000	\$69,973.32	\$3,727.14
1972	36.50	\$8,467,428.50	50.00	18.07	0.5963	1.0000	\$5,048,813.32	\$279,425.14
1971	37.50	\$26,158.50	50.00	17.38	0.5734	1.0000	\$15,000.22	\$863.23
1970	38.50	\$4,036,456.50	50.00	16.70	0.5511	1.0000	\$2,224,381.30	\$133,203.06
1968	40.50	\$766,108.49	50.00	15.39	0.5078	1.0000	\$389,038.11	\$25,281.58
1967	41.50	\$360,608.27	50.00	14.76	0.4870	1.0000	\$175,598.22	\$11,900.07
1966	42.50	\$18,065.53	50.00	14.14	0.4666	1.0000	\$8,429.95	\$596.16
1965	43.50	\$414,356.72	50.00	13.54	0.4469	1.0000	\$185,162.99	\$13,673.77

Generation Arrangement Report

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Account: KEPCo 101/6 354 - KY

Dispersion: 50.00 - R3

Average Net Salvage Rate: -65.00%

Future Net Salvage Rate: -65.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1964	44.50	\$86,772.20	50.00	12.96	0.4277	1.0000	\$37,110.63	\$2,863.48
1963	45.50	\$586,767.39	50.00	12.40	0.4091	1.0000	\$240,035.82	\$19,363.32
1962	46.50	\$96,055.43	50.00	11.85	0.3911	1.0000	\$37,566.59	\$3,169.83
1961	47.50	\$181.34	50.00	11.32	0.3737	1.0000	\$67.77	\$5.98
1959	49.50	\$273,216.36	50.00	10.33	0.3408	1.0000	\$93,122.56	\$9,016.14
1958	50.50	\$6,422.84	50.00	9.86	0.3253	1.0000	\$2,089.66	\$211.95
1956	52.50	\$5,357.82	50.00	8.98	0.2962	1.0000	\$1,587.21	\$176.81
1954	54.50	\$35,033.92	50.00	8.17	0.2696	1.0000	\$9,444.46	\$1,156.12
1944	64.50	\$247.05	50.00	5.01	0.1655	1.0000	\$40.89	\$8.15
1942	66.50	\$24,362.82	50.00	4.49	0.1482	1.0000	\$3,610.36	\$803.97
1940	68.50	\$244.68	50.00	3.98	0.1312	1.0000	\$32.10	\$8.07
1939	69.50	\$65.15	50.00	3.72	0.1227	1.0000	\$8.00	\$2.15
1938	70.50	\$439.39	50.00	3.46	0.1143	1.0000	\$50.21	\$14.50
1936	72.50	\$18.32	50.00	2.95	0.0974	1.0000	\$1.78	\$0.60
1933	75.50	\$1.21	50.00	2.19	0.0724	1.0000	\$0.09	\$0.04
1932	76.50	\$6.36	50.00	1.95	0.0642	1.0000	\$0.41	\$0.21
1930	78.50	\$11.96	50.00	1.47	0.0485	1.0000	\$0.58	\$0.39
1929	79.50	\$45.59	50.00	1.24	0.0409	1.0000	\$1.86	\$1.50
1928	80.50	\$6.25	50.00	1.02	0.0336	1.0000	\$0.21	\$0.21
1927	81.50	\$0.31	50.00	0.81	0.0266	1.0000	\$0.01	\$0.01
		\$94,722,543.90	50.00	28.79	0.9500	1.0000	\$89,984,072.88	\$3,125,843.95

Depreciation Reserve Summary

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Account: KEPCo 101/6 355 - KY
 Scenario: KEPCO TRANSMISSION 2008 NEW
 Dispersion: 38 - S4

Age Net Salvage Rate: -53.00%
 Future Net Salvage Rate: -53.00%

Broad Group Procedure

January 1, 2009

	Plant Amt	Depreciation Reserve		Net Plant	
		Amount	Ratio	Amount	Ratio
Recorded	\$48,384,843.88	\$13,536,317.96	0.2798	\$60,492,493.18	1.2502
Computed	\$48,384,843.88	\$22,058,058.55	0.4559	\$51,970,752.59	1.0741
Difference		(\$8,521,740.59)	-0.1761	\$8,521,740.59	0.1761

Generation Arrangement Report

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Account: KEPCo 101/6 355 - KY

Dispersion: 38.00 - S4

Age Net Salvage Rate: -53.00%

Future Net Salvage Rate: -53.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2008	0.50	\$7,821,842.50	38.00	37.50	1.5099	1.0000	\$11,809,952.91	\$314,932.08
2007	1.50	\$547,335.50	38.00	36.50	1.4696	1.0000	\$804,367.13	\$22,037.46
2006	2.50	\$1,905,268.50	38.00	35.50	1.4293	1.0000	\$2,723,280.47	\$76,712.13
2005	3.50	\$1,400,726.50	38.00	34.50	1.3891	1.0000	\$1,945,719.68	\$56,397.67
2004	4.50	\$1,450,693.50	38.00	33.50	1.3488	1.0000	\$1,956,718.29	\$58,409.50
2003	5.50	\$725,787.50	38.00	32.50	1.3086	1.0000	\$949,731.14	\$29,222.50
2002	6.50	\$1,374,086.50	38.00	31.50	1.2683	1.0000	\$1,742,739.43	\$55,325.06
2001	7.50	\$3,034,077.50	38.00	30.50	1.2280	1.0000	\$3,725,926.99	\$122,161.54
2000	8.50	\$2,016,920.50	38.00	29.50	1.1878	1.0000	\$2,395,623.84	\$81,207.59
1999	9.50	\$7,276,249.50	38.00	28.50	1.1475	1.0000	\$8,349,496.24	\$292,964.78
1998	10.50	\$246,197.50	38.00	27.50	1.1072	1.0000	\$272,598.94	\$9,912.69
1997	11.50	\$2,200,205.50	38.00	26.50	1.0670	1.0000	\$2,347,561.35	\$88,587.22
1996	12.50	\$966,626.50	38.00	25.50	1.0267	1.0000	\$992,445.59	\$38,919.44
1995	13.50	\$502,094.50	38.00	24.50	0.9865	1.0000	\$495,292.45	\$20,215.91
1994	14.50	\$2,853,694.50	38.00	23.50	0.9462	1.0000	\$2,700,208.34	\$114,898.75
1993	15.50	\$2,024,333.50	38.00	22.50	0.9060	1.0000	\$1,834,027.45	\$81,506.06
1992	16.50	\$1,980,376.50	38.00	21.50	0.8658	1.0000	\$1,714,644.84	\$79,736.21
1991	17.50	\$1,225,759.50	38.00	20.51	0.8257	1.0000	\$1,012,150.08	\$49,352.95
1990	18.50	\$379,655.50	38.00	19.52	0.7858	1.0000	\$298,329.74	\$15,286.13
1989	19.50	\$526,772.50	38.00	18.53	0.7461	1.0000	\$393,023.36	\$21,209.52
1988	20.50	\$501,637.50	38.00	17.55	0.7067	1.0000	\$354,517.64	\$20,197.51
1987	21.50	\$208,776.50	38.00	16.59	0.6678	1.0000	\$139,421.75	\$8,406.00
1986	22.50	\$743,795.50	38.00	15.64	0.6296	1.0000	\$468,300.66	\$29,947.56
1985	23.50	\$285,436.75	38.00	14.71	0.5922	1.0000	\$169,024.55	\$11,492.58
1984	24.50	\$127,749.47	38.00	13.80	0.5558	1.0000	\$71,002.33	\$5,143.60
1983	25.50	\$463,341.68	38.00	12.93	0.5206	1.0000	\$241,197.64	\$18,655.60
1982	26.50	\$1,153,231.59	38.00	12.09	0.4866	1.0000	\$561,210.07	\$46,432.75
1981	27.50	\$792,082.06	38.00	11.28	0.4544	1.0000	\$359,891.97	\$31,891.73
1980	28.50	\$905,098.61	38.00	10.52	0.4236	1.0000	\$383,384.82	\$36,442.13
1979	29.50	\$148,279.51	38.00	9.80	0.3944	1.0000	\$58,488.54	\$5,970.20
1978	30.50	\$351,438.34	38.00	9.12	0.3672	1.0000	\$129,061.82	\$14,150.02
1977	31.50	\$313,258.24	38.00	8.48	0.3416	1.0000	\$107,015.31	\$12,612.77
1976	32.50	\$372,123.11	38.00	7.89	0.3177	1.0000	\$118,216.15	\$14,982.85

Generation Arrangement Report

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Account: KEPCo 101/6 355 - KY

Dispersion: 38.00 - S4

Range Net Salvage Rate: -53.00%

Future Net Salvage Rate: -53.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1975	33.50	\$312,176.72	38.00	7.34	0.2956	1.0000	\$92,280.05	\$12,569.22
1974	34.50	\$241,474.61	38.00	6.83	0.2750	1.0000	\$66,398.82	\$9,722.53
1973	35.50	\$81,656.47	38.00	6.36	0.2560	1.0000	\$20,900.30	\$3,287.75
1972	36.50	\$91,501.36	38.00	5.92	0.2383	1.0000	\$21,804.72	\$3,684.13
1971	37.50	\$128,825.29	38.00	5.51	0.2220	1.0000	\$28,596.66	\$5,186.91
1970	38.50	\$2,508.69	38.00	5.14	0.2069	1.0000	\$519.04	\$101.01
1969	39.50	\$138,094.05	38.00	4.79	0.1930	1.0000	\$26,645.94	\$5,560.10
1968	40.50	\$88,227.81	38.00	4.47	0.1801	1.0000	\$15,891.13	\$3,552.33
1967	41.50	\$132,778.29	38.00	4.17	0.1681	1.0000	\$22,315.13	\$5,346.07
1966	42.50	\$171,556.34	38.00	3.90	0.1570	1.0000	\$26,938.13	\$6,907.40
1965	43.50	\$122,947.01	38.00	3.64	0.1466	1.0000	\$18,024.27	\$4,950.23
1964	44.50	\$19,673.57	38.00	3.40	0.1370	1.0000	\$2,695.56	\$792.12
1963	45.50	\$5,331.06	38.00	3.18	0.1282	1.0000	\$683.56	\$214.65
1962	46.50	\$8,602.44	38.00	2.97	0.1196	1.0000	\$1,029.06	\$346.36
1961	47.50	\$4,128.34	38.00	2.78	0.1119	1.0000	\$461.77	\$166.22
1960	48.50	\$4,597.83	38.00	2.60	0.1048	1.0000	\$481.88	\$185.12
1959	49.50	\$2,970.18	38.00	2.42	0.0975	1.0000	\$289.62	\$119.59
1958	50.50	\$897.89	38.00	2.26	0.0912	1.0000	\$81.85	\$36.15
1957	51.50	\$233.96	38.00	2.12	0.0856	1.0000	\$20.02	\$9.42
1956	52.50	\$665.93	38.00	1.97	0.0792	1.0000	\$52.75	\$26.81
1955	53.50	\$89.69	38.00	1.84	0.0741	1.0000	\$6.65	\$3.61
1954	54.50	\$767.23	38.00	1.70	0.0684	1.0000	\$52.46	\$30.89
1953	55.50	\$165.21	38.00	1.58	0.0635	1.0000	\$10.49	\$6.65
1952	56.50	\$13.99	38.00	1.47	0.0593	1.0000	\$0.83	\$0.56
1951	57.50	\$3.64	38.00	1.34	0.0540	1.0000	\$0.20	\$0.15
1950	58.50	\$1.38	38.00	1.23	0.0495	1.0000	\$0.07	\$0.06
1949	59.50	\$2.38	38.00	1.14	0.0457	1.0000	\$0.11	\$0.10
1948	60.50	\$0.21	38.00	0.98	0.0393	1.0000	\$0.01	\$0.01
1947	61.50	\$0.16	38.00	0.79	0.0319	1.0000	\$0.01	\$0.01
1946	62.50	(\$0.21)	38.00	0.29	0.0117	1.0000	\$0.00	(\$0.01)
1945	63.50	(\$0.50)	38.00	0.00	0.0000	0.0000	\$0.00	\$0.00
		\$48,384,843.88	38.00	26.68	1.0741	1.0000	\$51,970,752.59	\$1,948,126.63

Depreciation Reserve Summary

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Account: KEPCo 101/6 356 - KY
 Scenario: KEPCO TRANSMISSION 2008 NEW
 Dispersion: 50 - R3
 Current Net Salvage Rate: -10.00%
 Future Net Salvage Rate: -10.00%

Broad Group Procedure

January 1, 2009

	Plant Amt	Depreciation Reserve		Net Plant	
		Amount	Ratio	Amount	Ratio
Recorded	\$109,075,670.29	\$27,414,811.52	0.2513	\$92,568,425.80	0.8487
Computed	\$109,075,670.29	\$44,673,708.12	0.4096	\$75,309,529.20	0.6904
Difference		(\$17,258,896.60)	-0.1582	\$17,258,896.60	0.1582

Account: KEPCo 101/6 356 - KY

Dispersion: 50.00 - R3

Average Net Salvage Rate: -10.00%

Future Net Salvage Rate: -10.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2008	0.50	\$7,615,244.50	50.00	49.51	1.0892	1.0000	\$8,294,251.68	\$167,535.38
2007	1.50	\$388,254.50	50.00	48.53	1.0676	1.0000	\$414,482.08	\$8,541.60
2006	2.50	\$278,652.50	50.00	47.54	1.0460	1.0000	\$291,466.65	\$6,130.36
2005	3.50	\$743,702.50	50.00	46.57	1.0245	1.0000	\$761,911.02	\$16,361.46
2004	4.50	\$244,994.50	50.00	45.59	1.0031	1.0000	\$245,744.78	\$5,389.88
2003	5.50	\$653,964.50	50.00	44.62	0.9817	1.0000	\$642,002.82	\$14,387.22
2002	6.50	\$203,909.50	50.00	43.66	0.9604	1.0000	\$195,844.72	\$4,486.01
2001	7.50	\$1,212,537.50	50.00	42.69	0.9393	1.0000	\$1,138,910.72	\$26,675.83
2000	8.50	\$1,907,562.50	50.00	41.74	0.9182	1.0000	\$1,751,546.66	\$41,966.38
1999	9.50	\$11,988,969.50	50.00	40.78	0.8973	1.0000	\$10,757,136.58	\$263,757.33
1998	10.50	\$4,941,737.50	50.00	39.84	0.8764	1.0000	\$4,330,963.08	\$108,718.23
1997	11.50	\$712,207.50	50.00	38.89	0.8557	1.0000	\$609,421.76	\$15,668.57
1996	12.50	\$1,377,964.50	50.00	37.96	0.8351	1.0000	\$1,150,722.99	\$30,315.22
1995	13.50	\$1,023,703.50	50.00	37.03	0.8146	1.0000	\$833,951.29	\$22,521.48
1994	14.50	\$3,258,061.50	50.00	36.11	0.7943	1.0000	\$2,588,002.07	\$71,677.35
1993	15.50	\$1,695,512.50	50.00	35.19	0.7742	1.0000	\$1,312,643.52	\$37,301.28
1992	16.50	\$2,241,118.50	50.00	34.28	0.7542	1.0000	\$1,690,241.08	\$49,304.61
1991	17.50	\$704,245.50	50.00	33.38	0.7344	1.0000	\$517,181.97	\$15,493.40
1990	18.50	\$430,845.50	50.00	32.49	0.7147	1.0000	\$307,938.59	\$9,478.60
1989	19.50	\$273,872.50	50.00	31.60	0.6953	1.0000	\$190,414.78	\$6,025.20
1988	20.50	\$187,297.50	50.00	30.73	0.6760	1.0000	\$126,611.68	\$4,120.55
1987	21.50	\$131,020.50	50.00	29.86	0.6569	1.0000	\$86,068.31	\$2,882.45
1986	22.50	\$838,491.50	50.00	29.00	0.6380	1.0000	\$534,981.40	\$18,446.81
1985	23.50	\$46,009,402.50	50.00	28.15	0.6194	1.0000	\$28,495,959.87	\$1,012,206.86
1984	24.50	\$171,899.50	50.00	27.31	0.6009	1.0000	\$103,291.28	\$3,781.79
1983	25.50	\$42,428.50	50.00	26.48	0.5826	1.0000	\$24,720.04	\$933.43
1982	26.50	\$1,827,109.50	50.00	25.66	0.5646	1.0000	\$1,031,566.37	\$40,196.41
1981	27.50	\$694,030.50	50.00	24.85	0.5468	1.0000	\$379,479.57	\$15,268.67
1980	28.50	\$452,257.50	50.00	24.05	0.5292	1.0000	\$239,332.05	\$9,949.67
1979	29.50	\$91,746.50	50.00	23.27	0.5118	1.0000	\$46,960.09	\$2,018.42
1978	30.50	\$2,009,798.50	50.00	22.49	0.4947	1.0000	\$994,329.66	\$44,215.57
1977	31.50	\$512,195.50	50.00	21.72	0.4779	1.0000	\$244,765.93	\$11,268.30
1976	32.50	\$229,904.50	50.00	20.97	0.4613	1.0000	\$106,046.72	\$5,057.90

Account: KEPCo 101/6 356 - KY

Dispersion: 50.00 - R3

Age Net Salvage Rate: -10.00%

Structure Net Salvage Rate: -10.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1975	33.50	\$299,105.50	50.00	20.22	0.4449	1.0000	\$133,075.88	\$6,580.32
1974	34.50	\$44,958.50	50.00	19.49	0.4288	1.0000	\$19,279.72	\$989.09
1973	35.50	\$72,762.50	50.00	18.77	0.4130	1.0000	\$30,052.98	\$1,600.78
1972	36.50	\$157,861.81	50.00	18.07	0.3975	1.0000	\$62,751.43	\$3,472.96
1971	37.50	\$1,122,122.22	50.00	17.38	0.3823	1.0000	\$428,976.77	\$24,686.69
1970	38.50	\$7,947,927.28	50.00	16.70	0.3674	1.0000	\$2,919,924.24	\$174,854.40
1969	39.50	\$288,834.50	50.00	16.04	0.3528	1.0000	\$101,899.45	\$6,354.36
1968	40.50	\$1,119,779.77	50.00	15.39	0.3385	1.0000	\$379,090.79	\$24,635.15
1967	41.50	\$560,424.38	50.00	14.76	0.3246	1.0000	\$181,932.46	\$12,329.34
1966	42.50	\$205,979.56	50.00	14.14	0.3111	1.0000	\$64,077.74	\$4,531.55
1965	43.50	\$638,407.23	50.00	13.54	0.2979	1.0000	\$190,189.41	\$14,044.96
1964	44.50	\$273,778.14	50.00	12.96	0.2851	1.0000	\$78,059.40	\$6,023.12
1963	45.50	\$411,321.74	50.00	12.40	0.2727	1.0000	\$112,176.14	\$9,049.08
1962	46.50	\$89,598.87	50.00	11.85	0.2607	1.0000	\$23,360.98	\$1,971.18
1961	47.50	\$26,341.04	50.00	11.32	0.2491	1.0000	\$6,562.65	\$579.50
1960	48.50	\$24,116.18	50.00	10.82	0.2380	1.0000	\$5,739.06	\$530.56
1959	49.50	\$136,892.80	50.00	10.33	0.2272	1.0000	\$31,105.53	\$3,011.64
1958	50.50	\$231,532.24	50.00	9.86	0.2169	1.0000	\$50,218.99	\$5,093.71
1957	51.50	\$5,797.10	50.00	9.41	0.2070	1.0000	\$1,199.94	\$127.54
1956	52.50	\$23,397.09	50.00	8.98	0.1975	1.0000	\$4,620.80	\$514.74
1955	53.50	\$2,273.53	50.00	8.56	0.1884	1.0000	\$428.35	\$50.02
1954	54.50	\$156,809.32	50.00	8.17	0.1797	1.0000	\$28,181.81	\$3,449.81
1953	55.50	\$29,049.83	50.00	7.79	0.1714	1.0000	\$4,979.52	\$639.10
1952	56.50	\$6,277.17	50.00	7.43	0.1635	1.0000	\$1,026.17	\$138.10
1951	57.50	\$5,129.69	50.00	7.09	0.1559	1.0000	\$799.66	\$112.85
1950	58.50	\$1,573.06	50.00	6.76	0.1486	1.0000	\$233.80	\$34.61
1949	59.50	\$19,809.74	50.00	6.44	0.1417	1.0000	\$2,806.33	\$435.81
1948	60.50	\$4,149.85	50.00	6.14	0.1350	1.0000	\$560.15	\$91.30
1947	61.50	\$2,876.48	50.00	5.84	0.1285	1.0000	\$369.73	\$63.28
1946	62.50	\$1,300.51	50.00	5.56	0.1223	1.0000	\$159.06	\$28.61
1945	63.50	\$5,274.13	50.00	5.28	0.1162	1.0000	\$613.09	\$116.03
1944	64.50	\$890.54	50.00	5.01	0.1103	1.0000	\$98.25	\$19.59
1943	65.50	\$716.11	50.00	4.75	0.1045	1.0000	\$74.85	\$15.75

Account: KEPCo 101/6 356 - KY

Dispersion: 50.00 - R3

Age Net Salvage Rate: -10.00%

Future Net Salvage Rate: -10.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1942	66.50	\$46,102.67	50.00	4.49	0.0988	1.0000	\$4,554.68	\$1,014.26
1941	67.50	\$676.35	50.00	4.23	0.0931	1.0000	\$62.98	\$14.88
1940	68.50	\$8,726.26	50.00	3.98	0.0875	1.0000	\$763.21	\$191.98
1939	69.50	\$34.10	50.00	3.72	0.0818	1.0000	\$2.79	\$0.75
1938	70.50	\$7,452.94	50.00	3.46	0.0762	1.0000	\$567.79	\$163.96
1937	71.50	\$405.52	50.00	3.21	0.0705	1.0000	\$28.61	\$8.92
1936	72.50	\$358.49	50.00	2.95	0.0649	1.0000	\$23.27	\$7.89
1935	73.50	\$36.94	50.00	2.70	0.0593	1.0000	\$2.19	\$0.81
1934	74.50	\$44.60	50.00	2.44	0.0538	1.0000	\$2.40	\$0.98
1933	75.50	\$24.60	50.00	2.19	0.0483	1.0000	\$1.19	\$0.54
1932	76.50	\$21.80	50.00	1.95	0.0428	1.0000	\$0.93	\$0.48
1931	77.50	\$14.41	50.00	1.71	0.0375	1.0000	\$0.54	\$0.32
1930	78.50	\$18.70	50.00	1.47	0.0323	1.0000	\$0.60	\$0.41
1929	79.50	\$34.80	50.00	1.24	0.0273	1.0000	\$0.95	\$0.77
1928	80.50	\$3.87	50.00	1.02	0.0224	1.0000	\$0.09	\$0.09
1927	81.50	\$2.05	50.00	0.81	0.0177	1.0000	\$0.04	\$0.05
1926	82.50	\$0.77	50.00	0.60	0.0132	1.0000	\$0.01	\$0.02
1925	83.50	\$0.01	50.00	0.25	0.0055	1.0000	\$0.00	\$0.00
1924	84.50	(\$0.50)	50.00	0.00	0.0000	0.0000	\$0.00	\$0.00
		\$109,075,670.29	50.00	31.38	0.6904	1.0000	\$75,309,529.20	\$2,399,664.76

Depreciation Reserve Summary

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Account: KEPCo 101/6 357 - KY
 Scenario: KEPCO TRANSMISSION 2008 NEW
 Dispersion: 37 - R2
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2009

	Plant Amt	<u>Depreciation Reserve</u>		<u>Net Plant</u>	
		Amount	Ratio	Amount	Ratio
Recorded	\$11,590.50	\$1,908.11	0.1646	\$9,682.39	0.8354
Computed	\$11,590.50	\$3,109.35	0.2683	\$8,481.15	0.7317
Difference		(\$1,201.24)	-0.1036	\$1,201.24	0.1036

Account: KEPCo 101/6 357 - KY

Dispersion: 37.00 - R2

Age Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1997	11.50	\$11,590.50	37.00	27.07	0.7317	1.0000	\$8,481.15	\$313.26
		\$11,590.50	37.00	27.07	0.7317	1.0000	\$8,481.15	\$313.26

Depreciation Reserve Summary

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Account: KEPCo 101/6 358 - KY
 Scenario: KEPCO TRANSMISSION 2008 NEW
 Dispersion: 44 - R1
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2009

	Plant Amt	Depreciation Reserve		Net Plant	
		Amount	Ratio	Amount	Ratio
Recorded	\$106,066.50	\$25,908.95	0.2443	\$80,157.55	0.7557
Computed	\$106,066.50	\$42,219.85	0.3981	\$63,846.65	0.6019
Difference		(\$16,310.90)	-0.1538	\$16,310.90	0.1538

Account: KEPCo 101/6 358 - KY

Dispersion: 44.00 - R1

Age Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1983	25.50	\$106,066.50	44.00	26.49	0.6019	1.0000	\$63,846.65	\$2,410.60
		\$106,066.50	44.00	26.49	0.6019	1.0000	\$63,846.65	\$2,410.60

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF 12-31-08
DISTRIBUTION PLANT WORKPAPERS

LIFE ANALYSIS

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2008
Distribution Plant

Account	<u>3602 LAND RIGHTS</u>	
Depreciable Balance	\$4,178,635	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	75	75
Iowa Curve	R4.0	R4.0
Gross Removal, %		0%
Gross Salvage, %		0%
Net Salvage %	0%	0%

No actuarial analysis was performed for the investment in this account due to the minimal retirement history. The recommendation is to continue the current current average service life and dispersion.

No removal cost or salvage is expected from retirements from this account.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2008
Distribution Plant

Account 361 STRUCTURES & IMPROVEMENTS

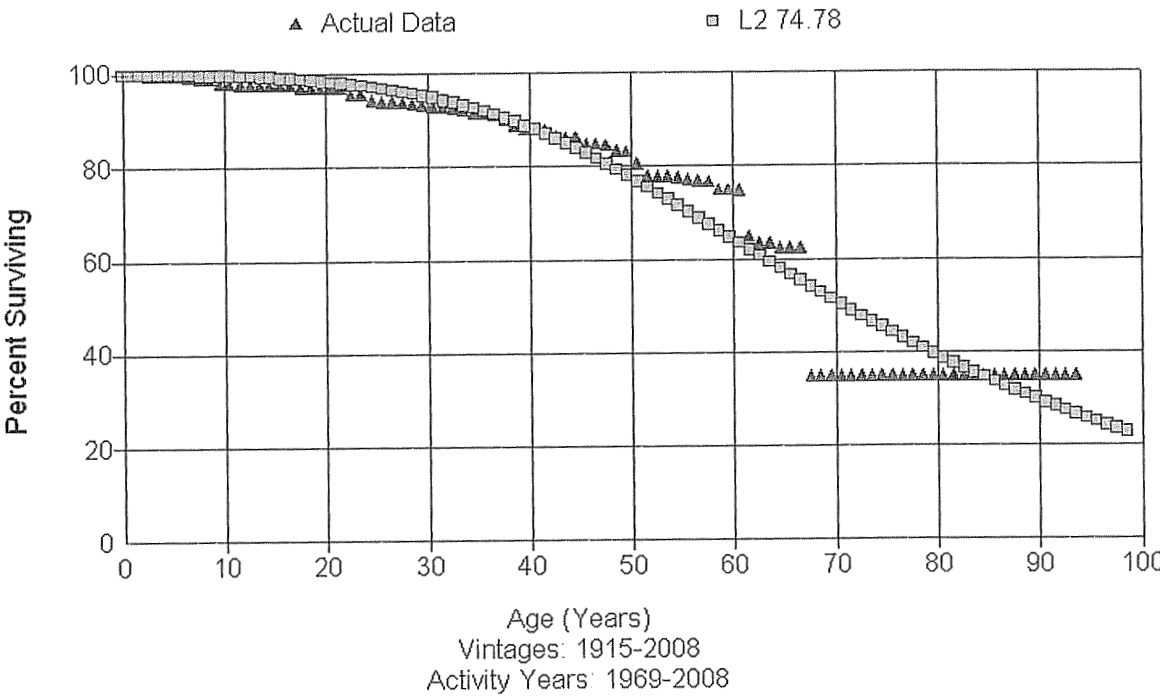
Depreciable Balance \$4,273,118

	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	65	75
Iowa Curve	LO.5	L2.0
Gross Removal, %		5%
Gross Salvage, %		15%
Net Salvage %	0%	10%

The actuarial analyses indicated the average service life for the investment in this account is increasing. Based on the analysis of the 40 year band, the recommendation is to move to a 75 year average service life following an L2.0 type retirement dispersion.

Removal costs would be expected from the removal and replacement of retirement units in this account. Salvage would likely be received from the scrap materials removed or replaced.

Account: KEPCo 101/6 361 - KY
Scenario: KEPCO DISTRIBUTION 2008



Actuarial Life Analysis

Account: KEPCo 101/6 361 - KY
Scenario: KEPCO DISTRIBUTION 2008
Censoring Band: 1915 - 2008
Function: Survivorship Annual Rate Method
Weighting: Unweighted
T-Cut: None

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Observation Band	<u>Censoring</u>		Error Sum <u>of Squares</u>	<u>Best Fit</u>	
	Age	Percent		Disp	ASL
1969 -2008	93.5	35.02	0.32561113	L2	74.78

Surviving Percent Report

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Scenario: KEPCO DISTRIBUTION 2008

Account: KEPCo 101/6 361 - KY

Placement Band: 1915 - 2008

Observation Band: 1969 - 2008

Age	Actual	L2 74.78
0.0	100.00	100.00
0.5	100.00	100.00
1.5	99.96	100.00
2.5	99.93	100.00
3.5	99.85	99.99
4.5	99.77	99.98
5.5	99.72	99.96
6.5	99.48	99.94
7.5	99.02	99.89
8.5	99.00	99.86
9.5	97.91	99.81
10.5	97.86	99.71
11.5	97.81	99.65
12.5	97.77	99.58
13.5	97.73	99.41
14.5	97.65	99.32
15.5	97.63	99.21
16.5	97.53	98.97
17.5	97.09	98.84
18.5	97.07	98.70
19.5	97.00	98.38
20.5	96.99	98.20
21.5	96.85	98.02
22.5	95.44	97.62
23.5	95.43	97.40
24.5	94.37	97.17
25.5	93.98	96.68
26.5	93.96	96.42
27.5	93.84	96.14
28.5	93.53	95.54
29.5	93.15	95.21
30.5	93.04	94.86
31.5	92.96	94.10
32.5	92.60	93.68
33.5	92.10	93.24
34.5	91.61	92.29
35.5	91.40	91.78
36.5	91.14	91.24
37.5	90.09	90.08
38.5	88.63	89.46
39.5	88.06	88.82
40.5	87.95	87.45
41.5	87.92	86.73
42.5	86.57	85.99
43.5	86.31	84.43
44.5	86.31	83.62
45.5	84.87	82.78
46.5	84.87	81.06
47.5	84.52	80.17
48.5	83.34	79.26
49.5	83.15	77.40
50.5	80.57	76.45
51.5	77.94	75.49
52.5	77.94	73.54
53.5	77.94	72.55

Surviving Percent Report

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Scenario: KEPCO DISTRIBUTION 2008

Account: KEPCo 101/6 361 - KY

Cement Band: 1915 - 2008

Observation Band: 1969- 2008

Age	Actual	L2 74.78
54.5	77.57	71.55
55.5	77.06	69.53
56.5	76.75	68.52
57.5	76.60	67.50
58.5	74.89	65.46
59.5	74.89	64.44
60.5	74.75	63.42
61.5	65.02	61.39
62.5	63.39	60.38
63.5	63.39	59.37
64.5	62.33	57.37
65.5	62.33	56.38
66.5	62.33	55.39
67.5	35.02	53.45
68.5	35.02	52.49
69.5	35.02	51.53
70.5	35.02	49.66
71.5	35.02	48.74
72.5	35.02	47.82
73.5	35.02	46.03
74.5	35.02	45.15
75.5	35.02	44.28
76.5	35.02	42.57
77.5	35.02	41.73
78.5	35.02	40.91
79.5	35.02	39.29
80.5	35.02	38.50
81.5	35.02	37.72
82.5	35.02	36.19
83.5	35.02	35.45
84.5	35.02	34.71
85.5	35.02	33.27
86.5	35.02	32.57
87.5	35.02	31.20
88.5	35.02	30.53
89.5	35.02	29.87
90.5	35.02	28.58
91.5	35.02	27.95
92.5	35.02	27.33
93.5	35.02	26.12

Observed Life Table

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Scenario: KEPCO DISTRIBUTION 2008

Account: KEPCo 101/6 361 - KY

Placement Band: 1915 - 2008

Observation Band: 1969 - 2008

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
0	4,246,979.32	0.00	0.00000	1.00000	100.00
0.5	4,151,022.10	1,747.00	0.00042	0.99958	100.00
1.5	4,170,137.10	1,155.00	0.00028	0.99972	99.96
2.5	4,200,776.10	3,479.00	0.00083	0.99917	99.93
3.5	4,190,894.95	3,444.00	0.00082	0.99918	99.85
4.5	4,193,737.95	1,793.00	0.00043	0.99957	99.77
5.5	3,801,487.04	9,431.00	0.00248	0.99752	99.73
6.5	3,753,732.32	17,098.00	0.00455	0.99545	99.48
7.5	3,732,107.78	853.00	0.00023	0.99977	99.03
8.5	3,630,793.58	40,022.00	0.01102	0.98898	99.01
9.5	3,203,761.73	1,662.00	0.00052	0.99948	97.92
10.5	3,175,203.70	1,676.00	0.00053	0.99947	97.87
11.5	3,114,285.70	1,008.00	0.00032	0.99968	97.82
12.5	3,087,145.70	1,550.00	0.00050	0.99950	97.79
13.5	2,481,939.70	1,888.00	0.00076	0.99924	97.74
14.5	2,381,075.70	402.00	0.00017	0.99983	97.67
15.5	2,135,258.70	2,252.00	0.00105	0.99895	97.65
16.5	2,029,772.70	9,268.00	0.00457	0.99543	97.55
17.5	1,680,469.70	193.00	0.00011	0.99989	97.10
18.5	1,651,785.70	1,357.00	0.00082	0.99918	97.09
19.5	1,621,326.70	106.00	0.00007	0.99993	97.01
20.5	1,591,956.70	2,211.00	0.00139	0.99861	97.00
21.5	1,464,363.70	21,325.00	0.01456	0.98544	96.87
22.5	1,295,002.70	158.00	0.00012	0.99988	95.46
23.5	1,176,707.70	13,130.00	0.01116	0.98884	95.45
24.5	1,153,074.70	4,779.00	0.00414	0.99586	94.38
25.5	1,142,914.70	244.00	0.00021	0.99979	93.99
26.5	1,081,255.70	1,363.00	0.00126	0.99874	93.97
27.5	987,192.70	3,194.00	0.00324	0.99676	93.85
28.5	616,734.70	2,550.00	0.00413	0.99587	93.55
29.5	609,393.70	726.00	0.00119	0.99881	93.16
30.5	601,390.74	491.00	0.00082	0.99918	93.05
31.5	517,234.74	1,985.00	0.00384	0.99616	92.97
32.5	491,388.74	2,658.00	0.00541	0.99459	92.61
33.5	416,026.74	2,247.00	0.00540	0.99460	92.11
34.5	350,914.74	787.00	0.00224	0.99776	91.61
35.5	306,309.74	873.00	0.00285	0.99715	91.40
36.5	255,642.74	2,945.00	0.01152	0.98848	91.14
37.5	193,004.74	3,124.00	0.01619	0.98381	90.09
38.5	176,623.74	1,141.00	0.00646	0.99354	88.63
39.5	169,469.74	200.00	0.00118	0.99882	88.06
40.5	149,621.74	53.00	0.00035	0.99965	87.96
41.5	136,485.74	2,100.00	0.01539	0.98461	87.93
42.5	103,289.74	306.00	0.00296	0.99704	86.58
43.5	101,171.04	0.00	0.00000	1.00000	86.32
44.5	100,676.04	1,679.00	0.01668	0.98332	86.32
45.5	100,216.04	0.00	0.00000	1.00000	84.88
46.5	100,026.04	423.00	0.00423	0.99577	84.88
47.5	98,018.04	1,362.00	0.01390	0.98610	84.52
48.5	96,365.04	225.00	0.00233	0.99767	83.35
49.5	96,383.04	2,991.00	0.03103	0.96897	83.16
50.5	94,244.04	3,077.00	0.03265	0.96735	80.58
51.5	84,811.04	0.00	0.00000	1.00000	77.95
52.5	79,657.04	0.00	0.00000	1.00000	77.95

Observed Life Table

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Scenario: KEPCO DISTRIBUTION 2008

Account: KEPCo 101/6 361 - KY

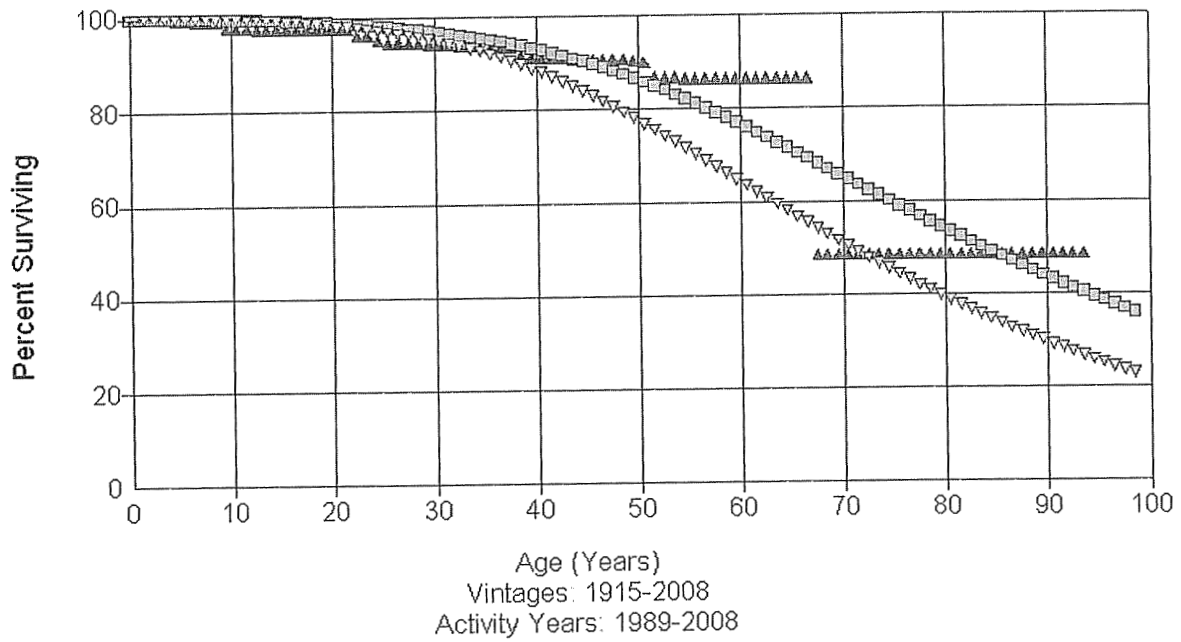
Placement Band: 1915 - 2008

Observation Band: 1969 - 2008

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
53.5	79,039.04	370.37	0.00468	0.99532	77.95
54.5	73,762.67	483.00	0.00655	0.99345	77.59
55.5	63,964.67	261.00	0.00408	0.99592	77.08
56.5	59,221.67	111.00	0.00187	0.99813	76.77
57.5	56,244.67	1,262.00	0.02244	0.97756	76.63
58.5	51,211.04	0.00	0.00000	1.00000	74.91
59.5	47,349.04	83.00	0.00175	0.99825	74.91
60.5	42,092.04	5,484.00	0.13029	0.86971	74.78
61.5	34,100.04	852.00	0.02499	0.97501	65.04
62.5	33,206.04	0.00	0.00000	1.00000	63.41
63.5	32,260.04	540.00	0.01674	0.98326	63.41
64.5	31,720.04	0.00	0.00000	1.00000	62.35
65.5	30,048.04	0.00	0.00000	1.00000	62.35
66.5	29,071.04	12,737.00	0.43813	0.56187	62.35
67.5	16,194.04	0.00	0.00000	1.00000	35.03
68.5	12,655.04	0.00	0.00000	1.00000	35.03
69.5	12,655.04	0.00	0.00000	1.00000	35.03
70.5	0.00	0.00	0.00000	1.00000	35.03

Account: KEPCo 101/6 361 - KY
Scenario: KEPCO DISTRIBUTION 2008

▲ Actual Data ■ L2 88.45 ▼ L2 74.78



Actuarial Life Analysis

Account: KEPCo 101/6 361 - KY
Scenario: KEPCO DISTRIBUTION 2008
Placement Band: 1915 - 2008
Function: Survivorship Annual Rate Method
Weighting: Unweighted
T-Cut: None

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Observation Band	Censoring		Error Sum of Squares	Best Fit	
	Age	Percent		Disp	ASL
1989 -2008	93.5	48.54	0.45063600	L2	88.45

Observed Life Table

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Scenario: KEPCO DISTRIBUTION 2008

Account: KEPCo 101/6 361 - KY

Placement Band: 1915 - 2008

Observation Band: 1989 - 2008

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
0	2,737,953.32	0.00	0.00000	1.00000	100.00
0.5	2,653,484.10	234.00	0.00009	0.99991	100.00
1.5	2,781,948.10	448.00	0.00016	0.99984	99.99
2.5	2,929,705.10	829.00	0.00028	0.99972	99.97
3.5	3,040,132.25	2,497.00	0.00082	0.99918	99.94
4.5	3,048,138.25	1,793.00	0.00059	0.99941	99.86
5.5	2,657,614.34	7,015.00	0.00264	0.99736	99.80
6.5	2,674,550.62	6,923.00	0.00259	0.99741	99.54
7.5	2,754,921.08	408.00	0.00015	0.99985	99.28
8.5	3,031,509.88	40,011.00	0.01320	0.98680	99.27
9.5	2,611,749.03	837.00	0.00032	0.99968	97.96
10.5	2,624,916.00	1,563.00	0.00060	0.99940	97.93
11.5	2,639,490.00	808.00	0.00031	0.99969	97.87
12.5	2,628,438.00	156.00	0.00006	0.99994	97.84
13.5	2,096,381.00	0.00	0.00000	1.00000	97.83
14.5	2,063,729.00	0.00	0.00000	1.00000	97.83
15.5	1,854,687.00	1,792.00	0.00097	0.99903	97.83
16.5	1,810,935.00	432.00	0.00024	0.99976	97.74
17.5	1,526,962.00	193.00	0.00013	0.99987	97.72
18.5	1,507,912.00	127.00	0.00008	0.99992	97.71
19.5	1,481,479.00	106.00	0.00007	0.99993	97.70
20.5	1,468,035.00	462.00	0.00031	0.99969	97.69
21.5	1,359,260.00	20,039.00	0.01474	0.98526	97.66
22.5	1,222,603.00	80.00	0.00007	0.99993	96.22
23.5	1,105,672.70	12,591.00	0.01139	0.98861	96.21
24.5	1,085,045.70	4,779.00	0.00440	0.99560	95.11
25.5	1,078,539.70	158.00	0.00015	0.99985	94.69
26.5	1,016,106.70	1,314.00	0.00129	0.99871	94.68
27.5	924,428.70	916.00	0.00099	0.99901	94.56
28.5	550,326.70	351.00	0.00064	0.99936	94.47
29.5	544,218.70	726.00	0.00133	0.99867	94.41
30.5	501,659.70	491.00	0.00098	0.99902	94.28
31.5	424,059.70	1,972.00	0.00465	0.99535	94.19
32.5	403,696.70	0.00	0.00000	1.00000	93.75
33.5	331,855.70	0.00	0.00000	1.00000	93.75
34.5	273,996.70	49.00	0.00018	0.99982	93.75
35.5	238,571.70	0.00	0.00000	1.00000	93.73
36.5	193,259.70	0.00	0.00000	1.00000	93.73
37.5	135,949.70	3,058.00	0.02249	0.97751	93.73
38.5	123,776.70	350.00	0.00283	0.99717	91.62
39.5	120,318.70	200.00	0.00166	0.99834	91.36
40.5	104,499.70	0.00	0.00000	1.00000	91.21
41.5	91,899.70	75.00	0.00082	0.99918	91.21
42.5	60,770.70	306.00	0.00504	0.99496	91.14
43.5	59,598.00	0.00	0.00000	1.00000	90.68
44.5	59,103.00	0.00	0.00000	1.00000	90.68
45.5	55,573.00	0.00	0.00000	1.00000	90.68
46.5	56,360.00	0.00	0.00000	1.00000	90.68
47.5	54,915.00	0.00	0.00000	1.00000	90.68
48.5	58,163.00	225.00	0.00387	0.99613	90.68
49.5	57,745.00	162.00	0.00281	0.99719	90.33
50.5	86,052.04	3,077.00	0.03576	0.96424	90.08
51.5	76,619.04	0.00	0.00000	1.00000	86.86
52.5	70,664.04	0.00	0.00000	1.00000	86.86

Observed Life Table

Scenario: KEPCO DISTRIBUTION 2008

Account: KEPCo 101/6 361 - KY

Placement Band: 1915 - 2008

Observation Band: 1989 - 2008

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
53.5	69,963.04	370.37	0.00529	0.99471	86.86
54.5	64,686.67	0.00	0.00000	1.00000	86.40
55.5	55,371.67	0.00	0.00000	1.00000	86.40
56.5	50,889.67	0.00	0.00000	1.00000	86.40
57.5	48,023.67	0.00	0.00000	1.00000	86.40
58.5	44,252.04	0.00	0.00000	1.00000	86.40
59.5	40,390.04	0.00	0.00000	1.00000	86.40
60.5	35,216.04	0.00	0.00000	1.00000	86.40
61.5	32,708.04	0.00	0.00000	1.00000	86.40
62.5	32,666.04	0.00	0.00000	1.00000	86.40
63.5	31,720.04	0.00	0.00000	1.00000	86.40
64.5	31,720.04	0.00	0.00000	1.00000	86.40
65.5	30,048.04	0.00	0.00000	1.00000	86.40
66.5	29,071.04	12,737.00	0.43813	0.56187	86.40
67.5	16,194.04	0.00	0.00000	1.00000	48.55
68.5	12,655.04	0.00	0.00000	1.00000	48.55
69.5	12,655.04	0.00	0.00000	1.00000	48.55
70.5	0.00	0.00	0.00000	1.00000	48.55

Surviving Percent Report

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Scenario: KEPCO DISTRIBUTION 2008

Account: KEPCo 101/6 361 - KY

Placement Band: 1915 - 2008

Observation Band: 1989- 2008

Age	Actual	L2 88.45	L2 75.00
0.0	100.00	100.00	100.00
0.5	100.00	100.00	100.00
1.5	99.99	100.00	100.00
2.5	99.98	100.00	100.00
3.5	99.95	100.00	99.99
4.5	99.86	99.99	99.99
5.5	99.81	99.98	99.96
6.5	99.54	99.96	99.94
7.5	99.28	99.94	99.89
8.5	99.27	99.92	99.86
9.5	97.96	99.89	99.81
10.5	97.93	99.86	99.71
11.5	97.87	99.77	99.65
12.5	97.84	99.71	99.58
13.5	97.83	99.65	99.41
14.5	97.83	99.58	99.32
15.5	97.83	99.50	99.21
16.5	97.74	99.41	98.97
17.5	97.72	99.32	98.84
18.5	97.70	99.21	98.70
19.5	97.70	98.97	98.54
20.5	97.69	98.84	98.20
21.5	97.66	98.70	98.02
22.5	96.22	98.54	97.82
23.5	96.21	98.38	97.40
24.5	95.12	98.20	97.17
25.5	94.70	98.02	96.93
26.5	94.68	97.82	96.42
27.5	94.56	97.40	96.14
28.5	94.47	97.17	95.85
29.5	94.41	96.93	95.21
30.5	94.28	96.68	94.86
31.5	94.19	96.42	94.49
32.5	93.75	96.14	93.68
33.5	93.75	95.85	93.24
34.5	93.75	95.21	92.78
35.5	93.73	94.86	91.78
36.5	93.73	94.49	91.24
37.5	93.73	94.10	90.67
38.5	91.63	93.68	89.46
39.5	91.37	93.24	88.82
40.5	91.22	92.78	88.15
41.5	91.22	92.29	86.73
42.5	91.14	91.24	85.99
43.5	90.68	90.67	85.22
44.5	90.68	90.08	83.62
45.5	90.68	89.46	82.78
46.5	90.68	88.82	81.93
47.5	90.68	88.15	80.17
48.5	90.68	87.45	79.26
49.5	90.33	86.73	78.34
50.5	90.08	85.22	76.45
51.5	86.86	84.43	75.49
52.5	86.86	83.62	74.52
53.5	86.86	82.78	72.55

Surviving Percent Report

Scenario: KEPCO DISTRIBUTION 2008

Account: KEPCo 101/6 361 - KY

Placement Band: 1915 - 2008

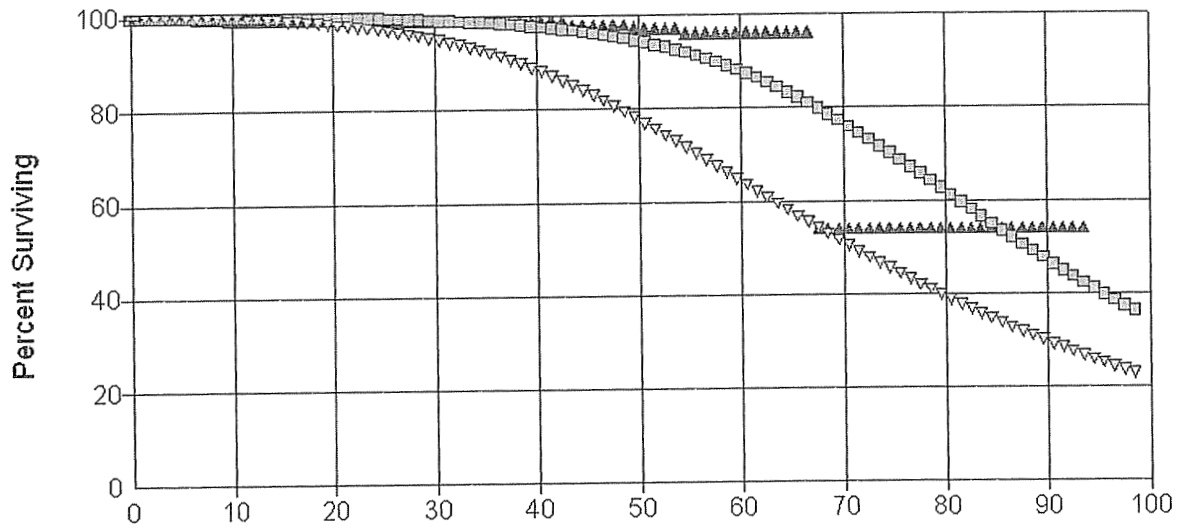
Observation Band: 1989- 2008

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Age	Actual	L2 88.45	L2 75.00
54.5	86.40	81.93	71.55
55.5	86.40	81.06	70.54
56.5	86.40	80.17	68.52
57.5	86.40	78.34	67.50
58.5	86.40	77.40	66.48
59.5	86.40	76.45	64.44
60.5	86.40	75.49	63.42
61.5	86.40	74.52	62.40
62.5	86.40	73.54	60.38
63.5	86.40	72.55	59.37
64.5	86.40	71.55	58.37
65.5	86.40	69.53	56.38
66.5	86.40	68.52	55.39
67.5	48.54	67.50	54.42
68.5	48.54	66.48	52.49
69.5	48.54	65.46	51.53
70.5	48.54	64.44	49.66
71.5	48.54	63.42	48.74
72.5	48.54	62.40	47.82
73.5	48.54	60.38	46.03
74.5	48.54	59.37	45.15
75.5	48.54	58.37	44.28
76.5	48.54	57.37	42.57
77.5	48.54	56.38	41.73
78.5	48.54	55.39	40.91
79.5	48.54	54.42	39.29
80.5	48.54	52.49	38.50
81.5	48.54	51.53	37.72
82.5	48.54	50.59	36.19
83.5	48.54	49.66	35.45
84.5	48.54	48.74	34.71
85.5	48.54	47.82	33.27
86.5	48.54	46.92	32.57
87.5	48.54	46.03	31.88
88.5	48.54	44.28	30.53
89.5	48.54	43.42	29.87
90.5	48.54	42.57	29.22
91.5	48.54	41.73	27.95
92.5	48.54	40.91	27.33
93.5	48.54	40.09	26.72

Account: KEPCo 101/6 361 - KY
Scenario: KEPCO DISTRIBUTION 2008

▲ Actual Data □ L3 91.45 ▼ L2 74.78



Age (Years)
Vintages: 1915-2008
Activity Years: 1999-2008

Actuarial Life Analysis

Account: KEPCo 101/6 361 - KY
Scenario: KEPCO DISTRIBUTION 2008
Censoring Band: 1915 - 2008
Function: Survivorship Annual Rate Method
Weighting: Unweighted
T-Cut: None

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Observation	<u>Censoring</u>		Error Sum	<u>Best Fit</u>	
Band	Age	Percent	<u>of Squares</u>	Disp	ASL
1999 -2008	93.5	53.99	0.60583962	L3	91.45

Observed Life Table

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Scenario: KEPCO DISTRIBUTION 2008

Account: KEPCo 101/6 361 - KY

Placement Band: 1915 - 2008

Observation Band: 1999 - 2008

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
0	1,064,766.29	0.00	0.00000	1.00000	100.00
0.5	974,413.10	0.00	0.00000	1.00000	100.00
1.5	1,042,350.10	0.00	0.00000	1.00000	100.00
2.5	1,079,786.10	0.00	0.00000	1.00000	100.00
3.5	1,676,279.25	0.00	0.00000	1.00000	100.00
4.5	1,780,340.25	0.00	0.00000	1.00000	100.00
5.5	1,639,286.34	5,551.00	0.00339	0.99661	100.00
6.5	1,707,240.62	0.00	0.00000	1.00000	99.66
7.5	2,044,400.08	45.00	0.00002	0.99998	99.66
8.5	1,976,313.88	1,858.00	0.00094	0.99906	99.66
9.5	1,620,567.03	523.00	0.00032	0.99968	99.57
10.5	1,624,956.00	0.00	0.00000	1.00000	99.54
11.5	1,684,954.00	0.00	0.00000	1.00000	99.54
12.5	1,797,581.00	0.00	0.00000	1.00000	99.54
13.5	1,312,059.00	0.00	0.00000	1.00000	99.54
14.5	1,218,501.00	0.00	0.00000	1.00000	99.54
15.5	970,824.00	0.00	0.00000	1.00000	99.54
16.5	921,270.00	0.00	0.00000	1.00000	99.54
17.5	669,948.00	0.00	0.00000	1.00000	99.54
18.5	1,014,554.00	0.00	0.00000	1.00000	99.54
19.5	987,130.00	0.00	0.00000	1.00000	99.54
20.5	996,222.00	0.00	0.00000	1.00000	99.54
21.5	952,361.00	364.00	0.00038	0.99962	99.54
22.5	828,713.00	0.00	0.00000	1.00000	99.50
23.5	782,334.00	0.00	0.00000	1.00000	99.50
24.5	834,696.00	3,840.00	0.00460	0.99540	99.50
25.5	868,494.00	0.00	0.00000	1.00000	99.04
26.5	855,823.00	0.00	0.00000	1.00000	99.04
27.5	823,134.00	0.00	0.00000	1.00000	99.04
28.5	462,914.00	0.00	0.00000	1.00000	99.04
29.5	464,032.00	98.00	0.00021	0.99979	99.04
30.5	439,836.00	0.00	0.00000	1.00000	99.02
31.5	371,279.00	0.00	0.00000	1.00000	99.02
32.5	377,454.00	0.00	0.00000	1.00000	99.02
33.5	306,768.70	0.00	0.00000	1.00000	99.02
34.5	244,398.70	0.00	0.00000	1.00000	99.02
35.5	204,984.70	0.00	0.00000	1.00000	99.02
36.5	155,380.70	0.00	0.00000	1.00000	99.02
37.5	96,789.70	0.00	0.00000	1.00000	99.02
38.5	83,823.70	0.00	0.00000	1.00000	99.02
39.5	77,046.70	0.00	0.00000	1.00000	99.02
40.5	56,253.70	0.00	0.00000	1.00000	99.02
41.5	47,501.70	75.00	0.00158	0.99842	99.02
42.5	22,510.70	206.00	0.00915	0.99085	98.86
43.5	21,355.00	0.00	0.00000	1.00000	97.96
44.5	25,766.00	0.00	0.00000	1.00000	97.96
45.5	29,879.00	0.00	0.00000	1.00000	97.96
46.5	34,171.00	0.00	0.00000	1.00000	97.96
47.5	35,452.00	0.00	0.00000	1.00000	97.96
48.5	39,303.00	225.00	0.00572	0.99428	97.96
49.5	42,747.00	162.00	0.00379	0.99621	97.40
50.5	47,759.00	0.00	0.00000	1.00000	97.03
51.5	43,911.00	0.00	0.00000	1.00000	97.03
52.5	37,998.00	0.00	0.00000	1.00000	97.03

Observed Life Table

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Scenario: KEPCO DISTRIBUTION 2008

Account: KEPCo 101/6 361 - KY

Placement Band: 1915 - 2008

Observation Band: 1999 - 2008

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
53.5	38,243.00	370.37	0.00967	0.99033	97.03
54.5	32,966.63	0.00	0.00000	1.00000	96.09
55.5	25,323.63	0.00	0.00000	1.00000	96.09
56.5	21,818.63	0.00	0.00000	1.00000	96.09
57.5	19,092.63	0.00	0.00000	1.00000	96.09
58.5	18,860.00	0.00	0.00000	1.00000	96.09
59.5	14,998.00	0.00	0.00000	1.00000	96.09
60.5	35,216.04	0.00	0.00000	1.00000	96.09
61.5	32,708.04	0.00	0.00000	1.00000	96.09
62.5	32,666.04	0.00	0.00000	1.00000	96.09
63.5	31,720.04	0.00	0.00000	1.00000	96.09
64.5	31,720.04	0.00	0.00000	1.00000	96.09
65.5	30,048.04	0.00	0.00000	1.00000	96.09
66.5	29,071.04	12,737.00	0.43813	0.56187	96.09
67.5	16,194.04	0.00	0.00000	1.00000	53.99
68.5	12,655.04	0.00	0.00000	1.00000	53.99
69.5	12,655.04	0.00	0.00000	1.00000	53.99
70.5	0.00	0.00	0.00000	1.00000	53.99

Surviving Percent Report

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Scenario: KEPCO DISTRIBUTION 2008

Account: KEPCo 101/6 361 - KY

Placement Band: 1915 - 2008

Observation Band: 1999- 2008

Age	Actual	L3 91.45	L2 75.00
0.0	100.00	100.00	100.00
0.5	100.00	100.00	100.00
1.5	100.00	100.00	100.00
2.5	100.00	100.00	100.00
3.5	100.00	100.00	99.99
4.5	100.00	100.00	99.99
5.5	100.00	100.00	99.96
6.5	99.66	100.00	99.94
7.5	99.66	100.00	99.89
8.5	99.66	100.00	99.86
9.5	99.57	100.00	99.81
10.5	99.53	100.00	99.71
11.5	99.53	100.00	99.65
12.5	99.53	100.00	99.58
13.5	99.53	99.99	99.41
14.5	99.53	99.99	99.32
15.5	99.53	99.98	99.21
16.5	99.53	99.96	98.97
17.5	99.53	99.94	98.84
18.5	99.53	99.92	98.70
19.5	99.53	99.90	98.54
20.5	99.53	99.87	98.20
21.5	99.53	99.84	98.02
22.5	99.50	99.80	97.82
23.5	99.50	99.76	97.40
24.5	99.50	99.71	97.17
25.5	99.04	99.65	96.93
26.5	99.04	99.59	96.42
27.5	99.04	99.45	96.14
28.5	99.04	99.37	95.85
29.5	99.04	99.28	95.21
30.5	99.02	99.18	94.86
31.5	99.02	99.07	94.49
32.5	99.02	98.95	93.68
33.5	99.02	98.83	93.24
34.5	99.02	98.70	92.78
35.5	99.02	98.55	91.78
36.5	99.02	98.40	91.24
37.5	99.02	98.06	90.67
38.5	99.02	97.87	89.46
39.5	99.02	97.67	88.82
40.5	99.02	97.45	88.15
41.5	99.02	97.22	86.73
42.5	98.86	96.98	85.99
43.5	97.96	96.72	85.22
44.5	97.96	96.44	83.62
45.5	97.96	96.15	82.78
46.5	97.96	95.83	81.93
47.5	97.96	95.49	80.17
48.5	97.96	94.75	79.26
49.5	97.39	94.33	78.34
50.5	97.03	93.89	76.45
51.5	97.03	93.42	75.49
52.5	97.03	92.92	74.52
53.5	97.03	92.39	72.55

Surviving Percent Report

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Scenario: KEPCO DISTRIBUTION 2008

Account: KEPCo 101/6 361 - KY

Placement Band: 1915 - 2008

Observation Band: 1999- 2008

Age	Actual	L3 91.45	L2 75.00
54.5	96.09	91.82	71.55
55.5	96.09	91.21	70.54
56.5	96.09	90.57	68.52
57.5	96.09	89.89	67.50
58.5	96.09	89.17	66.48
59.5	96.09	87.60	64.44
60.5	96.09	86.76	63.42
61.5	96.09	85.87	62.40
62.5	96.09	84.94	60.38
63.5	96.09	83.98	59.37
64.5	96.09	82.97	58.37
65.5	96.09	81.92	56.38
66.5	96.09	80.83	55.39
67.5	53.99	79.70	54.42
68.5	53.99	78.54	52.49
69.5	53.99	77.34	51.53
70.5	53.99	74.86	49.66
71.5	53.99	73.57	48.74
72.5	53.99	72.26	47.82
73.5	53.99	70.93	46.03
74.5	53.99	69.58	45.15
75.5	53.99	68.21	44.28
76.5	53.99	66.83	42.57
77.5	53.99	65.43	41.73
78.5	53.99	64.03	40.91
79.5	53.99	62.62	39.29
80.5	53.99	59.81	38.50
81.5	53.99	58.40	37.72
82.5	53.99	57.00	36.19
83.5	53.99	55.61	35.45
84.5	53.99	54.23	34.71
85.5	53.99	52.87	33.27
86.5	53.99	51.51	32.57
87.5	53.99	50.18	31.88
88.5	53.99	48.86	30.53
89.5	53.99	47.57	29.87
90.5	53.99	46.29	29.22
91.5	53.99	43.81	27.95
92.5	53.99	42.61	27.33
93.5	53.99	41.43	26.72

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2008
Distribution Plant

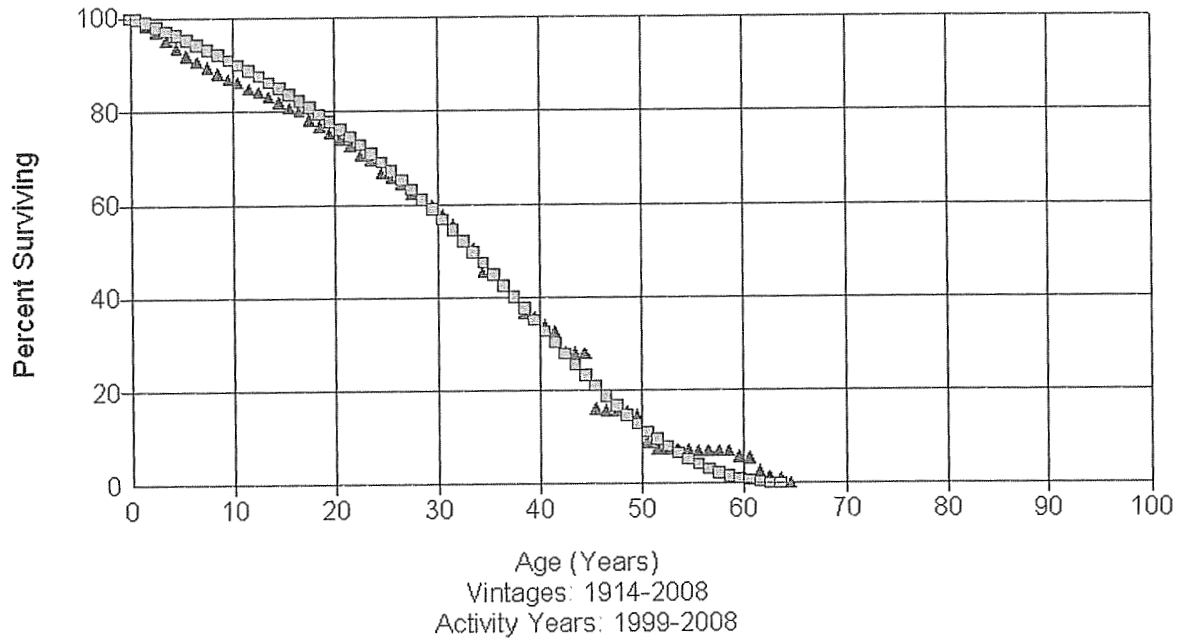
Account	<u>362 STATION EQUIPMENT</u>	
Depreciable Balance	\$48,811,224	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	25	32
Iowa Curve	LO.O	R1.0
Gross Removal, %		25%
Gross Salvage, %		35%
Net Salvage %	25%	10%

The actuarial analysis of the 40 year band indicated the investment has experienced a complete life cycle. Based on the analysis of the 40 year band, the recommendation is to move to a 32 year average service life following an R1.0 type retirement dispersion.

Removal costs would be expected from labor, machine and transportation cost incurred in the retirement and replacement of equipment. Salvage could be received from the sale of equipment.

Account: KEPCo 101/6 362 - KY
Scenario: KEPCO DISTRIBUTION 2008

▲ Actual Data □ R1 31 86



Actuarial Life Analysis

Account: KEPCo 101/6 362 - KY
Scenario: KEPCO DISTRIBUTION 2008
Placement Band: 1914 - 2008
Function: Survivorship Annual Rate Method
Weighting: Unweighted
T-Cut: None

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Observation Band	Censoring		Error Sum of Squares	Best Fit	
	Age	Percent		Disp	ASL
1969 -2008	94.5	0.00	0.03943455	R1	31.86

Observed Life Table

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Scenario: KEPCO DISTRIBUTION 2008

Account: KEPCo 101/6 362 - KY

Placement Band: 1914 - 2008

Observation Band: 1969 - 2008

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
0	59,985,742.89	95,997.00	0.00160	0.99840	100.00
0.5	59,323,302.21	787,640.82	0.01328	0.98672	99.84
1.5	56,260,881.34	961,667.23	0.01709	0.98291	98.51
2.5	52,496,365.06	787,381.07	0.01500	0.98500	96.83
3.5	48,262,548.88	883,989.43	0.01832	0.98168	95.38
4.5	46,863,612.93	870,467.55	0.01857	0.98143	93.63
5.5	45,040,509.33	564,357.53	0.01253	0.98747	91.89
6.5	43,870,474.71	590,977.03	0.01347	0.98653	90.74
7.5	41,310,178.14	608,387.84	0.01473	0.98527	89.52
8.5	39,025,002.34	509,696.24	0.01306	0.98694	88.20
9.5	37,488,552.39	375,115.70	0.01001	0.98999	87.05
10.5	36,399,250.11	516,939.35	0.01420	0.98580	86.18
11.5	34,269,086.91	340,545.36	0.00994	0.99006	84.96
12.5	32,265,407.49	380,919.42	0.01181	0.98819	84.12
13.5	27,506,410.48	353,632.11	0.01286	0.98714	83.13
14.5	25,870,415.65	379,032.58	0.01465	0.98535	82.06
15.5	22,316,533.76	223,168.02	0.01000	0.99000	80.86
16.5	21,122,946.21	479,248.43	0.02269	0.97731	80.05
17.5	19,283,088.40	326,077.46	0.01691	0.98309	78.23
18.5	18,638,065.72	392,058.95	0.02104	0.97896	76.91
19.5	17,924,689.42	295,941.08	0.01651	0.98349	75.29
20.5	17,446,790.83	322,228.18	0.01847	0.98153	74.05
21.5	15,461,836.06	458,812.55	0.02967	0.97033	72.68
22.5	13,817,901.14	219,271.18	0.01587	0.98413	70.52
23.5	12,968,924.12	506,496.37	0.03905	0.96095	69.40
24.5	11,819,895.00	166,890.39	0.01412	0.98588	66.69
25.5	10,947,470.25	210,003.59	0.01918	0.98082	65.75
26.5	9,762,598.13	344,075.32	0.03524	0.96476	64.49
27.5	8,734,296.39	140,671.46	0.01611	0.98389	62.22
28.5	6,162,356.68	163,183.85	0.02648	0.97352	61.22
29.5	5,571,673.14	182,596.92	0.03277	0.96723	59.60
30.5	4,565,331.66	170,685.72	0.03739	0.96261	57.65
31.5	3,697,547.84	220,582.40	0.05966	0.94034	55.49
32.5	3,338,844.77	107,673.01	0.03225	0.96775	52.18
33.5	2,899,794.83	292,997.95	0.10104	0.89896	50.50
34.5	2,322,768.13	35,180.41	0.01515	0.98485	45.40
35.5	1,863,045.96	94,900.00	0.05094	0.94906	44.71
36.5	1,260,741.63	70,970.12	0.05629	0.94371	42.43
37.5	921,418.79	79,953.11	0.08677	0.91323	40.04
38.5	765,507.98	19,569.00	0.02556	0.97444	36.57
39.5	728,441.97	34,540.43	0.04742	0.95258	35.64
40.5	572,590.96	23,938.39	0.04181	0.95819	33.95
41.5	437,736.97	56,689.84	0.12951	0.87049	32.53
42.5	329,186.59	2,981.00	0.00906	0.99094	28.32
43.5	325,218.59	1,312.00	0.00403	0.99597	28.06
44.5	304,618.57	129,889.59	0.42640	0.57360	27.95
45.5	107,889.15	1,647.00	0.01527	0.98473	16.03
46.5	111,031.21	823.00	0.00741	0.99259	15.79
47.5	83,649.55	409.00	0.00489	0.99511	15.67
48.5	93,364.55	5,126.00	0.05490	0.94510	15.59
49.5	93,290.55	36,688.00	0.39326	0.60674	14.73
50.5	61,392.55	10,337.00	0.16837	0.83163	8.94
51.5	35,019.00	0.00	0.00000	1.00000	7.43
52.5	40,616.00	954.00	0.02349	0.97651	7.43

Observed Life Table

Scenario: KEPCO DISTRIBUTION 2008

Account: KEPCo 101/6 362 - KY

Placement Band: 1914 - 2008

Observation Band: 1969 - 2008

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Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
53.5	41,790.00	906.00	0.02168	0.97832	7.26
54.5	41,960.00	870.00	0.02073	0.97927	7.10
55.5	41,090.00	379.00	0.00922	0.99078	6.95
56.5	40,711.00	0.00	0.00000	1.00000	6.89
57.5	40,711.00	0.00	0.00000	1.00000	6.89
58.5	40,711.00	6,534.00	0.16050	0.83950	6.89
59.5	34,177.00	2,128.00	0.06226	0.93774	5.78
60.5	32,049.00	16,211.00	0.50582	0.49418	5.42
61.5	15,838.00	7,606.00	0.48024	0.51976	2.68
62.5	8,232.00	3,014.00	0.36613	0.63387	1.39
63.5	5,218.00	4,350.00	0.83365	0.16635	0.88
64.5	868.00	868.00	1.00000	0.00000	0.15
65.5	0.00	0.00	0.00000	1.00000	0.00

Surviving Percent Report

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Scenario: KEPCO DISTRIBUTION 2008

Account: KEPCo 101/6 362 - KY

Placement Band: 1914 - 2008

Observation Band: 1969- 2008

Age	Actual	R1 31.86
0.0	100.00	100.00
0.5	99.84	99.74
1.5	98.51	98.95
2.5	96.83	98.12
3.5	95.38	97.26
4.5	93.63	96.06
5.5	91.89	95.12
6.5	90.74	94.15
7.5	89.52	93.15
8.5	88.20	92.12
9.5	87.05	91.05
10.5	86.18	89.96
11.5	84.95	88.45
12.5	84.11	87.28
13.5	83.12	86.08
14.5	82.05	84.83
15.5	80.85	83.55
16.5	80.04	82.22
17.5	78.22	80.84
18.5	76.90	78.93
19.5	75.28	77.43
20.5	74.04	75.88
21.5	72.67	74.28
22.5	70.51	72.61
23.5	69.39	70.89
24.5	66.68	69.11
25.5	65.74	66.65
26.5	64.48	64.74
27.5	62.21	62.77
28.5	61.21	60.74
29.5	59.59	58.66
30.5	57.63	56.54
31.5	55.48	54.36
32.5	52.17	51.40
33.5	50.49	49.14
34.5	45.39	46.85
35.5	44.70	44.53
36.5	42.42	42.20
37.5	40.03	39.85
38.5	36.56	37.50
39.5	35.63	35.15
40.5	33.94	32.04
41.5	32.52	29.73
42.5	28.31	27.45
43.5	28.05	25.21
44.5	27.94	23.02
45.5	16.02	20.89
46.5	15.78	18.83
47.5	15.66	16.19
48.5	15.59	14.31
49.5	14.73	12.53
50.5	8.94	10.86
51.5	7.43	9.29
52.5	7.43	7.84
53.5	7.26	6.52

Surviving Percent Report

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Scenario: KEPCO DISTRIBUTION 2008

Account: KEPCo 101/6 362 - KY

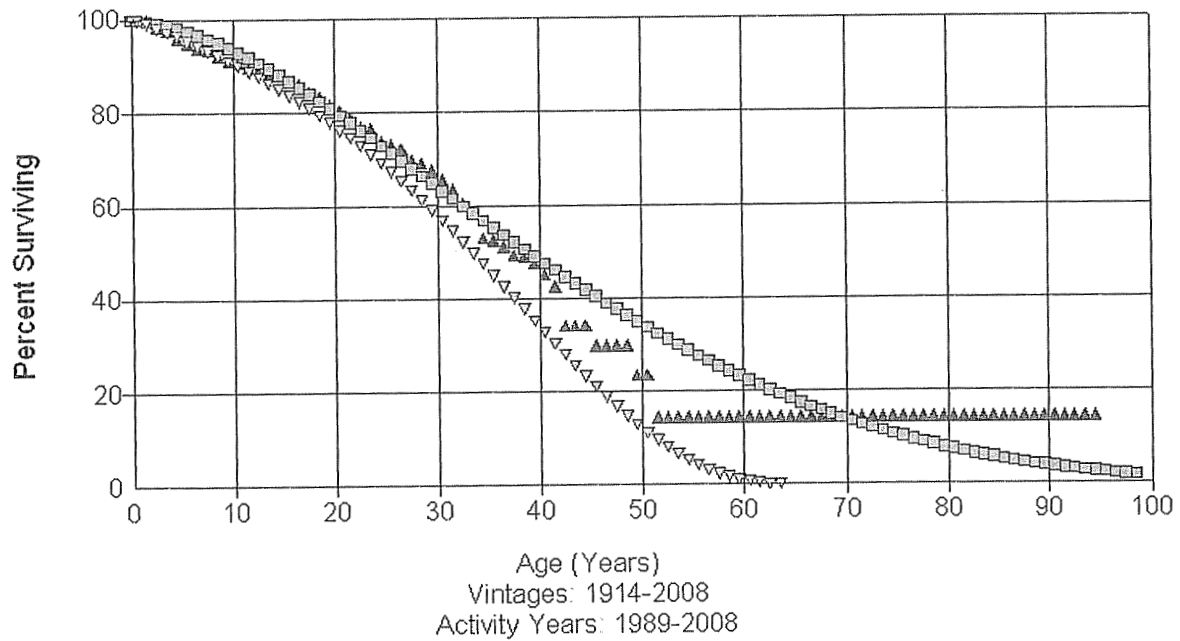
Placement Band: 1914 - 2008

Observation Band: 1969- 2008

Age	Actual	R1 31.86
54.5	7.10	4.95
55.5	6.95	3.93
56.5	6.89	3.04
57.5	6.89	2.28
58.5	6.89	1.65
59.5	5.78	1.14
60.5	5.42	0.73
61.5	2.68	0.33
62.5	1.39	0.13
63.5	0.88	0.03
64.5	0.15	0
65.5	0	0
66.5	0	
67.5	0	
68.5	0	
69.5	0	
70.5	0	
71.5	0	
72.5	0	
73.5	0	
74.5	0	
75.5	0	
76.5	0	
77.5	0	
78.5	0	
79.5	0	
80.5	0	
81.5	0	
82.5	0	
83.5	0	
84.5	0	
85.5	0	
86.5	0	
87.5	0	
88.5	0	
89.5	0	
90.5	0	
91.5	0	
92.5	0	
93.5	0	
94.5	0	

Account: KEPCo 101/6 362 - KY
Scenario: KEPCO DISTRIBUTION 2008

▲ Actual Data ■ L0.5 41 66 ▼ R1 31.86



Actuarial Life Analysis

Account: KEPCo 101/6 362 - KY
Scenario: KEPCO DISTRIBUTION 2008
Placement Band: 1914 - 2008
Transition: Survivorship Annual Rate Method
Weighting: Unweighted
T-Cut: None

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Observation Band	<u>Censoring</u>		Error Sum of Squares	<u>Best Fit</u>	
	Age	Percent		Disp	ASL
1989 -2008	94.5	14.28	0.54205905	L0.5	41.66

Observed Life Table

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Scenario: KEPCO DISTRIBUTION 2008

Account: KEPCo 101/6 362 - KY

Placement Band: 1914 - 2008

Observation Band: 1989 - 2008

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
0	37,957,986.01	16,504.00	0.00043	0.99957	100.00
0.5	37,300,146.32	51,511.82	0.00138	0.99862	99.96
1.5	36,461,883.03	498,479.23	0.01367	0.98633	99.82
2.5	34,689,274.60	267,113.07	0.00770	0.99230	98.46
3.5	31,755,382.20	562,794.43	0.01772	0.98228	97.70
4.5	31,189,687.75	334,487.55	0.01072	0.98928	95.97
5.5	30,735,830.39	322,047.53	0.01048	0.98952	94.94
6.5	30,865,836.23	88,848.03	0.00288	0.99712	93.95
7.5	29,727,140.51	420,317.84	0.01414	0.98586	93.68
8.5	30,367,823.90	403,059.24	0.01327	0.98673	92.36
9.5	29,380,405.09	152,391.70	0.00519	0.99481	91.13
10.5	29,986,166.96	301,335.35	0.01005	0.98995	90.66
11.5	28,933,244.35	139,100.36	0.00481	0.99519	89.75
12.5	27,274,422.60	237,548.42	0.00871	0.99129	89.32
13.5	23,040,336.16	146,148.11	0.00634	0.99366	88.54
14.5	22,099,722.38	299,057.58	0.01353	0.98647	87.98
15.5	19,156,963.00	116,162.02	0.00606	0.99394	86.79
16.5	18,918,290.84	378,903.43	0.02003	0.97997	86.26
17.5	17,415,568.57	251,522.46	0.01444	0.98556	84.53
18.5	17,010,660.06	330,036.95	0.01940	0.98060	83.31
19.5	16,263,927.76	246,577.08	0.01516	0.98484	81.69
20.5	15,934,437.04	305,586.18	0.01918	0.98082	80.45
21.5	14,082,897.88	355,474.55	0.02524	0.97476	78.91
22.5	12,707,922.78	71,642.18	0.00564	0.99436	76.92
23.5	12,003,443.76	421,134.37	0.03508	0.96492	76.49
24.5	11,005,971.60	96,852.39	0.00880	0.99120	73.81
25.5	10,315,144.85	130,060.59	0.01261	0.98739	73.16
26.5	9,246,955.73	326,467.32	0.03531	0.96469	72.24
27.5	8,266,777.25	64,674.46	0.00782	0.99218	69.69
28.5	5,762,620.54	138,862.85	0.02410	0.97590	69.15
29.5	5,195,648.00	138,480.92	0.02665	0.97335	67.48
30.5	4,152,656.52	145,231.72	0.03497	0.96503	65.68
31.5	3,332,000.84	157,259.40	0.04720	0.95280	63.38
32.5	3,033,410.77	78,033.01	0.02572	0.97428	60.39
33.5	2,625,717.83	263,309.95	0.10028	0.89972	58.84
34.5	2,078,826.13	17,202.41	0.00827	0.99173	52.94
35.5	1,632,459.96	42,392.00	0.02597	0.97403	52.50
36.5	1,083,256.63	40,515.12	0.03740	0.96260	51.14
37.5	774,364.79	6,744.11	0.00871	0.99129	49.23
38.5	594,709.98	15,499.00	0.02606	0.97394	48.80
39.5	558,988.97	28,997.43	0.05187	0.94813	47.53
40.5	404,996.96	23,426.39	0.05784	0.94216	45.06
41.5	270,245.97	53,032.84	0.19624	0.80376	42.45
42.5	163,531.59	0.00	0.00000	1.00000	34.12
43.5	162,544.59	0.00	0.00000	1.00000	34.12
44.5	143,256.57	17,999.59	0.12565	0.87435	34.12
45.5	57,184.15	0.00	0.00000	1.00000	29.83
46.5	46,920.21	0.00	0.00000	1.00000	29.83
47.5	20,361.55	0.00	0.00000	1.00000	29.83
48.5	20,361.55	4,325.00	0.21241	0.78759	29.83
49.5	16,036.55	0.00	0.00000	1.00000	23.49
50.5	26,373.55	10,337.00	0.39194	0.60806	23.49
51.5	0.00	0.00	0.00000	1.00000	14.28

Surviving Percent Report

Scenario: KEPCO DISTRIBUTION 2008

Account: KEPCo 101/6 362 - KY

Placement Band: 1914 - 2008

Observation Band: 1989- 2008

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Age	Actual	L0.5 41.66	R1 32.00
0.0	100.00	100.00	100.00
0.5	99.96	99.91	99.74
1.5	99.82	99.63	98.95
2.5	98.45	99.06	98.12
3.5	97.70	98.60	97.26
4.5	95.96	98.08	96.06
5.5	94.94	97.21	95.12
6.5	93.94	96.56	94.15
7.5	93.67	95.50	93.15
8.5	92.35	94.73	92.12
9.5	91.12	93.92	91.05
10.5	90.65	92.61	89.96
11.5	89.74	91.68	88.84
12.5	89.30	90.20	87.28
13.5	88.53	89.16	86.08
14.5	87.97	88.08	84.83
15.5	86.78	86.39	83.55
16.5	86.25	85.22	82.22
17.5	84.52	83.40	80.84
18.5	83.30	82.15	79.41
19.5	81.68	80.87	77.94
20.5	80.45	78.92	75.88
21.5	78.90	77.56	74.28
22.5	76.91	75.52	72.61
23.5	76.48	74.15	70.89
24.5	73.80	72.78	69.11
25.5	73.15	70.74	67.28
26.5	72.22	69.37	65.38
27.5	69.67	67.33	63.43
28.5	69.13	65.98	60.74
29.5	67.46	64.63	58.66
30.5	65.66	62.61	56.54
31.5	63.37	61.27	54.36
32.5	60.38	59.27	52.15
33.5	58.82	57.95	49.90
34.5	52.93	56.63	47.62
35.5	52.49	54.67	45.31
36.5	51.12	53.38	42.20
37.5	49.21	51.45	39.85
38.5	48.78	50.18	37.50
39.5	47.51	48.93	35.15
40.5	45.05	47.06	32.81
41.5	42.44	45.83	30.50
42.5	34.11	44.01	28.21
43.5	34.11	42.82	25.95
44.5	34.11	41.63	23.02
45.5	29.83	39.89	20.89
46.5	29.83	38.74	18.83
47.5	29.83	37.05	16.84
48.5	29.83	35.95	14.93
49.5	23.49	34.86	13.12
50.5	23.49	33.26	11.40
51.5	14.28	32.21	9.80
52.5	14.28	30.67	7.84
53.5	14.28	29.66	6.52

Surviving Percent Report

Scenario: KEPCO DISTRIBUTION 2008

Account: KEPCo 101/6 362 - KY

Payment Band: 1914 - 2008

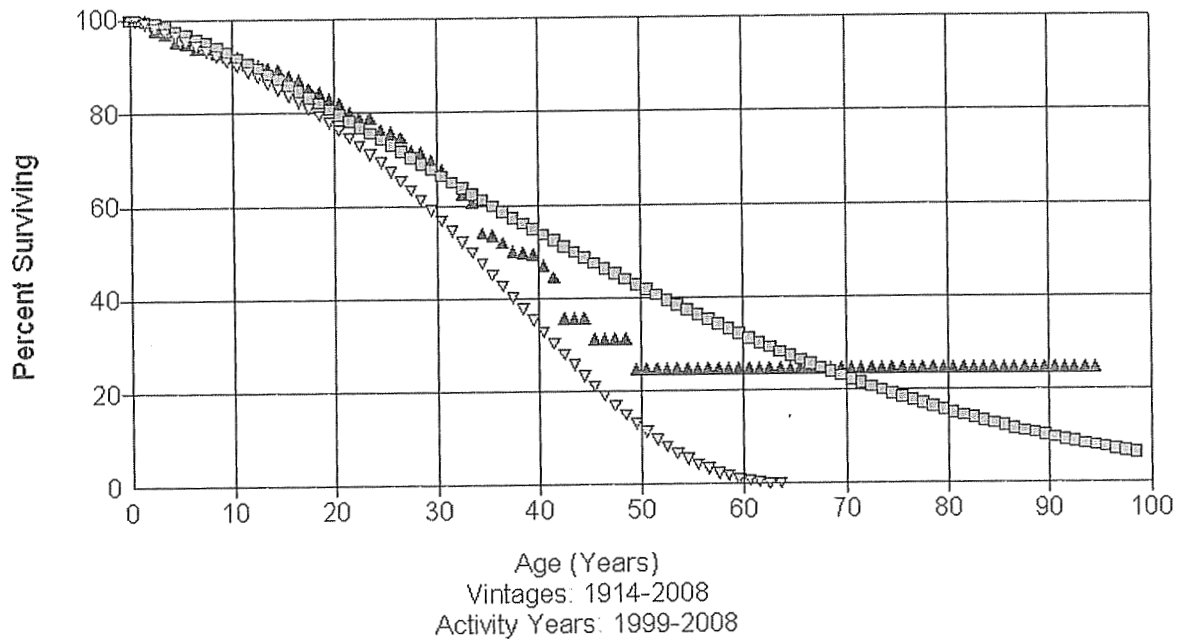
Observation Band: 1989- 2008

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Age	Actual	L0.5 41.66	R1 32.00
54.5	14.28	28.68	5.32
55.5	14.28	27.23	4.25
56.5	14.28	26.29	3.32
57.5	14.28	24.92	2.52
58.5	14.28	24.03	1.84
59.5	14.28	23.15	1.30
60.5	14.28	21.88	0.73
61.5	14.28	21.05	0.41
62.5	14.28	19.85	0.19
63.5	14.28	19.07	0.05
64.5	14.28	18.32	0
65.5	14.28	17.22	0
66.5	14.28	16.51	
67.5	14.28	15.48	
68.5	14.28	14.82	
69.5	14.28	14.17	
70.5	14.28	13.25	
71.5	14.28	12.65	
72.5	14.28	11.79	
73.5	14.28	11.24	
74.5	14.28	10.71	
75.5	14.28	9.95	
76.5	14.28	9.46	
77.5	14.28	8.76	
78.5	14.28	8.32	
79.5	14.28	7.89	
80.5	14.28	7.28	
81.5	14.28	6.89	
82.5	14.28	6.34	
83.5	14.28	5.99	
84.5	14.28	5.65	
85.5	14.28	5.18	
86.5	14.28	4.88	
87.5	14.28	4.45	
88.5	14.28	4.19	
89.5	14.28	3.93	
90.5	14.28	3.57	
91.5	14.28	3.35	
92.5	14.28	3.04	
93.5	14.28	2.84	
94.5	14.28	2.65	

Account: KEPCo 101/6 362 - KY
Scenario: KEPCO DISTRIBUTION 2008

▲ Actual Data ■ L0 47.32 ▼ R1 31.88



Actuarial Life Analysis

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Account: KEPCo 101/6 362 - KY
Scenario: KEPCO DISTRIBUTION 2008
Placement Band: 1914 - 2008
Function: Survivorship Annual Rate Method
Weighting: Unweighted
T-Cut: None

Observation Band	Censoring		Error Sum of Squares	Best Fit	
	Age	Percent		Disp	ASL
1999 -2008	94.5	24.55	0.72537950	L0	47.32

Observed Life Table

Scenario: KEPCO DISTRIBUTION 2008

Account: KEPCo 101/6 362 - KY

Placement Band: 1914 - 2008

Observation Band: 1999 - 2008

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Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
0	18,620,137.60	0.00	0.00000	1.00000	100.00
0.5	18,484,500.18	12,446.82	0.00067	0.99933	100.00
1.5	17,769,316.42	412,437.23	0.02321	0.97679	99.93
2.5	16,114,584.22	111,518.07	0.00692	0.99308	97.61
3.5	16,989,947.79	303,627.43	0.01787	0.98213	96.93
4.5	17,515,445.34	30,509.55	0.00174	0.99826	95.20
5.5	19,878,524.35	224,615.53	0.01130	0.98870	95.03
6.5	20,163,669.69	34,778.03	0.00172	0.99828	93.96
7.5	19,738,975.08	210,394.84	0.01066	0.98934	93.80
8.5	18,182,056.50	109,542.24	0.00602	0.99398	92.80
9.5	17,523,694.99	70,593.70	0.00403	0.99597	92.24
10.5	16,953,099.57	232,867.35	0.01374	0.98626	91.87
11.5	16,870,723.42	74,533.36	0.00442	0.99558	90.61
12.5	16,746,953.67	107,773.42	0.00644	0.99356	90.21
13.5	12,910,001.44	50,175.11	0.00389	0.99611	89.63
14.5	12,207,607.07	204,400.58	0.01674	0.98326	89.28
15.5	9,521,461.42	67,920.02	0.00713	0.99287	87.79
16.5	9,544,610.33	213,636.43	0.02238	0.97762	87.16
17.5	8,762,174.63	62,887.46	0.00718	0.99282	85.21
18.5	10,949,283.14	209,011.95	0.01909	0.98091	84.60
19.5	10,721,353.98	138,259.08	0.01290	0.98710	82.98
20.5	11,543,816.54	269,998.18	0.02339	0.97661	81.91
21.5	10,435,816.50	116,508.55	0.01116	0.98884	79.99
22.5	9,280,736.25	36,453.18	0.00393	0.99607	79.10
23.5	8,994,976.80	291,755.37	0.03244	0.96756	78.79
24.5	8,495,720.73	56,832.39	0.00669	0.99331	76.23
25.5	8,347,695.49	117,823.59	0.01411	0.98589	75.72
26.5	8,026,414.76	299,542.32	0.03732	0.96268	74.65
27.5	7,364,494.56	37,844.46	0.00514	0.99486	71.86
28.5	5,093,262.02	131,311.85	0.02578	0.97422	71.49
29.5	4,586,363.48	136,865.92	0.02984	0.97016	69.65
30.5	3,679,398.87	141,708.72	0.03851	0.96149	67.57
31.5	2,960,403.66	119,092.40	0.04023	0.95977	64.97
32.5	2,762,042.41	74,820.01	0.02709	0.97291	62.36
33.5	2,357,051.47	261,784.95	0.11106	0.88894	60.67
34.5	1,834,546.73	16,711.41	0.00911	0.99089	53.93
35.5	1,497,139.56	42,196.00	0.02818	0.97182	53.44
36.5	1,004,343.23	35,488.12	0.03533	0.96467	51.93
37.5	732,916.65	6,744.11	0.00920	0.99080	50.10
38.5	556,478.84	2,760.00	0.00496	0.99504	49.64
39.5	533,444.83	25,750.43	0.04827	0.95173	49.39
40.5	382,699.82	21,662.39	0.05660	0.94340	47.01
41.5	270,245.97	53,032.84	0.19624	0.80376	44.35
42.5	163,531.59	0.00	0.00000	1.00000	35.65
43.5	162,544.59	0.00	0.00000	1.00000	35.65
44.5	143,256.57	17,999.59	0.12565	0.87435	35.65
45.5	57,184.15	0.00	0.00000	1.00000	31.17
46.5	46,920.21	0.00	0.00000	1.00000	31.17
47.5	20,361.55	0.00	0.00000	1.00000	31.17
48.5	20,361.55	4,325.00	0.21241	0.78759	31.17
49.5	16,036.55	0.00	0.00000	1.00000	24.55
50.5	16,036.55	0.00	0.00000	1.00000	24.55
51.5	0.00	0.00	0.00000	1.00000	24.55

Surviving Percent Report

Scenario: KEPCO DISTRIBUTION 2008

Account: KEPCo 101/6 362 - KY

Cement Band: 1914 - 2008

Observation Band: 1999- 2008

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Age	Actual	L0 47.32	R1 32.00
0.0	100.00	100.00	100.00
0.5	100.00	99.87	99.74
1.5	99.93	99.45	98.95
2.5	97.61	98.89	98.12
3.5	96.94	98.24	97.26
4.5	95.21	97.50	96.06
5.5	95.04	96.70	95.12
6.5	93.97	95.83	94.15
7.5	93.80	94.92	93.15
8.5	92.80	93.97	92.12
9.5	92.24	92.46	91.05
10.5	91.87	91.41	89.96
11.5	90.61	90.33	88.84
12.5	90.21	89.23	87.28
13.5	89.63	88.10	86.08
14.5	89.28	86.95	84.83
15.5	87.79	85.78	83.55
16.5	87.16	84.59	82.22
17.5	85.21	83.39	80.84
18.5	84.60	81.57	79.41
19.5	82.98	80.34	77.94
20.5	81.91	79.10	75.88
21.5	80.00	77.86	74.28
22.5	79.10	76.62	72.61
23.5	78.79	75.37	70.89
24.5	76.24	74.12	69.11
25.5	75.73	72.87	67.28
26.5	74.66	71.00	65.38
27.5	71.87	69.76	63.43
28.5	71.50	68.51	60.74
29.5	69.66	67.27	58.66
30.5	67.58	66.04	56.54
31.5	64.98	64.80	54.36
32.5	62.36	63.57	52.15
33.5	60.67	62.35	49.90
34.5	53.94	61.13	47.62
35.5	53.44	59.31	45.31
36.5	51.94	58.10	42.20
37.5	50.10	56.90	39.85
38.5	49.64	55.71	37.50
39.5	49.40	54.53	35.15
40.5	47.01	53.35	32.81
41.5	44.35	52.18	30.50
42.5	35.65	51.02	28.21
43.5	35.65	49.87	25.95
44.5	35.65	48.17	23.02
45.5	31.17	47.04	20.89
46.5	31.17	45.92	18.83
47.5	31.17	44.82	16.84
48.5	31.17	43.73	14.93
49.5	24.55	42.64	13.12
50.5	24.55	41.57	11.40
51.5	24.55	40.52	9.80
52.5	24.55	39.47	7.84
53.5	24.55	37.93	6.52

Surviving Percent Report

Scenario: KEPCO DISTRIBUTION 2008

Account: KEPCo 101/6 362 - KY

Account Band: 1914 - 2008

Observation Band: 1999- 2008

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Age	Actual	L0 47.32	R1 32.00
54.5	24.55	36.91	5.32
55.5	24.55	35.92	4.25
56.5	24.55	34.93	3.32
57.5	24.55	33.96	2.52
58.5	24.55	33.00	1.84
59.5	24.55	32.06	1.30
60.5	24.55	31.13	0.73
61.5	24.55	30.21	0.41
62.5	24.55	28.87	0.19
63.5	24.55	27.99	0.05
64.5	24.55	27.13	0
65.5	24.55	26.28	0
66.5	24.55	25.45	
67.5	24.55	24.64	
68.5	24.55	23.84	
69.5	24.55	23.06	
70.5	24.55	22.29	
71.5	24.55	21.17	
72.5	24.55	20.44	
73.5	24.55	19.72	
74.5	24.55	19.03	
75.5	24.55	18.35	
76.5	24.55	17.68	
77.5	24.55	17.03	
78.5	24.55	16.40	
79.5	24.55	15.48	
80.5	24.55	14.88	
81.5	24.55	14.30	
82.5	24.55	13.74	
83.5	24.55	13.19	
84.5	24.55	12.66	
85.5	24.55	12.14	
86.5	24.55	11.63	
87.5	24.55	11.14	
88.5	24.55	10.44	
89.5	24.55	9.98	
90.5	24.55	9.54	
91.5	24.55	9.12	
92.5	24.55	8.71	
93.5	24.55	8.31	
94.5	24.55	7.92	

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2008
Distribution Plant

Account	<u>364 POLES, TOWERS & FIXTURES</u>	
Depreciable Balance	\$147,634,354	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	28	30
Iowa Curve	LO.O	R0.5
Gross Removal, %		65%
Gross Salvage, %		12%
Net Salvage %	25%	-53%

The simulation analyses for all bands indicate a retirement dispersion of an R0.5 type curve with an average service life of 30 years is appropriate for the investments in this account.

Extensive labor, equipment and transportation costs will be incurred in removing and replacing the equipment in this account. Some salvage could be experienced from the sale of scrap and the reuse of material.

Simulated Plant Record Analysis
 Kentucky Power - Distr

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Account: KEPCo 101/6 364 - KY
 Version: KEPCO DISTRIBUTION 2008
 Method: Simulated Balances

No. of Test Points: 40 Interval: 0 Observation Band: 1969 - 2008

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
R0.5	30.4	6.04E+14	57.2584	17.46	100.00
R1	28.3	6.64E+14	60.0226	16.66	100.00
S-.5	30.5	6.73E+14	60.4641	16.54	100.00
L0	33.4	6.93E+14	61.3421	16.30	94.97
R1.5	27.0	7.60E+14	64.2570	15.56	100.00
L0.5	31.1	7.93E+14	65.6179	15.24	97.92
S0	28.4	8.12E+14	66.4026	15.06	100.00
S0.5	27.1	9.06E+14	70.1271	14.26	100.00
R2	25.8	9.10E+14	70.2920	14.23	100.00
L1	29.3	9.18E+14	70.6170	14.16	99.60
L1.5	28.0	1.03E+15	74.9007	13.35	99.91
S1	26.2	1.04E+15	75.0362	13.33	100.00
R2.5	25.2	1.07E+15	76.2524	13.11	100.00
S1.5	25.5	1.15E+15	79.0789	12.65	100.00
L2	26.7	1.19E+15	80.2815	12.46	100.00
R3	24.6	1.27E+15	83.1635	12.02	100.00
S2	24.9	1.30E+15	83.9522	11.91	100.00
L3	25.1	1.43E+15	88.0319	11.36	100.00
S3	24.3	1.55E+15	91.6566	10.91	100.00
R4	23.9	1.61E+15	93.5496	10.69	100.00
L4	24.0	1.67E+15	95.1517	10.51	100.00
S4	23.7	1.82E+15	99.3129	10.07	100.00
L5	23.6	1.89E+15	101.4303	9.86	100.00
R5	23.6	1.94E+15	102.7345	9.73	100.00
S5	23.3	2.02E+15	104.6839	9.55	100.00
S6	23.2	2.14E+15	107.8984	9.27	100.00
SQ	25.2	2.77E+15	122.6529	8.15	100.00

Simulated Plant Record Analysis
 Kentucky Power - Distr

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Count: KEPCo 101/6 364 - KY
 Version: KEPCO DISTRIBUTION 2008
 Method: Simulated Balances

No. of Test Points: 20 Interval: 0 Observation Band: 1989 - 2008

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
R0.5	30.7	5.62E+14	50.7187	19.72	100.00
R1	28.6	6.24E+14	53.4006	18.73	100.00
S-.5	30.8	6.25E+14	53.4478	18.71	100.00
L0	33.8	6.40E+14	54.1176	18.48	94.67
R1.5	27.3	7.22E+14	57.4521	17.41	100.00
L0.5	31.4	7.34E+14	57.9397	17.26	97.74
S0	28.7	7.54E+14	58.7326	17.03	100.00
S0.5	27.4	8.47E+14	62.2338	16.07	100.00
L1	29.6	8.51E+14	62.3731	16.03	99.53
R2	26.1	8.68E+14	62.9960	15.87	100.00
L1.5	28.0	9.64E+14	66.3926	15.06	99.91
S1	26.4	9.75E+14	66.7782	14.97	100.00
R2.5	25.4	1.03E+15	68.5536	14.59	100.00
S1.5	25.8	1.09E+15	70.6360	14.16	100.00
L2	27.0	1.11E+15	71.3435	14.02	100.00
R3	24.6	1.22E+15	74.8219	13.37	100.00
S2	25.1	1.23E+15	75.1512	13.31	100.00
L3	25.4	1.36E+15	78.7368	12.70	100.00
S3	24.3	1.48E+15	82.3208	12.15	100.00
R4	23.9	1.55E+15	84.1745	11.88	100.00
L4	24.3	1.60E+15	85.5041	11.70	100.00
S4	23.7	1.75E+15	89.4260	11.18	100.00
L5	23.6	1.82E+15	91.3354	10.95	100.00
R5	23.6	1.87E+15	92.5067	10.81	100.00
S5	23.5	1.94E+15	94.2925	10.61	100.00
S6	23.4	2.07E+15	97.2606	10.28	100.00
SQ	25.2	2.65E+15	110.0287	9.09	100.00

Simulated Plant Record Analysis
Kentucky Power - Distr

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Account: KEPCo 101/6 364 - KY

Version: KEPCO DISTRIBUTION 2008

Method: Simulated Balances

No. of Test Points: 10 Interval: 0 Observation Band: 1999 - 2008

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
R0.5	32.9	9.24E+13	24.1807	41.36	100.00
L0	36.0	1.04E+14	25.6438	39.00	92.49
S-.5	32.7	1.04E+14	25.6576	38.97	100.00
R1	30.3	1.12E+14	26.5624	37.65	100.00
L0.5	33.5	1.26E+14	28.2749	35.37	96.32
S0	30.4	1.36E+14	29.2973	34.13	100.00
R1.5	28.8	1.41E+14	29.8738	33.47	100.00
L1	31.5	1.55E+14	31.2700	31.98	98.86
S0.5	29.1	1.62E+14	31.9889	31.26	100.00
R2	27.5	1.84E+14	34.1625	29.27	100.00
L1.5	30.0	1.86E+14	34.3339	29.13	99.67
S1	27.8	1.98E+14	35.3557	28.28	100.00
L2	28.6	2.26E+14	37.8498	26.42	99.98
R2.5	26.6	2.32E+14	38.3185	26.10	100.00
S1.5	27.1	2.33E+14	38.4052	26.04	100.00
S2	26.4	2.77E+14	41.8588	23.89	100.00
R3	25.6	2.92E+14	43.0057	23.25	100.00
L3	26.7	3.06E+14	43.9842	22.74	100.00
S3	25.5	3.59E+14	47.6854	20.97	100.00
R4	25.0	4.01E+14	50.3591	19.86	100.00
L4	25.2	4.04E+14	50.5587	19.78	100.00
S4	24.6	4.63E+14	54.1358	18.47	100.00
L5	24.6	5.00E+14	56.2499	17.78	100.00
R5	24.4	5.30E+14	57.8986	17.27	100.00
S5	24.5	5.62E+14	59.6024	16.78	100.00
S6	24.1	6.39E+14	63.5673	15.73	100.00
SQ	26.0	1.18E+15	86.5088	11.56	100.00

10/20/2009

Act Yr	Additions	Retirements	Ending Balance
2008	\$7,948,638	\$1,315,032	\$147,624,353
2007	\$8,178,275	\$1,283,667	\$140,990,747
2006	\$6,214,520	\$839,957	\$134,096,139
2005	\$4,777,960	\$728,627	\$128,721,576
2004	\$4,606,829	\$3,264,700	\$124,672,243
2003	\$3,549,389	\$770,546	\$123,330,114
2002	\$4,243,760	\$1,100,199	\$120,551,271
2001	\$6,491,237	\$1,402,184	\$117,407,710
2000	\$6,193,673	\$1,459,576	\$112,318,657
1999	\$7,750,006	\$779,722	\$107,584,560
1998	\$2,259,261	\$1,082,705	\$100,614,276
1997	\$2,175,205	\$1,542,829	\$99,437,720
1996	\$9,692,760	\$1,128,837	\$98,805,344
1995	\$5,532,239	\$1,671,011	\$90,241,421
1994	\$6,419,736	\$144,412	\$86,380,193
1993	\$5,227,092	\$1,304,149	\$80,104,869
1992	\$6,185,410	\$1,465,072	\$76,181,926
1991	\$6,088,191	\$1,480,558	\$71,461,588
1990	\$5,783,242	\$2,752,129	\$66,853,955
1989	\$5,307,552	\$3,823,950	\$63,822,842
1988	\$4,827,488	\$1,966,798	\$62,339,240
1987	\$5,327,380	\$1,607,747	\$59,478,550
1986	\$5,369,391	\$1,438,007	\$55,758,917
1985	\$4,909,635	\$937,730	\$51,827,533
1984	\$4,313,710	\$808,923	\$47,855,628
1983	\$4,439,316	\$768,785	\$44,350,841
1982	\$4,665,175	\$635,786	\$40,680,310
1981	\$5,803,340	\$1,253,167	\$36,650,921
1980	\$4,804,915	\$714,013	\$32,100,748
1979	\$3,884,010	\$638,797	\$28,009,846
1978	\$3,251,569	\$541,825	\$24,764,633
1977	\$3,061,702	\$378,298	\$22,054,889
1976	\$2,270,319	\$328,987	\$19,371,485
1975	\$1,611,041	\$258,071	\$17,430,153
1974	\$1,552,522	\$299,128	\$16,077,183

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10/20/2009

Act Yr	Additions	Retirements	Ending Balance
1973	\$1,515,199	\$360,031	\$14,823,789
1972	\$1,255,246	\$292,633	\$13,668,621
1971	\$1,229,340	\$314,758	\$12,706,008
1970	\$840,500	\$269,359	\$11,791,426
1969	\$775,929	\$321,093	\$11,220,285
1968	\$779,145	\$366,869	\$10,765,449
1967	\$736,064	\$292,779	\$10,353,173
1966	\$623,348	\$243,858	\$9,909,888
1965	\$625,458	\$234,974	\$9,530,398
1964	\$510,960	\$197,965	\$9,139,914
1963	\$412,308	\$173,515	\$8,826,919
1962	\$374,871	\$151,846	\$8,588,126
1961	\$499,550	\$198,316	\$8,365,101
1960	\$350,996	\$152,841	\$8,063,867
1959	\$417,502	\$179,999	\$7,865,712
1958	\$460,209	\$145,963	\$7,628,209
1957	\$421,180	\$101,977	\$7,313,963
1956	\$364,630	\$98,076	\$6,994,760
1955	\$300,304	\$83,548	\$6,728,206
1954	\$286,975	\$69,917	\$6,511,450
1953	\$314,622	\$80,158	\$6,294,392
1952	\$352,512	\$62,890	\$6,059,928
1951	\$535,120	\$86,968	\$5,770,306
1950	\$649,686	\$74,781	\$5,322,154
1949	\$716,821	\$84,381	\$4,747,249
1948	\$927,453	\$64,525	\$4,114,809
1947	\$1,015,765	\$52,850	\$3,251,881
1946	\$836,816	\$19,182	\$2,288,966
1945	\$176,492	\$14,956	\$1,471,332
1944	\$61,306	\$15,239	\$1,309,796
1943	\$39,257	\$42,381	\$1,263,729
1942	\$117,724	\$4,914	\$1,266,853
1941	\$118,223	\$48,820	\$1,154,043
1940	\$206,783	\$83,909	\$1,084,640
1939	\$181,871	\$88,380	\$961,766

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Act Yr	Additions	Retirements	Ending Balance
1938	\$160,568	\$160,633	\$868,275
1937	\$146,719	\$139,472	\$868,340
1936	\$861,093	\$0	\$861,093
			\$0
			\$0
			\$0

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KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2008
Distribution Plant

Account	<u>365 OVERHEAD CONDUCTOR & DEVICES</u>	
Depreciable Balance	\$129,155,638	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	26	30
Iowa Curve	R1.5	R0.5
Gross Removal, %		25%
Gross Salvage, %		50%
Net Salvage %	25%	25%

The simulation analyses for all bands indicate a retirement dispersion of an R0.5 type curve with an average service life of 30 years is appropriate for the investments in this account.

Removal costs should be expected from the labor and transportation costs involved in removing the conductor. Salvage costs would be expected from the sale of the conductor and the reuse of circuit breakers, insulators and switches.

Simulated Plant Record Analysis
 Kentucky Power - Distr

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Account: KEPCo 101/6 365 - KY

Version: KEPCO DISTRIBUTION 2008

Method: Simulated Balances

No. of Test Points: 40 Interval: 0 Observation Band: 1969 - 2008

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
R0.5	30.4	2.53E+13	14.7225	67.92	100.00
L0	32.9	2.79E+13	15.4526	64.71	95.40
S-.5	30.3	2.99E+13	16.0078	62.47	100.00
R1	28.3	3.21E+13	16.5670	60.36	100.00
L0.5	30.7	3.84E+13	18.1235	55.18	98.17
S0	28.2	4.29E+13	19.1736	52.16	100.00
R1.5	27.1	4.44E+13	19.4854	51.32	100.00
L1	29.1	5.17E+13	21.0378	47.53	99.63
S0.5	27.3	5.53E+13	21.7619	45.95	100.00
R2	25.9	6.45E+13	23.4915	42.57	100.00
L1.5	27.8	6.79E+13	24.1080	41.48	99.92
S1	26.3	7.25E+13	24.9181	40.13	100.00
R2.5	25.2	8.92E+13	27.6272	36.20	100.00
_2	26.6	9.02E+13	27.7852	35.99	100.00
S1.5	25.7	9.11E+13	27.9291	35.80	100.00
S2	25.0	1.15E+14	31.3451	31.90	100.00
R3	24.6	1.22E+14	32.3320	30.93	100.00
L3	25.2	1.35E+14	34.0135	29.40	100.00
S3	24.4	1.64E+14	37.5224	26.65	100.00
R4	24.0	1.86E+14	39.9434	25.04	100.00
L4	24.3	1.91E+14	40.4413	24.73	100.00
S4	23.8	2.28E+14	44.1547	22.65	100.00
L5	23.7	2.50E+14	46.2385	21.63	100.00
R5	23.6	2.65E+14	47.6049	21.01	100.00
S5	23.7	2.84E+14	49.2787	20.29	100.00
S6	23.5	3.26E+14	52.8006	18.94	100.00
SQ	25.1	5.84E+14	70.7259	14.14	100.00

Simulated Plant Record Analysis
 Kentucky Power - Distr

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Account: KEPCo 101/6 365 - KY
 Version: KEPCO DISTRIBUTION 2008
 Method: Simulated Balances

No. of Test Points: 20 Interval: 0 Observation Band: 1989 - 2008

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
R0.5	30.2	2.23E+13	12.9389	77.29	100.00
L0	32.9	2.44E+13	13.5099	74.02	95.40
S-.5	30.3	2.57E+13	13.8693	72.10	100.00
R1	28.4	2.88E+13	14.6810	68.12	100.00
L0.5	31.0	3.26E+13	15.6347	63.96	98.01
S0	28.2	3.67E+13	16.5783	60.32	100.00
R1.5	27.2	4.09E+13	17.5025	57.13	100.00
L1	29.1	4.33E+13	18.0185	55.50	99.63
S0.5	27.3	4.75E+13	18.8618	53.02	100.00
L1.5	27.8	5.84E+13	20.9304	47.78	99.92
R2	26.0	5.99E+13	21.1857	47.20	100.00
S1	26.3	6.33E+13	21.7764	45.92	100.00
L2	26.9	7.80E+13	24.1863	41.35	100.00
S1.5	25.7	8.16E+13	24.7340	40.43	100.00
R2.5	25.3	8.37E+13	25.0529	39.92	100.00
S2	25.0	1.05E+14	28.0258	35.68	100.00
R3	24.7	1.15E+14	29.2957	34.13	100.00
L3	25.3	1.22E+14	30.1992	33.11	100.00
S3	24.4	1.52E+14	33.7434	29.64	100.00
R4	24.1	1.74E+14	36.1153	27.69	100.00
L4	24.4	1.77E+14	36.4377	27.44	100.00
S4	23.8	2.13E+14	39.9727	25.02	100.00
L5	23.8	2.32E+14	41.7331	23.96	100.00
R5	23.7	2.47E+14	43.0138	23.25	100.00
S5	23.7	2.65E+14	44.5427	22.45	100.00
S6	23.5	3.04E+14	47.7480	20.94	100.00
SQ	25.1	5.38E+14	63.5296	15.74	100.00

Simulated Plant Record Analysis
 Kentucky Power - Distr

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Count: KEPCo 101/6 365 - KY
 Version: KEPCO DISTRIBUTION 2008
 Method: Simulated Balances

No. of Test Points: 10 Interval: 0 Observation Band: 1999 - 2008

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
R0.5	30.7	5.09E+12	7.0698	141.45	100.00
S-.5	30.8	5.37E+12	7.2624	137.70	100.00
L0	33.4	5.39E+12	7.2726	137.50	94.98
R1	28.9	6.34E+12	7.8908	126.73	100.00
L0.5	31.4	6.52E+12	7.9977	125.04	97.75
S0	28.9	7.58E+12	8.6276	115.91	100.00
L1	29.8	8.38E+12	9.0704	110.25	99.46
R1.5	27.6	9.47E+12	9.6404	103.73	100.00
S0.5	27.7	1.02E+13	9.9849	100.15	100.00
L1.5	28.5	1.12E+13	10.4725	95.49	99.86
S1	27.0	1.39E+13	11.6758	85.65	100.00
R2	26.6	1.48E+13	12.0633	82.90	100.00
L2	27.5	1.50E+13	12.1489	82.31	100.00
S1.5	26.3	1.80E+13	13.3091	75.14	100.00
R2.5	25.9	2.13E+13	14.4553	69.18	100.00
S2	25.6	2.30E+13	15.0381	66.50	100.00
L3	25.9	2.56E+13	15.8474	63.10	100.00
R3	25.3	2.88E+13	16.8085	59.49	100.00
S3	25.0	3.54E+13	18.6302	53.68	100.00
L4	25.0	4.44E+13	20.8776	47.90	100.00
R4	24.7	4.63E+13	21.3134	46.92	100.00
S4	24.6	5.62E+13	23.4851	42.58	100.00
L5	24.4	6.60E+13	25.4440	39.30	100.00
R5	24.3	7.41E+13	26.9688	37.08	100.00
S5	24.2	8.09E+13	28.1716	35.50	100.00
S6	24.1	1.08E+14	32.6190	30.66	100.00
SQ	26.0	3.98E+14	62.4713	16.01	100.00

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Act Yr	Additions	Retirements	Ending Balance
2008	\$10,259,055	\$3,155,687	\$129,155,638
2007	\$14,237,195	\$2,993,281	\$122,052,270
2006	\$8,984,427	\$2,373,219	\$110,808,356
2005	\$6,436,239	\$1,665,652	\$104,197,148
2004	\$5,364,176	\$1,048,651	\$99,426,561
2003	\$4,069,103	\$1,665,159	\$95,111,036
2002	\$5,622,594	\$2,020,300	\$92,707,092
2001	\$5,169,647	\$1,323,285	\$89,104,798
2000	\$5,230,644	\$1,553,565	\$85,258,436
1999	\$6,688,639	\$767,232	\$81,581,357
1998	\$2,314,364	\$867,054	\$75,659,950
1997	\$7,910,940	\$1,666,505	\$74,212,640
1996	\$3,270,420	\$1,662,236	\$67,968,205
1995	\$5,785,493	\$2,549,129	\$66,360,021
1994	\$4,473,083	\$1,379,552	\$63,123,657
1993	\$2,861,816	\$758,447	\$60,030,126
1992	\$3,277,636	\$909,965	\$57,926,757
1991	\$3,654,148	\$1,060,633	\$55,559,086
1990	\$3,794,891	\$1,114,551	\$52,965,571
1989	\$3,611,129	\$899,096	\$50,285,231
1988	\$3,229,945	\$1,188,810	\$47,573,198
1987	\$3,764,540	\$1,004,247	\$45,532,063
1986	\$3,340,589	\$919,744	\$42,771,770
1985	\$2,604,969	\$519,259	\$40,350,925
1984	\$2,380,654	\$517,838	\$38,265,215
1983	\$2,562,107	\$598,823	\$36,402,399
1982	\$2,865,659	\$452,557	\$34,439,115
1981	\$4,443,270	\$876,800	\$32,026,013
1980	\$3,591,035	\$532,297	\$28,459,543
1979	\$3,199,783	\$516,238	\$25,400,805
1978	\$2,734,482	\$472,645	\$22,717,260
1977	\$3,143,781	\$369,728	\$20,455,423
1976	\$1,782,930	\$302,893	\$17,681,370
1975	\$1,026,632	\$230,227	\$16,201,333
1974	\$1,088,826	\$298,710	\$15,404,928

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Act Yr	Additions	Retirements	Ending Balance
1973	\$1,108,750	\$379,766	\$14,614,812
1972	\$1,152,475	\$309,059	\$13,885,828
1971	\$1,451,307	\$334,232	\$13,042,412
1970	\$1,150,481	\$281,292	\$11,925,337
1969	\$992,508	\$307,427	\$11,056,148
1968	\$949,626	\$293,616	\$10,371,067
1967	\$869,418	\$235,317	\$9,715,057
1966	\$728,131	\$219,295	\$9,080,956
1965	\$688,379	\$182,223	\$8,572,120
1964	\$500,173	\$118,173	\$8,065,964
1963	\$342,519	\$115,279	\$7,683,964
1962	\$356,863	\$110,412	\$7,456,724
1961	\$431,518	\$83,006	\$7,210,273
1960	\$309,663	\$119,535	\$6,861,761
1959	\$332,979	\$86,363	\$6,671,633
1958	\$411,734	\$100,947	\$6,425,017
1957	\$370,826	\$75,501	\$6,114,230
1956	\$335,384	\$67,420	\$5,818,905
1955	\$247,836	\$54,244	\$5,550,941
1954	\$237,566	\$58,761	\$5,357,349
1953	\$254,683	\$55,985	\$5,178,544
1952	\$291,012	\$43,132	\$4,979,846
1951	\$393,824	\$52,380	\$4,731,966
1950	\$509,472	\$43,539	\$4,390,522
1949	\$591,741	\$38,785	\$3,924,589
1948	\$780,371	\$33,031	\$3,371,633
1947	\$845,275	\$23,250	\$2,624,293
1946	\$541,149	\$8,911	\$1,802,268
1945	\$107,824	\$7,008	\$1,270,030
1944	\$34,927	\$8,392	\$1,169,214
1943	\$14,300	\$15,652	\$1,142,679
1942	\$71,460	\$1,863	\$1,144,031
1941	\$90,549	\$26,224	\$1,074,434
1940	\$125,801	\$56,768	\$1,010,109
1939	\$132,698	\$43,031	\$941,076

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Act Yr	Additions	Retirements	Ending Balance
1938	\$124,001	\$56,193	\$851,409
1937	\$120,859	\$109,143	\$783,601
1936	\$771,885	\$0	\$771,885

\$0
\$0
\$0

\$0
\$0
\$0

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2008
Distribution Plant

Account 366 UNDERGROUND CONDUIT

Depreciable Balance \$4,302,754

	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	37	50
Iowa Curve	R2.0	R0.5
Gross Removal, %		0%
Gross Salvage, %		0%
Net Salvage %	0%	0%

The simulation analyses for this account do not provide meaningful guidance for the selection of an average service life. However, it is obvious that the service life should be increased from the current 37 years. The recommendation is to move to a 50 year average service life following an R0.5 type curve.

Neither salvage nor removal is expected from this investment as it is likely the conduit will be retired in place.

Simulated Plant Record Analysis
 Kentucky Power - Distr

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Account: KEPCo 101/6 366 - KY
 Version: KEPCO DISTRIBUTION 2008
 Method: Simulated Balances

No. of Test Points: 40 Interval: 0 Observation Band: 1969 - 2008

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
R0.5	145.3	4.23E+09	7.7780	128.57	21.12
R1	107.4	4.52E+09	8.0422	124.34	26.00
S-.5	121.7	4.74E+09	8.2384	121.38	26.43
R1.5	82.3	4.98E+09	8.4403	118.48	36.64
L0	123.2	5.60E+09	8.9570	111.64	30.77
L0.5	96.3	6.16E+09	9.3913	106.48	38.93
R2	62.1	6.40E+09	9.5694	104.50	64.07
S0	78.6	7.00E+09	10.0140	99.86	44.62
L1	73.8	8.11E+09	10.7753	92.80	53.19
R2.5	51.5	8.15E+09	10.8053	92.55	90.98
S0.5	65.2	8.22E+09	10.8452	92.21	58.92
L1.5	62.4	9.54E+09	11.6897	85.55	66.38
S1	54.1	1.11E+10	12.5957	79.39	78.78
R3	43.6	1.23E+10	13.2597	75.42	100.00
S1.5	48.4	1.30E+10	13.6185	73.43	91.63
L2	52.3	1.34E+10	13.8580	72.16	81.15
S2	43.7	1.68E+10	15.5096	64.48	98.78
L3	43.0	2.02E+10	17.0230	58.74	96.19
R4	37.8	2.23E+10	17.8689	55.96	100.00
S3	39.1	2.41E+10	18.5762	53.83	100.00
L4	38.1	2.83E+10	20.1302	49.68	99.98
S4	36.4	3.55E+10	22.5507	44.34	100.00
R5	35.6	4.00E+10	23.9263	41.80	100.00
L5	36.0	4.03E+10	24.0130	41.64	100.00
S5	35.2	4.72E+10	26.0049	38.45	100.00
S6	34.6	5.78E+10	28.7693	34.76	100.00
SQ	37.0	9.13E+10	36.1532	27.66	100.00

Simulated Plant Record Analysis
 Kentucky Power - Distr

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Account: KEPCo 101/6 366 - KY
 Version: KEPCO DISTRIBUTION 2008
 Method: Simulated Balances

No. of Test Points: 20 Interval: 0 Observation Band: 1989 - 2008

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
R0.5	146.5	3.19E+09	5.5820	179.15	20.93
R1	108.3	3.40E+09	5.7638	173.50	25.70
S-.5	122.9	3.55E+09	5.8924	169.71	26.10
R1.5	83.0	3.73E+09	6.0432	165.48	36.07
L0	124.5	4.15E+09	6.3706	156.97	30.40
L0.5	97.3	4.57E+09	6.6843	149.60	38.42
R2	62.0	4.80E+09	6.8530	145.92	64.28
S0	79.4	5.15E+09	7.0974	140.90	43.99
L1	74.1	6.02E+09	7.6742	130.31	52.90
S0.5	65.2	6.05E+09	7.6955	129.95	58.92
R2.5	51.4	6.18E+09	7.7737	128.64	91.13
L1.5	62.7	7.13E+09	8.3495	119.77	66.06
S1	54.1	8.19E+09	8.9493	111.74	78.77
L3	43.8	9.49E+09	9.6339	103.80	99.99
S1.5	48.4	9.78E+09	9.7800	102.25	91.63
L2	52.6	1.03E+10	10.0216	99.78	80.87
S2	43.7	1.30E+10	11.2622	88.79	98.77
L3	43.2	1.63E+10	12.6079	79.32	96.04
R4	38.0	1.84E+10	13.4201	74.52	100.00
S3	39.1	1.97E+10	13.8964	71.96	100.00
L4	38.2	2.38E+10	15.2694	65.49	99.98
S4	36.4	3.10E+10	17.4127	57.43	100.00
R5	35.4	3.54E+10	18.6100	53.73	100.00
L5	36.0	3.58E+10	18.7034	53.47	100.00
S5	35.2	4.27E+10	20.4431	48.92	100.00
S6	34.6	5.33E+10	22.8350	43.79	100.00
SQ	37.0	8.68E+10	29.1354	34.32	100.00

Simulated Plant Record Analysis
Kentucky Power - Distr

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Account: KEPCo 101/6 366 - KY
Version: KEPCO DISTRIBUTION 2008
Method: Simulated Balances

No. of Test Points: 10 Interval: 0 Observation Band: 1999 - 2008

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
R0.5	153.3	1.05E+09	3.3244	300.81	19.89
R1	113.4	1.11E+09	3.4291	291.62	24.09
S-.5	128.6	1.17E+09	3.5073	285.12	24.67
R1.5	86.3	1.22E+09	3.5929	278.33	33.49
L0	129.0	1.37E+09	3.7999	263.16	29.14
L0.5	100.8	1.50E+09	3.9791	251.31	36.68
R2	63.8	1.57E+09	4.0747	245.42	60.51
S0	81.4	1.70E+09	4.2307	236.37	42.42
L1	76.8	1.95E+09	4.5371	220.41	50.59
S0.5	67.5	1.99E+09	4.5818	218.25	55.88
R2.5	53.0	2.03E+09	4.6350	215.75	88.27
L1.5	64.3	2.35E+09	4.9761	200.96	64.15
S1	55.5	2.67E+09	5.3050	188.50	76.30
S1.5	49.6	3.18E+09	5.7909	172.68	89.73
R3	44.8	3.23E+09	5.8439	171.12	99.93
L2	53.4	3.43E+09	6.0184	166.16	79.82
S2	44.9	4.18E+09	6.6422	150.55	98.05
L3	43.8	5.67E+09	7.7342	129.30	95.47
R4	38.2	6.68E+09	8.3999	119.05	100.00
S3	39.7	6.69E+09	8.4034	119.00	100.00
L4	38.5	9.03E+09	9.7661	102.40	99.98
S4	36.6	1.24E+10	11.4255	87.52	100.00
R5	35.5	1.57E+10	12.8799	77.64	100.00
L5	36.2	1.57E+10	12.8859	77.60	100.00
S5	35.4	2.06E+10	14.7515	67.79	100.00
S6	34.8	2.98E+10	17.7469	56.35	100.00
SQ	37.9	7.42E+10	27.9934	35.72	100.00

10/20/2009

Act Yr Additions Retirements Ending Balance

2008	\$332,819	\$694	\$4,302,754	\$0	\$0
2007	\$312,381	\$3,259	\$3,970,629	\$0	\$0
2006	\$509,176	\$7,368	\$3,661,507	\$0	\$0
2005	\$199,943	\$143	\$3,159,699	\$0	\$0
2004	\$173,356	\$2,052	\$2,959,899	\$0	\$0
2003	\$118,994	\$2,929	\$2,788,595	\$0	\$0
2002	\$134,439	\$16,953	\$2,672,530	\$0	\$0
2001	\$123,659	\$9,421	\$2,555,044	\$0	\$0
2000	\$182,080	\$6,479	\$2,440,806	\$0	\$0
1999	\$137,692	\$2,608	\$2,265,205	\$0	\$0
1998	\$60,158	\$1,777	\$2,130,121	\$0	\$0
1997	\$291,323	\$4,035	\$2,071,740	\$0	\$0
1996	\$131,833	\$3,248	\$1,784,452	\$0	\$0
1995	\$133,289	\$5,842	\$1,655,867	\$0	\$0
1994	\$118,922	\$199	\$1,528,420	\$0	\$0
1993	\$270,669	\$0	\$1,409,697	\$0	\$0
1992	\$131,413	\$0	\$1,139,028	\$0	\$0
1991	\$51,993	\$1,608	\$1,007,615	\$0	\$0
1990	\$207,078	\$7,201	\$957,230	\$0	\$0
1989	\$49,004	\$3,823	\$757,353	\$0	\$0
1988	\$25,065	\$172	\$712,172	\$0	\$0
1987	\$9,664	\$6,968	\$687,279	\$0	\$0
1986	\$35,696	\$896	\$684,583	\$0	\$0
1985	\$75,471	\$5,819	\$649,783	\$0	\$0
1984	\$4,604	\$3,998	\$580,131	\$0	\$0
1983	\$39,828	\$78	\$579,525	\$0	\$0
1982	\$48,652	\$0	\$539,775	\$0	\$0
1981	\$79,179	\$71	\$491,123	\$0	\$0
1980	\$46,085	\$13,388	\$412,015	\$0	\$0
1979	\$8,197	\$0	\$379,318	\$0	\$0
1978	\$28,154	\$216	\$371,121	\$0	\$0
1977	\$37,280	\$0	\$343,183	\$0	\$0
1976	\$51,203	\$138	\$305,903	\$0	\$0
1975	\$31,345	\$0	\$254,838	\$0	\$0
1974	\$53,663	\$352	\$223,493	\$0	\$0

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10/20/2009

Act Yr	Additions	Retirements	Ending Balance
1973	\$60,340	\$679	\$170,182
1972	\$27,833	\$104	\$110,521
1971	\$37,062	\$83	\$82,792
1970	\$30,547	\$34	\$45,813
1969	\$3,136	\$0	\$15,300
1968	\$820	\$0	\$12,164
1967	\$6,556	\$0	\$11,344
1966	\$4,153	\$237	\$4,788
1965	\$0	\$0	\$872
1964	\$0	\$0	\$872
1963	\$0	\$0	\$872
1962	\$0	\$0	\$872
1961	\$0	\$0	\$872
1960	\$0	\$0	\$872
1959	\$0	\$0	\$872
1958	\$0	\$0	\$872
1957	\$0	\$0	\$872
1956	\$0	\$0	\$872
1955	\$0	\$0	\$872
1954	\$0	\$0	\$872
1953	\$0	\$0	\$872
1952	\$0	\$0	\$872
1951	\$0	\$18	\$872
1950	\$0	\$0	\$890
1949	\$0	\$0	\$890
1948	\$0	\$78	\$890
1947	\$55	\$259	\$968
1946	\$0	\$107	\$1,172
1945	\$0	\$389	\$1,279
1944	\$0	\$122	\$1,668
1943	\$0	\$14	\$1,790
1942	\$144	\$0	\$1,804
1941	\$0	\$0	\$1,660
1940	\$77	\$115	\$1,660
1939	\$315	\$0	\$1,698

10/20/2009

Act Yr	Additions	Retirements	Ending Balance
1938	\$0	\$0	\$1,383
1937	\$0	\$0	\$1,383
1936	\$1,383	\$0	\$1,383

\$0 \$0 \$0
\$0 \$0 \$0
\$0

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2008
Distribution Plant

Account 367 UNDERGROUND CONDUCTOR & DEVICES

Depreciable Balance \$7,652,121

	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	44	50
Iowa Curve	R1.0	S-.5
Gross Removal, %		0%
Gross Salvage, %		0%
Net Salvage %	0%	0%

As in the related underground conduit account, the simulation analyses indicates an increase in average, although the increase is not as dramatic. Based on the analyses, the recommendation is to move to a 50 year average service life following an S-.5 type dispersion.

The recommendation of 0% for both salvage and removal is based on the fact that the conductor may be abandoned in place. If the conductor is removed, it may be likely that the scrap price would be equal to the cost of removal.

Simulated Plant Record Analysis
 Kentucky Power - Distr

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Count: KEPCo 101/6 367 - KY
 Version: KEPCO DISTRIBUTION 2008
 Method: Simulated Balances

No. of Test Points: 40 Interval: 0 Observation Band: 1969 - 2008

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
S-.5	49.6	1.19E+10	7.1041	140.76	76.77
R1	43.0	1.21E+10	7.1537	139.79	94.11
R0.5	51.8	1.24E+10	7.2383	138.15	73.74
L0	54.8	1.26E+10	7.2917	137.14	71.23
L0.5	47.1	1.64E+10	8.3340	119.99	81.60
R1.5	37.7	1.77E+10	8.6522	115.58	99.80
S0	40.7	1.96E+10	9.1087	109.79	95.53
L1	41.3	2.81E+10	10.8986	91.75	90.54
S0.5	36.8	3.23E+10	11.6972	85.49	99.93
R2	34.1	3.89E+10	12.8274	77.96	100.00
L1.5	37.7	4.61E+10	13.9653	71.61	95.71
S1	33.9	5.73E+10	15.5764	64.20	100.00
R2.5	31.7	7.47E+10	17.7842	56.23	100.00
.2	34.4	8.02E+10	18.4262	54.27	98.86
S1.5	32.4	8.62E+10	19.0977	52.36	100.00
S2	30.7	1.29E+11	23.3729	42.78	100.00
R3	30.3	1.36E+11	23.9983	41.67	100.00
L3	31.1	1.60E+11	26.0489	38.39	100.00
S3	29.3	2.20E+11	30.5292	32.76	100.00
L4	29.0	2.67E+11	33.6344	29.73	100.00
R4	28.7	2.68E+11	33.6871	29.68	100.00
S4	28.3	3.45E+11	38.2156	26.17	100.00
L5	28.3	3.79E+11	40.0704	24.96	100.00
R5	28.0	4.17E+11	42.0333	23.79	100.00
S5	27.9	4.50E+11	43.6313	22.92	100.00
S6	27.4	5.16E+11	46.7445	21.39	100.00
SQ	29.9	9.82E+11	64.4743	15.51	100.00

Simulated Plant Record Analysis
 Kentucky Power - Distr

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Count: KEPCo 101/6 367 - KY
 Version: KEPCO DISTRIBUTION 2008
 Method: Simulated Balances

No. of Test Points: 20 Interval: 0 Observation Band: 1989 - 2008

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
R0.5	51.8	1.10E+10	5.8400	171.23	73.85
S-.5	49.6	1.13E+10	5.9078	169.27	76.77
R1	43.0	1.15E+10	5.9602	167.78	94.20
L0	55.0	1.20E+10	6.0837	164.37	71.00
L0.5	47.3	1.48E+10	6.7608	147.91	81.38
R1.5	37.7	1.68E+10	7.2030	138.83	99.81
S0	40.7	1.71E+10	7.2767	137.42	95.53
L1	41.5	2.28E+10	8.3860	119.25	90.35
S0.5	37.2	2.67E+10	9.0785	110.15	99.82
R2	34.1	3.43E+10	10.2968	97.12	100.00
L1.5	37.5	3.70E+10	10.6881	93.56	95.90
S1	33.9	4.54E+10	11.8378	84.48	100.00
L2	34.6	6.19E+10	13.8245	72.34	98.81
R2.5	32.0	6.51E+10	14.1815	70.51	100.00
S1.5	32.4	6.82E+10	14.5116	68.91	100.00
S2	31.0	1.02E+11	17.7646	56.29	100.00
R3	30.4	1.16E+11	18.9691	52.72	100.00
L3	31.3	1.29E+11	19.9334	50.17	100.00
S3	29.4	1.81E+11	23.6775	42.23	100.00
L4	29.1	2.24E+11	26.3133	38.00	100.00
R4	28.9	2.31E+11	26.7094	37.44	100.00
S4	28.4	2.97E+11	30.2775	33.03	100.00
L5	28.1	3.28E+11	31.8485	31.40	100.00
R5	27.9	3.67E+11	33.6838	29.69	100.00
S5	27.7	3.98E+11	35.0834	28.50	100.00
S6	27.5	4.64E+11	37.8562	26.42	100.00
SQ	30.0	9.30E+11	53.5918	18.66	100.00

Simulated Plant Record Analysis
 Kentucky Power - Distr

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Account: KEPCo 101/6 367 - KY

Version: KEPCO DISTRIBUTION 2008

Method: Simulated Balances

No. of Test Points: 10 Interval: 0 Observation Band: 1999 - 2008

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
R1.5	38.1	5.39E+09	4.3288	231.01	99.71
S0	41.1	5.73E+09	4.4654	223.94	94.91
L1	42.2	5.78E+09	4.4826	223.08	89.57
L0.5	47.6	5.91E+09	4.5323	220.64	81.03
R1	43.4	5.93E+09	4.5417	220.18	93.45
S0.5	37.5	6.02E+09	4.5772	218.47	99.67
L0	55.4	6.53E+09	4.7669	209.78	70.66
S-.5	49.6	6.54E+09	4.7685	209.71	76.77
R0.5	51.8	7.12E+09	4.9780	200.88	73.77
L1.5	38.1	7.13E+09	4.9813	200.75	95.39
R2	34.4	7.37E+09	5.0619	197.55	100.00
S1	34.6	8.09E+09	5.3041	188.53	100.00
L2	35.1	9.96E+09	5.8861	169.89	98.55
S1.5	32.7	1.19E+10	6.4215	155.73	100.00
R2.5	32.4	1.32E+10	6.7710	147.69	100.00
S2	31.3	1.74E+10	7.7796	128.54	100.00
L3	31.8	1.92E+10	8.1700	122.40	100.00
R3	30.6	2.38E+10	9.1067	109.81	100.00
S3	29.9	3.09E+10	10.3749	96.39	100.00
L4	29.6	3.53E+10	11.0842	90.22	100.00
R4	29.3	4.82E+10	12.9491	77.23	100.00
L5	28.8	5.03E+10	13.2259	75.61	100.00
S4	28.9	5.12E+10	13.3404	74.96	100.00
S6	28.3	6.33E+10	14.8384	67.39	100.00
S5	28.4	6.39E+10	14.9032	67.10	100.00
R5	28.5	6.71E+10	15.2791	65.45	100.00
SQ	30.2	3.31E+11	33.9287	29.47	100.00

10/20/2009

Act Yr	Additions	Retirements	Ending Balance
2008	\$578,819	\$53,234	\$7,652,121
2007	\$973,386	\$36,512	\$7,126,536
2006	\$784,947	\$144,643	\$6,189,662
2005	\$104,018	\$36,728	\$5,549,358
2004	\$811,825	\$37,052	\$5,482,068
2003	\$245,976	\$23,089	\$4,707,295
2002	\$150,681	\$71,261	\$4,484,408
2001	\$293,525	\$11,194	\$4,404,988
2000	\$259,570	\$36,661	\$4,122,657
1999	\$377,491	\$11,656	\$3,899,748
1998	\$147,054	\$16,729	\$3,533,913
1997	\$339,985	\$46,345	\$3,403,588
1996	\$190,902	\$37,421	\$3,109,948
1995	\$209,851	\$19,071	\$2,956,467
1994	\$177,719	\$18,365	\$2,765,687
1993	\$285,294	\$9,042	\$2,606,333
1992	\$155,416	\$69,723	\$2,330,081
1991	\$141,320	\$19,317	\$2,244,388
1990	\$367,094	\$11,675	\$2,122,385
1989	\$117,298	\$8,169	\$1,766,966
1988	\$78,161	\$12,299	\$1,657,837
1987	\$108,890	\$20,306	\$1,591,975
1986	\$79,589	\$8,069	\$1,503,391
1985	\$119,906	\$5,814	\$1,431,871
1984	\$21,545	\$1,761	\$1,317,779
1983	\$100,965	\$8,742	\$1,297,995
1982	\$263,053	\$5,334	\$1,205,772
1981	\$112,466	\$6,687	\$948,053
1980	\$86,392	\$18,792	\$842,274
1979	\$45,415	\$8,720	\$774,674
1978	\$83,270	\$175	\$737,979
1977	\$52,882	\$3,175	\$654,884
1976	\$67,240	\$2,083	\$605,177
1975	\$23,860	\$1,477	\$540,020
1974	\$76,050	\$2,226	\$517,637

10/20/2009

Act Yr	Additions	Retirements	Ending Balance
1973	\$137,903	\$8,385	\$443,813
1972	\$109,531	\$60	\$314,295
1971	\$86,370	\$0	\$204,824
1970	\$76,458	\$927	\$118,454
1969	\$11,767	\$0	\$42,923
1968	\$4,973	\$0	\$31,156
1967	\$15,264	\$0	\$26,183
1966	\$4,745	\$60	\$10,919
1965	\$2,102	\$0	\$6,234
1964	\$0	\$0	\$4,132
1963	\$1,638	\$0	\$4,132
1962	\$0	\$0	\$2,494
1961	\$0	\$0	\$2,494
1960	\$0	\$0	\$2,494
1959	\$0	\$0	\$2,494
1958	\$0	\$0	\$2,494
1957	\$474	\$58	\$2,494
1956	\$0	\$0	\$2,078
1955	\$0	\$0	\$2,078
1954	\$0	\$0	\$2,078
1953	\$0	\$0	\$2,078
1952	\$0	\$0	\$2,078
1951	\$0	\$513	\$2,078
1950	\$0	\$0	\$2,591
1949	\$0	\$0	\$2,591
1948	\$0	\$26	\$2,591
1947	\$543	\$48	\$2,617
1946	\$0	\$39	\$2,122
1945	\$0	\$851	\$2,161
1944	\$0	\$116	\$3,012
1943	\$0	\$11	\$3,128
1942	\$306	\$0	\$3,139
1941	\$0	\$0	\$2,833
1940	\$198	\$563	\$2,833
1939	\$1,515	\$0	\$3,198

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10/20/2009

Act Yr	Additions	Retirements	Ending Balance
1938	\$0	\$0	\$1,683
1937	\$0	\$0	\$1,683
1936	\$1,683	\$0	\$1,683

\$0
\$0
\$0

\$0
\$0
\$0

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2008
Distribution Plant

Account	<u>368 LINE TRANSFORMERS</u>	
Depreciable Balance	\$98,415,053	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	25	30
Iowa Curve	R1.5	R0.5
Gross Removal, %		10%
Gross Salvage, %		35%
Net Salvage %	15%	25%

The results of the simulation analyses for the investment in this account indicate a slight increase in the average service life. Based on the analyses of all bands, the recommendation is to move to a 30 year average service life following an R0.5 type dispersion.

Labor, equipment and transportation costs will result in a cost of removal for the investments in this account. The reuse of materials and scrap sales would be expected to result in salvage received.

Simulated Plant Record Analysis
 Kentucky Power - Distr

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Account: KEPCo 101/6 368 - KY

Version: KEPCO DISTRIBUTION 2008

Method: Simulated Balances

No. of Test Points: 40 Interval: 0 Observation Band: 1969 - 2008

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
R0.5	30.1	4.72E+13	21.8580	45.75	100.00
L0	32.9	5.41E+13	23.4099	42.72	95.40
S-.5	30.0	5.72E+13	24.0647	41.55	100.00
R1	28.0	6.85E+13	26.3301	37.98	100.00
L0.5	30.7	7.71E+13	27.9431	35.79	98.17
S0	28.2	9.31E+13	30.6943	32.58	100.00
R1.5	27.1	9.70E+13	31.3406	31.91	100.00
L1	29.0	1.07E+14	32.9706	30.33	99.66
S0.5	27.3	1.21E+14	34.9733	28.59	100.00
R2	25.9	1.38E+14	37.3784	26.75	100.00
L1.5	28.0	1.41E+14	37.7457	26.49	99.91
S1	26.3	1.57E+14	39.8194	25.11	100.00
L2	26.7	1.82E+14	42.9118	23.30	100.00
R2.5	25.2	1.85E+14	43.2610	23.12	100.00
S1.5	25.6	1.90E+14	43.8568	22.80	100.00
S2	25.0	2.32E+14	48.4146	20.65	100.00
R3	24.8	2.43E+14	49.5566	20.18	100.00
L3	25.4	2.59E+14	51.1628	19.55	100.00
S3	24.4	3.08E+14	55.8030	17.92	100.00
L4	24.3	3.45E+14	59.0680	16.93	100.00
R4	24.2	3.47E+14	59.2796	16.87	100.00
S4	24.0	4.01E+14	63.7388	15.69	100.00
L5	23.9	4.27E+14	65.7758	15.20	100.00
R5	23.8	4.57E+14	67.9926	14.71	100.00
S5	23.7	4.80E+14	69.6686	14.35	100.00
S6	23.5	5.31E+14	73.3343	13.64	100.00
SQ	25.1	7.70E+14	88.3045	11.32	100.00

Simulated Plant Record Analysis

Kentucky Power - Distr

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Count: KEPCo 101/6 368 - KY

Version: KEPCO DISTRIBUTION 2008

Method: Simulated Balances

No. of Test Points: 20 Interval: 0 Observation Band: 1989 - 2008

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
R0.5	30.1	4.25E+13	19.8800	50.30	100.00
L0	32.9	4.73E+13	20.9746	47.68	95.40
S-.5	30.0	5.09E+13	21.7532	45.97	100.00
R1	28.3	6.13E+13	23.8870	41.86	100.00
L0.5	31.0	6.62E+13	24.8148	40.30	98.01
S0	28.2	8.02E+13	27.3158	36.61	100.00
R1.5	27.1	8.70E+13	28.4565	35.14	100.00
L1	29.1	9.13E+13	29.1422	34.31	99.63
S0.5	27.3	1.04E+14	31.1130	32.14	100.00
L1.5	28.1	1.20E+14	33.4436	29.90	99.90
R2	26.1	1.24E+14	33.9875	29.42	100.00
S1	26.3	1.36E+14	35.5583	28.12	100.00
L2	26.9	1.57E+14	38.1728	26.20	100.00
S1.5	25.9	1.67E+14	39.4519	25.35	100.00
R2.5	25.5	1.68E+14	39.5114	25.31	100.00
S2	25.3	2.05E+14	43.6400	22.91	100.00
R3	24.8	2.22E+14	45.4630	22.00	100.00
L3	25.4	2.29E+14	46.1121	21.69	100.00
S3	24.6	2.79E+14	50.9738	19.62	100.00
L4	24.5	3.15E+14	54.0981	18.48	100.00
R4	24.2	3.21E+14	54.6798	18.29	100.00
S4	24.0	3.71E+14	58.7755	17.01	100.00
L5	23.9	3.97E+14	60.7880	16.45	100.00
R5	23.8	4.27E+14	63.0001	15.87	100.00
S5	23.9	4.49E+14	64.6387	15.47	100.00
S6	23.8	5.01E+14	68.2660	14.65	100.00
SQ	25.9	9.99E+14	96.4328	10.37	100.00

Simulated Plant Record Analysis

Kentucky Power - Distr

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count: KEPCo 101/6 368 - KY

Version: KEPCO DISTRIBUTION 2008

Method: Simulated Balances

No. of Test Points: 10 Interval: 0 Observation Band: 1999 - 2008

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
R0.5	30.8	1.98E+13	16.5762	60.33	100.00
L0	33.8	2.10E+13	17.0841	58.53	94.68
S-.5	30.8	2.23E+13	17.6038	56.81	100.00
R1	28.7	2.74E+13	19.4928	51.30	100.00
L0.5	31.7	2.76E+13	19.5559	51.14	97.56
S0	28.9	3.31E+13	21.4261	46.67	100.00
L1	30.1	3.61E+13	22.3654	44.71	99.37
R1.5	27.7	3.74E+13	22.7689	43.92	100.00
S0.5	27.9	4.17E+13	24.0441	41.59	100.00
L1.5	28.8	4.53E+13	25.0708	39.89	99.83
R2	26.8	5.16E+13	26.7536	37.38	100.00
S1	27.2	5.27E+13	27.0431	36.98	100.00
L2	27.8	5.63E+13	27.9480	35.78	99.99
S1.5	26.6	6.36E+13	29.6980	33.67	100.00
R2.5	26.1	6.81E+13	30.7418	32.53	100.00
S2	25.9	7.66E+13	32.5946	30.68	100.00
L3	26.4	8.03E+13	33.3803	29.96	100.00
R3	25.4	8.84E+13	35.0164	28.56	100.00
S3	25.3	1.01E+14	37.4861	26.68	100.00
L4	25.2	1.13E+14	39.5789	25.27	100.00
R4	25.0	1.24E+14	41.4631	24.12	100.00
S4	24.9	1.35E+14	43.2115	23.14	100.00
L5	24.9	1.46E+14	44.9528	22.25	100.00
R5	24.7	1.63E+14	47.5617	21.03	100.00
S5	24.5	1.69E+14	48.4435	20.64	100.00
S6	24.4	1.99E+14	52.5040	19.05	100.00
SQ	26.0	4.25E+14	76.7513	13.03	100.00

Act Yr	Additions	Retirements	Ending Balance
2008	\$7,450,618	\$2,310,335	\$98,415,054
2007	\$7,254,032	\$2,367,716	\$93,274,771
2006	\$4,661,413	\$1,756,227	\$88,388,455
2005	\$2,488,476	\$1,190,629	\$85,483,269
2004	\$2,607,713	\$1,076,234	\$84,185,422
2003	\$1,347,430	\$1,073,924	\$82,653,943
2002	\$3,758,604	\$1,055,795	\$82,380,437
2001	\$2,396,046	\$1,029,459	\$79,677,628
2000	\$3,420,485	\$1,443,110	\$78,311,041
1999	\$4,458,378	\$1,278,242	\$76,333,666
1998	\$3,482,894	\$1,560,837	\$73,153,530
1997	\$4,777,388	\$2,186,374	\$71,231,473
1996	\$3,287,901	\$1,578,917	\$68,640,459
1995	\$4,198,526	\$1,313,309	\$66,931,475
1994	\$5,479,512	\$1,164,053	\$64,046,258
1993	\$4,268,448	\$1,105,636	\$59,730,799
1992	\$3,210,065	\$1,618,101	\$56,567,987
1991	\$3,837,537	\$1,219,271	\$54,976,023
1990	\$3,902,514	\$959,910	\$52,357,757
1989	\$3,776,952	\$1,161,193	\$49,415,153
1988	\$2,317,695	\$601,750	\$46,799,394
1987	\$3,159,121	\$784,243	\$45,083,449
1986	\$3,654,901	\$714,994	\$42,708,571
1985	\$2,911,382	\$640,462	\$39,768,664
1984	\$3,261,356	\$509,740	\$37,497,744
1983	\$2,530,699	\$816,897	\$34,746,128
1982	\$2,206,738	\$667,258	\$33,032,326
1981	\$2,989,360	\$1,160,266	\$31,492,846
1980	\$3,636,711	\$707,768	\$29,663,752
1979	\$2,852,002	\$411,317	\$26,734,809
1978	\$3,851,592	\$627,160	\$24,294,124
1977	\$3,541,256	\$312,212	\$21,069,692
1976	\$1,711,891	\$265,974	\$17,840,648
1975	\$1,610,300	\$253,830	\$16,394,731
1974	\$1,473,612	\$242,975	\$15,038,261

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Act Yr Additions Retirements Ending Balance

1973	\$1,402,782	\$229,211	\$13,807,624
1972	\$1,089,601	\$396,582	\$12,634,053
1971	\$1,128,076	\$205,337	\$11,941,034
1970	\$954,361	\$193,411	\$11,018,295
1969	\$633,909	\$349,749	\$10,257,345
1968	\$994,850	\$191,068	\$9,973,185
1967	\$823,498	\$131,999	\$9,169,403
1966	\$699,015	\$131,560	\$8,477,904
1965	\$474,052	\$144,033	\$7,910,449
1964	\$376,312	\$57,553	\$7,580,430
1963	\$318,004	\$67,861	\$7,261,671
1962	\$290,851	\$71,202	\$7,011,528
1961	\$386,601	\$64,955	\$6,791,879
1960	\$377,379	\$69,198	\$6,470,233
1959	\$463,712	\$81,628	\$6,162,052
1958	\$493,518	\$64,683	\$5,779,968
1957	\$284,379	\$51,169	\$5,351,133
1956	\$694,523	\$48,821	\$5,117,923
1955	\$438,445	\$52,899	\$4,472,221
1954	\$265,710	\$32,894	\$4,086,675
1953	\$295,026	\$43,675	\$3,853,859
1952	\$222,457	\$24,126	\$3,602,508
1951	\$500,026	\$34,643	\$3,404,177
1950	\$463,556	\$55,812	\$2,938,794
1949	\$433,985	\$39,333	\$2,531,050
1948	\$489,204	\$27,858	\$2,136,398
1947	\$491,803	\$12,232	\$1,675,052
1946	\$332,267	\$10,975	\$1,195,481
1945	\$161,745	\$5,865	\$874,189
1944	\$30,578	\$7,340	\$718,309
1943	\$6,171	\$9,985	\$695,071
1942	\$25,547	\$505	\$698,885
1941	\$126,413	\$23,827	\$673,843
1940	\$83,745	\$28,729	\$571,257
1939	\$107,763	\$36,711	\$516,241

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Act Yr	Additions	Retirements	Ending Balance
1938	\$101,940	\$37,399	\$445,189
1937	\$94,566	\$84,031	\$380,648
1936	\$370,113	\$0	\$370,113

\$0
\$0
\$0

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2008
Distribution Plant

Account	<u>369 SERVICES</u>	
Depreciable Balance	\$38,162,243	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	18	25
Iowa Curve	R2.0	L0
Gross Removal, %		15%
Gross Salvage, %		0%
Net Salvage %	0%	-15%

Based on the results of the simulation analyses for all the observation bands, the recommendation is to move to a 25 year average service life following an LO.0 type dispersion.

The removal and replacements of services will involve labor and equipment costs. No reuse or scrap value is expected.

Simulated Plant Record Analysis
 Kentucky Power - Distr

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Count: KEPCo 101/6 369 - KY

Version: KEPCO DISTRIBUTION 2008

Method: Simulated Balances

No. of Test Points: 40 Interval: 0 Observation Band: 1969 - 2008

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
L0	25.1	1.68E+13	41.7244	23.97	99.59
S-.5	23.6	1.81E+13	43.2746	23.11	100.00
R0.5	23.6	1.82E+13	43.3900	23.05	100.00
L0.5	24.0	1.84E+13	43.6412	22.91	99.89
L1	23.0	2.00E+13	45.4951	21.98	100.00
S0	22.5	2.04E+13	45.9923	21.74	100.00
R1	22.6	2.09E+13	46.4943	21.51	100.00
L1.5	22.4	2.19E+13	47.6540	20.98	100.00
S0.5	22.0	2.26E+13	48.3238	20.69	100.00
R1.5	21.8	2.37E+13	49.5336	20.19	100.00
L2	21.6	2.38E+13	49.6046	20.16	100.00
S1	21.4	2.47E+13	50.5928	19.77	100.00
R2	21.2	2.65E+13	52.4096	19.08	100.00
S1.5	21.1	2.69E+13	52.7341	18.96	100.00
L3	20.9	2.80E+13	53.8430	18.57	100.00
S2	20.6	2.90E+13	54.7409	18.27	100.00
R2.5	20.9	2.91E+13	54.8389	18.24	100.00
R3	20.6	3.16E+13	57.1944	17.48	100.00
S3	20.3	3.24E+13	57.9267	17.26	100.00
L4	20.1	3.29E+13	58.3904	17.13	100.00
R4	20.1	3.49E+13	60.1391	16.63	100.00
S4	20.0	3.58E+13	60.9097	16.42	100.00
L5	19.8	3.63E+13	61.2561	16.32	100.00
R5	19.8	3.76E+13	62.4026	16.02	100.00
S5	19.9	3.81E+13	62.8057	15.92	100.00
S6	19.8	3.93E+13	63.8009	15.67	100.00
SQ	21.1	6.09E+13	79.3843	12.60	100.00

Simulated Plant Record Analysis
Kentucky Power - Distr

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Count: KEPCo 101/6 369 - KY

Version: KEPCO DISTRIBUTION 2008

Method: Simulated Balances

No. of Test Points: 20 Interval: 0 Observation Band: 1989 - 2008

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
L0	25.4	1.12E+13	31.9215	31.33	99.53
S-.5	23.8	1.19E+13	32.8255	30.46	100.00
L0.5	24.3	1.19E+13	32.8823	30.41	99.87
R0.5	23.9	1.23E+13	33.3600	29.98	100.00
L1	23.4	1.27E+13	33.8619	29.53	100.00
S0	22.8	1.32E+13	34.5762	28.92	100.00
L1.5	22.6	1.36E+13	35.1451	28.45	100.00
R1	22.8	1.43E+13	35.9567	27.81	100.00
S0.5	22.2	1.46E+13	36.3957	27.48	100.00
L2	22.0	1.46E+13	36.3978	27.47	100.00
S1	21.7	1.60E+13	38.1057	26.24	100.00
R1.5	22.2	1.64E+13	38.4907	25.98	100.00
L3	21.1	1.73E+13	39.5868	25.26	100.00
S1.5	21.3	1.75E+13	39.7727	25.14	100.00
R2	21.5	1.84E+13	40.8375	24.49	100.00
S2	21.0	1.88E+13	41.2758	24.23	100.00
R2.5	21.1	2.00E+13	42.5650	23.49	100.00
L4	20.5	2.10E+13	43.6618	22.90	100.00
S3	20.5	2.11E+13	43.7045	22.88	100.00
R3	20.8	2.15E+13	44.0989	22.68	100.00
S4	20.2	2.32E+13	45.8249	21.82	100.00
L5	20.2	2.32E+13	45.8488	21.81	100.00
R4	20.3	2.33E+13	45.9600	21.76	100.00
S5	20.1	2.44E+13	47.0501	21.25	100.00
R5	20.2	2.45E+13	47.1259	21.22	100.00
S6	20.0	2.52E+13	47.7571	20.94	100.00
SQ	21.7	6.88E+13	78.9456	12.67	100.00

Simulated Plant Record Analysis
 Kentucky Power - Distr

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Count: KEPCo 101/6 369 - KY

Version: KEPCO DISTRIBUTION 2008

Method: Simulated Balances

No. of Test Points: 10 Interval: 0 Observation Band: 1999 - 2008

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
L0	26.4	1.80E+12	13.9501	71.68	99.25
L0.5	25.3	1.83E+12	14.1034	70.90	99.78
L1	24.1	1.85E+12	14.1460	70.69	100.00
L2	22.7	1.88E+12	14.2785	70.04	100.00
L1.5	23.5	1.93E+12	14.4454	69.23	100.00
S-.5	24.6	1.94E+12	14.5108	68.91	100.00
L3	21.9	1.95E+12	14.5383	68.78	100.00
R0.5	24.6	2.06E+12	14.9569	66.86	100.00
S0	23.5	2.09E+12	15.0661	66.37	100.00
L4	21.4	2.15E+12	15.2774	65.46	100.00
L5	21.1	2.19E+12	15.3970	64.95	100.00
S0.5	22.9	2.22E+12	15.5220	64.42	100.00
S4	21.2	2.26E+12	15.6594	63.86	100.00
S5	21.1	2.30E+12	15.7814	63.37	100.00
S1	22.5	2.33E+12	15.9081	62.86	100.00
S6	21.0	2.34E+12	15.9283	62.78	100.00
S3	21.3	2.35E+12	15.9456	62.71	100.00
R5	21.0	2.37E+12	16.0151	62.44	100.00
R1	23.7	2.39E+12	16.0846	62.17	100.00
S1.5	22.2	2.39E+12	16.1100	62.07	100.00
S2	21.9	2.40E+12	16.1132	62.06	100.00
R4	21.3	2.54E+12	16.5934	60.26	100.00
R1.5	22.9	2.57E+12	16.6835	59.94	100.00
R3	21.7	2.66E+12	16.9955	58.84	100.00
R2	22.3	2.70E+12	17.1188	58.42	100.00
R2.5	22.0	2.71E+12	17.1441	58.33	100.00
SQ	22.9	3.04E+13	57.3850	17.43	100.00

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Act Yr Additions Retirements Ending Balance

2008	\$2,815,091	\$720,680	\$38,162,243
2007	\$2,552,906	\$887,176	\$36,067,832
2006	\$2,696,436	\$1,144,609	\$34,402,102
2005	\$2,370,702	\$760,371	\$32,850,275
2004	\$2,034,573	\$511,999	\$31,239,944
2003	\$2,678,347	\$630,850	\$29,717,370
2002	\$1,907,359	\$508,684	\$27,669,873
2001	\$1,931,126	\$390,080	\$26,271,198
2000	\$2,680,192	\$569,287	\$24,730,152
1999	\$2,508,736	\$344,602	\$22,619,247
1998	\$795,815	\$431,172	\$20,455,113
1997	\$2,636,990	\$522,610	\$20,090,470
1996	\$816,459	\$475,561	\$17,976,090
1995	\$1,107,925	\$497,449	\$17,635,192
1994	\$1,352,925	\$562,012	\$17,024,716
1993	\$1,658,958	\$696,650	\$16,233,803
1992	\$1,167,485	\$415,580	\$15,271,495
1991	\$1,236,345	\$456,573	\$14,519,590
1990	\$945,888	\$396,795	\$13,739,818
1989	\$1,182,480	\$374,843	\$13,190,725
1988	\$888,422	\$392,321	\$12,383,088
1987	\$931,227	\$429,089	\$11,886,987
1986	\$733,462	\$304,874	\$11,384,849
1985	\$712,353	\$281,524	\$10,956,261
1984	\$807,358	\$304,542	\$10,525,432
1983	\$969,567	\$319,764	\$10,022,616
1982	\$716,135	\$166,004	\$9,372,813
1981	\$868,594	\$281,371	\$8,822,682
1980	\$864,476	\$216,061	\$8,235,459
1979	\$711,506	\$322,670	\$7,587,044
1978	\$830,075	\$201,569	\$7,198,208
1977	\$723,397	\$177,138	\$6,569,702
1976	\$596,974	\$176,814	\$6,023,443
1975	\$524,332	\$168,457	\$5,603,283
1974	\$483,476	\$160,110	\$5,247,408

Act Yr	Additions	Retirements	Ending Balance
1973	\$654,650	\$163,509	\$4,924,042
1972	\$683,325	\$158,801	\$4,432,901
1971	\$509,551	\$118,146	\$3,908,377
1970	\$423,419	\$108,673	\$3,516,972
1969	\$373,867	\$126,343	\$3,202,226
1968	\$328,382	\$128,889	\$2,954,702
1967	\$299,067	\$97,914	\$2,755,209
1966	\$231,692	\$101,048	\$2,554,056
1965	\$186,261	\$91,455	\$2,423,412
1964	\$161,204	\$84,465	\$2,328,606
1963	\$125,832	\$81,492	\$2,251,867
1962	\$128,946	\$70,456	\$2,207,527
1961	\$166,728	\$71,168	\$2,149,037
1960	\$142,251	\$71,016	\$2,053,477
1959	\$148,227	\$65,607	\$1,982,242
1958	\$169,015	\$72,705	\$1,899,622
1957	\$144,373	\$61,021	\$1,803,312
1956	\$136,713	\$54,615	\$1,719,960
1955	\$113,139	\$50,921	\$1,637,862
1954	\$115,530	\$47,791	\$1,575,644
1953	\$124,065	\$43,728	\$1,507,905
1952	\$128,566	\$36,275	\$1,427,568
1951	\$139,833	\$35,506	\$1,335,277
1950	\$161,544	\$24,246	\$1,230,950
1949	\$219,751	\$29,813	\$1,093,652
1948	\$243,279	\$16,194	\$903,714
1947	\$218,255	\$11,858	\$676,629
1946	\$112,216	\$6,923	\$470,232
1945	\$39,254	\$4,137	\$364,939
1944	\$14,444	\$3,671	\$329,822
1943	\$11,021	\$8,861	\$319,049
1942	\$29,900	\$971	\$316,889
1941	\$25,996	\$10,956	\$287,960
1940	\$54,016	\$15,722	\$272,920
1939	\$45,804	\$12,835	\$234,626

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Act Yr	Additions	Retirements	Ending Balance
1938	\$46,593	\$14,239	\$201,657
1937	\$37,203	\$11,112	\$169,303
1936	\$143,212	\$0	\$143,212

\$0
\$0
\$0

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2008
Distribution Plant

Account	<u>370 METERS</u>	
Depreciable Balance	\$22,962,067	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	27	17
Iowa Curve	R0.5	S6.0
Gross Removal, %		10%
Gross Salvage, %		2%
Net Salvage %	0%	-8%

The results of the simulation analyses for the investment in this account point to a shortening of the average service life. Based on the analyses, the recommendation is to move to a 17 year average service life following an S6.0 type retirement dispersion as indicated in both the 40 year and 20 year band analyses.

Labor and transportation costs will be incurred in the removal of the meters. A minimal amount of scrap value may be obtained.

Simulated Plant Record Analysis

Kentucky Power - Distr

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Account: KEPCo 101/6 370 - KY

Version: KEPCO DISTRIBUTION 2008

Method: Simulated Balances

No. of Test Points: 40 Interval: 0 Observation Band: 1969 - 2008

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
S6	16.9	4.74E+14	234.4046	4.27	100.00
S5	17.0	4.78E+14	235.3818	4.25	100.00
R5	16.9	4.80E+14	235.7537	4.24	100.00
L5	17.0	4.84E+14	236.8425	4.22	100.00
S4	16.9	4.85E+14	237.1622	4.22	100.00
R4	17.0	4.89E+14	238.0943	4.20	100.00
L4	17.1	4.98E+14	240.2378	4.16	100.00
SQ	18.2	4.98E+14	240.2643	4.16	100.00
S3	17.0	5.00E+14	240.6232	4.16	100.00
R3	17.0	5.03E+14	241.4064	4.14	100.00
R2.5	17.0	5.13E+14	243.8979	4.10	100.00
S2	17.1	5.19E+14	245.2971	4.08	100.00
R2	17.1	5.26E+14	246.7887	4.05	100.00
.3	17.1	5.28E+14	247.4611	4.04	100.00
S1.5	17.2	5.33E+14	248.5863	4.02	100.00
R1.5	17.2	5.41E+14	250.3929	3.99	100.00
S1	17.1	5.49E+14	252.1514	3.97	100.00
R1	17.3	5.59E+14	254.5650	3.93	100.00
L2	17.6	5.63E+14	255.5268	3.91	100.00
S0.5	17.4	5.64E+14	255.7180	3.91	100.00
L1.5	17.7	5.80E+14	259.3025	3.86	100.00
S0	17.4	5.82E+14	259.6932	3.85	100.00
R0.5	17.6	5.86E+14	260.5791	3.84	100.00
S-.5	17.7	5.97E+14	263.0474	3.80	100.00
L1	17.9	5.99E+14	263.4576	3.80	100.00
L0.5	18.4	6.13E+14	266.5306	3.75	100.00
L0	18.9	6.29E+14	269.9156	3.70	100.00

Simulated Plant Record Analysis
 Kentucky Power - Distr

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Account: KEPCo 101/6 370 - KY

Version: KEPCO DISTRIBUTION 2008

Method: Simulated Balances

No. of Test Points: 20 Interval: 0 Observation Band: 1989 - 2008

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
S6	16.9	4.58E+14	228.6109	4.37	100.00
S5	16.8	4.62E+14	229.4931	4.36	100.00
R5	16.8	4.63E+14	229.8526	4.35	100.00
L5	16.8	4.68E+14	230.9681	4.33	100.00
S4	16.9	4.69E+14	231.2329	4.32	100.00
R4	16.9	4.71E+14	231.9272	4.31	100.00
L4	16.9	4.81E+14	234.2141	4.27	100.00
S3	16.8	4.82E+14	234.4693	4.26	100.00
R3	16.8	4.83E+14	234.7333	4.26	100.00
SQ	18.2	4.86E+14	235.5782	4.24	100.00
R2.5	16.9	4.91E+14	236.7002	4.22	100.00
S2	16.9	5.00E+14	238.7483	4.19	100.00
R2	16.8	5.01E+14	238.9892	4.18	100.00
L3	17.0	5.10E+14	241.2251	4.15	100.00
S1.5	16.8	5.12E+14	241.6659	4.14	100.00
R1.5	16.9	5.12E+14	241.7463	4.14	100.00
S1	16.9	5.25E+14	244.7635	4.09	100.00
R1	17.0	5.26E+14	244.9701	4.08	100.00
S0.5	17.0	5.38E+14	247.6522	4.04	100.00
L2	17.2	5.42E+14	248.7798	4.02	100.00
R0.5	17.2	5.48E+14	249.9897	4.00	100.00
S0	17.1	5.52E+14	250.8797	3.99	100.00
L1.5	17.5	5.57E+14	251.9986	3.97	100.00
S-.5	17.2	5.61E+14	252.9295	3.95	100.00
L1	17.6	5.72E+14	255.5763	3.91	100.00
L0.5	18.0	5.83E+14	258.0198	3.88	100.00
L0	18.3	5.96E+14	260.7674	3.83	100.00

Simulated Plant Record Analysis
 Kentucky Power - Distr

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Account: KEPCo 101/6 370 - KY

Version: KEPCO DISTRIBUTION 2008

Method: Simulated Balances

No. of Test Points: 10 Interval: 0 Observation Band: 1999 - 2008

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
R0.5	15.7	4.29E+14	292.8819	3.41	100.00
R1	15.6	4.30E+14	293.3488	3.41	100.00
R1.5	15.7	4.33E+14	294.4440	3.40	100.00
R2	15.8	4.37E+14	295.5392	3.38	100.00
S6	16.2	4.38E+14	296.1187	3.38	100.00
R2.5	15.9	4.39E+14	296.1798	3.38	100.00
S-.5	15.6	4.39E+14	296.2908	3.38	100.00
S5	16.1	4.39E+14	296.3114	3.37	100.00
R5	16.1	4.39E+14	296.3614	3.37	100.00
R3	16.0	4.40E+14	296.7793	3.37	100.00
R4	16.0	4.40E+14	296.8139	3.37	100.00
S4	16.2	4.41E+14	296.9180	3.37	100.00
L5	16.1	4.41E+14	297.0000	3.37	100.00
SQ	17.3	4.44E+14	298.0337	3.36	100.00
S3	16.1	4.44E+14	298.0448	3.36	100.00
L4	16.0	4.45E+14	298.3521	3.35	100.00
S2	15.9	4.48E+14	299.4942	3.34	100.00
S0	15.7	4.51E+14	300.2361	3.33	100.00
S1.5	15.8	4.51E+14	300.2998	3.33	100.00
S0.5	15.8	4.52E+14	300.6594	3.33	100.00
S1	15.7	4.53E+14	301.0741	3.32	100.00
L3	16.0	4.56E+14	302.0115	3.31	100.00
L0	16.1	4.62E+14	303.8610	3.29	100.00
L0.5	16.0	4.64E+14	304.6868	3.28	100.00
L2	15.9	4.66E+14	305.1628	3.28	100.00
L1.5	15.8	4.66E+14	305.4216	3.27	100.00
L1	15.9	4.67E+14	305.7060	3.27	100.00

10/20/2009

Act Yr	Additions	Retirements	Ending Balance
2008	\$2,963,121	\$1,023,534	\$22,962,066
2007	\$2,353,738	\$9,974,912	\$21,022,479
2006	\$14,223,681	\$9,319,669	\$28,643,653
2005	\$4,183,747	\$1,515,899	\$23,739,641
2004	\$1,006,674	\$832,607	\$21,071,793
2003	\$617,066	\$624,632	\$20,897,726
2002	\$489,075	\$970,185	\$20,905,292
2001	\$648,901	\$639,511	\$21,386,402
2000	\$1,514,864	\$1,709,961	\$21,377,012
1999	\$980,778	\$979,544	\$21,572,109
1998	\$1,324,431	\$723,727	\$21,570,875
1997	\$1,105,728	\$836,156	\$20,970,171
1996	\$669,427	\$517,207	\$20,700,599
1995	\$850,393	\$631,063	\$20,548,379
1994	\$1,413,819	\$576,545	\$20,329,049
1993	\$1,029,446	\$502,234	\$19,491,775
1992	\$999,844	\$381,788	\$18,964,563
1991	\$1,093,280	\$293,127	\$18,346,507
1990	\$1,278,153	\$363,340	\$17,546,354
1989	\$1,133,142	\$320,905	\$16,631,541
1988	\$1,262,548	\$409,799	\$15,819,304
1987	\$1,107,129	\$373,822	\$14,966,555
1986	\$1,253,695	\$350,900	\$14,233,248
1985	\$1,086,299	\$388,485	\$13,330,453
1984	\$1,266,454	\$385,107	\$12,632,639
1983	\$1,584,355	\$279,281	\$11,751,292
1982	\$1,226,850	\$248,786	\$10,446,218
1981	\$1,149,365	\$261,646	\$9,468,154
1980	\$890,564	\$217,875	\$8,580,435
1979	\$814,814	\$196,583	\$7,907,746
1978	\$926,839	\$174,912	\$7,289,515
1977	\$940,534	\$249,384	\$6,537,588
1976	\$667,327	\$144,244	\$5,846,438
1975	\$497,286	\$105,836	\$5,323,355
1974	\$480,510	\$105,229	\$4,931,905

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Act Yr **Additions** **Retirements** **Ending Balance**

1973	\$423,051	\$70,531	\$4,556,624	\$0
1972	\$371,979	\$61,436	\$4,204,104	\$0
1971	\$279,535	\$60,702	\$3,893,561	\$0
1970	\$255,663	\$51,994	\$3,674,728	\$0
1969	\$205,326	\$114,258	\$3,471,059	\$0
1968	\$181,449	\$84,855	\$3,379,991	\$0
1967	\$181,316	\$37,032	\$3,283,397	\$0
1966	\$145,871	\$55,662	\$3,139,113	\$0
1965	\$209,404	\$56,012	\$3,048,904	\$0
1964	\$184,491	\$72,715	\$2,895,512	\$0
1963	\$169,199	\$68,235	\$2,783,736	\$0
1962	\$139,771	\$47,026	\$2,682,772	\$0
1961	\$122,140	\$44,649	\$2,590,027	\$0
1960	\$128,169	\$41,245	\$2,512,536	\$0
1959	\$156,474	\$47,096	\$2,425,612	\$0
1958	\$131,604	\$40,319	\$2,316,234	\$0
1957	\$153,490	\$46,355	\$2,224,949	\$0
1956	\$128,652	\$31,269	\$2,117,814	\$0
1955	\$118,059	\$31,785	\$2,020,431	\$0
1954	\$81,155	\$31,742	\$1,934,157	\$0
1953	\$119,866	\$34,715	\$1,884,744	\$0
1952	\$94,922	\$32,524	\$1,799,593	\$0
1951	\$155,600	\$36,312	\$1,737,195	\$0
1950	\$177,105	\$31,485	\$1,617,907	\$0
1949	\$195,423	\$35,189	\$1,472,287	\$0
1948	\$260,771	\$12,529	\$1,312,053	\$0
1947	\$271,471	\$12,466	\$1,063,811	\$0
1946	\$139,554	\$8,366	\$804,806	\$0
1945	\$60,653	\$9,191	\$673,618	\$0
1944	\$25,218	\$4,542	\$622,156	\$0
1943	\$10,056	\$9,581	\$601,480	\$0
1942	\$18,454	\$460	\$601,005	\$0
1941	\$84,476	\$19,344	\$583,011	\$0
1940	\$59,490	\$13,467	\$517,879	\$0
1939	\$48,100	\$15,560	\$471,856	\$0

10/20/2009

Act Yr	Additions	Retirements	Ending Balance
1938	\$52,663	\$14,262	\$439,316
1937	\$50,591	\$20,604	\$400,915
1936	\$370,928	\$0	\$370,928

\$0
\$0
\$0

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KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2008
Distribution Plant

Account 371 INSTALLATIONS ON CUSTOMERS PREMISES

Depreciable Balance \$18,001,253

	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	11	14
Iowa Curve	LO.O	R0.5
Gross Removal, %		20%
Gross Salvage, %		5%
Net Salvage %	30%	-15%

The simulation analyses of the 40 and 20 year bands indicate an R0.5 type dispersion is appropriate for the investments in this account. The resultant average service life is 14 years.

Labor and equipment costs will result in removal costs being incurred for the retirement of this investment. A minimum amount of scrap value may result in some salvage.

Simulated Plant Record Analysis

Kentucky Power - Distr

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count: KEPCo 101/6 371 - KY

ersion: KEPCO DISTRIBUTION 2008

Method: Simulated Balances

No. of Test Points: 40 Interval: 0 Observation Band: 1969 - 2008

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
R0.5	13.5	9.47E+12	80.3693	12.44	100.00
L0	14.2	9.55E+12	80.7068	12.39	100.00
S-.5	13.4	9.55E+12	80.7306	12.39	100.00
L0.5	13.8	9.95E+12	82.3701	12.14	100.00
R1	13.0	1.01E+13	82.9905	12.05	100.00
S0	13.0	1.02E+13	83.5687	11.97	100.00
L1	13.3	1.04E+13	84.0400	11.90	100.00
R1.5	12.7	1.07E+13	85.5805	11.68	100.00
S0.5	12.8	1.08E+13	85.7979	11.66	100.00
L1.5	12.9	1.09E+13	86.0865	11.62	100.00
S1	12.5	1.13E+13	87.9345	11.37	100.00
L2	12.6	1.14E+13	88.1986	11.34	100.00
R2	12.5	1.14E+13	88.3663	11.32	100.00
S1.5	12.3	1.19E+13	89.9393	11.12	100.00
R2.5	12.3	1.21E+13	90.8543	11.01	100.00
S2	12.1	1.24E+13	92.0207	10.87	100.00
L3	12.2	1.25E+13	92.4725	10.81	100.00
R3	12.1	1.28E+13	93.4063	10.71	100.00
S3	11.9	1.34E+13	95.5014	10.47	100.00
L4	11.9	1.38E+13	96.8893	10.32	100.00
R4	11.9	1.39E+13	97.4720	10.26	100.00
S4	11.8	1.45E+13	99.3421	10.07	100.00
L5	11.8	1.48E+13	100.3095	9.97	100.00
R5	11.7	1.51E+13	101.3687	9.86	100.00
S5	11.8	1.53E+13	102.3179	9.77	100.00
S6	11.7	1.59E+13	104.2172	9.60	100.00
SQ	12.8	2.92E+13	141.1578	7.08	100.00

Simulated Plant Record Analysis

Kentucky Power - Distr

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Account: KEPCo 101/6 371 - KY

Version: KEPCO DISTRIBUTION 2008

Method: Simulated Balances

No. of Test Points: 20 Interval: 0 Observation Band: 1989 - 2008

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
R0.5	13.5	7.63E+12	60.3148	16.58	100.00
S-.5	13.6	7.73E+12	60.7055	16.47	100.00
L0	14.2	7.90E+12	61.3677	16.30	100.00
R1	13.1	8.16E+12	62.3697	16.03	100.00
L0.5	13.8	8.18E+12	62.4616	16.01	100.00
S0	13.1	8.31E+12	62.9560	15.88	100.00
L1	13.3	8.51E+12	63.7196	15.69	100.00
R1.5	12.7	8.73E+12	64.5291	15.50	100.00
S0.5	12.8	8.79E+12	64.7351	15.45	100.00
L1.5	13.1	8.96E+12	65.3735	15.30	100.00
S1	12.6	9.29E+12	66.5454	15.03	100.00
R2	12.5	9.33E+12	66.7055	14.99	100.00
L2	12.7	9.43E+12	67.0742	14.91	100.00
S1.5	12.4	9.76E+12	68.2092	14.66	100.00
R2.5	12.3	9.93E+12	68.8187	14.53	100.00
S2	12.2	1.03E+13	69.9369	14.30	100.00
L3	12.3	1.05E+13	70.5981	14.16	100.00
R3	12.2	1.06E+13	71.0095	14.08	100.00
S3	12.0	1.12E+13	72.9311	13.71	100.00
L4	12.0	1.16E+13	74.2337	13.47	100.00
R4	12.0	1.16E+13	74.5259	13.42	100.00
S4	11.8	1.22E+13	76.3157	13.10	100.00
L5	11.8	1.25E+13	77.2086	12.95	100.00
R5	11.8	1.28E+13	78.0546	12.81	100.00
S5	11.8	1.30E+13	78.8412	12.68	100.00
S6	11.8	1.36E+13	80.5478	12.41	100.00
SQ	12.9	2.46E+13	108.2238	9.24	100.00

Simulated Plant Record Analysis

Kentucky Power - Distr

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Account: KEPCo 101/6 371 - KY

Version: KEPCO DISTRIBUTION 2008

Method: Simulated Balances

No. of Test Points: 10 Interval: 0 Observation Band: 1999 - 2008

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
L0	14.9	3.19E+12	39.7824	25.14	100.00
S-.5	14.1	3.21E+12	39.9151	25.05	100.00
R0.5	14.0	3.22E+12	39.9584	25.03	100.00
L0.5	14.3	3.29E+12	40.4041	24.75	100.00
L1	13.8	3.41E+12	41.1335	24.31	100.00
S0	13.6	3.45E+12	41.3901	24.16	100.00
R1	13.5	3.50E+12	41.6730	24.00	100.00
L1.5	13.4	3.63E+12	42.4153	23.58	100.00
S0.5	13.2	3.66E+12	42.5980	23.48	100.00
R1.5	13.2	3.76E+12	43.1966	23.15	100.00
L2	13.2	3.84E+12	43.6727	22.90	100.00
S1	13.0	3.89E+12	43.9540	22.75	100.00
R2	12.9	4.04E+12	44.7529	22.34	100.00
S1.5	12.8	4.11E+12	45.1409	22.15	100.00
R2.5	12.7	4.29E+12	46.1334	21.68	100.00
S2	12.6	4.32E+12	46.3067	21.60	100.00
L3	12.8	4.42E+12	46.8369	21.35	100.00
R3	12.6	4.56E+12	47.5494	21.03	100.00
S3	12.5	4.79E+12	48.7364	20.52	100.00
R4	12.4	5.05E+12	50.0646	19.97	100.00
L4	12.4	5.06E+12	50.1100	19.96	100.00
S4	12.3	5.40E+12	51.7530	19.32	100.00
L5	12.2	5.62E+12	52.8145	18.93	100.00
R5	12.2	5.74E+12	53.3432	18.75	100.00
S5	12.2	5.95E+12	54.3376	18.40	100.00
S6	12.3	6.37E+12	56.2214	17.79	100.00
SQ	13.4	1.05E+13	72.1963	13.85	100.00

10/20/2009

Act.Yr Additions Retirements Ending Balance

2008	\$1,469,673	\$1,060,049	\$18,001,253	\$0
2007	\$1,459,010	\$930,355	\$17,591,629	\$0
2006	\$1,577,577	\$1,063,929	\$17,062,974	\$0
2005	\$1,768,968	\$818,524	\$16,549,326	\$0
2004	\$1,563,148	\$115,921	\$15,598,882	\$0
2003	\$2,356,246	\$155,458	\$14,151,655	\$0
2002	\$1,536,211	\$370,170	\$11,950,867	\$0
2001	\$858,732	\$563,686	\$10,784,826	\$0
2000	\$1,331,176	\$637,697	\$10,489,780	\$0
1999	\$1,742,973	\$465,115	\$9,796,301	\$0
1998	\$600,987	\$553,968	\$8,518,443	\$0
1997	\$1,583,946	\$529,850	\$8,471,424	\$0
1996	\$496,928	\$246,115	\$7,417,328	\$0
1995	\$559,153	\$350,093	\$7,166,515	\$0
1994	\$1,062,578	\$354,006	\$6,957,455	\$0
1993	\$1,380,740	\$349,338	\$6,248,883	\$0
1992	\$843,872	\$292,580	\$5,217,481	\$0
1991	\$757,210	\$317,371	\$4,666,189	\$0
1990	\$574,638	\$261,542	\$4,226,350	\$0
1989	\$673,733	\$291,379	\$3,913,254	\$0
1988	\$464,215	\$257,746	\$3,530,900	\$0
1987	\$478,198	\$421,123	\$3,324,431	\$0
1986	\$500,633	\$195,928	\$3,267,356	\$0
1985	\$430,816	\$184,064	\$2,962,651	\$0
1984	\$455,174	\$152,915	\$2,715,899	\$0
1983	\$359,728	\$156,108	\$2,413,640	\$0
1982	\$259,270	\$102,664	\$2,210,020	\$0
1981	\$301,789	\$124,056	\$2,053,414	\$0
1980	\$217,442	\$114,552	\$1,875,681	\$0
1979	\$195,902	\$87,903	\$1,772,791	\$0
1978	\$183,648	\$67,643	\$1,664,792	\$0
1977	\$122,908	\$58,498	\$1,548,787	\$0
1976	\$245,454	\$66,077	\$1,484,377	\$0
1975	\$182,106	\$64,832	\$1,305,000	\$0
1974	\$198,910	\$65,653	\$1,187,726	\$0

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Act Yr	Additions	Retirements	Ending Balance
1973	\$226,725	\$64,412	\$1,054,469
1972	\$193,516	\$65,976	\$892,156
1971	\$118,336	\$55,327	\$764,616
1970	\$118,346	\$59,938	\$701,607
1969	\$134,430	\$67,189	\$643,199
1968	\$94,059	\$73,277	\$575,958
1967	\$112,403	\$61,218	\$555,176
1966	\$83,111	\$59,600	\$503,991
1965	\$113,528	\$57,173	\$480,480
1964	\$95,784	\$49,581	\$424,125
1963	\$117,412	\$40,351	\$377,922
1962	\$155,649	\$36,416	\$300,861
1961	\$133,773	\$7,257	\$181,628
1960	\$52,064	\$513	\$55,112
1959	\$3,085	\$0	\$3,561
1958	\$0	\$0	\$476
1957	\$62	\$0	\$476
1956	\$46	\$0	\$414
1955	\$0	\$0	\$368
1954	\$0	\$0	\$368
1953	\$45	\$0	\$368
1952	\$0	\$0	\$323
1951	\$0	\$0	\$323
1950	\$323	\$0	\$323
1949	\$0	\$0	\$0
1948	\$0	\$0	\$0
1947	\$0	\$0	\$0
1946	\$0	\$0	\$0
1945	\$0	\$0	\$0
1944	\$0	\$0	\$0
1943	\$0	\$0	\$0
1942	\$0	\$0	\$0
1941	\$0	\$0	\$0
1940	\$0	\$0	\$0
1939	\$0	\$0	\$0

10/20/2009

Act Yr	Additions	Retirements	Ending Balance
1938	\$0	\$0	\$0
1937	\$0	\$0	\$0
1936	\$0	\$0	\$0

\$0
\$0
\$0

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2008
Distribution Plant

Account 373 STREET LIGHTING & SIGNAL SYSTEMS

Depreciable Balance \$2,939,603

	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	15	24
Iowa Curve	LO.O	L0.0
Gross Removal, %		5%
Gross Salvage, %		3%
Net Salvage %	15%	-2%

The simulation analyses for the investment in this account show a fluctuation in the retirement dispersion between the L and S type Iowa Curves. Both dispersion types show a slight increase is occurring in the average service life. Based on the analysis of the 40 year band, the recommendation is to increase the average service life to 24 years and to retain the LO.O type dispersion.

Labor and material costs will result in removal costs for this investment. Some net salvage may be expected from the sale of material.

Simulated Plant Record Analysis
 Kentucky Power - Distr

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Account: KEPCo 101/6 373 - KY
 Version: KEPCO DISTRIBUTION 2008
 Method: Simulated Balances

No. of Test Points: 40 Interval: 0 Observation Band: 1969 - 2008

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
L0	23.7	3.10E+12	170.7820	5.86	99.83
R0.5	22.6	3.13E+12	171.5114	5.83	100.00
S-.5	22.6	3.21E+12	173.7581	5.76	100.00
R1	21.8	3.25E+12	174.7951	5.72	100.00
L0.5	23.1	3.29E+12	175.8772	5.69	99.94
R1.5	21.5	3.32E+12	176.5712	5.66	100.00
R2	21.2	3.39E+12	178.5424	5.60	100.00
R2.5	20.8	3.41E+12	179.1276	5.58	100.00
S0	22.0	3.43E+12	179.6259	5.57	100.00
R3	20.7	3.46E+12	180.3085	5.55	100.00
S6	20.5	3.48E+12	180.7552	5.53	100.00
L1	22.5	3.49E+12	181.1295	5.52	100.00
R4	20.4	3.50E+12	181.3813	5.51	100.00
S0.5	21.7	3.52E+12	182.0057	5.49	100.00
R5	20.5	3.53E+12	182.0686	5.49	100.00
S5	20.4	3.55E+12	182.5666	5.48	100.00
L1.5	22.2	3.61E+12	184.2537	5.43	100.00
L5	20.6	3.61E+12	184.2959	5.43	100.00
S4	20.5	3.62E+12	184.3425	5.42	100.00
S1	21.3	3.62E+12	184.5427	5.42	100.00
S1.5	21.0	3.65E+12	185.1562	5.40	100.00
S3	20.6	3.67E+12	185.7864	5.38	100.00
S2	20.9	3.68E+12	186.0825	5.37	100.00
L4	20.8	3.70E+12	186.3771	5.37	100.00
L2	21.8	3.76E+12	187.9327	5.32	100.00
L3	21.3	3.82E+12	189.5722	5.28	100.00
SQ	22.1	4.19E+12	198.4941	5.04	100.00

Simulated Plant Record Analysis

Kentucky Power - Distr

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Account: KEPCo 101/6 373 - KY

Version: KEPCO DISTRIBUTION 2008

Method: Simulated Balances

No. of Test Points: 20 Interval: 0 Observation Band: 1989 - 2008

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
S6	21.4	9.90E+11	93.1515	10.74	100.00
S5	21.5	1.08E+12	97.2519	10.28	100.00
R5	21.7	1.09E+12	97.7171	10.23	100.00
R4	21.8	1.17E+12	101.1999	9.88	100.00
L5	21.8	1.18E+12	101.5662	9.85	100.00
R0.5	24.1	1.20E+12	102.6310	9.74	100.00
S4	21.6	1.21E+12	102.7983	9.73	100.00
L0	25.5	1.24E+12	104.3183	9.59	99.50
R3	21.9	1.25E+12	104.4927	9.57	100.00
S-.5	24.3	1.26E+12	105.1720	9.51	100.00
R1	23.5	1.26E+12	105.2683	9.50	100.00
R2.5	22.2	1.27E+12	105.4939	9.48	100.00
R1.5	22.9	1.29E+12	106.1548	9.42	100.00
R2	22.6	1.31E+12	106.9762	9.35	100.00
L4	21.9	1.33E+12	108.0478	9.26	100.00
L0.5	24.9	1.35E+12	108.6375	9.20	99.82
S3	22.0	1.36E+12	109.0772	9.17	100.00
S0	23.7	1.40E+12	110.7626	9.03	100.00
SQ	23.1	1.41E+12	111.1748	8.99	100.00
S0.5	23.4	1.45E+12	112.5642	8.88	100.00
S2	22.3	1.46E+12	113.2549	8.83	100.00
L1	24.3	1.46E+12	113.2695	8.83	100.00
S1.5	22.7	1.48E+12	113.7163	8.79	100.00
S1	22.8	1.49E+12	114.4577	8.74	100.00
L1.5	23.7	1.51E+12	115.1355	8.69	100.00
L3	22.7	1.53E+12	115.9609	8.62	100.00
L2	23.3	1.58E+12	117.7177	8.49	100.00

Simulated Plant Record Analysis
 Kentucky Power - Distr

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Count: KEPCo 101/6 373 - KY

Version: KEPCO DISTRIBUTION 2008

Method: Simulated Balances

No. of Test Points: 10 Interval: 0 Observation Band: 1999 - 2008

Dispersion	Avg Service Life	Sum of Squared Differences	Index of Variation	Conformance Index	Retirement Experience Index
L0	28.5	5.31E+10	27.3103	36.62	98.41
R0.5	26.8	5.39E+10	27.5115	36.35	100.00
S-.5	26.7	5.76E+10	28.4264	35.18	100.00
R1	25.9	6.09E+10	29.2306	34.21	100.00
L0.5	27.5	6.45E+10	30.0957	33.23	99.37
R1.5	25.5	6.59E+10	30.4143	32.88	100.00
R2.5	24.4	6.94E+10	31.2148	32.04	100.00
S0	26.1	6.97E+10	31.2756	31.97	100.00
R2	24.8	7.02E+10	31.4046	31.84	100.00
R3	24.1	7.17E+10	31.7399	31.51	100.00
L1	26.8	7.84E+10	33.1753	30.14	99.94
S0.5	25.7	7.91E+10	33.3181	30.01	100.00
R4	23.5	8.35E+10	34.2417	29.20	100.00
S1	25.3	9.06E+10	35.6716	28.03	100.00
L1.5	26.1	9.21E+10	35.9615	27.81	99.98
S1.5	24.7	9.60E+10	36.7126	27.24	100.00
S2	24.3	1.03E+11	38.0980	26.25	100.00
S3	23.7	1.09E+11	39.0512	25.61	100.00
L2	25.5	1.12E+11	39.6209	25.24	100.00
S4	23.1	1.19E+11	40.9618	24.41	100.00
R5	22.9	1.22E+11	41.4034	24.15	100.00
L4	23.5	1.25E+11	41.9385	23.84	100.00
L3	24.6	1.32E+11	43.0460	23.23	100.00
L5	22.9	1.35E+11	43.4657	23.01	100.00
S5	22.7	1.37E+11	43.7795	22.84	100.00
S6	22.4	1.54E+11	46.4275	21.54	100.00
SQ	24.2	4.21E+11	76.9184	13.00	100.00

10/20/2009

Act Yr Additions Retirements Ending Balance

2008	\$141,474	\$97,394	\$2,939,603	\$0	\$0
2007	\$173,112	\$102,177	\$2,895,523	\$0	\$0
2006	\$151,500	\$145,114	\$2,824,588	\$0	\$0
2005	\$155,045	\$78,077	\$2,818,202	\$0	\$0
2004	\$139,549	\$33,892	\$2,741,234	\$0	\$0
2003	\$114,834	\$39,163	\$2,635,577	\$0	\$0
2002	\$90,680	\$27,698	\$2,559,906	\$0	\$0
2001	\$105,554	\$22,268	\$2,496,924	\$0	\$0
2000	\$77,936	\$26,217	\$2,413,638	\$0	\$0
1999	\$88,549	\$15,450	\$2,361,919	\$0	\$0
1998	\$41,175	\$20,374	\$2,288,820	\$0	\$0
1997	\$40,819	\$26,937	\$2,268,019	\$0	\$0
1996	\$50,186	\$18,665	\$2,254,137	\$0	\$0
1995	\$65,504	\$30,017	\$2,222,616	\$0	\$0
1994	\$98,733	\$37,451	\$2,187,129	\$0	\$0
1993	\$183,145	\$27,095	\$2,125,847	\$0	\$0
1992	\$13,549	\$21,277	\$1,969,797	\$0	\$0
1991	\$62,428	\$48,604	\$1,977,525	\$0	\$0
1990	\$213,752	\$73,803	\$1,963,701	\$0	\$0
1989	\$347,755	\$109,998	\$1,823,752	\$0	\$0
1988	\$206,152	\$110,040	\$1,585,995	\$0	\$0
1987	\$203,890	\$73,264	\$1,489,883	\$0	\$0
1986	\$209,086	\$40,399	\$1,359,257	\$0	\$0
1985	\$120,997	\$37,932	\$1,190,570	\$0	\$0
1984	\$50,621	\$13,841	\$1,107,505	\$0	\$0
1983	\$93,110	\$28,192	\$1,070,725	\$0	\$0
1982	\$184,014	\$44,775	\$1,005,807	\$0	\$0
1981	\$142,598	\$53,310	\$866,568	\$0	\$0
1980	\$80,303	\$37,188	\$777,280	\$0	\$0
1979	\$22,164	\$17,100	\$734,165	\$0	\$0
1978	\$56,734	\$28,008	\$729,101	\$0	\$0
1977	\$19,464	\$15,865	\$700,375	\$0	\$0
1976	\$16,853	\$4,177	\$696,776	\$0	\$0
1975	\$41,522	\$16,546	\$684,100	\$0	\$0
1974	\$37,035	\$11,431	\$659,124	\$0	\$0

10/20/2009

Act Yr Additions Retirements Ending Balance

1973	\$79,104	\$21,009	\$633,520	\$0
1972	\$17,862	\$9,816	\$575,425	\$0
1971	\$29,314	\$6,397	\$567,379	\$0
1970	\$82,272	\$25,322	\$544,462	\$0
1969	\$54,853	\$89,346	\$487,512	\$0
1968	\$62,051	\$77,466	\$522,005	\$0
1967	\$148,123	\$120,454	\$537,420	\$0
1966	\$65,587	\$65,904	\$509,751	\$0
1965	\$74,139	\$46,345	\$510,068	\$0
1964	\$33,854	\$25,886	\$482,274	\$0
1963	\$60,199	\$31,558	\$474,306	\$0
1962	\$47,237	\$20,015	\$445,665	\$0
1961	\$47,565	\$20,623	\$418,443	\$0
1960	\$34,406	\$16,536	\$391,501	\$0
1959	\$48,955	\$20,071	\$373,631	\$0
1958	\$37,190	\$33,373	\$344,747	\$0
1957	\$25,341	\$9,172	\$340,930	\$0
1956	\$16,379	\$6,068	\$324,761	\$0
1955	\$13,067	\$8,335	\$314,450	\$0
1954	\$22,190	\$6,972	\$309,718	\$0
1953	\$31,804	\$20,003	\$294,500	\$0
1952	\$31,861	\$10,628	\$282,699	\$0
1951	\$45,371	\$20,307	\$261,466	\$0
1950	\$34,099	\$7,081	\$236,402	\$0
1949	\$28,081	\$11,552	\$209,384	\$0
1948	\$23,457	\$5,209	\$192,855	\$0
1947	\$10,446	\$4,660	\$174,607	\$0
1946	\$6,221	\$663	\$168,821	\$0
1945	\$2,011	\$568	\$163,263	\$0
1944	\$4,620	\$2,723	\$161,820	\$0
1943	\$1,495	\$4,124	\$159,923	\$0
1942	\$13,088	\$182	\$162,552	\$0
1941	\$12,616	\$9,319	\$149,646	\$0
1940	\$10,369	\$8,981	\$146,349	\$0
1939	\$6,365	\$4,357	\$144,961	\$0

10/20/2009

Act Yr	Additions	Retirements	Ending Balance
1938	\$9,692	\$5,960	\$142,953
1937	\$16,031	\$3,042	\$139,221
1936	\$126,232	\$0	\$126,232

\$0
\$0
\$0

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF 12-31-08
DISTRIBUTION PLANT WORKPAPERS

SALVAGE AND REMOVAL ANALYSIS

21-Oct-09

KENTUCKY POWER COMPANY
Distribution Plant Net Salvage Test

Year	Original Cost Retired by Plant Account										373	Total	Net Salvage %	Functional Net Salvage
	361	362	364	365	366	367	368	369	370	371				
1994	19,675	267,934	144,412	1,379,552	199	18,365	1,164,053	562,102	576,545	354,006	37,451	4,524,294	4%	200,646
1995	2,757	287,579	1,671,011	2,549,129	5,842	19,071	1,313,309	497,449	631,063	350,093	30,017	7,357,320	1%	39,259
1996	5,030	454,597	1,128,837	1,662,236	1,248	37,421	1,578,917	475,561	517,207	246,115	18,665	6,125,834	2%	96,665
1997	6,522	734,060	1,542,829	1,666,505	4,035	46,345	2,186,374	522,610	836,156	529,850	26,937	8,102,223	6%	474,137
1998	57,059	430,669	1,082,705	867,054	1,777	16,729	1,560,837	431,172	723,727	553,968	20,374	5,746,071	8%	487,840
1999	462	133,384	779,722	767,232	2,608	11,656	1,278,242	344,602	979,544	465,115	15,450	4,778,017	4%	178,028
2000	0	430,936	1,459,576	1,553,565	6,479	36,661	1,443,110	569,287	1,709,961	637,697	26,217	7,873,489	16%	1,288,086
2001	0	543,501	1,402,184	1,323,285	9,421	11,194	1,029,459	390,080	639,511	563,686	22,268	5,934,589	-7%	-403,255
2002	0	163,287	1,100,199	2,020,300	16,953	71,261	1,055,795	508,684	970,185	370,170	27,698	6,304,532	30%	1,866,215
2003	0	448,926	770,546	1,665,159	2,929	23,059	1,073,924	630,850	624,632	155,458	39,163	5,434,676	-2%	-121,659
2004	370	325,880	3,264,700	1,048,651	2,052	37,052	1,076,234	511,999	832,607	115,921	33,892	7,249,358	-15%	-1,080,231
2005	25,016	1,290,672	728,627	1,665,652	143	36,728	1,190,630	760,371	1,515,899	818,523	78,077	8,110,338	-7%	-556,174
2006	0	854,863	839,957	2,373,219	7,368	144,643	1,756,227	1,144,609	9,319,669	1,063,929	145,114	17,649,598	6%	1,086,023
2007	0	811,720	1,283,667	2,993,281	3,259	36,512	2,367,716	887,176	9,974,912	930,355	102,177	19,390,775	-10%	-1,905,849
2008	206	197,774	1,315,032	3,155,687	694	53,234	2,310,335	720,680	1,023,534	1,060,049	97,394	9,994,619	-22%	-2,182,453
TOTAL	117,097	7,375,782	18,514,004	26,690,507	65,007	599,961	22,385,162	8,957,232	30,875,152	8,214,935	720,894	124,515,733	0%	-532,722

EVALUATION BASED ON 1994-2008 ACTUAL

Total Retmts	361	362	364	365	366	367	368	369	370	371	373	Total	
	117,097	7,375,782	18,514,004	26,690,507	65,007	599,961	22,385,162	8,957,232	30,875,152	8,214,935	720,894	124,515,733	
Net Salvage %	10	10	-53	25	0	0	25	-15	-8	-15	-2	-1	
Net Salvage \$	11,710	737,578	-9,812,422	6,672,627	0	0	5,596,291	-1,343,585	-2,470,012	-1,232,240	-14,418	-1,854,472	

KENTUCKY POWER COMPANY
Distribution Plant Gross Removal Test

Year	Original Cost Retired by Plant Account										373	Total	Removal %	Functional Gross Removal
	361	362	364	365	366	367	368	369	370	371				
1994	19,675	267,934	144,412	1,379,552	199	18,365	1,164,053	562,102	576,545	354,006	37,451	4,524,294	43%	1,954,453
1995	2,757	287,579	1,671,011	2,549,129	5,842	19,071	1,313,309	497,449	631,063	350,093	30,017	7,357,320	29%	2,119,861
1996	5,030	454,597	1,128,837	1,662,236	1,248	37,421	1,578,917	475,561	517,207	246,115	18,665	6,125,834	20%	1,245,388
1997	6,522	734,060	1,542,829	1,666,505	4,035	46,345	2,186,374	522,610	836,156	529,850	26,937	8,102,223	18%	1,444,506
1998	57,059	430,669	1,082,705	867,054	1,777	16,729	1,560,837	431,172	723,727	553,968	20,374	5,746,071	14%	804,413
1999	462	133,384	779,722	767,232	2,608	11,656	1,278,242	344,602	979,544	465,115	15,450	4,778,017	5%	262,682
2000	0	430,936	1,459,376	1,553,565	6,479	36,661	1,443,110	569,287	1,709,961	637,897	26,217	7,873,489	3%	213,654
2001	0	543,501	1,402,184	1,323,285	9,421	11,194	1,029,459	390,080	639,511	563,686	22,268	5,934,589	44%	2,593,366
2002	0	163,287	1,100,199	2,020,300	16,953	71,261	1,055,795	508,684	970,185	370,170	27,698	6,304,532	47%	2,969,610
2003	0	448,926	770,546	1,665,159	2,929	23,089	1,073,924	630,850	624,632	155,458	39,163	5,434,676	31%	1,682,264
2004	370	325,880	3,264,700	1,048,651	2,052	37,052	1,076,234	511,999	832,607	115,921	33,892	7,249,958	29%	2,119,206
2005	25,016	1,290,672	728,627	1,665,652	143	36,728	1,190,630	760,371	1,515,899	818,523	78,077	8,110,338	8%	623,423
2006	0	854,863	839,957	2,373,219	7,368	144,643	1,756,227	1,144,609	9,319,669	1,063,929	145,114	17,649,598	14%	2,537,791
2007	0	811,720	1,283,667	2,993,281	3,259	36,512	2,367,716	887,176	9,974,912	930,355	102,177	19,390,775	20%	3,935,794
2008	206	197,774	1,315,032	3,155,687	694	53,234	2,310,335	720,680	1,023,534	1,060,049	97,394	9,934,619	39%	3,892,317
TOTAL	117,097	7,375,782	18,514,004	26,690,507	65,007	599,961	22,385,162	8,957,232	30,875,152	8,214,935	720,894	124,515,733	23%	28,398,728

EVALUATION BASED ON 1994-2008 ACTUAL

Total Retirals	361	362	364	365	366	367	368	369	370	371	373	Total
Gross Removal, %	5	25	65	25	0	0	10	15	10	20	5	23
Gross Removal \$	5,855	1,843,946	12,034,103	6,672,627	0	0	2,238,516	1,343,585	3,087,515	1,642,987	36,045	28,905,178

KENTUCKY POWER COMPANY
Distribution Plant Gross Salvage Test

Year	Original Cost Retired by Plant Account										373	Total	Salvage %	Functional Gross Salvage
	361	362	364	365	366	367	368	369	370	371				
1994	19,675	267,934	144,412	1,379,552	199	18,365	1,164,053	562,102	576,545	354,006	37,451	4,524,294	48%	2,155,099
1995	2,757	287,579	1,671,011	2,549,129	5,842	19,071	1,313,309	497,449	631,063	350,093	30,017	7,357,320	29%	2,159,120
1996	5,030	454,597	1,128,837	1,662,236	1,248	37,421	1,578,917	475,561	517,207	246,115	18,665	6,125,834	22%	1,342,053
1997	6,522	734,060	1,542,829	1,666,505	4,035	46,345	2,186,374	522,610	836,156	529,850	26,937	8,102,223	24%	1,918,643
1998	57,059	430,669	1,082,705	867,054	1,777	16,729	1,560,837	431,172	723,727	553,968	20,374	5,746,071	22%	1,292,253
1999	462	133,384	779,722	767,232	2,608	11,656	1,278,242	344,602	979,544	465,115	15,450	4,778,017	9%	440,710
2000	0	430,936	1,459,576	1,553,565	6,479	36,661	1,443,110	569,287	1,709,961	637,697	26,217	7,873,489	19%	1,501,740
2001	0	543,501	1,402,184	1,323,285	9,421	11,194	1,029,459	390,080	639,511	563,686	22,268	5,934,589	37%	2,190,111
2002	0	163,287	1,100,199	2,020,300	16,953	71,261	1,055,795	508,684	970,185	370,170	27,698	6,304,532	77%	4,835,825
2003	0	448,926	770,546	1,665,159	2,929	23,089	1,073,924	630,850	624,632	155,458	39,163	5,434,676	29%	1,560,605
2004	370	325,880	3,264,700	1,048,651	2,052	37,052	1,076,234	511,999	832,607	115,921	33,892	7,249,358	14%	1,038,975
2005	25,016	1,290,672	728,627	1,665,652	143	36,728	1,190,630	760,371	1,515,899	818,523	78,077	8,110,338	1%	67,249
2006	0	854,863	839,957	2,373,219	7,368	144,643	1,756,227	1,144,609	9,319,669	1,063,929	145,114	17,649,598	21%	3,623,814
2007	0	811,720	1,283,667	2,993,281	3,259	36,512	2,367,716	887,176	9,974,912	930,355	102,177	19,390,775	10%	2,029,945
2008	206	197,774	1,315,032	3,155,687	694	53,234	2,310,335	720,680	1,023,534	1,060,049	97,394	9,934,619	17%	1,709,884
TOTAL	117,097	7,375,782	18,514,004	26,690,507	65,007	599,961	22,385,162	8,957,232	30,875,152	8,214,935	720,894	124,515,733	22%	27,866,006

EVALUATION BASED ON 1994-2008 RESERVE ACTIVITY

	361	362	364	365	366	367	368	369	370	371	373	Total
Total Retmts	117,097	7,375,782	18,514,004	26,690,507	65,007	599,961	22,385,162	8,957,232	30,875,152	8,214,935	720,894	124,515,733
Gross Salvage %	15	35	12	50	0	0	35	0	2	5	3	22
Gross Salvage \$	17,565	2,581,524	2,221,680	13,345,254	0	0	7,834,807	0	617,503	410,747	21,627	27,050,706

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF 12-31-08
DISTRIBUTION PLANT WORKPAPERS

CALCULATION OF AGE OF SIMULATED PLANT
BALANCES

Computed Age Distribution Report

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Account: KEPCo 101/6 364 - KY
 Version: KEPCO DISTRIBUTION 2008
 Revision: 30 - R0.5

Vintage	Additions	Age 2009	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
2008	7,948,638	0.5	99.37	7,898,323	100.00	7,948,639	0.50
2007	8,178,275	1.5	98.09	8,021,825	100.00	8,178,276	1.50
2006	6,214,520	2.5	96.79	6,014,765	100.00	6,214,521	2.50
2005	4,777,960	3.5	95.47	4,561,280	100.00	4,777,961	3.50
2004	4,606,829	4.5	94.12	4,336,132	100.00	4,606,830	4.50
2003	3,549,389	5.5	92.76	3,292,508	100.00	3,549,390	5.50
2002	4,243,760	6.5	91.38	3,878,033	99.31	4,214,323	6.48
2001	6,491,237	7.5	89.98	5,840,945	97.78	6,347,452	7.42
2000	6,193,673	8.5	88.56	5,485,303	96.24	5,960,969	8.34
1999	7,750,006	9.5	87.12	6,752,167	94.68	7,337,692	9.25
1998	2,259,261	10.5	85.67	1,935,441	93.10	2,103,276	10.14
1997	2,175,205	11.5	84.19	1,831,283	91.49	1,990,086	11.01
1996	9,692,760	12.5	82.69	8,014,943	89.86	8,709,971	11.87
1995	5,532,239	13.5	81.17	4,490,297	88.20	4,879,680	12.70
1994	6,419,736	14.5	79.62	5,111,180	86.52	5,554,404	13.52
1993	5,227,092	15.5	78.04	4,079,275	84.81	4,433,016	14.32
1992	6,185,410	16.5	76.44	4,727,818	83.06	5,137,798	15.10
1991	6,088,191	17.5	74.80	4,553,886	81.28	4,948,783	15.86
1990	5,783,242	18.5	73.13	4,229,266	79.47	4,596,013	16.60
1989	5,307,552	19.5	71.43	3,791,025	77.62	4,119,770	17.32
1988	4,827,488	20.5	69.69	3,364,244	75.73	3,655,980	18.01
1987	5,327,380	21.5	67.92	3,618,179	73.81	3,931,935	18.68
1986	5,369,391	22.5	66.11	3,549,597	71.84	3,857,406	19.33
1985	4,909,635	23.5	64.26	3,155,046	69.83	3,428,641	19.96
1984	4,313,710	24.5	62.38	2,690,964	67.79	2,924,315	20.55
1983	4,439,316	25.5	60.47	2,684,232	65.71	2,917,000	21.13
1982	4,665,175	26.5	58.52	2,729,827	63.59	2,966,548	21.68
1981	5,803,340	27.5	56.53	3,280,783	61.43	3,565,281	22.20
1980	4,804,915	28.5	54.52	2,619,640	59.25	2,846,805	22.69
1979	3,884,010	29.5	52.48	2,038,238	57.03	2,214,987	23.16
1978	3,251,569	30.5	50.41	1,639,138	54.78	1,781,278	23.60
1977	3,061,702	31.5	48.32	1,479,476	52.51	1,607,770	24.02
1976	2,270,319	32.5	46.21	1,049,213	50.22	1,140,197	24.41
1975	1,611,041	33.5	44.09	710,335	47.92	771,933	24.78
1974	1,552,522	34.5	41.96	651,423	45.60	707,912	25.12
1973	1,515,199	35.5	39.82	603,352	43.27	655,673	25.43
1972	1,255,246	36.5	37.68	472,989	40.95	514,005	25.72
1971	1,229,340	37.5	35.55	436,993	38.63	474,888	25.99
1970	840,500	38.5	33.42	280,915	36.32	305,275	26.24
1969	775,929	39.5	31.31	242,980	34.03	264,050	26.47
1968	779,145	40.5	29.23	227,729	31.76	247,476	26.68
1967	736,064	41.5	27.17	199,996	29.53	217,339	26.88
1966	623,348	42.5	25.15	156,751	27.33	170,344	27.06
1965	625,458	43.5	23.16	144,875	25.17	157,438	27.22
1964	510,960	44.5	21.23	108,463	23.07	117,869	27.38

Computed Age Distribution Report

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Account: KEPCo 101/6 364 - KY
 Version: KEPCO DISTRIBUTION 2008
 Dispersion: 30 - R0.5

Vintage	Additions	Age 2009	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
1963	412,308	45.5	19.34	79,753	21.02	86,669	27.53
1962	374,871	46.5	17.52	65,666	19.04	71,361	27.68
1961	499,550	47.5	15.76	78,707	17.12	85,533	27.82
1960	350,996	48.5	14.06	49,361	15.28	53,641	27.96
1959	417,502	49.5	12.44	51,946	13.52	56,450	28.10
1958	460,209	50.5	10.90	50,163	11.85	54,513	28.24
1957	421,180	51.5	9.44	39,747	10.26	43,194	28.39
1956	364,630	52.5	8.05	29,370	8.75	31,917	28.55
1955	300,304	53.5	6.76	20,289	7.34	22,048	28.71
1954	286,975	54.5	5.54	15,890	6.02	17,268	28.89
1953	314,622	55.5	4.39	13,824	4.77	15,022	29.08
1952	352,512	56.5	3.32	11,703	3.61	12,718	29.27
1951	535,120	57.5	2.30	12,318	2.50	13,386	29.47
1950	649,686	58.5	1.34	8,693	1.45	9,447	29.68
1949	716,821	59.5	0.00		-0.00	(1)	29.75
1948	927,453	60.5	0.00		0.00		0.00
1947	1,015,765	61.5	0.00		0.00		0.00
1946	836,816	62.5	0.00		0.00		0.00
1945	176,492	63.5	0.00		0.00		0.00
1944	61,306	64.5	0.00		0.00		0.00
1943	39,257	65.5	0.00		0.00		0.00
1942	117,724	66.5	0.00		0.00		0.00
1941	118,223	67.5	0.00		0.00		0.00
1940	206,783	68.5	0.00		0.00		0.00
1939	181,871	69.5	0.00		0.00		0.00
1938	160,568	70.5	0.00		0.00		0.00
1937	146,719	71.5	0.00		0.00		0.00
1936	861,093	72.5	0.00		0.00		0.00
			137,508,499		147,624,353 *		
194,915,033							

* Recorded Balance January 1, 2009: 147,624,353

Computed Age Distribution Report

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Account: KEPCo 101/6 365 - KY

Version: KEPCO DISTRIBUTION 2008

Dispersion: 30 - R0.5

Vintage	Additions	Age 2009	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
2008	10,259,054	0.5	99.37	10,194,114	100.00	10,259,055	0.50
2007	14,237,195	1.5	98.09	13,964,837	98.84	14,071,576	1.49
2006	8,984,427	2.5	96.79	8,695,638	97.53	8,762,102	2.47
2005	6,436,239	3.5	95.47	6,144,356	96.19	6,191,320	3.43
2004	5,364,176	4.5	94.12	5,048,977	94.84	5,087,569	4.38
2003	4,069,103	5.5	92.76	3,774,608	93.47	3,803,460	5.32
2002	5,622,594	6.5	91.38	5,138,039	92.08	5,177,311	6.24
2001	5,169,647	7.5	89.98	4,651,752	90.67	4,687,307	7.15
2000	5,230,644	8.5	88.56	4,632,415	89.24	4,667,823	8.04
1999	6,688,639	9.5	87.12	5,827,454	87.79	5,871,996	8.92
1998	2,314,364	10.5	85.67	1,982,646	86.32	1,997,801	9.78
1997	7,910,940	11.5	84.19	6,660,141	84.83	6,711,047	10.63
1996	3,270,420	12.5	82.69	2,704,310	83.32	2,724,981	11.46
1995	5,785,493	13.5	81.17	4,695,853	81.79	4,731,745	12.27
1994	4,473,083	14.5	79.62	3,561,320	80.23	3,588,540	13.07
1993	2,861,816	15.5	78.04	2,233,390	78.64	2,250,461	13.84
1992	3,277,636	16.5	76.44	2,505,261	77.02	2,524,410	14.60
1991	3,654,148	17.5	74.80	2,733,254	75.37	2,754,145	15.34
1990	3,794,891	18.5	73.13	2,775,191	73.69	2,796,403	16.07
1989	3,611,129	19.5	71.43	2,579,321	71.97	2,599,036	16.77
1988	3,229,945	20.5	69.69	2,250,927	70.22	2,268,132	17.45
1987	3,764,540	21.5	67.92	2,556,750	68.44	2,576,292	18.11
1986	3,340,589	22.5	66.11	2,208,397	66.61	2,225,276	18.74
1985	2,604,969	23.5	64.26	1,674,014	64.75	1,686,809	19.36
1984	2,380,654	24.5	62.38	1,485,092	62.86	1,496,443	19.95
1983	2,562,107	25.5	60.47	1,549,178	60.93	1,561,019	20.52
1982	2,865,659	26.5	58.52	1,676,840	58.96	1,689,657	21.06
1981	4,443,270	27.5	56.53	2,511,899	56.96	2,531,098	21.58
1980	3,591,035	28.5	54.52	1,957,832	54.94	1,972,796	22.08
1979	3,199,783	29.5	52.48	1,679,171	52.88	1,692,006	22.55
1978	2,734,482	30.5	50.41	1,378,471	50.80	1,389,007	23.00
1977	3,143,781	31.5	48.32	1,519,138	48.69	1,530,749	23.42
1976	1,782,930	32.5	46.21	823,969	46.57	830,267	23.82
1975	1,026,632	33.5	44.09	452,659	44.43	456,119	24.19
1974	1,088,826	34.5	41.96	456,861	42.28	460,353	24.54
1973	1,108,750	35.5	39.82	441,504	40.12	444,879	24.87
1972	1,152,475	36.5	37.68	434,264	37.97	437,583	25.18
1971	1,451,307	37.5	35.55	515,896	35.82	519,839	25.47
1970	1,150,481	38.5	33.42	384,518	33.68	387,456	25.73
1969	992,508	39.5	31.31	310,801	31.55	313,176	25.98
1968	949,626	40.5	29.23	277,557	29.45	279,678	26.21
1967	869,418	41.5	27.17	236,230	27.38	238,035	26.43
1966	728,131	42.5	25.15	183,101	25.34	184,500	26.63
1965	688,379	43.5	23.16	159,449	23.34	160,668	26.83
1964	500,173	44.5	21.23	106,173	21.39	106,985	27.01

Computed Age Distribution Report

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Account: KEPCo 101/6 365 - KY

Version: KEPCO DISTRIBUTION 2008

Dispersion: 30 - R0.5

Vintage	Additions	Age 2009	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
1963	342,519	45.5	19.34	66,253	19.49	66,760	27.18
1962	356,863	46.5	17.52	62,512	17.65	62,990	27.35
1961	431,518	47.5	15.76	67,989	15.88	68,508	27.52
1960	309,663	48.5	14.06	43,548	14.17	43,881	27.69
1959	332,979	49.5	12.44	41,429	12.54	41,746	27.85
1958	411,734	50.5	10.90	44,879	10.98	45,222	28.02
1957	370,826	51.5	9.44	34,995	9.51	35,262	28.20
1956	335,384	52.5	8.05	27,015	8.12	27,221	28.38
1955	247,836	53.5	6.76	16,744	6.81	16,872	28.57
1954	237,566	54.5	5.54	13,154	5.58	13,255	28.77
1953	254,683	55.5	4.39	11,190	4.43	11,275	28.98
1952	291,012	56.5	3.32	9,662	3.35	9,735	29.20
1951	393,824	57.5	2.30	9,065	2.32	9,134	29.42
1950	509,472	58.5	1.34	6,817	1.35	6,869	29.64
1949	591,741	59.5	0.00		-0.00	(1)	29.75
1948	780,371	60.5	0.00		0.00		0.00
1947	845,275	61.5	0.00		0.00		0.00
1946	541,149	62.5	0.00		0.00		0.00
1945	107,824	63.5	0.00		0.00		0.00
1944	34,927	64.5	0.00		0.00		0.00
1943	14,300	65.5	0.00		0.00		0.00
1942	71,460	66.5	0.00		0.00		0.00
1941	90,549	67.5	0.00		0.00		0.00
1940	125,801	68.5	0.00		0.00		0.00
1939	132,698	69.5	0.00		0.00		0.00
1938	124,001	70.5	0.00		0.00		0.00
1937	120,859	71.5	0.00		0.00		0.00
1936	771,885	72.5	0.00		0.00		0.00
173,544,807				128,188,820		129,155,638 *	

* Recorded Balance January 1, 2009: 129,155,638

Computed Age Distribution Report

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Account: KEPCo 101/6 366 - KY
 Version: KEPCO DISTRIBUTION 2008
 version: 50 - R0.5

Vintage	Additions	Age 2009	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
2008	332,819	0.5	99.62	331,558	100.00	332,820	0.50
2007	312,381	1.5	98.86	308,810	100.00	312,382	1.50
2006	509,176	2.5	98.09	499,435	100.00	509,177	2.50
2005	199,943	3.5	97.31	194,561	100.00	199,944	3.50
2004	173,356	4.5	96.52	167,328	100.00	173,357	4.50
2003	118,994	5.5	95.73	113,914	100.00	118,995	5.50
2002	134,439	6.5	94.93	127,624	100.00	134,440	6.50
2001	123,659	7.5	94.12	116,393	100.00	123,660	7.50
2000	182,080	8.5	93.31	169,897	100.00	182,081	8.50
1999	137,692	9.5	92.49	127,349	100.00	137,693	9.50
1998	60,158	10.5	91.66	55,141	100.00	60,159	10.50
1997	291,323	11.5	90.82	264,591	100.00	291,324	11.50
1996	131,833	12.5	89.98	118,626	100.00	131,834	12.50
1995	133,289	13.5	89.13	118,804	100.00	133,290	13.50
1994	118,922	14.5	88.28	104,981	100.00	118,923	14.50
1993	270,669	15.5	87.41	236,603	100.00	270,670	15.50
1992	131,413	16.5	86.54	113,730	100.00	131,414	16.50
1991	51,993	17.5	85.67	44,541	99.39	51,675	17.45
1990	207,078	18.5	84.78	175,567	98.36	203,685	18.35
1989	49,004	19.5	83.89	41,110	97.33	47,694	19.24
1988	25,065	20.5	82.99	20,802	96.29	24,134	20.12
1987	9,664	21.5	82.08	7,933	95.23	9,203	20.99
1986	35,696	22.5	81.17	28,973	94.17	33,613	21.84
1985	75,471	23.5	80.24	60,558	93.09	70,257	22.69
1984	4,604	24.5	79.30	3,651	92.01	4,236	23.52
1983	39,828	25.5	78.36	31,209	90.91	36,207	24.34
1982	48,652	26.5	77.40	37,658	89.80	43,689	25.15
1981	79,179	27.5	76.44	60,520	88.68	70,213	25.94
1980	46,085	28.5	75.46	34,774	87.54	40,344	26.72
1979	8,197	29.5	74.47	6,104	86.40	7,082	27.49
1978	28,154	30.5	73.47	20,684	85.23	23,997	28.25
1977	37,280	31.5	72.45	27,010	84.06	31,336	28.99
1976	51,203	32.5	71.43	36,573	82.87	42,430	29.72
1975	31,345	33.5	70.39	22,063	81.66	25,597	30.43
1974	53,663	34.5	69.34	37,209	80.44	43,167	31.13
1973	60,340	35.5	68.27	41,197	79.21	47,793	31.81
1972	27,833	36.5	67.20	18,703	77.96	21,698	32.48
1971	37,062	37.5	66.11	24,501	76.69	28,424	33.13
1970	30,547	38.5	65.01	19,857	75.41	23,036	33.77
1969	3,136	39.5	63.89	2,004	74.13	2,325	34.39
1968	820	40.5	62.76	515	72.86	597	35.00
1967	6,556	41.5	61.62	4,040	71.48	4,686	35.58
1966	4,153	42.5	60.47	2,511	70.14	2,913	36.15
1947	55	61.5	36.83	20	43.58	24	44.15
1942	144	66.5	30.48	44	35.63	51	45.10

Computed Age Distribution Report

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Account: KEPCo 101/6 366 - KY

Version: KEPCO DISTRIBUTION 2008

Version: 50 - R0.5

Vintage	Additions	Age 2009	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
1940	77	68.5	27.99	22	33.02	25	45.56
1939	315	69.5	26.76	84	31.08	98	45.55
1936	1,383	72.5	23.16	320	26.76	370	45.95
4,416,728				3,980,102		4,302,755 *	

* Recorded Balance January 1, 2009: 4,302,755

Computed Age Distribution Report

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Account: KEPCo 101/6 367 - KY

Version: KEPCO DISTRIBUTION 2008

Version: 50 - S-5

Vintage	Additions	Age 2009	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
2008	578,818	0.5	99.74	577,307	99.54	576,157	0.50
2007	973,386	1.5	99.18	965,385	98.98	963,461	1.49
2006	784,947	2.5	98.58	773,762	98.38	772,220	2.48
2005	104,018	3.5	97.94	101,871	97.74	101,669	3.46
2004	811,825	4.5	97.27	789,622	97.07	788,048	4.43
2003	245,976	5.5	96.57	237,527	96.37	237,054	5.40
2002	150,681	6.5	95.84	144,408	95.65	144,121	6.36
2001	293,525	7.5	95.08	279,092	94.89	278,537	7.31
2000	259,570	8.5	94.30	244,785	94.12	244,297	8.25
1999	377,491	9.5	93.50	352,965	93.32	352,262	9.18
1998	147,054	10.5	92.68	136,290	92.50	136,018	10.11
1997	339,985	11.5	91.84	312,225	91.65	311,603	11.02
1996	190,902	12.5	90.97	173,664	90.79	173,318	11.92
1995	209,851	13.5	90.09	189,046	89.91	188,670	12.82
1994	177,719	14.5	89.18	158,497	89.01	158,181	13.70
1993	285,294	15.5	88.26	251,812	88.09	251,310	14.58
1992	155,416	16.5	87.33	135,720	87.15	135,450	15.44
1991	141,320	17.5	86.37	122,064	86.20	121,821	16.29
1990	367,094	18.5	85.41	313,520	85.24	312,895	17.13
1989	117,298	19.5	84.42	99,025	84.25	98,828	17.96
1988	78,161	20.5	83.43	65,206	83.26	65,076	18.78
1987	108,890	21.5	82.41	89,740	82.25	89,561	19.59
1986	79,589	22.5	81.39	64,777	81.23	64,648	20.39
1985	119,906	23.5	80.35	96,347	80.19	96,155	21.17
1984	21,545	24.5	79.30	17,086	79.15	17,052	21.95
1983	100,965	25.5	78.24	78,997	78.09	78,840	22.71
1982	263,053	26.5	77.17	203,001	77.02	202,595	23.45
1981	112,466	27.5	76.09	85,574	75.94	85,404	24.19
1980	86,392	28.5	75.00	64,791	74.85	64,662	24.92
1979	45,415	29.5	73.90	33,560	73.75	33,493	25.63
1978	83,270	30.5	72.79	60,609	72.64	60,488	26.33
1977	52,882	31.5	71.67	37,899	71.52	37,824	27.02
1976	67,240	32.5	70.54	47,432	70.40	47,337	27.69
1975	23,860	33.5	69.41	16,560	69.27	16,528	28.35
1974	76,050	34.5	68.27	51,916	68.13	51,812	29.00
1973	137,903	35.5	67.12	92,558	66.98	92,372	29.64
1972	109,531	36.5	65.96	72,251	65.83	72,106	30.26
1971	86,370	37.5	64.80	55,971	64.67	55,859	30.88
1970	76,458	38.5	63.64	48,657	63.51	48,559	31.48
1969	11,767	39.5	62.47	7,351	62.35	7,336	32.06
1968	4,973	40.5	61.30	3,048	61.18	3,042	32.64
1967	15,264	41.5	60.12	9,176	59.99	9,157	33.20
1966	4,745	42.5	58.94	2,796	58.82	2,791	33.75
1965	2,102	43.5	57.75	1,214	57.64	1,212	34.29
1963	1,638	45.5	55.37	907	55.26	905	35.32

Computed Age Distribution Report

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Account: KEPCo 101/6 367 - KY

Version: KEPCO DISTRIBUTION 2008

Version: 50 - S-5

Vintage	Additions	Age 2009	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
1957	474	51.5	48.21	229	48.17	228	38.15
1947	543	61.5	36.36	197	36.33	197	41.92
1942	306	66.5	30.59	94	30.64	94	43.44
1940	198	68.5	28.33	56	28.46	56	44.00
1939	1,515	69.5	27.21	412	27.11	411	44.17
1936	1,683	72.5	23.91	402	23.79	400	44.87
8,487,324				7,667,400		7,652,122 *	

* Recorded Balance January 1, 2009: 7,652,122

Computed Age Distribution Report

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Account: KEPCo 101/6 368 - KY

Version: KEPCO DISTRIBUTION 2008

Version: 30 - R0.5

Vintage	Additions	Age 2009	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
2008	7,450,618	0.5	99.37	7,403,456	100.00	7,450,619	0.50
2007	7,254,032	1.5	98.09	7,115,262	100.00	7,254,033	1.50
2006	4,661,413	2.5	96.79	4,511,580	98.91	4,610,531	2.49
2005	2,488,476	3.5	95.47	2,375,624	97.56	2,427,728	3.46
2004	2,607,713	4.5	94.12	2,454,484	96.19	2,508,317	4.41
2003	1,347,430	5.5	92.76	1,249,912	94.80	1,277,326	5.36
2002	3,758,604	6.5	91.38	3,434,688	93.39	3,510,020	6.29
2001	2,396,046	7.5	89.98	2,156,010	91.96	2,203,297	7.20
2000	3,420,485	8.5	88.56	3,029,284	90.51	3,095,725	8.10
1999	4,458,378	9.5	87.12	3,884,347	89.04	3,969,541	8.98
1998	3,482,894	10.5	85.67	2,983,691	87.55	3,049,131	9.85
1997	4,777,388	11.5	84.19	4,022,035	86.04	4,110,249	10.70
1996	3,287,901	12.5	82.69	2,718,765	84.50	2,778,395	11.53
1995	4,198,526	13.5	81.17	3,407,776	82.95	3,482,517	12.35
1994	5,479,512	14.5	79.62	4,362,605	81.36	4,458,288	13.15
1993	4,268,448	15.5	78.04	3,331,140	79.75	3,404,200	13.93
1992	3,210,065	16.5	76.44	2,453,613	78.11	2,507,428	14.69
1991	3,837,537	17.5	74.80	2,870,427	76.44	2,933,383	15.44
1990	3,902,514	18.5	73.13	2,853,895	74.73	2,916,489	16.16
1989	3,776,952	19.5	71.43	2,697,764	72.99	2,756,933	16.87
1988	2,317,695	20.5	69.69	1,615,186	71.22	1,650,612	17.55
1987	3,159,121	21.5	67.92	2,145,570	69.41	2,192,628	18.21
1986	3,654,901	22.5	66.11	2,416,182	67.56	2,469,175	18.85
1985	2,911,382	23.5	64.26	1,870,922	65.67	1,911,956	19.47
1984	3,261,356	24.5	62.38	2,034,488	63.75	2,079,110	20.06
1983	2,530,699	25.5	60.47	1,530,187	61.79	1,563,748	20.63
1982	2,206,738	26.5	58.52	1,291,273	59.80	1,319,594	21.17
1981	2,989,360	27.5	56.53	1,689,965	57.77	1,727,030	21.69
1980	3,636,711	28.5	54.52	1,982,735	55.72	2,026,221	22.19
1979	2,852,002	29.5	52.48	1,496,664	53.63	1,529,490	22.66
1978	3,851,592	30.5	50.41	1,941,613	51.52	1,984,197	23.11
1977	3,541,256	31.5	48.32	1,711,206	49.38	1,748,736	23.53
1976	1,711,891	32.5	46.21	791,139	47.23	808,491	23.92
1975	1,610,300	33.5	44.09	710,008	45.06	725,580	24.30
1974	1,473,612	34.5	41.96	618,313	42.88	631,874	24.65
1973	1,402,782	35.5	39.82	558,588	40.69	570,839	24.97
1972	1,089,601	36.5	37.68	410,573	38.51	419,577	25.28
1971	1,128,076	37.5	35.55	400,997	36.33	409,792	25.56
1970	954,361	38.5	33.42	318,970	34.16	325,966	25.82
1969	633,909	39.5	31.31	198,506	32.00	202,860	26.07
1968	994,850	40.5	29.23	290,775	29.87	297,152	26.30
1967	823,498	41.5	27.17	223,753	27.77	228,660	26.51
1966	699,015	42.5	25.15	175,779	25.70	179,634	26.71
1965	474,052	43.5	23.16	109,805	23.67	112,213	26.90
1964	376,312	44.5	21.23	79,881	21.69	81,633	27.08

Computed Age Distribution Report

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Account: KEPCo 101/6 368 - KY

Version: KEPCO DISTRIBUTION 2008

Version: 30 - R0.5

Vintage	Additions	Age 2009	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
1963	318,004	45.5	19.34	61,512	19.77	62,861	27.25
1962	290,851	46.5	17.52	50,948	17.90	52,066	27.41
1961	386,601	47.5	15.76	60,912	16.10	62,248	27.57
1960	377,379	48.5	14.06	53,071	14.37	54,235	27.74
1959	463,712	49.5	12.44	57,695	12.71	58,960	27.90
1958	493,518	50.5	10.90	53,793	11.14	54,973	28.06
1957	284,379	51.5	9.44	26,837	9.64	27,426	28.23
1956	694,523	52.5	8.05	55,942	8.23	57,169	28.41
1955	438,445	53.5	6.76	29,622	6.90	30,271	28.60
1954	265,710	54.5	5.54	14,713	5.66	15,035	28.79
1953	295,026	55.5	4.39	12,963	4.49	13,247	29.00
1952	222,457	56.5	3.32	7,386	3.39	7,548	29.21
1951	500,026	57.5	2.30	11,510	2.35	11,762	29.43
1950	463,556	58.5	1.34	6,203	1.37	6,338	29.65
1949	433,985	59.5	0.00		-0.00	(1)	29.75
1948	489,204	60.5	0.00		0.00		0.00
1947	491,803	61.5	0.00		0.00		0.00
1946	332,267	62.5	0.00		0.00		0.00
1945	161,745	63.5	0.00		0.00		0.00
944	30,578	64.5	0.00		0.00		0.00
1943	6,171	65.5	0.00		0.00		0.00
1942	25,547	66.5	0.00		0.00		0.00
1941	126,413	67.5	0.00		0.00		0.00
1940	83,745	68.5	0.00		0.00		0.00
1939	107,763	69.5	0.00		0.00		0.00
1938	101,940	70.5	0.00		0.00		0.00
1937	94,566	71.5	0.00		0.00		0.00
1936	370,113	72.5	0.00		0.00		0.00
				96,432,538		98,415,054 *	
			138,700,031				

* Recorded Balance January 1, 2009: 98,415,054

Computed Age Distribution Report

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Account: KEPCo 101/6 369 - KY

Version: KEPCO DISTRIBUTION 2008

Version: 25 - L0

Vintage	Additions	Age 2009	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
2008	2,815,091	0.5	99.68	2,806,195	100.00	2,815,092	0.50
2007	2,552,906	1.5	98.58	2,516,553	100.00	2,552,907	1.50
2006	2,696,436	2.5	97.11	2,618,374	100.00	2,696,437	2.50
2005	2,370,702	3.5	95.38	2,261,270	99.94	2,369,259	3.50
2004	2,034,573	4.5	93.47	1,901,756	97.94	1,992,576	4.45
2003	2,678,347	5.5	91.41	2,448,277	95.78	2,565,196	5.38
2002	1,907,359	6.5	89.23	1,701,898	93.49	1,783,174	6.29
2001	1,931,126	7.5	86.95	1,679,075	91.10	1,759,261	7.17
2000	2,680,192	8.5	84.59	2,267,255	88.63	2,375,529	8.02
1999	2,508,736	9.5	82.18	2,061,629	86.10	2,160,083	8.84
1998	795,815	10.5	79.72	634,440	83.53	664,738	9.64
1997	2,636,990	11.5	77.24	2,036,758	80.93	2,134,025	10.40
1996	816,459	12.5	74.74	610,246	78.31	639,389	11.14
1995	1,107,925	13.5	72.25	800,443	75.70	838,668	11.86
1994	1,352,925	14.5	69.76	943,733	73.09	988,801	12.55
1993	1,658,958	15.5	67.27	1,116,014	70.48	1,169,310	13.21
1992	1,167,485	16.5	64.80	756,542	67.90	792,671	13.85
1991	1,236,345	17.5	62.35	770,824	65.32	807,635	14.47
1990	945,888	18.5	59.91	566,700	62.77	593,764	15.06
1989	1,182,480	19.5	57.50	679,938	60.25	712,409	15.62
1988	888,422	20.5	55.12	489,680	57.75	513,065	16.17
1987	931,227	21.5	52.77	491,362	55.28	514,827	16.69
1986	733,462	22.5	50.45	370,002	52.86	387,672	17.20
1985	712,353	23.5	48.17	343,105	50.47	359,490	17.68
1984	807,358	24.5	45.92	370,771	48.12	388,477	18.14
1983	969,567	25.5	43.73	423,953	45.81	444,199	18.59
1982	716,135	26.5	41.57	297,726	43.56	311,944	19.02
1981	868,594	27.5	39.47	342,843	41.36	359,215	19.44
1980	864,476	28.5	37.42	323,478	39.21	338,926	19.84
1979	711,506	29.5	35.42	252,015	37.11	264,050	20.22
1978	830,075	30.5	33.48	277,876	35.07	291,146	20.60
1977	723,397	31.5	31.59	228,514	33.10	239,427	20.96
1976	596,974	32.5	29.76	177,665	31.18	186,150	21.32
1975	524,332	33.5	27.99	146,771	29.33	153,780	21.66
1974	483,476	34.5	26.28	127,077	27.54	133,145	22.00
1973	654,650	35.5	24.64	161,299	25.82	169,002	22.33
1972	683,325	36.5	23.06	157,541	24.16	165,064	22.66
1971	509,551	37.5	21.54	109,732	22.56	114,972	22.98
1970	423,419	38.5	20.08	85,014	21.04	89,074	23.30
1969	373,867	39.5	18.68	69,853	19.58	73,189	23.62
1968	328,382	40.5	17.35	56,987	18.18	59,709	23.93
1967	299,067	41.5	16.09	48,108	16.85	50,405	24.25
1966	231,692	42.5	14.88	34,478	15.59	36,124	24.56
1965	186,261	43.5	13.74	25,589	14.39	26,810	24.88
1964	161,204	44.5	12.66	20,400	13.26	21,375	25.20

Computed Age Distribution Report

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Account: KEPCo 101/6 369 - KY

Version: KEPCO DISTRIBUTION 2008

Version: 25 - L0

Vintage	Additions	Age 2009	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
1963	125,832	45.5	11.63	14,638	12.19	15,337	25.52
1962	128,946	46.5	10.67	13,757	11.18	14,414	25.85
1961	166,728	47.5	9.76	16,276	10.23	17,053	26.18
1960	142,251	48.5	8.91	12,676	9.34	13,281	26.51
1959	148,227	49.5	0.00		-0.00	(1)	24.75
1958	169,015	50.5	0.00		0.00		0.00
1957	144,373	51.5	0.00		0.00		0.00
1956	136,713	52.5	0.00		0.00		0.00
1955	113,139	53.5	0.00		0.00		0.00
1954	115,530	54.5	0.00		0.00		0.00
1953	124,065	55.5	0.00		0.00		0.00
1952	128,566	56.5	0.00		0.00		0.00
1951	139,833	57.5	0.00		0.00		0.00
1950	161,544	58.5	0.00		0.00		0.00
1949	219,751	59.5	0.00		0.00		0.00
1948	243,279	60.5	0.00		0.00		0.00
1947	218,255	61.5	0.00		0.00		0.00
1946	112,216	62.5	0.00		0.00		0.00
1945	39,254	63.5	0.00		0.00		0.00
1944	14,444	64.5	0.00		0.00		0.00
1943	11,021	65.5	0.00		0.00		0.00
1942	29,900	66.5	0.00		0.00		0.00
1941	25,996	67.5	0.00		0.00		0.00
1940	54,016	68.5	0.00		0.00		0.00
1939	45,804	69.5	0.00		0.00		0.00
1938	46,593	70.5	0.00		0.00		0.00
1937	37,203	71.5	0.00		0.00		0.00
1936	143,212	72.5	0.00		0.00		0.00
	55,475,216			36,667,109		38,162,243 *	

* Recorded Balance January 1, 2009: 38,162,243

Computed Age Distribution Report

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Account: KEPCo 101/6 370 - KY

Version: KEPCO DISTRIBUTION 2008

Version: 17 - S6

Vintage	Additions	Age 2009	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
2008	2,963,121	0.5	100.00	2,963,121	63.03	1,867,578	0.41
2007	2,353,738	1.5	100.00	2,353,738	63.03	1,483,500	1.22
2006	14,223,681	2.5	100.00	14,223,681	63.03	8,964,813	2.04
2005	4,183,747	3.5	100.00	4,183,747	63.03	2,636,906	2.85
2004	1,006,674	4.5	100.00	1,006,674	63.03	634,481	3.67
2003	617,066	5.5	100.00	617,066	63.03	388,921	4.48
2002	489,075	6.5	100.00	489,075	63.03	308,252	5.30
2001	648,901	7.5	100.00	648,901	63.03	408,986	6.11
2000	1,514,864	8.5	100.00	1,514,864	63.03	954,779	6.93
1999	980,778	9.5	100.00	980,778	63.03	618,159	7.74
1998	1,324,431	10.5	100.00	1,324,431	63.03	834,754	8.56
1997	1,105,728	11.5	100.00	1,105,728	63.03	696,911	9.37
1996	669,427	12.5	99.98	669,325	63.02	421,858	10.19
1995	850,393	13.5	99.71	847,953	62.85	534,443	10.99
1994	1,413,819	14.5	97.46	1,377,840	61.42	868,416	11.70
1993	1,029,446	15.5	87.77	903,577	55.32	569,500	12.04
1992	999,844	16.5	65.06	650,464	41.00	409,970	11.63
1991	1,093,280	17.5	34.94	382,030	22.02	240,783	10.68
1990	1,278,153	18.5	12.23	156,278	7.71	98,498	9.96
1989	1,133,142	19.5	2.54	28,836	1.60	18,174	9.91
1988	1,262,548	20.5	0.29	3,617	0.18	2,279	10.27
1987	1,107,129	21.5	0.02	171	0.01	108	10.75
1986	1,253,695	22.5	0.00		-0.00	(1)	11.25
1985	1,086,299	23.5	0.00		0.00		0.00
1984	1,266,454	24.5	0.00		0.00		0.00
1983	1,584,355	25.5	0.00		0.00		0.00
1982	1,226,850	26.5	0.00		0.00		0.00
1981	1,149,365	27.5	0.00		0.00		0.00
1980	890,564	28.5	0.00		0.00		0.00
1979	814,814	29.5	0.00		0.00		0.00
1978	926,839	30.5	0.00		0.00		0.00
1977	940,534	31.5	0.00		0.00		0.00
1976	667,327	32.5	0.00		0.00		0.00
1975	497,286	33.5	0.00		0.00		0.00
1974	480,510	34.5	0.00		0.00		0.00
1973	423,051	35.5	0.00		0.00		0.00
1972	371,979	36.5	0.00		0.00		0.00
1971	279,535	37.5	0.00		0.00		0.00
1970	255,663	38.5	0.00		0.00		0.00
1969	205,326	39.5	0.00		0.00		0.00
1968	181,449	40.5	0.00		0.00		0.00
1967	181,316	41.5	0.00		0.00		0.00
1966	145,871	42.5	0.00		0.00		0.00
1965	209,404	43.5	0.00		0.00		0.00
1964	184,491	44.5	0.00		0.00		0.00

Computed Age Distribution Report

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Account: KEPCo 101/6 370 - KY

Version: KEPCO DISTRIBUTION 2008

Version: 17 - S6

Vintage	Additions	Age 2009	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
1963	169,199	45.5	0.00		0.00		0.00
1962	139,771	46.5	0.00		0.00		0.00
1961	122,140	47.5	0.00		0.00		0.00
1960	128,169	48.5	0.00		0.00		0.00
1959	156,474	49.5	0.00		0.00		0.00
1958	131,604	50.5	0.00		0.00		0.00
1957	153,490	51.5	0.00		0.00		0.00
1956	128,652	52.5	0.00		0.00		0.00
1955	118,059	53.5	0.00		0.00		0.00
1954	81,155	54.5	0.00		0.00		0.00
1953	119,866	55.5	0.00		0.00		0.00
1952	94,922	56.5	0.00		0.00		0.00
1951	155,600	57.5	0.00		0.00		0.00
1950	177,105	58.5	0.00		0.00		0.00
1949	195,423	59.5	0.00		0.00		0.00
1948	260,771	60.5	0.00		0.00		0.00
1947	271,471	61.5	0.00		0.00		0.00
1946	139,554	62.5	0.00		0.00		0.00
1945	60,653	63.5	0.00		0.00		0.00
1944	25,218	64.5	0.00		0.00		0.00
1943	10,056	65.5	0.00		0.00		0.00
1942	18,454	66.5	0.00		0.00		0.00
1941	84,476	67.5	0.00		0.00		0.00
1940	59,490	68.5	0.00		0.00		0.00
1939	48,100	69.5	0.00		0.00		0.00
1938	52,663	70.5	0.00		0.00		0.00
1937	50,591	71.5	0.00		0.00		0.00
1936	370,928	72.5	0.00		0.00		0.00
	60,996,016			36,431,895		22,962,066 *	

* Recorded Balance January 1, 2009: 22,962,066

Computed Age Distribution Report

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Account: KEPCo 101/6 371 - KY
 Version: KEPCO DISTRIBUTION 2008
 version: 14 - R0.5

Vintage	Additions	Age 2009	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
2008	1,469,673	0.5	98.64	1,449,650	99.83	1,467,152	0.50
2007	1,459,010	1.5	95.84	1,398,380	97.00	1,415,263	1.48
2006	1,577,577	2.5	92.96	1,466,491	94.08	1,484,196	2.43
2005	1,768,968	3.5	89.98	1,591,753	91.07	1,610,970	3.34
2004	1,563,148	4.5	86.92	1,358,653	87.97	1,375,056	4.23
2003	2,356,246	5.5	83.76	1,973,662	84.77	1,997,490	5.08
2002	1,536,211	6.5	80.51	1,236,729	81.48	1,251,660	5.90
2001	858,732	7.5	77.13	662,311	78.06	670,307	6.68
2000	1,331,176	8.5	73.61	979,884	74.50	991,715	7.42
1999	1,742,973	9.5	69.94	1,219,033	70.78	1,233,750	8.11
1998	600,987	10.5	66.11	397,300	66.91	402,097	8.76
1997	1,583,946	11.5	62.11	983,791	62.86	995,668	9.36
1996	496,928	12.5	57.95	287,978	58.65	291,455	9.92
1995	559,153	13.5	53.65	299,973	54.30	303,595	10.41
1994	1,062,578	14.5	49.22	522,998	49.81	529,312	10.86
1993	1,380,740	15.5	44.70	617,181	45.24	624,632	11.26
1992	843,872	16.5	40.13	338,610	40.61	342,698	11.60
1991	757,210	17.5	35.55	269,165	35.98	272,415	11.90
1990	574,638	18.5	31.02	178,226	31.39	180,377	12.15
1989	673,733	19.5	26.59	179,139	26.91	181,301	12.37
1988	464,215	20.5	22.33	103,648	22.60	104,899	12.57
1987	478,198	21.5	18.29	87,474	18.51	88,530	12.74
1986	500,633	22.5	14.54	72,788	14.71	73,667	12.91
1985	430,816	23.5	11.12	47,886	11.25	48,464	13.07
1984	455,174	24.5	8.05	36,663	8.15	37,106	13.25
1983	359,728	25.5	5.37	19,314	5.43	19,546	13.44
1982	259,270	26.5	3.02	7,839	3.06	7,934	13.66
1981	301,789	27.5	0.00		-0.00	(1)	13.75
1980	217,442	28.5	0.00		0.00		0.00
1979	195,902	29.5	0.00		0.00		0.00
1978	183,648	30.5	0.00		0.00		0.00
1977	122,908	31.5	0.00		0.00		0.00
1976	245,454	32.5	0.00		0.00		0.00
1975	182,106	33.5	0.00		0.00		0.00
1974	198,910	34.5	0.00		0.00		0.00
1973	226,725	35.5	0.00		0.00		0.00
1972	193,516	36.5	0.00		0.00		0.00
1971	118,336	37.5	0.00		0.00		0.00
1970	118,346	38.5	0.00		0.00		0.00
1969	134,430	39.5	0.00		0.00		0.00
1968	94,059	40.5	0.00		0.00		0.00
1967	112,403	41.5	0.00		0.00		0.00
1966	83,111	42.5	0.00		0.00		0.00
1965	113,528	43.5	0.00		0.00		0.00
1964	95,784	44.5	0.00		0.00		0.00

Computed Age Distribution Report

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Account: KEPCo 101/6 371 - KY

Version: KEPCO DISTRIBUTION 2008

ersion: 14 - R0.5

Vintage	Additions	Age 2009	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
1963	117,412	45.5	0.00		0.00		0.00
1962	155,649	46.5	0.00		0.00		0.00
1961	133,773	47.5	0.00		0.00		0.00
1960	52,064	48.5	0.00		0.00		0.00
1959	3,085	49.5	0.00		0.00		0.00
1957	62	51.5	0.00		0.00		0.00
1956	46	52.5	0.00		0.00		0.00
1953	45	55.5	0.00		0.00		0.00
1950	323	58.5	0.00		0.00		0.00
			30,546,389	17,786,518		18,001,253 *	

* Recorded Balance January 1, 2009: 18,001,253

Computed Age Distribution Report

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Account: KEPCo 101/6 373 - KY

Version: KEPCO DISTRIBUTION 2008

ersion: 24 - L0

Vintage	Additions	Age 2009	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
2008	141,474	0.5	99.66	141,000	100.00	141,475	0.50
2007	173,112	1.5	98.49	170,500	100.00	173,113	1.50
2006	151,500	2.5	96.93	146,855	100.00	151,501	2.50
2005	155,045	3.5	95.11	147,470	100.00	155,046	3.50
2004	139,549	4.5	93.09	129,913	100.00	139,550	4.50
2003	114,834	5.5	90.92	104,407	100.00	114,835	5.50
2002	90,680	6.5	88.62	80,359	100.00	90,681	6.50
2001	105,554	7.5	86.22	91,008	100.00	105,555	7.50
2000	77,936	8.5	83.74	65,266	98.65	76,888	8.44
1999	88,549	9.5	81.21	71,911	95.67	84,715	9.29
1998	41,175	10.5	78.64	32,379	92.64	38,145	10.11
1997	40,819	11.5	76.04	31,040	89.58	36,567	10.90
1996	50,186	12.5	73.44	36,858	86.52	43,421	11.66
1995	65,504	13.5	70.84	46,406	83.46	54,669	12.38
1994	98,733	14.5	68.25	67,389	80.41	79,388	13.08
1993	183,145	15.5	65.68	120,281	77.37	141,698	13.75
1992	13,549	16.5	63.11	8,551	74.35	10,074	14.38
1991	62,428	17.5	60.57	37,812	71.36	44,546	14.99
1990	213,752	18.5	58.05	124,087	68.39	146,182	15.58
1989	347,755	19.5	55.56	193,222	65.46	227,627	16.13
1988	206,152	20.5	53.11	109,480	62.56	128,973	16.66
1987	203,890	21.5	50.69	103,344	59.71	121,745	17.17
1986	209,086	22.5	48.31	101,002	56.91	118,986	17.65
1985	120,997	23.5	45.97	55,623	54.16	65,527	18.11
1984	50,621	24.5	43.68	22,112	51.46	26,049	18.55
1983	93,110	25.5	41.44	38,586	48.82	45,457	18.97
1982	184,014	26.5	39.26	72,235	46.24	85,097	19.38
1981	142,598	27.5	37.12	52,939	43.73	62,365	19.76
1980	80,303	28.5	35.05	28,148	41.29	33,160	20.13
1979	22,164	29.5	33.04	7,323	38.92	8,627	20.49
1978	56,734	30.5	31.09	17,638	36.62	20,779	20.84
1977	19,464	31.5	29.20	5,684	34.40	6,696	21.17
1976	16,853	32.5	27.38	4,614	32.26	5,436	21.49
1975	41,522	33.5	25.63	10,640	30.19	12,535	21.81
1974	37,035	34.5	23.94	8,866	28.20	10,444	22.11
1973	79,104	35.5	22.32	17,655	26.29	20,798	22.42
1972	17,862	36.5	20.77	3,710	24.47	4,370	22.72
1971	29,314	37.5	19.29	5,654	22.72	6,661	23.01
1970	82,272	38.5	17.87	14,705	21.06	17,323	23.30
1969	54,853	39.5	16.53	9,066	19.47	10,680	23.60
1968	62,051	40.5	15.25	9,464	17.97	11,149	23.89
1967	148,123	41.5	14.04	20,799	16.54	24,501	24.18
1966	65,587	42.5	12.90	8,459	15.19	9,965	24.48
1965	74,139	43.5	11.82	8,764	13.92	10,323	24.78
1964	33,854	44.5	10.81	3,658	12.73	4,310	25.08

Computed Age Distribution Report

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Account: KEPCo 101/6 373 - KY
 Version: KEPCO DISTRIBUTION 2008
 Version: 24 - L0

Vintage	Additions	Age 2009	Theoretical Survivors		Computed Survivors		Realized Life
			Percent	Amount	Percent	Amount	
1963	60,199	45.5	9.85	5,932	11.61	6,988	25.39
1962	47,237	46.5	8.96	4,234	10.56	4,987	25.70
1961	47,565	47.5	0.00		-0.00	(1)	23.75
1960	34,406	48.5	0.00		0.00		0.00
1959	48,955	49.5	0.00		0.00		0.00
1958	37,190	50.5	0.00		0.00		0.00
1957	25,341	51.5	0.00		0.00		0.00
1956	16,379	52.5	0.00		0.00		0.00
1955	13,067	53.5	0.00		0.00		0.00
1954	22,190	54.5	0.00		0.00		0.00
1953	31,804	55.5	0.00		0.00		0.00
1952	31,861	56.5	0.00		0.00		0.00
1951	45,371	57.5	0.00		0.00		0.00
1950	34,099	58.5	0.00		0.00		0.00
1949	28,081	59.5	0.00		0.00		0.00
1948	23,457	60.5	0.00		0.00		0.00
1947	10,446	61.5	0.00		0.00		0.00
1946	6,221	62.5	0.00		0.00		0.00
1945	2,011	63.5	0.00		0.00		0.00
1944	4,620	64.5	0.00		0.00		0.00
1943	1,495	65.5	0.00		0.00		0.00
1942	13,088	66.5	0.00		0.00		0.00
1941	12,616	67.5	0.00		0.00		0.00
1940	10,369	68.5	0.00		0.00		0.00
1939	6,365	69.5	0.00		0.00		0.00
1938	9,692	70.5	0.00		0.00		0.00
1937	16,031	71.5	0.00		0.00		0.00
1936	126,232	72.5	0.00		0.00		0.00
			5,253,369		2,597,045		2,939,603 *

* Recorded Balance January 1, 2009: 2,939,603

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF 12-31-08
DISTRIBUTION PLANT WORKPAPERS

CALCULATED RESERVE

Depreciation Reserve Summary

Page 263 of 350

Account: KEPCo 101/6 360 Land Rights
 Scenario: KEPCO DISTRIBUTION 2008 NEW
 Version: 75 - R4

Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2009

	Plant Amt	Depreciation Reserve		Net Plant	
		Amount	Ratio	Amount	Ratio
Recorded	\$4,178,634.88	\$927,055.90	0.2219	\$3,251,578.98	0.7781
Computed	\$4,178,634.88	\$1,085,983.48	0.2599	\$3,092,651.40	0.7401
Difference		(\$158,927.58)	-0.0380	\$158,927.58	0.0380

Account: KEPCo 101/6 360 Land Rights

Conversion: 75.00 - R4

Current Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2006	2.50	\$174,821.73	75.00	72.50	0.9667	1.0000	\$169,000.07	\$2,330.96
2005	3.50	\$117,956.02	75.00	71.50	0.9534	1.0000	\$112,457.91	\$1,572.75
2004	4.50	\$100,775.44	75.00	70.51	0.9401	1.0000	\$94,735.75	\$1,343.67
2003	5.50	\$188,981.14	75.00	69.51	0.9268	1.0000	\$175,140.63	\$2,519.75
2002	6.50	\$131,307.26	75.00	68.51	0.9135	1.0000	\$119,943.50	\$1,750.76
2001	7.50	\$106,531.58	75.00	67.51	0.9002	1.0000	\$95,895.43	\$1,420.42
2000	8.50	\$315,016.21	75.00	66.51	0.8869	1.0000	\$279,376.88	\$4,200.22
1999	9.50	\$3,677.00	75.00	65.52	0.8736	1.0000	\$3,212.17	\$49.03
1998	10.50	\$108,643.00	75.00	64.52	0.8603	1.0000	\$93,466.56	\$1,448.57
1997	11.50	\$219,539.50	75.00	63.53	0.8470	1.0000	\$185,957.75	\$2,927.19
1996	12.50	\$53,347.00	75.00	62.53	0.8338	1.0000	\$44,479.25	\$711.29
1995	13.50	\$106,401.00	75.00	61.54	0.8205	1.0000	\$87,304.91	\$1,418.68
1994	14.50	\$14,023.00	75.00	60.55	0.8073	1.0000	\$11,320.69	\$186.97
1993	15.50	\$49,128.00	75.00	59.56	0.7941	1.0000	\$39,011.49	\$655.04
1992	16.50	\$94,764.00	75.00	58.57	0.7809	1.0000	\$73,998.49	\$1,263.52
1991	17.50	\$76,154.00	75.00	57.58	0.7677	1.0000	\$58,462.50	\$1,015.39
1990	18.50	\$54,838.00	75.00	56.59	0.7545	1.0000	\$41,376.07	\$731.17
1989	19.50	\$31,201.00	75.00	55.60	0.7414	1.0000	\$23,131.83	\$416.01
1988	20.50	\$26,380.00	75.00	54.62	0.7283	1.0000	\$19,211.53	\$351.73
1987	21.50	\$19,016.00	75.00	53.64	0.7152	1.0000	\$13,599.47	\$253.55
1986	22.50	\$47,346.00	75.00	52.66	0.7021	1.0000	\$33,242.10	\$631.28
1985	23.50	\$20,719.00	75.00	51.68	0.6891	1.0000	\$14,277.08	\$276.25
1984	24.50	\$25,934.00	75.00	50.71	0.6761	1.0000	\$17,533.37	\$345.79
1983	25.50	\$66,861.00	75.00	49.73	0.6631	1.0000	\$44,337.46	\$891.48
1982	26.50	\$48,942.00	75.00	48.77	0.6502	1.0000	\$31,823.06	\$652.56
1981	27.50	\$38,508.00	75.00	47.80	0.6373	1.0000	\$24,542.67	\$513.44
1980	28.50	\$24,590.00	75.00	46.84	0.6245	1.0000	\$15,357.22	\$327.87
1979	29.50	\$1,913,234.00	75.00	45.88	0.6118	1.0000	\$1,170,455.58	\$25,509.79
		\$4,178,634.88	75.00	55.51	0.7401	1.0000	\$3,092,651.40	\$55,715.13

Depreciation Reserve Summary

Page 265 of 350

Account: KEPCo 101/6 361 - KY
 Scenario: KEPCO DISTRIBUTION 2008 NEW
 Version: 75 - L2
 Average Net Salvage Rate: 10.00%
 Future Net Salvage Rate: 10.00%

Broad Group Procedure

January 1, 2009

	Plant Amt	Depreciation Reserve		Net Plant	
		Amount	Ratio	Amount	Ratio
Recorded	\$4,273,116.69	\$749,460.89	0.1754	\$3,096,344.13	0.7246
Computed	\$4,273,116.69	\$877,942.90	0.2055	\$2,967,862.12	0.6945
Difference		(\$128,482.01)	-0.0301	\$128,482.01	0.0301

Generation Arrangement Report

Page 266 of 350

Account: KEPCo 101/6 361 - KY

Version: 75.00 - L2

Average Net Salvage Rate: 10.00%

Future Net Salvage Rate: 10.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2008	0.50	\$121,240.22	75.00	74.50	0.8940	1.0000	\$108,388.39	\$1,454.88
2005	3.50	\$8,634.85	75.00	71.51	0.8581	1.0000	\$7,409.48	\$103.62
2003	5.50	\$395,783.91	75.00	69.53	0.8344	1.0000	\$330,235.37	\$4,749.41
2002	6.50	\$38,513.72	75.00	68.55	0.8226	1.0000	\$31,681.44	\$462.16
2001	7.50	\$7,027.54	75.00	67.58	0.8109	1.0000	\$5,698.75	\$84.33
2000	8.50	\$100,752.20	75.00	66.61	0.7993	1.0000	\$80,532.22	\$1,209.03
1999	9.50	\$387,262.85	75.00	65.65	0.7878	1.0000	\$305,071.32	\$4,647.15
1998	10.50	\$30,887.03	75.00	64.69	0.7763	1.0000	\$23,978.77	\$370.64
1997	11.50	\$67,892.00	75.00	63.75	0.7650	1.0000	\$51,937.75	\$814.70
1996	12.50	\$35,578.00	75.00	62.81	0.7537	1.0000	\$26,816.66	\$426.94
1995	13.50	\$604,605.00	75.00	61.88	0.7426	1.0000	\$448,988.83	\$7,255.26
1994	14.50	\$104,061.00	75.00	60.97	0.7316	1.0000	\$76,129.94	\$1,248.73
1993	15.50	\$254,730.00	75.00	60.05	0.7206	1.0000	\$183,568.28	\$3,056.76
1992	16.50	\$112,019.00	75.00	59.15	0.7098	1.0000	\$79,514.72	\$1,344.23
1991	17.50	\$344,187.00	75.00	58.26	0.6991	1.0000	\$240,630.33	\$4,130.24
1990	18.50	\$32,711.00	75.00	57.37	0.6885	1.0000	\$22,521.37	\$392.53
1989	19.50	\$33,374.00	75.00	56.50	0.6780	1.0000	\$22,627.98	\$400.49
1988	20.50	\$35,799.00	75.00	55.64	0.6676	1.0000	\$23,900.34	\$429.59
1987	21.50	\$127,890.00	75.00	54.78	0.6573	1.0000	\$84,063.81	\$1,534.68
1986	22.50	\$148,205.00	75.00	53.93	0.6471	1.0000	\$95,910.27	\$1,778.46
1985	23.50	\$119,083.00	75.00	53.09	0.6371	1.0000	\$75,864.68	\$1,429.00
1984	24.50	\$10,503.00	75.00	52.26	0.6271	1.0000	\$6,586.10	\$126.04
1983	25.50	\$7,053.00	75.00	51.43	0.6172	1.0000	\$4,353.24	\$84.64
1982	26.50	\$62,465.00	75.00	50.62	0.6075	1.0000	\$37,945.95	\$749.58
1981	27.50	\$92,865.00	75.00	49.82	0.5978	1.0000	\$55,517.51	\$1,114.38
1980	28.50	\$373,477.00	75.00	49.03	0.5884	1.0000	\$219,753.51	\$4,481.72
1979	29.50	\$5,950.00	75.00	48.26	0.5791	1.0000	\$3,445.80	\$71.40
1978	30.50	\$44,891.00	75.00	47.50	0.5700	1.0000	\$25,587.22	\$538.69
1977	31.50	\$83,665.00	75.00	46.76	0.5611	1.0000	\$46,945.95	\$1,003.98
1976	32.50	\$24,921.00	75.00	46.04	0.5524	1.0000	\$13,767.45	\$299.05
1975	33.50	\$72,704.00	75.00	45.33	0.5439	1.0000	\$39,545.89	\$872.45
1974	34.50	\$62,865.00	75.00	44.64	0.5357	1.0000	\$33,678.19	\$754.38
1973	35.50	\$44,691.00	75.00	43.98	0.5277	1.0000	\$23,585.05	\$536.29

Generation Arrangement Report

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Account: KEPCo 101/6 361 - KY

Version: 75.00 - L2

Current Net Salvage Rate: 10.00%

Future Net Salvage Rate: 10.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1972	36.50	\$49,794.00	75.00	43.33	0.5199	1.0000	\$25,888.78	\$597.53
1971	37.50	\$60,176.00	75.00	42.70	0.5124	1.0000	\$30,835.90	\$722.11
1970	38.50	\$13,257.00	75.00	42.10	0.5052	1.0000	\$6,696.84	\$159.08
1969	39.50	\$6,970.00	75.00	41.50	0.4981	1.0000	\$3,471.48	\$83.64
1968	40.50	\$20,793.00	75.00	40.94	0.4913	1.0000	\$10,215.05	\$249.52
1967	41.50	\$15,108.00	75.00	40.39	0.4847	1.0000	\$7,323.01	\$181.30
1966	42.50	\$31,096.00	75.00	39.86	0.4783	1.0000	\$14,873.67	\$373.15
1965	43.50	\$1,812.70	75.00	39.35	0.4722	1.0000	\$855.97	\$21.75
1964	44.50	\$495.00	75.00	38.86	0.4663	1.0000	\$230.82	\$5.94
1963	45.50	\$5,202.00	75.00	38.38	0.4606	1.0000	\$2,395.86	\$62.42
1962	46.50	\$190.00	75.00	37.92	0.4551	1.0000	\$86.47	\$2.28
1961	47.50	\$1,585.00	75.00	37.48	0.4498	1.0000	\$712.91	\$19.02
1960	48.50	\$291.00	75.00	37.05	0.4446	1.0000	\$129.39	\$3.49
1959	49.50	\$193.00	75.00	36.64	0.4397	1.0000	\$84.86	\$2.32
1957	51.50	\$6,356.00	75.00	35.86	0.4303	1.0000	\$2,735.10	\$76.27
1956	52.50	\$5,955.00	75.00	35.49	0.4259	1.0000	\$2,536.12	\$71.46
1955	53.50	\$701.00	75.00	35.13	0.4216	1.0000	\$295.53	\$8.41
1954	54.50	\$4,906.00	75.00	34.78	0.4174	1.0000	\$2,047.74	\$58.87
1953	55.50	\$9,315.00	75.00	34.45	0.4134	1.0000	\$3,850.54	\$111.78
1952	56.50	\$4,482.00	75.00	34.12	0.4095	1.0000	\$1,835.17	\$53.78
1951	57.50	\$2,866.00	75.00	33.80	0.4056	1.0000	\$1,162.58	\$34.39
1950	58.50	\$3,771.63	75.00	33.50	0.4020	1.0000	\$1,516.03	\$45.26
1949	59.50	\$3,862.00	75.00	33.20	0.3984	1.0000	\$1,538.45	\$46.34
1948	60.50	\$5,174.00	75.00	32.90	0.3949	1.0000	\$2,043.00	\$62.09
1947	61.50	\$2,508.00	75.00	32.62	0.3914	1.0000	\$981.71	\$30.10
1946	62.50	\$42.00	75.00	32.34	0.3881	1.0000	\$16.30	\$0.50
1945	63.50	\$946.00	75.00	32.07	0.3848	1.0000	\$364.04	\$11.35
1943	65.50	\$1,672.00	75.00	31.54	0.3784	1.0000	\$632.76	\$20.06
1942	66.50	\$977.00	75.00	31.28	0.3754	1.0000	\$366.72	\$11.72
1941	67.50	\$140.00	75.00	31.02	0.3723	1.0000	\$52.12	\$1.68
1940	68.50	\$3,539.00	75.00	30.77	0.3693	1.0000	\$1,306.81	\$42.47
1938	70.50	\$12,655.04	75.00	30.28	0.3633	1.0000	\$4,597.80	\$151.86
		\$4,273,116.69	75.00	57.88	0.6945	1.0000	\$2,967,862.12	\$51,277.40

Depreciation Reserve Summary

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Account: KEPCo 101/6 362 - KY
 Scenario: KEPCO DISTRIBUTION 2008 NEW
 Version: 32 - R1
 Average Net Salvage Rate: 10.00%
 Future Net Salvage Rate: 10.00%

Broad Group Procedure

January 1, 2009

	Plant Amt	Depreciation Reserve		Net Plant	
		Amount	Ratio	Amount	Ratio
Recorded	\$48,811,222.57	\$11,516,934.53	0.2359	\$32,413,165.78	0.6641
Computed	\$48,811,222.57	\$13,491,312.23	0.2764	\$30,438,788.08	0.6236
Difference		(\$1,974,377.70)	-0.0404	\$1,974,377.70	0.0404

Account: KEPCo 101/6 362 - KY

Version: 32.00 - R1

Large Net Salvage Rate: 10.00%

Future Net Salvage Rate: 10.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2008	0.50	\$1,007,391.55	32.00	31.63	0.8896	1.0000	\$896,135.50	\$28,332.89
2007	1.50	\$2,719,291.66	32.00	30.89	0.8689	1.0000	\$2,362,663.34	\$76,480.08
2006	2.50	\$3,162,171.87	32.00	30.16	0.8483	1.0000	\$2,682,615.85	\$88,936.08
2005	3.50	\$3,574,863.11	32.00	29.44	0.8280	1.0000	\$2,960,076.92	\$100,543.02
2004	4.50	\$722,443.48	32.00	28.73	0.8079	1.0000	\$583,656.43	\$20,318.72
2003	5.50	\$1,124,197.05	32.00	28.02	0.7879	1.0000	\$885,790.59	\$31,618.04
2002	6.50	\$727,429.09	32.00	27.31	0.7681	1.0000	\$558,763.85	\$20,458.94
2001	7.50	\$2,095,432.80	32.00	26.61	0.7485	1.0000	\$1,568,431.66	\$58,934.05
2000	8.50	\$1,754,288.96	32.00	25.92	0.7290	1.0000	\$1,278,862.97	\$49,339.38
1999	9.50	\$1,086,152.71	32.00	25.23	0.7096	1.0000	\$770,777.21	\$30,548.04
1998	10.50	\$829,599.58	32.00	24.55	0.6904	1.0000	\$572,777.94	\$23,332.49
1997	11.50	\$1,706,473.99	32.00	23.87	0.6713	1.0000	\$1,145,623.25	\$47,994.58
1996	12.50	\$1,815,306.06	32.00	23.20	0.6524	1.0000	\$1,184,285.99	\$51,055.48
1995	13.50	\$4,481,127.59	32.00	22.53	0.6336	1.0000	\$2,839,256.04	\$126,031.71
1994	14.50	\$1,330,971.72	32.00	21.87	0.6150	1.0000	\$818,534.69	\$37,433.58
1993	15.50	\$3,295,948.31	32.00	21.21	0.5966	1.0000	\$1,966,240.29	\$92,698.55
1992	16.50	\$1,031,364.53	32.00	20.56	0.5783	1.0000	\$596,459.17	\$29,007.13
1991	17.50	\$1,477,699.38	32.00	19.92	0.5603	1.0000	\$827,991.16	\$41,560.30
1990	18.50	\$396,281.22	32.00	19.29	0.5426	1.0000	\$215,007.76	\$11,145.41
1989	19.50	\$515,611.35	32.00	18.67	0.5251	1.0000	\$270,721.95	\$14,501.57
1988	20.50	\$294,675.51	32.00	18.06	0.5078	1.0000	\$149,635.77	\$8,287.75
1987	21.50	\$1,691,241.59	32.00	17.45	0.4908	1.0000	\$830,108.38	\$47,566.17
1986	22.50	\$1,192,654.37	32.00	16.86	0.4741	1.0000	\$565,483.40	\$33,543.40
1985	23.50	\$639,499.84	32.00	16.28	0.4577	1.0000	\$292,721.59	\$17,985.93
1984	24.50	\$646,616.75	32.00	15.70	0.4416	1.0000	\$285,558.04	\$18,186.10
1983	25.50	\$706,844.36	32.00	15.14	0.4258	1.0000	\$300,988.85	\$19,880.00
1982	26.50	\$995,099.53	32.00	14.59	0.4103	1.0000	\$408,315.12	\$27,987.17
1981	27.50	\$692,905.42	32.00	14.05	0.3951	1.0000	\$273,796.44	\$19,487.96
1980	28.50	\$2,456,583.25	32.00	13.52	0.3803	1.0000	\$934,166.37	\$69,091.40
1979	29.50	\$428,316.69	32.00	13.00	0.3657	1.0000	\$156,634.75	\$12,046.41
1978	30.50	\$911,780.56	32.00	12.50	0.3514	1.0000	\$320,431.49	\$25,643.83
1977	31.50	\$697,721.10	32.00	12.00	0.3375	1.0000	\$235,461.11	\$19,623.41
1976	32.50	\$146,004.67	32.00	11.51	0.3238	1.0000	\$47,276.29	\$4,106.38

Generation Arrangement Report

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Account: KEPCo 101/6 362 - KY

Version: 32.00 - R1

Average Net Salvage Rate: 10.00%

Future Net Salvage Rate: 10.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1975	33.50	\$331,376.93	32.00	11.04	0.3104	1.0000	\$102,869.66	\$9,319.98
1974	34.50	\$284,028.75	32.00	10.57	0.2974	1.0000	\$84,458.07	\$7,988.31
1973	35.50	\$429,163.76	32.00	10.12	0.2846	1.0000	\$122,125.60	\$12,070.23
1972	36.50	\$507,404.33	32.00	9.67	0.2721	1.0000	\$138,041.42	\$14,270.75
1971	37.50	\$268,376.72	32.00	9.24	0.2598	1.0000	\$69,729.42	\$7,548.10
1970	38.50	\$185,400.70	32.00	8.81	0.2479	1.0000	\$45,952.72	\$5,214.39
1969	39.50	\$20,274.01	32.00	8.40	0.2361	1.0000	\$4,787.67	\$570.21
1968	40.50	\$124,994.58	32.00	7.99	0.2247	1.0000	\$28,087.26	\$3,515.47
1967	41.50	\$111,324.60	32.00	7.59	0.2135	1.0000	\$23,769.58	\$3,131.00
1966	42.50	\$53,681.54	32.00	7.20	0.2026	1.0000	\$10,874.03	\$1,509.79
1965	43.50	\$987.00	32.00	6.82	0.1919	1.0000	\$189.37	\$27.76
1964	44.50	\$19,288.02	32.00	6.45	0.1814	1.0000	\$3,498.58	\$542.48
1963	45.50	\$68,072.83	32.00	6.08	0.1711	1.0000	\$11,649.88	\$1,914.55
1962	46.50	\$10,263.94	32.00	5.73	0.1611	1.0000	\$1,653.64	\$288.67
1961	47.50	\$26,558.66	32.00	5.38	0.1513	1.0000	\$4,018.58	\$746.96
1957	51.50	\$16,036.55	32.00	4.06	0.1143	1.0000	\$1,832.46	\$451.03
		\$48,811,222.57	32.00	22.17	0.6236	1.0000	\$30,438,788.09	\$1,372,815.63

Depreciation Reserve Summary

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Account: KEPCo 101/6 364 - KY
 Scenario: KEPCO DISTRIBUTION 2008 NEW
 Version: 30 - R0.5

Average Net Salvage Rate: -53.00%
 Future Net Salvage Rate: -53.00%

Broad Group Procedure

January 1, 2009

	Plant Amt	Depreciation Reserve		Net Plant	
		Amount	Ratio	Amount	Ratio
Recorded	\$147,624,353.34	\$54,369,431.79	0.3683	\$171,495,828.82	1.1617
Computed	\$147,624,353.34	\$63,690,123.30	0.4314	\$162,175,137.31	1.0986
Difference		(\$9,320,691.51)	-0.0631	\$9,320,691.51	0.0631

Generation Arrangement Report

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Account: KEPCo 101/6 364 - KY

Version: 30.00 - R0.5

Average Net Salvage Rate: -53.00%

Future Net Salvage Rate: -53.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2008	0.50	\$7,948,638.50	30.00	29.69	1.5142	1.0000	\$12,035,471.82	\$405,380.56
2007	1.50	\$8,178,275.50	30.00	29.07	1.4826	1.0000	\$12,125,043.33	\$417,092.05
2006	2.50	\$6,214,520.50	30.00	28.45	1.4512	1.0000	\$9,018,407.02	\$316,940.55
2005	3.50	\$4,777,960.50	30.00	27.84	1.4199	1.0000	\$6,784,207.07	\$243,675.99
2004	4.50	\$4,606,829.50	30.00	27.23	1.3888	1.0000	\$6,397,836.62	\$234,948.30
2003	5.50	\$3,549,389.50	30.00	26.62	1.3578	1.0000	\$4,819,286.21	\$181,018.86
2002	6.50	\$4,214,322.76	30.00	26.02	1.3269	1.0000	\$5,591,977.46	\$214,930.46
2001	7.50	\$6,347,451.74	30.00	25.41	1.2962	1.0000	\$8,227,288.19	\$323,720.04
2000	8.50	\$5,960,969.40	30.00	24.81	1.2655	1.0000	\$7,543,698.37	\$304,009.44
1999	9.50	\$7,337,691.68	30.00	24.22	1.2350	1.0000	\$9,061,882.40	\$374,222.28
1998	10.50	\$2,103,276.29	30.00	23.62	1.2046	1.0000	\$2,533,536.80	\$107,267.09
1997	11.50	\$1,990,086.30	30.00	23.02	1.1743	1.0000	\$2,336,891.67	\$101,494.40
1996	12.50	\$8,709,971.42	30.00	22.43	1.1441	1.0000	\$9,964,882.15	\$444,208.54
1995	13.50	\$4,879,680.34	30.00	21.84	1.1141	1.0000	\$5,436,424.72	\$248,863.70
1994	14.50	\$5,554,403.77	30.00	21.26	1.0843	1.0000	\$6,022,522.36	\$283,274.59
1993	15.50	\$4,433,015.64	30.00	20.68	1.0546	1.0000	\$4,675,246.54	\$226,083.80
1992	16.50	\$5,137,798.24	30.00	20.10	1.0253	1.0000	\$5,267,682.32	\$262,027.71
1991	17.50	\$4,948,782.95	30.00	19.53	0.9962	1.0000	\$4,929,741.95	\$252,387.93
1990	18.50	\$4,596,012.91	30.00	18.97	0.9673	1.0000	\$4,445,708.08	\$234,396.66
1989	19.50	\$4,119,769.79	30.00	18.41	0.9388	1.0000	\$3,867,461.14	\$210,108.26
1988	20.50	\$3,655,979.86	30.00	17.85	0.9105	1.0000	\$3,328,875.63	\$186,454.97
1987	21.50	\$3,931,934.83	30.00	17.31	0.8826	1.0000	\$3,470,372.18	\$200,528.68
1986	22.50	\$3,857,405.68	30.00	16.77	0.8551	1.0000	\$3,298,390.56	\$196,727.69
1985	23.50	\$3,428,640.60	30.00	16.23	0.8279	1.0000	\$2,838,596.59	\$174,860.67
1984	24.50	\$2,924,315.25	30.00	15.71	0.8011	1.0000	\$2,342,615.02	\$149,140.08
1983	25.50	\$2,916,999.66	30.00	15.19	0.7747	1.0000	\$2,259,755.63	\$148,766.98
1982	26.50	\$2,966,548.13	30.00	14.68	0.7487	1.0000	\$2,220,914.34	\$151,293.95
1981	27.50	\$3,565,280.57	30.00	14.18	0.7230	1.0000	\$2,577,692.64	\$181,829.31
1980	28.50	\$2,846,805.41	30.00	13.68	0.6978	1.0000	\$1,986,392.42	\$145,187.08
1979	29.50	\$2,214,986.51	30.00	13.19	0.6729	1.0000	\$1,490,524.02	\$112,964.31
1978	30.50	\$1,781,277.76	30.00	12.72	0.6485	1.0000	\$1,155,099.05	\$90,845.17
1977	31.50	\$1,607,770.43	30.00	12.24	0.6244	1.0000	\$1,003,898.84	\$81,996.29
1976	32.50	\$1,140,196.79	30.00	11.78	0.6007	1.0000	\$684,939.60	\$58,150.04

Generation Arrangement Report

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Account: KEPCo 101/6 364 - KY

Reversion: 30.00 - R0.5

Age Net Salvage Rate: -53.00%

Future Net Salvage Rate: -53.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1975	33.50	\$771,932.62	30.00	11.32	0.5774	1.0000	\$445,722.25	\$39,368.56
1974	34.50	\$707,911.81	30.00	10.87	0.5545	1.0000	\$392,515.97	\$36,103.50
1973	35.50	\$655,672.79	30.00	10.43	0.5319	1.0000	\$348,744.29	\$33,439.31
1972	36.50	\$514,005.20	30.00	9.99	0.5096	1.0000	\$261,960.72	\$26,214.27
1971	37.50	\$474,887.97	30.00	9.56	0.4877	1.0000	\$231,605.40	\$24,219.29
1970	38.50	\$305,274.71	30.00	9.14	0.4661	1.0000	\$142,286.01	\$15,569.01
1969	39.50	\$264,049.96	30.00	8.72	0.4448	1.0000	\$117,437.65	\$13,466.55
1968	40.50	\$247,476.31	30.00	8.31	0.4237	1.0000	\$104,852.48	\$12,621.29
1967	41.50	\$217,338.86	30.00	7.90	0.4028	1.0000	\$87,552.12	\$11,084.28
1966	42.50	\$170,344.16	30.00	7.49	0.3822	1.0000	\$65,112.35	\$8,687.55
1965	43.50	\$157,437.82	30.00	7.09	0.3618	1.0000	\$56,957.28	\$8,029.33
1964	44.50	\$117,868.73	30.00	6.70	0.3414	1.0000	\$40,245.92	\$6,011.31
1963	45.50	\$86,668.67	30.00	6.30	0.3213	1.0000	\$27,843.90	\$4,420.10
1962	46.50	\$71,360.55	30.00	5.90	0.3011	1.0000	\$21,484.77	\$3,639.39
1961	47.50	\$85,532.53	30.00	5.51	0.2809	1.0000	\$24,025.10	\$4,362.16
1960	48.50	\$53,640.97	30.00	5.11	0.2607	1.0000	\$13,983.01	\$2,735.69
1959	49.50	\$56,450.03	30.00	4.71	0.2403	1.0000	\$13,564.38	\$2,878.95
1958	50.50	\$54,512.51	30.00	4.31	0.2197	1.0000	\$11,975.71	\$2,780.14
1957	51.50	\$43,193.57	30.00	3.90	0.1989	1.0000	\$8,589.57	\$2,202.87
1956	52.50	\$31,916.96	30.00	3.48	0.1776	1.0000	\$5,667.59	\$1,627.76
1955	53.50	\$22,048.26	30.00	3.06	0.1558	1.0000	\$3,435.58	\$1,124.46
1954	54.50	\$17,267.85	30.00	2.62	0.1336	1.0000	\$2,306.93	\$880.66
1953	55.50	\$15,022.13	30.00	2.17	0.1107	1.0000	\$1,662.86	\$766.13
1952	56.50	\$12,718.05	30.00	1.71	0.0873	1.0000	\$1,109.96	\$648.62
1951	57.50	\$13,385.54	30.00	1.25	0.0637	1.0000	\$852.68	\$682.66
1950	58.50	\$9,446.57	30.00	0.79	0.0402	1.0000	\$380.10	\$481.78
1949	59.50	(\$0.50)	30.00	0.40	0.0203	1.0000	(\$0.01)	(\$0.03)
		\$147,624,353.34	30.00	21.54	1.0986	1.0000	\$162,175,137.31	\$7,528,842.02

Depreciation Reserve Summary

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Account: KEPCo 101/6 365 - KY
 Scenario: KEPCO DISTRIBUTION 2008 NEW
 Version: 30 - R0.5
 Average Net Salvage Rate: 25.00%
 Future Net Salvage Rate: 25.00%

Broad Group Procedure

January 1, 2009

	Plant Amt	Depreciation Reserve		Net Plant	
		Amount	Ratio	Amount	Ratio
Recorded	\$129,155,637.73	\$19,207,656.07	0.1487	\$77,659,072.23	0.6013
Computed	\$129,155,637.73	\$22,500,473.95	0.1742	\$74,366,254.35	0.5758
Difference		(\$3,292,817.88)	-0.0255	\$3,292,817.88	0.0255

Account: KEPCo 101/6 365 - KY

Version: 30.00 - R0.5

Average Net Salvage Rate: 25.00%

Future Net Salvage Rate: 25.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2008	0.50	\$10,259,054.50	30.00	29.69	0.7422	1.0000	\$7,614,607.88	\$256,476.36
2007	1.50	\$14,071,576.37	30.00	29.07	0.7268	1.0000	\$10,226,667.77	\$351,789.41
2006	2.50	\$8,762,102.00	30.00	28.45	0.7114	1.0000	\$6,233,046.18	\$219,052.55
2005	3.50	\$6,191,319.58	30.00	27.84	0.6960	1.0000	\$4,309,328.43	\$154,782.99
2004	4.50	\$5,087,568.64	30.00	27.23	0.6808	1.0000	\$3,463,467.53	\$127,189.22
2003	5.50	\$3,803,459.60	30.00	26.62	0.6656	1.0000	\$2,531,498.64	\$95,086.49
2002	6.50	\$5,177,311.14	30.00	26.02	0.6504	1.0000	\$3,367,531.88	\$129,432.78
2001	7.50	\$4,687,307.16	30.00	25.41	0.6354	1.0000	\$2,978,177.30	\$117,182.68
2000	8.50	\$4,667,822.82	30.00	24.81	0.6204	1.0000	\$2,895,687.01	\$116,695.57
1999	9.50	\$5,871,996.04	30.00	24.22	0.6054	1.0000	\$3,554,794.91	\$146,799.90
1998	10.50	\$1,997,800.69	30.00	23.62	0.5905	1.0000	\$1,179,649.21	\$49,945.02
1997	11.50	\$6,711,047.26	30.00	23.02	0.5756	1.0000	\$3,863,018.61	\$167,776.18
1996	12.50	\$2,724,980.64	30.00	22.43	0.5608	1.0000	\$1,528,229.89	\$68,124.52
1995	13.50	\$4,731,745.49	30.00	21.84	0.5461	1.0000	\$2,584,123.20	\$118,293.64
1994	14.50	\$3,588,540.22	30.00	21.26	0.5315	1.0000	\$1,907,342.23	\$89,713.51
1993	15.50	\$2,250,460.70	30.00	20.68	0.5170	1.0000	\$1,163,446.78	\$56,261.52
1992	16.50	\$2,524,409.91	30.00	20.10	0.5026	1.0000	\$1,268,738.85	\$63,110.25
1991	17.50	\$2,754,145.38	30.00	19.53	0.4883	1.0000	\$1,344,876.71	\$68,853.63
1990	18.50	\$2,796,403.03	30.00	18.97	0.4742	1.0000	\$1,325,956.57	\$69,910.08
1989	19.50	\$2,599,035.88	30.00	18.41	0.4602	1.0000	\$1,196,010.85	\$64,975.90
1988	20.50	\$2,268,131.89	30.00	17.85	0.4463	1.0000	\$1,012,352.86	\$56,703.30
1987	21.50	\$2,576,292.24	30.00	17.31	0.4327	1.0000	\$1,114,640.20	\$64,407.31
1986	22.50	\$2,225,276.16	30.00	16.77	0.4192	1.0000	\$932,739.81	\$55,631.90
1985	23.50	\$1,686,809.05	30.00	16.23	0.4058	1.0000	\$684,569.38	\$42,170.23
1984	24.50	\$1,496,442.83	30.00	15.71	0.3927	1.0000	\$587,633.70	\$37,411.07
1983	25.50	\$1,561,018.96	30.00	15.19	0.3797	1.0000	\$592,793.06	\$39,025.47
1982	26.50	\$1,689,657.01	30.00	14.68	0.3670	1.0000	\$620,081.53	\$42,241.43
1981	27.50	\$2,531,097.95	30.00	14.18	0.3544	1.0000	\$897,049.08	\$63,277.45
1980	28.50	\$1,972,796.40	30.00	13.68	0.3420	1.0000	\$674,775.59	\$49,319.91
1979	29.50	\$1,692,005.70	30.00	13.19	0.3299	1.0000	\$558,135.37	\$42,300.14
1978	30.50	\$1,389,006.54	30.00	12.72	0.3179	1.0000	\$441,531.51	\$34,725.16
1977	31.50	\$1,530,748.77	30.00	12.24	0.3061	1.0000	\$468,532.44	\$38,268.72
1976	32.50	\$830,267.04	30.00	11.78	0.2945	1.0000	\$244,489.43	\$20,756.68

Account: KEPCo 101/6 365 - KY

Version: 30.00 - R0.5

...verage Net Salvage Rate: 25.00%

Future Net Salvage Rate: 25.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1975	33.50	\$456,119.13	30.00	11.32	0.2830	1.0000	\$129,102.02	\$11,402.98
1974	34.50	\$460,352.53	30.00	10.87	0.2718	1.0000	\$125,123.40	\$11,508.81
1973	35.50	\$444,878.85	30.00	10.43	0.2607	1.0000	\$115,992.94	\$11,121.97
1972	36.50	\$437,583.31	30.00	9.99	0.2498	1.0000	\$109,319.90	\$10,939.58
1971	37.50	\$519,839.04	30.00	9.56	0.2391	1.0000	\$124,278.57	\$12,995.98
1970	38.50	\$387,456.46	30.00	9.14	0.2285	1.0000	\$88,524.63	\$9,686.41
1969	39.50	\$313,176.03	30.00	8.72	0.2180	1.0000	\$68,277.81	\$7,829.40
1968	40.50	\$279,678.01	30.00	8.31	0.2077	1.0000	\$58,086.24	\$6,991.95
1967	41.50	\$238,035.00	30.00	7.90	0.1975	1.0000	\$47,004.55	\$5,950.88
1966	42.50	\$184,500.08	30.00	7.49	0.1874	1.0000	\$34,570.25	\$4,612.50
1965	43.50	\$160,667.82	30.00	7.09	0.1773	1.0000	\$28,493.05	\$4,016.70
1964	44.50	\$106,984.89	30.00	6.70	0.1674	1.0000	\$17,906.70	\$2,674.62
1963	45.50	\$66,759.95	30.00	6.30	0.1575	1.0000	\$10,513.66	\$1,669.00
1962	46.50	\$62,989.54	30.00	5.90	0.1476	1.0000	\$9,296.32	\$1,574.74
1961	47.50	\$68,508.10	30.00	5.51	0.1377	1.0000	\$9,432.91	\$1,712.70
1960	48.50	\$43,880.79	30.00	5.11	0.1278	1.0000	\$5,607.23	\$1,097.02
1959	49.50	\$41,745.87	30.00	4.71	0.1178	1.0000	\$4,917.22	\$1,043.65
1958	50.50	\$45,221.82	30.00	4.31	0.1077	1.0000	\$4,869.93	\$1,130.55
1957	51.50	\$35,262.38	30.00	3.90	0.0975	1.0000	\$3,437.43	\$881.56
1956	52.50	\$27,220.81	30.00	3.48	0.0870	1.0000	\$2,369.45	\$680.52
1955	53.50	\$16,872.07	30.00	3.06	0.0764	1.0000	\$1,288.73	\$421.80
1954	54.50	\$13,254.67	30.00	2.62	0.0655	1.0000	\$868.03	\$331.37
1953	55.50	\$11,275.41	30.00	2.17	0.0543	1.0000	\$611.82	\$281.89
1952	56.50	\$9,735.21	30.00	1.71	0.0428	1.0000	\$416.49	\$243.38
1951	57.50	\$9,134.25	30.00	1.25	0.0312	1.0000	\$285.23	\$228.36
1950	58.50	\$6,868.62	30.00	0.79	0.0197	1.0000	\$135.48	\$171.72
1949	59.50	(\$0.50)	30.00	0.40	0.0100	1.0000	\$0.00	(\$0.01)
		\$129,155,637.73	30.00	23.03	0.5758	1.0000	\$74,366,254.35	\$3,228,890.94

Depreciation Reserve Summary

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Account: KEPCo 101/6 366 - KY
 Scenario: KEPCO DISTRIBUTION 2008 NEW
 Version: 50 - R0.5

Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2009

	Plant Amt	Depreciation Reserve		Net Plant	
		Amount	Ratio	Amount	Ratio
Recorded	\$4,302,754.53	\$504,000.00	0.1171	\$3,798,754.53	0.8829
Computed	\$4,302,754.53	\$590,402.02	0.1372	\$3,712,352.51	0.8628
Difference		(\$86,402.02)	-0.0201	\$86,402.02	0.0201

Generation Arrangement Report

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Account: KEPCo 101/6 366 - KY

Version: 50.00 - R0.5

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2008	0.50	\$332,819.50	50.00	49.69	0.9938	1.0000	\$330,751.16	\$6,656.39
2007	1.50	\$312,381.50	50.00	49.07	0.9814	1.0000	\$306,567.59	\$6,247.63
2006	2.50	\$509,176.50	50.00	48.45	0.9690	1.0000	\$493,399.15	\$10,183.53
2005	3.50	\$199,943.50	50.00	47.83	0.9567	1.0000	\$191,284.23	\$3,998.87
2004	4.50	\$173,356.50	50.00	47.22	0.9444	1.0000	\$163,716.26	\$3,467.13
2003	5.50	\$118,994.50	50.00	46.61	0.9321	1.0000	\$110,917.28	\$2,379.89
2002	6.50	\$134,439.50	50.00	45.99	0.9199	1.0000	\$123,669.81	\$2,688.79
2001	7.50	\$123,659.50	50.00	45.38	0.9077	1.0000	\$112,244.88	\$2,473.19
2000	8.50	\$182,080.50	50.00	44.78	0.8955	1.0000	\$163,059.28	\$3,641.61
1999	9.50	\$137,692.50	50.00	44.17	0.8834	1.0000	\$121,636.84	\$2,753.85
1998	10.50	\$60,158.50	50.00	43.56	0.8713	1.0000	\$52,415.17	\$1,203.17
1997	11.50	\$291,323.50	50.00	42.96	0.8592	1.0000	\$250,308.75	\$5,826.47
1996	12.50	\$131,833.50	50.00	42.36	0.8472	1.0000	\$111,683.91	\$2,636.67
1995	13.50	\$133,289.50	50.00	41.76	0.8351	1.0000	\$111,314.44	\$2,665.79
1994	14.50	\$118,922.50	50.00	41.16	0.8231	1.0000	\$97,889.15	\$2,378.45
1993	15.50	\$270,669.50	50.00	40.56	0.8112	1.0000	\$219,556.75	\$5,413.39
1992	16.50	\$131,413.50	50.00	39.96	0.7992	1.0000	\$105,027.73	\$2,628.27
1991	17.50	\$51,674.59	50.00	39.36	0.7873	1.0000	\$40,683.15	\$1,033.49
1990	18.50	\$203,684.51	50.00	38.77	0.7754	1.0000	\$157,936.92	\$4,073.69
1989	19.50	\$47,694.17	50.00	38.18	0.7635	1.0000	\$36,416.32	\$953.88
1988	20.50	\$24,133.84	50.00	37.59	0.7517	1.0000	\$18,141.43	\$482.68
1987	21.50	\$9,203.37	50.00	37.00	0.7399	1.0000	\$6,809.71	\$184.07
1986	22.50	\$33,613.44	50.00	36.41	0.7282	1.0000	\$24,476.00	\$672.27
1985	23.50	\$70,256.51	50.00	35.82	0.7164	1.0000	\$50,335.21	\$1,405.13
1984	24.50	\$4,236.37	50.00	35.24	0.7048	1.0000	\$2,985.74	\$84.73
1983	25.50	\$36,207.20	50.00	34.66	0.6932	1.0000	\$25,097.61	\$724.14
1982	26.50	\$43,688.68	50.00	34.08	0.6816	1.0000	\$29,778.78	\$873.77
1981	27.50	\$70,212.75	50.00	33.51	0.6701	1.0000	\$47,050.27	\$1,404.26
1980	28.50	\$40,343.58	50.00	32.93	0.6587	1.0000	\$26,572.94	\$806.87
1979	29.50	\$7,082.14	50.00	32.36	0.6473	1.0000	\$4,584.13	\$141.64
1978	30.50	\$23,996.61	50.00	31.80	0.6360	1.0000	\$15,260.98	\$479.93
1977	31.50	\$31,336.24	50.00	31.24	0.6247	1.0000	\$19,576.52	\$626.72
1976	32.50	\$42,429.68	50.00	30.68	0.6136	1.0000	\$26,032.94	\$848.59

Generation Arrangement Report

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Account: KEPCo 101/6 366 - KY

Version: 50.00 - R0.5

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1975	33.50	\$25,596.90	50.00	30.12	0.6025	1.0000	\$15,420.99	\$511.94
1974	34.50	\$43,167.39	50.00	29.57	0.5914	1.0000	\$25,530.74	\$863.35
1973	35.50	\$47,793.41	50.00	29.02	0.5805	1.0000	\$27,743.94	\$955.87
1972	36.50	\$21,698.35	50.00	28.48	0.5696	1.0000	\$12,360.08	\$433.97
1971	37.50	\$28,424.14	50.00	27.94	0.5589	1.0000	\$15,885.11	\$568.48
1970	38.50	\$23,036.43	50.00	27.41	0.5482	1.0000	\$12,627.95	\$460.73
1969	39.50	\$2,324.70	50.00	26.88	0.5376	1.0000	\$1,249.70	\$46.49
1968	40.50	\$597.47	50.00	26.35	0.5271	1.0000	\$314.90	\$11.95
1967	41.50	\$4,686.19	50.00	25.83	0.5166	1.0000	\$2,421.07	\$93.72
1966	42.50	\$2,912.71	50.00	25.32	0.5063	1.0000	\$1,474.73	\$58.25
1947	61.50	\$23.97	50.00	16.36	0.3273	1.0000	\$7.84	\$0.48
1942	66.50	\$51.31	50.00	14.25	0.2851	1.0000	\$14.63	\$1.03
1940	68.50	\$25.42	50.00	13.43	0.2687	1.0000	\$6.83	\$0.51
1939	69.50	\$97.89	50.00	13.03	0.2605	1.0000	\$25.50	\$1.96
1936	72.50	\$370.07	50.00	11.82	0.2364	1.0000	\$87.47	\$7.40
		\$4,302,754.53	50.00	43.14	0.8628	1.0000	\$3,712,352.51	\$86,055.09

Depreciation Reserve Summary

Page 280 of 350

Account: KEPCo 101/6 367 - KY
 Scenario: KEPCO DISTRIBUTION 2008 NEW
 Version: 50 - S-.5

Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2009

	Plant Amt	Depreciation Reserve		Net Plant	
		Amount	Ratio	Amount	Ratio
Recorded	\$7,652,121.53	\$898,240.40	0.1174	\$6,753,881.13	0.8826
Computed	\$7,652,121.53	\$1,052,228.06	0.1375	\$6,599,893.47	0.8625
Difference		(\$153,987.66)	-0.0201	\$153,987.66	0.0201

Generation Arrangement Report

Page 281 of 350

Account: KEPCo 101/6 367 - KY

Version: 50.00 - S-.5

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2008	0.50	\$576,157.36	50.00	49.63	0.9926	1.0000	\$571,895.95	\$11,523.15
2007	1.50	\$963,461.43	50.00	48.91	0.9782	1.0000	\$942,421.21	\$19,269.23
2006	2.50	\$772,219.97	50.00	48.20	0.9641	1.0000	\$744,485.11	\$15,444.40
2005	3.50	\$101,668.54	50.00	47.52	0.9503	1.0000	\$96,616.56	\$2,033.37
2004	4.50	\$788,048.30	50.00	46.84	0.9368	1.0000	\$738,240.67	\$15,760.97
2003	5.50	\$237,053.79	50.00	46.18	0.9235	1.0000	\$218,922.63	\$4,741.08
2002	6.50	\$144,120.80	50.00	45.52	0.9105	1.0000	\$131,215.34	\$2,882.42
2001	7.50	\$278,536.52	50.00	44.88	0.8976	1.0000	\$250,012.81	\$5,570.73
2000	8.50	\$244,297.40	50.00	44.25	0.8849	1.0000	\$216,185.21	\$4,885.95
1999	9.50	\$352,262.20	50.00	43.62	0.8724	1.0000	\$307,321.11	\$7,045.24
1998	10.50	\$136,018.40	50.00	43.00	0.8601	1.0000	\$116,986.68	\$2,720.37
1997	11.50	\$311,603.14	50.00	42.40	0.8479	1.0000	\$264,208.81	\$6,232.06
1996	12.50	\$173,317.73	50.00	41.79	0.8359	1.0000	\$144,870.90	\$3,466.35
1995	13.50	\$188,669.84	50.00	41.20	0.8240	1.0000	\$155,458.86	\$3,773.40
1994	14.50	\$158,181.27	50.00	40.61	0.8122	1.0000	\$128,475.70	\$3,163.63
1993	15.50	\$251,310.07	50.00	40.03	0.8006	1.0000	\$201,190.58	\$5,026.20
1992	16.50	\$135,449.86	50.00	39.45	0.7890	1.0000	\$106,876.67	\$2,709.00
1991	17.50	\$121,820.67	50.00	38.88	0.7776	1.0000	\$94,733.27	\$2,436.41
1990	18.50	\$312,895.12	50.00	38.32	0.7663	1.0000	\$239,785.88	\$6,257.90
1989	19.50	\$98,828.16	50.00	37.76	0.7552	1.0000	\$74,631.23	\$1,976.56
1988	20.50	\$65,076.14	50.00	37.20	0.7441	1.0000	\$48,421.00	\$1,301.52
1987	21.50	\$89,560.82	50.00	36.65	0.7331	1.0000	\$65,655.34	\$1,791.22
1986	22.50	\$64,647.82	50.00	36.11	0.7222	1.0000	\$46,687.27	\$1,292.96
1985	23.50	\$96,154.90	50.00	35.57	0.7114	1.0000	\$68,401.68	\$1,923.10
1984	24.50	\$17,052.19	50.00	35.03	0.7006	1.0000	\$11,947.57	\$341.04
1983	25.50	\$78,839.64	50.00	34.50	0.6900	1.0000	\$54,400.35	\$1,576.79
1982	26.50	\$202,595.28	50.00	33.97	0.6795	1.0000	\$137,653.39	\$4,051.91
1981	27.50	\$85,403.61	50.00	33.45	0.6690	1.0000	\$57,132.44	\$1,708.07
1980	28.50	\$64,662.27	50.00	32.93	0.6586	1.0000	\$42,584.30	\$1,293.25
1979	29.50	\$33,493.19	50.00	32.41	0.6482	1.0000	\$21,711.22	\$669.86
1978	30.50	\$60,488.02	50.00	31.90	0.6380	1.0000	\$38,589.00	\$1,209.76
1977	31.50	\$37,823.50	50.00	31.39	0.6278	1.0000	\$23,744.31	\$756.47
1976	32.50	\$47,337.17	50.00	30.88	0.6176	1.0000	\$29,236.71	\$946.74

Account: KEPCo 101/6 367 - KY

Version: 50.00 - S-5

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1975	33.50	\$16,527.54	50.00	30.38	0.6076	1.0000	\$10,041.53	\$330.55
1974	34.50	\$51,811.79	50.00	29.88	0.5976	1.0000	\$30,960.21	\$1,036.24
1973	35.50	\$92,372.24	50.00	29.38	0.5876	1.0000	\$54,277.21	\$1,847.44
1972	36.50	\$72,106.16	50.00	28.88	0.5777	1.0000	\$41,655.50	\$1,442.12
1971	37.50	\$55,858.89	50.00	28.39	0.5679	1.0000	\$31,719.96	\$1,117.18
1970	38.50	\$48,559.20	50.00	27.90	0.5581	1.0000	\$27,099.49	\$971.18
1969	39.50	\$7,336.22	50.00	27.42	0.5483	1.0000	\$4,022.71	\$146.72
1968	40.50	\$3,042.39	50.00	26.93	0.5386	1.0000	\$1,638.77	\$60.85
1967	41.50	\$9,157.48	50.00	26.45	0.5290	1.0000	\$4,844.36	\$183.15
1966	42.50	\$2,790.87	50.00	25.97	0.5194	1.0000	\$1,449.62	\$55.82
1965	43.50	\$1,211.59	50.00	25.49	0.5099	1.0000	\$617.75	\$24.23
1963	45.50	\$905.19	50.00	24.55	0.4909	1.0000	\$444.36	\$18.10
1957	51.50	\$228.34	50.00	21.75	0.4349	1.0000	\$99.32	\$4.57
1947	61.50	\$197.28	50.00	17.21	0.3442	1.0000	\$67.90	\$3.95
1942	66.50	\$93.76	50.00	14.98	0.2997	1.0000	\$28.10	\$1.88
1940	68.50	\$56.35	50.00	14.10	0.2820	1.0000	\$15.89	\$1.13
1939	69.50	\$410.72	50.00	13.66	0.2732	1.0000	\$112.21	\$8.21
1936	72.50	\$400.40	50.00	12.34	0.2468	1.0000	\$98.82	\$8.01
		\$7,652,121.53	50.00	43.12	0.8625	1.0000	\$6,599,893.47	\$153,042.43

Depreciation Reserve Summary

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Account: KEPCo 101/6 368 - KY
 Scenario: KEPCO DISTRIBUTION 2008 NEW
 Version: 30 - R0.5

Average Net Salvage Rate: 25.00%
 Future Net Salvage Rate: 25.00%

Broad Group Procedure

January 1, 2009

	Plant Amt	Depreciation Reserve		Net Plant	
		Amount	Ratio	Amount	Ratio
Recorded	\$98,415,054.43	\$17,662,832.57	0.1795	\$56,148,458.25	0.5705
Computed	\$98,415,054.43	\$20,690,817.38	0.2102	\$53,120,473.44	0.5398
Difference		(\$3,027,984.81)	-0.0308	\$3,027,984.81	0.0308

Account: KEPCo 101/6 368 - KY

Version: 30.00 - R0.5

Average Net Salvage Rate: 25.00%

Future Net Salvage Rate: 25.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2008	0.50	\$7,450,618.50	30.00	29.69	0.7422	1.0000	\$5,530,094.25	\$186,265.46
2007	1.50	\$7,254,032.50	30.00	29.07	0.7268	1.0000	\$5,271,945.26	\$181,350.81
2006	2.50	\$4,610,530.84	30.00	28.45	0.7114	1.0000	\$3,279,766.84	\$115,263.27
2005	3.50	\$2,427,727.71	30.00	27.84	0.6960	1.0000	\$1,689,765.15	\$60,693.19
2004	4.50	\$2,508,317.48	30.00	27.23	0.6808	1.0000	\$1,707,588.98	\$62,707.94
2003	5.50	\$1,277,326.30	30.00	26.62	0.6656	1.0000	\$850,160.15	\$31,933.16
2002	6.50	\$3,510,019.56	30.00	26.02	0.6504	1.0000	\$2,283,058.23	\$87,750.49
2001	7.50	\$2,203,297.46	30.00	25.41	0.6354	1.0000	\$1,399,910.49	\$55,082.44
2000	8.50	\$3,095,724.60	30.00	24.81	0.6204	1.0000	\$1,920,434.83	\$77,393.11
1999	9.50	\$3,969,541.13	30.00	24.22	0.6054	1.0000	\$2,403,084.83	\$99,238.53
1998	10.50	\$3,049,131.24	30.00	23.62	0.5905	1.0000	\$1,800,432.48	\$76,228.28
1997	11.50	\$4,110,249.12	30.00	23.02	0.5756	1.0000	\$2,365,945.02	\$102,756.23
1996	12.50	\$2,778,395.23	30.00	22.43	0.5608	1.0000	\$1,558,185.99	\$69,459.88
1995	13.50	\$3,482,517.21	30.00	21.84	0.5461	1.0000	\$1,901,888.75	\$87,062.93
1994	14.50	\$4,458,288.16	30.00	21.26	0.5315	1.0000	\$2,369,621.28	\$111,457.20
1993	15.50	\$3,404,200.20	30.00	20.68	0.5170	1.0000	\$1,759,908.87	\$85,105.01
1992	16.50	\$2,507,427.51	30.00	20.10	0.5026	1.0000	\$1,260,203.70	\$62,685.69
1991	17.50	\$2,933,382.55	30.00	19.53	0.4883	1.0000	\$1,432,400.01	\$73,334.56
1990	18.50	\$2,916,488.91	30.00	18.97	0.4742	1.0000	\$1,382,897.09	\$72,912.22
1989	19.50	\$2,756,932.53	30.00	18.41	0.4602	1.0000	\$1,268,670.91	\$68,923.31
1988	20.50	\$1,650,611.63	30.00	17.85	0.4463	1.0000	\$736,730.26	\$41,265.29
1987	21.50	\$2,192,627.67	30.00	17.31	0.4327	1.0000	\$948,646.62	\$54,815.69
1986	22.50	\$2,469,175.06	30.00	16.77	0.4192	1.0000	\$1,034,971.71	\$61,729.38
1985	23.50	\$1,911,956.23	30.00	16.23	0.4058	1.0000	\$775,942.42	\$47,798.91
1984	24.50	\$2,079,109.79	30.00	15.71	0.3927	1.0000	\$816,439.47	\$51,977.74
1983	25.50	\$1,563,748.17	30.00	15.19	0.3797	1.0000	\$593,829.47	\$39,093.70
1982	26.50	\$1,319,593.78	30.00	14.68	0.3670	1.0000	\$484,273.27	\$32,989.84
1981	27.50	\$1,727,030.12	30.00	14.18	0.3544	1.0000	\$612,078.55	\$43,175.75
1980	28.50	\$2,026,221.05	30.00	13.68	0.3420	1.0000	\$693,048.97	\$50,655.53
1979	29.50	\$1,529,489.65	30.00	13.19	0.3299	1.0000	\$504,526.83	\$38,237.24
1978	30.50	\$1,984,197.33	30.00	12.72	0.3179	1.0000	\$630,728.24	\$49,604.93
1977	31.50	\$1,748,736.42	30.00	12.24	0.3061	1.0000	\$535,254.23	\$43,718.41
1976	32.50	\$808,490.71	30.00	11.78	0.2945	1.0000	\$238,076.94	\$20,212.27

Account: KEPCo 101/6 368 - KY

Version: 30.00 - R0.5

Average Net Salvage Rate: 25.00%

Future Net Salvage Rate: 25.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1975	33.50	\$725,580.37	30.00	11.32	0.2830	1.0000	\$205,371.55	\$18,139.51
1974	34.50	\$631,874.00	30.00	10.87	0.2718	1.0000	\$171,742.78	\$15,796.85
1973	35.50	\$570,838.98	30.00	10.43	0.2607	1.0000	\$148,834.43	\$14,270.97
1972	36.50	\$419,577.46	30.00	9.99	0.2498	1.0000	\$104,821.57	\$10,489.44
1971	37.50	\$409,792.00	30.00	9.56	0.2391	1.0000	\$97,969.48	\$10,244.80
1970	38.50	\$325,965.50	30.00	9.14	0.2285	1.0000	\$74,475.40	\$8,149.14
1969	39.50	\$202,860.35	30.00	8.72	0.2180	1.0000	\$44,227.08	\$5,071.51
1968	40.50	\$297,152.00	30.00	8.31	0.2077	1.0000	\$61,715.41	\$7,428.80
1967	41.50	\$228,659.98	30.00	7.90	0.1975	1.0000	\$45,153.28	\$5,716.50
1966	42.50	\$179,634.16	30.00	7.49	0.1874	1.0000	\$33,658.51	\$4,490.85
1965	43.50	\$112,213.01	30.00	7.09	0.1773	1.0000	\$19,900.01	\$2,805.33
1964	44.50	\$81,633.10	30.00	6.70	0.1674	1.0000	\$13,663.42	\$2,040.83
1963	45.50	\$62,860.75	30.00	6.30	0.1575	1.0000	\$9,899.59	\$1,571.52
1962	46.50	\$52,065.94	30.00	5.90	0.1476	1.0000	\$7,684.16	\$1,301.65
1961	47.50	\$62,247.50	30.00	5.51	0.1377	1.0000	\$8,570.88	\$1,556.19
1960	48.50	\$54,234.76	30.00	5.11	0.1278	1.0000	\$6,930.29	\$1,355.87
1959	49.50	\$58,960.27	30.00	4.71	0.1178	1.0000	\$6,944.89	\$1,474.01
1958	50.50	\$54,973.04	30.00	4.31	0.1077	1.0000	\$5,920.04	\$1,374.33
1957	51.50	\$27,425.68	30.00	3.90	0.0975	1.0000	\$2,673.50	\$685.64
1956	52.50	\$57,168.75	30.00	3.48	0.0870	1.0000	\$4,976.29	\$1,429.22
1955	53.50	\$30,271.32	30.00	3.06	0.0764	1.0000	\$2,312.21	\$756.78
1954	54.50	\$15,035.19	30.00	2.62	0.0655	1.0000	\$984.63	\$375.88
1953	55.50	\$13,246.72	30.00	2.17	0.0543	1.0000	\$718.79	\$331.17
1952	56.50	\$7,547.55	30.00	1.71	0.0428	1.0000	\$322.90	\$188.69
1951	57.50	\$11,761.92	30.00	1.25	0.0312	1.0000	\$367.28	\$294.05
1950	58.50	\$6,338.28	30.00	0.79	0.0197	1.0000	\$125.02	\$158.46
1949	59.50	(\$0.50)	30.00	0.40	0.0100	1.0000	\$0.00	(\$0.01)
		\$98,415,054.43	30.00	21.59	0.5398	1.0000	\$53,120,473.44	\$2,460,376.36

Depreciation Reserve Summary

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Account: KEPCo 101/6 369 - KY
 Scenario: KEPCO DISTRIBUTION 2008 NEW
 Version: 25 - L0

Average Net Salvage Rate: -15.00%
 Future Net Salvage Rate: -15.00%

Broad Group Procedure

January 1, 2009

	Plant Amt	Depreciation Reserve		Net Plant	
		Amount	Ratio	Amount	Ratio
Recorded	\$38,162,243.26	\$7,829,242.37	0.2052	\$36,057,337.38	0.9448
Computed	\$38,162,243.26	\$9,171,429.52	0.2403	\$34,715,150.23	0.9097
Difference		(\$1,342,187.15)	-0.0352	\$1,342,187.15	0.0352

Generation Arrangement Report

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Account: KEPCo 101/6 369 - KY

Version: 25.00 - LO

Average Net Salvage Rate: -15.00%

Future Net Salvage Rate: -15.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2008	0.50	\$2,815,091.50	25.00	24.58	1.1306	1.0000	\$3,182,767.97	\$129,494.21
2007	1.50	\$2,552,906.50	25.00	23.85	1.0971	1.0000	\$2,800,688.20	\$117,433.70
2006	2.50	\$2,696,436.50	25.00	23.20	1.0673	1.0000	\$2,877,985.23	\$124,036.08
2005	3.50	\$2,369,258.87	25.00	22.61	1.0402	1.0000	\$2,464,436.43	\$108,985.91
2004	4.50	\$1,992,575.74	25.00	22.06	1.0150	1.0000	\$2,022,421.61	\$91,658.48
2003	5.50	\$2,565,195.95	25.00	21.55	0.9914	1.0000	\$2,543,020.91	\$117,999.01
2002	6.50	\$1,783,173.59	25.00	21.07	0.9690	1.0000	\$1,727,959.30	\$82,025.99
2001	7.50	\$1,759,260.78	25.00	20.61	0.9478	1.0000	\$1,667,504.12	\$80,926.00
2000	8.50	\$2,375,528.82	25.00	20.17	0.9276	1.0000	\$2,203,518.57	\$109,274.33
1999	9.50	\$2,160,083.28	25.00	19.74	0.9082	1.0000	\$1,961,732.84	\$99,363.83
1998	10.50	\$664,737.97	25.00	19.34	0.8894	1.0000	\$591,247.59	\$30,577.95
1997	11.50	\$2,134,024.70	25.00	18.94	0.8713	1.0000	\$1,859,397.29	\$98,165.14
1996	12.50	\$639,388.86	25.00	18.56	0.8536	1.0000	\$545,800.24	\$29,411.89
1995	13.50	\$838,668.32	25.00	18.18	0.8363	1.0000	\$701,399.41	\$38,578.74
1994	14.50	\$988,801.38	25.00	17.81	0.8194	1.0000	\$810,205.81	\$45,484.86
1993	15.50	\$1,169,310.03	25.00	17.45	0.8028	1.0000	\$938,694.83	\$53,788.26
1992	16.50	\$792,671.10	25.00	17.10	0.7865	1.0000	\$623,445.23	\$36,462.87
1991	17.50	\$807,635.15	25.00	16.75	0.7706	1.0000	\$622,335.12	\$37,151.22
1990	18.50	\$593,763.61	25.00	16.41	0.7549	1.0000	\$448,261.06	\$27,313.13
1989	19.50	\$712,408.59	25.00	16.08	0.7396	1.0000	\$526,925.84	\$32,770.80
1988	20.50	\$513,065.46	25.00	15.75	0.7246	1.0000	\$371,779.77	\$23,601.01
1987	21.50	\$514,827.20	25.00	15.43	0.7099	1.0000	\$365,482.85	\$23,682.05
1986	22.50	\$387,672.00	25.00	15.12	0.6955	1.0000	\$269,622.81	\$17,832.91
1985	23.50	\$359,490.06	25.00	14.81	0.6813	1.0000	\$244,935.37	\$16,536.54
1984	24.50	\$388,477.47	25.00	14.51	0.6675	1.0000	\$259,296.33	\$17,869.96
1983	25.50	\$444,198.84	25.00	14.21	0.6539	1.0000	\$290,446.22	\$20,433.15
1982	26.50	\$311,944.04	25.00	13.92	0.6405	1.0000	\$199,807.12	\$14,349.43
1981	27.50	\$359,215.25	25.00	13.64	0.6274	1.0000	\$225,380.70	\$16,523.90
1980	28.50	\$338,925.99	25.00	13.36	0.6146	1.0000	\$208,294.62	\$15,590.60
1979	29.50	\$264,050.48	25.00	13.09	0.6020	1.0000	\$158,948.07	\$12,146.32
1978	30.50	\$291,145.81	25.00	12.82	0.5896	1.0000	\$171,654.87	\$13,392.71
1977	31.50	\$239,426.52	25.00	12.55	0.5774	1.0000	\$138,252.36	\$11,013.62
1976	32.50	\$186,149.86	25.00	12.29	0.5655	1.0000	\$105,265.52	\$8,562.89

Generation Arrangement Report

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Account: KEPCo 101/6 369 - KY
 Version: 25.00 - L0

Average Net Salvage Rate: -15.00%

Future Net Salvage Rate: -15.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1975	33.50	\$153,780.09	25.00	12.04	0.5538	1.0000	\$85,159.36	\$7,073.88
1974	34.50	\$133,145.41	25.00	11.79	0.5423	1.0000	\$72,200.36	\$6,124.69
1973	35.50	\$169,001.86	25.00	11.54	0.5309	1.0000	\$89,729.49	\$7,774.09
1972	36.50	\$165,063.63	25.00	11.30	0.5198	1.0000	\$85,806.43	\$7,592.93
1971	37.50	\$114,971.88	25.00	11.06	0.5089	1.0000	\$58,510.28	\$5,288.71
1970	38.50	\$89,073.79	25.00	10.83	0.4982	1.0000	\$44,374.20	\$4,097.39
1969	39.50	\$73,189.03	25.00	10.60	0.4876	1.0000	\$35,689.08	\$3,366.70
1968	40.50	\$59,708.72	25.00	10.37	0.4772	1.0000	\$28,495.45	\$2,746.60
1967	41.50	\$50,405.15	25.00	10.15	0.4671	1.0000	\$23,541.75	\$2,318.64
1966	42.50	\$36,124.49	25.00	9.94	0.4570	1.0000	\$16,509.31	\$1,661.73
1965	43.50	\$26,810.45	25.00	9.72	0.4471	1.0000	\$11,987.62	\$1,233.28
1964	44.50	\$21,374.50	25.00	9.51	0.4374	1.0000	\$9,349.74	\$983.23
1963	45.50	\$15,337.03	25.00	9.30	0.4278	1.0000	\$6,561.77	\$705.50
1962	46.50	\$14,414.05	25.00	9.10	0.4184	1.0000	\$6,031.15	\$663.05
1961	47.50	\$17,052.67	25.00	8.89	0.4092	1.0000	\$6,977.36	\$784.42
1960	48.50	\$13,280.79	25.00	8.70	0.4000	1.0000	\$5,312.84	\$610.92
1959	49.50	(\$0.50)	25.00	8.50	0.3911	1.0000	(\$0.20)	(\$0.02)
		\$38,162,243.26	25.00	19.78	0.9097	1.0000	\$34,715,150.23	\$1,755,463.19

Depreciation Reserve Summary

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Account: KEPCo 101/6 370 - KY
 Scenario: KEPCO DISTRIBUTION 2008 NEW
 Version: 17 - S6

Average Net Salvage Rate: -8.00%
 Future Net Salvage Rate: -8.00%

Broad Group Procedure

January 1, 2009

	Plant Amt	Depreciation Reserve		Net Plant	
		Amount	Ratio	Amount	Ratio
Recorded	\$22,962,066.14	\$6,591,671.18	0.2871	\$18,207,360.25	0.7929
Computed	\$22,962,066.14	\$7,721,698.32	0.3363	\$17,077,333.11	0.7437
Difference		(\$1,130,027.14)	-0.0492	\$1,130,027.14	0.0492

Generation Arrangement Report

Page 290 of 350

Account: KEPCo 101/6 370 - KY

Version: 17.00 - S6

Average Net Salvage Rate: -8.00%

Future Net Salvage Rate: -8.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2008	0.50	\$1,867,577.83	17.00	16.50	1.0482	1.0000	\$1,957,661.00	\$118,646.12
2007	1.50	\$1,483,499.70	17.00	15.50	0.9847	1.0000	\$1,460,810.88	\$94,245.86
2006	2.50	\$8,964,812.56	17.00	14.50	0.9212	1.0000	\$8,258,174.40	\$569,529.27
2005	3.50	\$2,636,906.08	17.00	13.50	0.8576	1.0000	\$2,261,534.74	\$167,521.09
2004	4.50	\$634,480.58	17.00	12.50	0.7941	1.0000	\$503,852.23	\$40,308.18
2003	5.50	\$388,920.90	17.00	11.50	0.7306	1.0000	\$284,141.03	\$24,707.92
2002	6.50	\$308,251.53	17.00	10.50	0.6671	1.0000	\$205,621.90	\$19,583.04
2001	7.50	\$408,985.60	17.00	9.50	0.6035	1.0000	\$246,834.84	\$25,982.61
2000	8.50	\$954,779.05	17.00	8.50	0.5400	1.0000	\$515,580.69	\$60,656.55
1999	9.50	\$618,158.77	17.00	7.50	0.4765	1.0000	\$294,534.47	\$39,271.26
1998	10.50	\$834,754.02	17.00	6.50	0.4129	1.0000	\$344,704.31	\$53,031.43
1997	11.50	\$696,911.27	17.00	5.50	0.3494	1.0000	\$243,508.06	\$44,274.36
1996	12.50	\$421,858.08	17.00	4.50	0.2859	1.0000	\$120,617.69	\$26,800.40
1995	13.50	\$534,442.64	17.00	3.51	0.2231	1.0000	\$119,229.46	\$33,952.83
1994	14.50	\$868,415.56	17.00	2.58	0.1640	1.0000	\$142,413.85	\$55,169.93
1993	15.50	\$569,500.27	17.00	1.81	0.1150	1.0000	\$65,514.92	\$36,180.02
1992	16.50	\$409,969.78	17.00	1.27	0.0806	1.0000	\$33,025.06	\$26,045.14
1991	17.50	\$240,783.05	17.00	0.93	0.0590	1.0000	\$14,211.49	\$15,296.81
1990	18.50	\$98,497.80	17.00	0.73	0.0464	1.0000	\$4,566.51	\$6,257.51
1989	19.50	\$18,174.32	17.00	0.62	0.0392	1.0000	\$711.62	\$1,154.60
1988	20.50	\$2,279.49	17.00	0.56	0.0354	1.0000	\$80.74	\$144.81
1987	21.50	\$107.76	17.00	0.47	0.0300	1.0000	\$3.23	\$6.85
1986	22.50	(\$0.50)	17.00	0.00	0.0000	0.0000	\$0.00	\$0.00
		\$22,962,066.14	17.00	11.71	0.7437	1.0000	\$17,077,333.11	\$1,458,766.59

Depreciation Reserve Summary

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Account: KEPCo 101/6 371 - KY
 Scenario: KEPCO DISTRIBUTION 2008 NEW
 Version: 14 - R0.5

Average Net Salvage Rate: -15.00%
 Future Net Salvage Rate: -15.00%

Broad Group Procedure

January 1, 2009

	Plant Amt	Depreciation Reserve		Net Plant	
		Amount	Ratio	Amount	Ratio
Recorded	\$18,001,253.13	\$5,252,970.70	0.2918	\$15,448,470.40	0.8582
Computed	\$18,001,253.13	\$6,153,500.98	0.3418	\$14,547,940.12	0.8082
Difference		(\$900,530.28)	-0.0500	\$900,530.28	0.0500

Account: KEPCo 101/6 371 - KY

Version: 14.00 - R0.5

Average Net Salvage Rate: -15.00%

Future Net Salvage Rate: -15.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2008	0.50	\$1,467,151.75	14.00	13.69	1.1245	1.0000	\$1,649,840.53	\$120,516.04
2007	1.50	\$1,415,262.77	14.00	13.07	1.0740	1.0000	\$1,519,927.27	\$116,253.73
2006	2.50	\$1,484,196.01	14.00	12.46	1.0239	1.0000	\$1,519,638.91	\$121,916.10
2005	3.50	\$1,610,970.21	14.00	11.86	0.9743	1.0000	\$1,569,491.27	\$132,329.70
2004	4.50	\$1,375,055.71	14.00	11.26	0.9250	1.0000	\$1,271,939.96	\$112,951.00
2003	5.50	\$1,997,490.31	14.00	10.67	0.8762	1.0000	\$1,750,120.33	\$164,079.56
2002	6.50	\$1,251,659.97	14.00	10.08	0.8278	1.0000	\$1,036,140.09	\$102,814.93
2001	7.50	\$670,306.85	14.00	9.50	0.7801	1.0000	\$522,921.29	\$55,060.92
2000	8.50	\$991,714.53	14.00	8.93	0.7333	1.0000	\$727,209.86	\$81,462.26
1999	9.50	\$1,233,750.01	14.00	8.37	0.6875	1.0000	\$848,180.73	\$101,343.75
1998	10.50	\$402,097.32	14.00	7.83	0.6428	1.0000	\$258,474.60	\$33,029.42
1997	11.50	\$995,668.14	14.00	7.30	0.5994	1.0000	\$596,814.79	\$81,787.03
1996	12.50	\$291,454.56	14.00	6.79	0.5573	1.0000	\$162,439.71	\$23,940.91
1995	13.50	\$303,594.53	14.00	6.29	0.5166	1.0000	\$156,844.30	\$24,938.12
1994	14.50	\$529,311.80	14.00	5.81	0.4773	1.0000	\$252,621.95	\$43,479.18
1993	15.50	\$624,631.65	14.00	5.35	0.4393	1.0000	\$274,372.28	\$51,309.03
1992	16.50	\$342,697.53	14.00	4.90	0.4025	1.0000	\$137,939.65	\$28,150.15
1991	17.50	\$272,414.91	14.00	4.47	0.3669	1.0000	\$99,960.44	\$22,376.94
1990	18.50	\$180,377.27	14.00	4.05	0.3324	1.0000	\$59,963.43	\$14,816.70
1989	19.50	\$181,301.38	14.00	3.64	0.2988	1.0000	\$54,176.24	\$14,892.61
1988	20.50	\$104,899.22	14.00	3.24	0.2659	1.0000	\$27,892.64	\$8,616.72
1987	21.50	\$88,529.97	14.00	2.84	0.2334	1.0000	\$20,665.26	\$7,272.10
1986	22.50	\$73,667.01	14.00	2.45	0.2010	1.0000	\$14,805.74	\$6,051.22
1985	23.50	\$48,464.37	14.00	2.05	0.1681	1.0000	\$8,149.02	\$3,981.00
1984	24.50	\$37,105.68	14.00	1.64	0.1343	1.0000	\$4,984.78	\$3,047.97
1983	25.50	\$19,546.48	14.00	1.20	0.0990	1.0000	\$1,934.21	\$1,605.60
1982	26.50	\$7,933.69	14.00	0.75	0.0619	1.0000	\$490.84	\$651.70
1981	27.50	(\$0.50)	14.00	0.32	0.0261	1.0000	(\$0.01)	(\$0.04)
		\$18,001,253.13	14.00	9.84	0.8082	1.0000	\$14,547,940.12	\$1,478,674.36

Depreciation Reserve Summary

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Account: KEPCo 101/6 373 - KY
 Scenario: KEPCO DISTRIBUTION 2008 NEW
 Version: 24 - L0

Average Net Salvage Rate: -2.00%
 Future Net Salvage Rate: -2.00%

Broad Group Procedure

January 1, 2009

	Plant Amt	Depreciation Reserve		Net Plant	
		Amount	Ratio	Amount	Ratio
Recorded	\$2,939,603.17	\$700,716.60	0.2384	\$2,297,678.63	0.7816
Computed	\$2,939,603.17	\$820,842.24	0.2792	\$2,177,552.99	0.7408
Difference		(\$120,125.64)	-0.0409	\$120,125.64	0.0409

Generation Arrangement Report

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Account: KEPCo 101/6 373 - KY

Version: 24.00 - L0

Average Net Salvage Rate: -2.00%

Future Net Salvage Rate: -2.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2008	0.50	\$141,474.50	24.00	23.58	1.0021	1.0000	\$141,778.13	\$6,012.67
2007	1.50	\$173,112.50	24.00	22.85	0.9713	1.0000	\$168,150.23	\$7,357.28
2006	2.50	\$151,500.50	24.00	22.21	0.9441	1.0000	\$143,030.73	\$6,438.77
2005	3.50	\$155,045.50	24.00	21.63	0.9192	1.0000	\$142,518.46	\$6,589.43
2004	4.50	\$139,549.50	24.00	21.09	0.8962	1.0000	\$125,065.71	\$5,930.85
2003	5.50	\$114,834.50	24.00	20.58	0.8747	1.0000	\$100,440.66	\$4,880.47
2002	6.50	\$90,680.50	24.00	20.10	0.8543	1.0000	\$77,470.12	\$3,853.92
2001	7.50	\$105,554.50	24.00	19.65	0.8350	1.0000	\$88,138.46	\$4,486.07
2000	8.50	\$76,887.73	24.00	19.21	0.8166	1.0000	\$62,783.85	\$3,267.73
1999	9.50	\$84,715.22	24.00	18.80	0.7989	1.0000	\$67,676.54	\$3,600.40
1998	10.50	\$38,145.06	24.00	18.40	0.7818	1.0000	\$29,821.90	\$1,621.17
1997	11.50	\$36,567.39	24.00	18.01	0.7653	1.0000	\$27,983.63	\$1,554.11
1996	12.50	\$43,421.44	24.00	17.63	0.7491	1.0000	\$32,527.07	\$1,845.41
1995	13.50	\$54,669.17	24.00	17.25	0.7333	1.0000	\$40,088.98	\$2,323.44
1994	14.50	\$79,388.39	24.00	16.89	0.7178	1.0000	\$56,987.22	\$3,374.01
1993	15.50	\$141,697.78	24.00	16.53	0.7027	1.0000	\$99,567.95	\$6,022.16
1992	16.50	\$10,074.14	24.00	16.18	0.6879	1.0000	\$6,929.53	\$428.15
1991	17.50	\$44,545.61	24.00	15.84	0.6733	1.0000	\$29,994.09	\$1,893.19
1990	18.50	\$146,181.88	24.00	15.51	0.6591	1.0000	\$96,350.75	\$6,212.73
1989	19.50	\$227,626.68	24.00	15.18	0.6452	1.0000	\$146,862.98	\$9,674.13
1988	20.50	\$128,973.28	24.00	14.86	0.6316	1.0000	\$81,453.66	\$5,481.36
1987	21.50	\$121,744.77	24.00	14.55	0.6182	1.0000	\$75,263.59	\$5,174.15
1986	22.50	\$118,986.20	24.00	14.24	0.6051	1.0000	\$71,999.80	\$5,056.91
1985	23.50	\$65,526.86	24.00	13.94	0.5923	1.0000	\$38,810.17	\$2,784.89
1984	24.50	\$26,049.08	24.00	13.64	0.5797	1.0000	\$15,100.89	\$1,107.09
1983	25.50	\$45,456.85	24.00	13.35	0.5674	1.0000	\$25,791.59	\$1,931.92
1982	26.50	\$85,096.65	24.00	13.07	0.5553	1.0000	\$47,254.60	\$3,616.61
1981	27.50	\$62,364.59	24.00	12.79	0.5435	1.0000	\$33,894.16	\$2,650.50
1980	28.50	\$33,159.55	24.00	12.51	0.5319	1.0000	\$17,636.01	\$1,409.28
1979	29.50	\$8,626.93	24.00	12.25	0.5205	1.0000	\$4,489.95	\$366.64
1978	30.50	\$20,778.56	24.00	11.98	0.5093	1.0000	\$10,581.85	\$883.09
1977	31.50	\$6,696.29	24.00	11.72	0.4983	1.0000	\$3,336.77	\$284.59
1976	32.50	\$5,436.47	24.00	11.47	0.4875	1.0000	\$2,650.47	\$231.05

Account: KEPCo 101/6 373 - KY
 Version: 24.00 - L0

Average Net Salvage Rate: -2.00%
 Future Net Salvage Rate: -2.00%

Broad Group Procedure
 January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1975	33.50	\$12,535.22	24.00	11.22	0.4770	1.0000	\$5,979.16	\$532.75
1974	34.50	\$10,444.38	24.00	10.98	0.4666	1.0000	\$4,873.51	\$443.89
1973	35.50	\$20,798.47	24.00	10.74	0.4564	1.0000	\$9,492.95	\$883.93
1972	36.50	\$4,370.39	24.00	10.50	0.4464	1.0000	\$1,951.04	\$185.74
1971	37.50	\$6,660.52	24.00	10.27	0.4366	1.0000	\$2,907.85	\$283.07
1970	38.50	\$17,322.84	24.00	10.05	0.4269	1.0000	\$7,395.42	\$736.22
1969	39.50	\$10,680.46	24.00	9.82	0.4175	1.0000	\$4,458.91	\$453.92
1968	40.50	\$11,148.78	24.00	9.60	0.4081	1.0000	\$4,550.11	\$473.82
1967	41.50	\$24,501.11	24.00	9.39	0.3990	1.0000	\$9,774.96	\$1,041.30
1966	42.50	\$9,965.27	24.00	9.18	0.3899	1.0000	\$3,885.94	\$423.52
1965	43.50	\$10,323.46	24.00	8.97	0.3811	1.0000	\$3,933.84	\$438.75
1964	44.50	\$4,309.60	24.00	8.76	0.3723	1.0000	\$1,604.63	\$183.16
1963	45.50	\$6,987.70	24.00	8.56	0.3638	1.0000	\$2,542.22	\$296.98
1962	46.50	\$4,986.90	24.00	8.36	0.3554	1.0000	\$1,772.13	\$211.94
1961	47.50	(\$0.50)	24.00	8.17	0.3470	1.0000	(\$0.17)	(\$0.02)
		\$2,939,603.17	24.00	17.43	0.7408	1.0000	\$2,177,552.99	\$124,933.13

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF 12-31-08
GENERAL PLANT WORKPAPERS

LIFE ANALYSIS

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2008
General Plant

Account	<u>3892 RIGHTS OF WAY</u>	
Depreciable Balance	\$219,615	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	75	75
Iowa Curve	R4.0	R4.0
Gross Removal, %		0%
Gross Salvage, %		0%
Net Salvage %	0%	0%

There have been no retirements in this account. Therefore, no actuarial analysis was done.
The recommendation is to continue the current 75 year average service life following
an R4.0 type dispersion.

No removal or salvage is expected from the retirement of rights-of way.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2008
General Plant

Account 390 STRUCTURES & IMPROVEMENTS

Depreciable Balance \$19,910,322

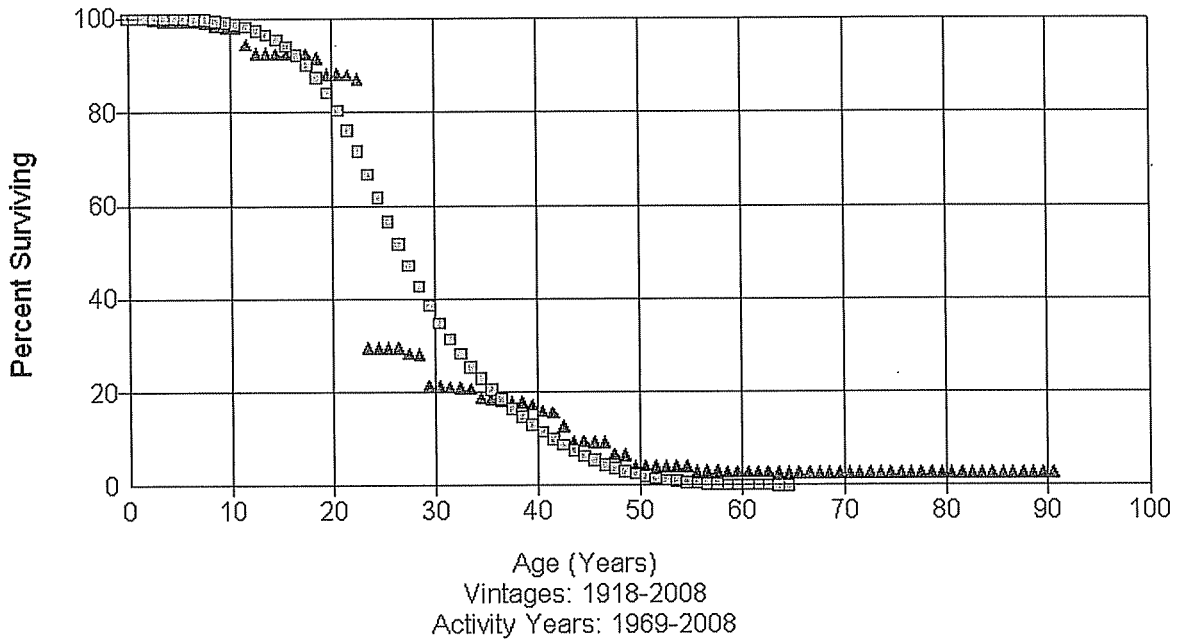
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	45	28
Iowa Curve	L3.0	L3.0
Gross Removal, %		0%
Gross Salvage, %		11%
Net Salvage %	0%	11%

The actuarial analyses show the average service life for this account has decreased. Based on the results of the 40 year band analysis, the recommendation is to move to a 28 year average service life following an L3.0 type dispersion.

Gross salvage could be expected from the sale of service center buildings

Account: KEPCo 101/6 390 - KY
Scenario: KEPCO ACCT 390 2008

▲ Actual Data ■ L3 27.94



Actuarial Life Analysis

Account: KEPCo 101/6 390 - KY

Scenario: KEPCO ACCT 390 2008

Placement Band: 1918 - 2008

Function: Survivorship Annual Rate Method

Weighting: Unweighted

T-Cut: None

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Observation	Censoring		Error Sum	Best Fit	
Band	Age	Percent	of Squares	Disp	ASL
1969 -2008	90.5	2.77	0.55789224	L3	27.94

Observed Life Table

Scenario: KEPCO ACCT 390 2008
 Account: KEPCo 101/6 390 - KY
 Placement Band: 1918 - 2008

Observation Band: 1969 - 2008

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Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
0	32,371,761.83	0.00	0.00000	1.00000	100.00
0.5	32,376,068.21	603.00	0.00002	0.99998	100.00
1.5	32,345,773.19	103,309.00	0.00319	0.99681	100.00
2.5	31,803,602.83	49,424.00	0.00155	0.99845	99.68
3.5	31,511,043.51	12,121.00	0.00038	0.99962	99.53
4.5	31,368,714.91	19,811.00	0.00063	0.99937	99.49
5.5	31,352,034.91	55,342.00	0.00177	0.99823	99.43
6.5	31,293,807.67	3,901.00	0.00012	0.99988	99.25
7.5	31,279,448.84	254,535.00	0.00814	0.99186	99.24
8.5	30,668,631.41	79,617.00	0.00260	0.99740	98.43
9.5	30,680,038.41	38,893.00	0.00127	0.99873	98.17
10.5	30,566,819.41	1,096,646.00	0.03588	0.96412	98.05
11.5	29,156,450.41	565,743.00	0.01940	0.98060	94.53
12.5	27,581,670.97	25,519.00	0.00093	0.99907	92.70
13.5	27,072,680.97	42,855.00	0.00158	0.99842	92.61
14.5	27,000,390.97	10,059.00	0.00037	0.99963	92.46
15.5	26,971,578.97	5,783.00	0.00021	0.99979	92.43
16.5	26,807,772.97	13,171.00	0.00049	0.99951	92.41
17.5	26,404,768.97	231,286.00	0.00876	0.99124	92.36
18.5	14,220,198.52	531,837.00	0.03740	0.96260	91.55
19.5	13,668,606.52	3,550.00	0.00026	0.99974	88.13
20.5	13,662,663.52	17,530.00	0.00128	0.99872	88.11
21.5	13,633,645.77	140,513.00	0.01031	0.98969	88.00
22.5	13,481,099.77	8,906,128.00	0.66064	0.33936	87.09
23.5	4,573,215.77	15,721.00	0.00344	0.99656	29.55
24.5	4,557,816.77	14,620.00	0.00321	0.99679	29.45
25.5	4,531,133.77	2,679.00	0.00059	0.99941	29.36
26.5	4,524,762.77	176,311.00	0.03897	0.96103	29.34
27.5	619,968.00	3,775.00	0.00609	0.99391	28.20
28.5	602,533.00	142,637.00	0.23673	0.76327	28.03
29.5	445,224.00	460.00	0.00103	0.99897	21.39
30.5	472,049.00	7,111.00	0.01506	0.98494	21.37
31.5	484,562.00	5,297.00	0.01093	0.98907	21.05
32.5	473,110.00	4,886.00	0.01033	0.98967	20.82
33.5	456,033.00	37,541.00	0.08232	0.91768	20.60
34.5	404,339.00	9,576.00	0.02368	0.97632	18.90
35.5	390,667.00	6,392.00	0.01636	0.98364	18.45
36.5	388,215.00	7,479.00	0.01927	0.98073	18.15
37.5	380,736.00	551.00	0.00145	0.99855	17.80
38.5	379,315.00	9,675.00	0.02551	0.97449	17.77
39.5	359,864.00	30,779.00	0.08553	0.91447	17.32
40.5	295,029.00	4,432.00	0.01502	0.98498	15.84
41.5	349,398.00	67,421.00	0.19296	0.80704	15.60
42.5	281,513.00	71,514.00	0.25403	0.74597	12.59
43.5	209,999.00	12.00	0.00006	0.99994	9.39
44.5	209,987.00	2,203.00	0.01049	0.98951	9.39
45.5	207,303.00	100.00	0.00048	0.99952	9.29
46.5	206,754.00	59,911.00	0.28977	0.71023	9.29
47.5	146,395.00	2,370.00	0.01619	0.98381	6.60
48.5	128,780.00	47,943.00	0.37229	0.62771	6.49
49.5	73,933.00	0.00	0.00000	1.00000	4.07
50.5	73,408.00	0.00	0.00000	1.00000	4.07
51.5	73,261.00	0.00	0.00000	1.00000	4.07
52.5	73,261.00	344.00	0.00470	0.99530	4.07

Observed Life Table

Scenario: KEPCO ACCT 390 2008

Account: KEPCo 101/6 390 - KY

Placement Band: 1918 - 2008

Observation Band: 1969 - 2008

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Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
53.5	72,917.00	0.00	0.00000	1.00000	4.05
54.5	72,917.00	18,000.00	0.24686	0.75314	4.05
55.5	54,412.00	784.00	0.01441	0.98559	3.05
56.5	53,531.00	0.00	0.00000	1.00000	3.01
57.5	53,531.00	3,940.00	0.07360	0.92640	3.01
58.5	49,287.00	0.00	0.00000	1.00000	2.79
59.5	48,171.00	0.00	0.00000	1.00000	2.79
60.5	47,635.00	0.00	0.00000	1.00000	2.79
61.5	47,635.00	0.00	0.00000	1.00000	2.79
62.5	47,635.00	368.00	0.00773	0.99227	2.79
63.5	46,833.00	0.00	0.00000	1.00000	2.77
64.5	46,511.00	0.00	0.00000	1.00000	2.77
65.5	46,511.00	0.00	0.00000	1.00000	2.77
66.5	44,627.00	0.00	0.00000	1.00000	2.77
67.5	44,510.00	0.00	0.00000	1.00000	2.77
68.5	44,080.00	0.00	0.00000	1.00000	2.77
69.5	43,738.00	0.00	0.00000	1.00000	2.77
70.5	0.00	0.00	0.00000	1.00000	2.77

Surviving Percent Report

Scenario: KEPCO ACCT 390 2008

Account: KEPCo 101/6 390 - KY

Placement Band: 1918 - 2008

Observation Band: 1969- 2008

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Age	Actual	L3 27.94
0.0	100.00	100.00
0.5	100.00	100.00
1.5	100.00	100.00
2.5	99.68	100.00
3.5	99.52	100.00
4.5	99.49	99.98
5.5	99.42	99.94
6.5	99.25	99.84
7.5	99.23	99.71
8.5	98.43	99.45
9.5	98.17	99.07
10.5	98.05	98.70
11.5	94.53	98.06
12.5	92.70	97.45
13.5	92.61	96.44
14.5	92.46	95.49
15.5	92.43	93.89
16.5	92.41	91.82
17.5	92.36	89.89
18.5	91.55	86.76
19.5	88.13	83.98
20.5	88.11	79.70
21.5	87.99	76.12
22.5	87.09	70.93
23.5	29.55	65.43
24.5	29.45	61.22
25.5	29.36	55.61
26.5	29.34	51.51
27.5	28.20	46.29
28.5	28.03	41.43
29.5	21.39	38.06
30.5	21.37	33.93
31.5	21.05	31.11
32.5	20.82	27.68
33.5	20.60	25.35
34.5	18.91	22.51
35.5	18.46	19.95
36.5	18.16	18.18
37.5	17.81	16.01
38.5	17.78	14.51
39.5	17.33	12.65
40.5	15.85	11.36
41.5	15.61	9.78
42.5	12.60	8.34
43.5	9.40	7.35
44.5	9.40	6.16
45.5	9.30	5.35
46.5	9.29	4.38
47.5	6.60	3.54
48.5	6.49	2.99
49.5	4.08	2.34
50.5	4.08	1.93
51.5	4.08	1.46
52.5	4.08	1.17
53.5	4.06	0.84

Surviving Percent Report

Scenario: KEPCO ACCT 390 2008

Account: KEPCo 101/6 390 - KY

Placement Band: 1918 - 2008

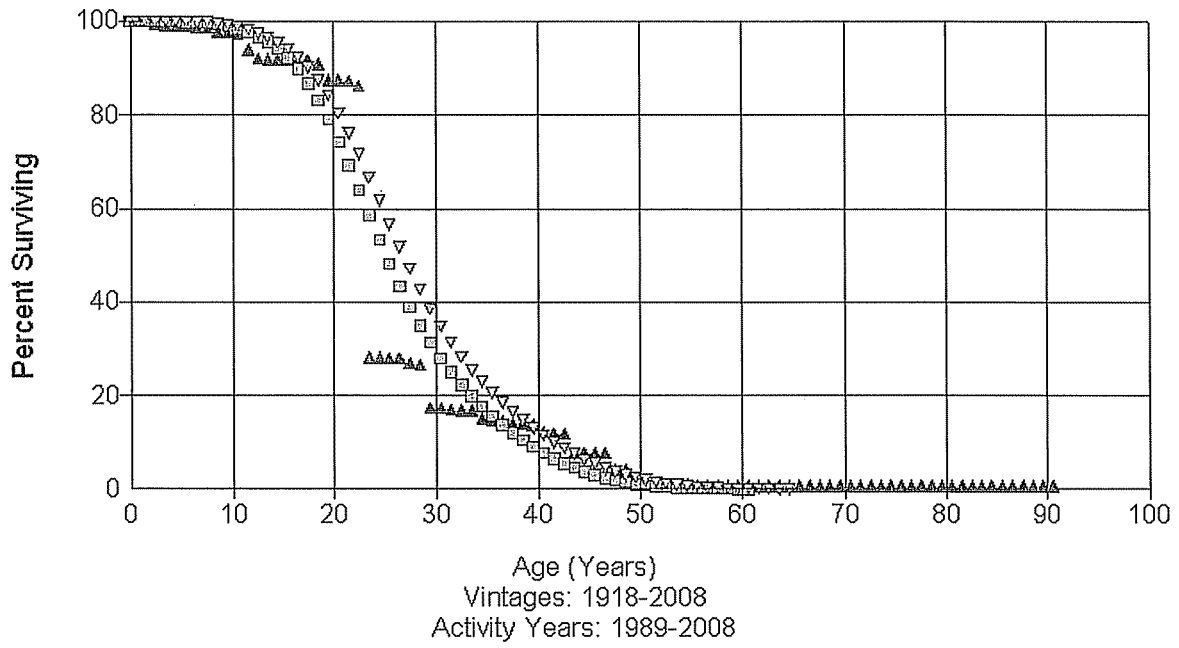
Observation Band: 1969- 2008

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Age	Actual	L3 27.94
54.5	4.06	0.59
55.5	3.06	0.44
56.5	3.01	0.29
57.5	3.01	0.20
58.5	2.79	0.12
59.5	2.79	0.08
60.5	2.79	0.04
61.5	2.79	0.02
62.5	2.79	0.01
63.5	2.77	0
64.5	2.77	0
65.5	2.77	0
66.5	2.77	0
67.5	2.77	
68.5	2.77	
69.5	2.77	
70.5	2.77	
71.5	2.77	
72.5	2.77	
73.5	2.77	
74.5	2.77	
75.5	2.77	
76.5	2.77	
77.5	2.77	
78.5	2.77	
79.5	2.77	
80.5	2.77	
81.5	2.77	
82.5	2.77	
83.5	2.77	
84.5	2.77	
85.5	2.77	
86.5	2.77	
87.5	2.77	
88.5	2.77	
89.5	2.77	
90.5	2.77	

Account: KEPCo 101/6 390 - KY
Scenario: KEPCO ACCT 390 2008

▲ Actual Data □ L3 26.14 ▼ L3 27.94



Actuarial Life Analysis

Account: KEPCo 101/6 390 - KY

Scenario: KEPCO ACCT 390 2008

Placement Band: 1918 - 2008

Function: Survivorship Annual Rate Method

Weighting: Unweighted

T-Cut: None

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Observation	Censoring		Error Sum	Best Fit	
Band	Age	Percent	of Squares	Disp	ASL
1989 -2008	90.5	0.63	0.41746662	L3	26.14

Observed Life Table

Scenario: KEPCO ACCT 390 2008

Account: KEPCo 101/6 390 - KY

Placement Band: 1918 - 2008

Observation Band: 1989 - 2008

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Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
0	18,121,974.31	0.00	0.00000	1.00000	100.00
0.5	18,094,338.69	574.00	0.00003	0.99997	100.00
1.5	18,075,866.42	103,069.00	0.00570	0.99430	100.00
2.5	17,574,006.06	49,424.00	0.00281	0.99719	99.43
3.5	17,770,167.74	11,372.00	0.00064	0.99936	99.15
4.5	17,623,175.14	19,811.00	0.00112	0.99888	99.09
5.5	17,615,819.14	54,476.00	0.00309	0.99691	98.98
6.5	17,667,250.90	3,500.00	0.00020	0.99980	98.67
7.5	30,299,989.84	253,871.00	0.00838	0.99162	98.65
8.5	29,688,719.41	79,517.00	0.00268	0.99732	97.82
9.5	29,658,454.41	26,799.00	0.00090	0.99910	97.56
10.5	29,855,601.41	1,096,487.00	0.03673	0.96327	97.47
11.5	28,444,500.41	565,059.00	0.01987	0.98013	93.89
12.5	26,773,250.97	25,199.00	0.00094	0.99906	92.02
13.5	26,276,891.97	41,731.00	0.00159	0.99841	91.93
14.5	26,558,574.97	9,966.00	0.00038	0.99962	91.78
15.5	26,533,945.97	5,623.00	0.00021	0.99979	91.75
16.5	26,369,308.97	12,636.00	0.00048	0.99952	91.73
17.5	25,966,839.97	226,885.00	0.00874	0.99126	91.69
18.5	13,786,270.52	531,837.00	0.03858	0.96142	90.89
19.5	13,336,533.52	3,550.00	0.00027	0.99973	87.38
20.5	13,372,922.52	17,530.00	0.00131	0.99869	87.36
21.5	13,351,847.77	140,385.00	0.01051	0.98949	87.25
22.5	13,206,217.77	8,906,128.00	0.67439	0.32561	86.33
23.5	4,327,026.77	12,392.00	0.00286	0.99714	28.11
24.5	4,328,312.77	14,620.00	0.00338	0.99662	28.03
25.5	4,304,062.77	1,907.00	0.00044	0.99956	27.94
26.5	4,295,891.77	175,590.00	0.04087	0.95913	27.93
27.5	390,732.00	3,775.00	0.00966	0.99034	26.79
28.5	405,162.00	141,208.00	0.34852	0.65148	26.53
29.5	328,345.00	387.00	0.00118	0.99882	17.28
30.5	312,021.00	4,735.00	0.01518	0.98482	17.26
31.5	307,189.00	3,068.00	0.00999	0.99001	17.00
32.5	401,733.00	3,405.00	0.00848	0.99152	16.83
33.5	385,353.00	37,541.00	0.09742	0.90258	16.69
34.5	333,659.00	9,576.00	0.02870	0.97130	15.06
35.5	320,492.00	6,392.00	0.01994	0.98006	14.63
36.5	315,091.00	6,670.00	0.02117	0.97883	14.34
37.5	308,421.00	551.00	0.00179	0.99821	14.04
38.5	305,968.00	9,675.00	0.03162	0.96838	14.01
39.5	284,539.00	30,779.00	0.10817	0.89183	13.57
40.5	220,240.00	4,432.00	0.02012	0.97988	12.10
41.5	209,577.00	2,389.00	0.01140	0.98860	11.86
42.5	205,524.00	71,514.00	0.34796	0.65204	11.72
43.5	134,444.00	12.00	0.00009	0.99991	7.64
44.5	134,754.00	867.00	0.00643	0.99357	7.64
45.5	133,406.00	100.00	0.00075	0.99925	7.59
46.5	134,397.00	59,911.00	0.44578	0.55422	7.58
47.5	74,155.00	1,170.00	0.01578	0.98422	4.20
48.5	58,170.00	44,849.00	0.77100	0.22900	4.13
49.5	6,759.00	0.00	0.00000	1.00000	0.95
50.5	50,340.00	0.00	0.00000	1.00000	0.95
51.5	68,193.00	0.00	0.00000	1.00000	0.95
52.5	68,193.00	0.00	0.00000	1.00000	0.95

Observed Life Table

Scenario: KEPCO ACCT 390 2008

Account: KEPCo 101/6 390 - KY

Placement Band: 1918 - 2008

Observation Band: 1989 - 2008

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Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
53.5	68,977.00	0.00	0.00000	1.00000	0.95
54.5	68,977.00	18,000.00	0.26096	0.73904	0.95
55.5	50,472.00	784.00	0.01553	0.98447	0.70
56.5	53,531.00	0.00	0.00000	1.00000	0.69
57.5	53,531.00	3,940.00	0.07360	0.92640	0.69
58.5	49,287.00	0.00	0.00000	1.00000	0.64
59.5	48,171.00	0.00	0.00000	1.00000	0.64
60.5	47,635.00	0.00	0.00000	1.00000	0.64
61.5	47,635.00	0.00	0.00000	1.00000	0.64
62.5	47,635.00	368.00	0.00773	0.99227	0.64
63.5	46,833.00	0.00	0.00000	1.00000	0.64
64.5	46,511.00	0.00	0.00000	1.00000	0.64
65.5	46,511.00	0.00	0.00000	1.00000	0.64
66.5	44,627.00	0.00	0.00000	1.00000	0.64
67.5	44,510.00	0.00	0.00000	1.00000	0.64
68.5	44,080.00	0.00	0.00000	1.00000	0.64
69.5	43,738.00	0.00	0.00000	1.00000	0.64
70.5	0.00	0.00	0.00000	1.00000	0.64

Surviving Percent Report

Scenario: KEPCO ACCT 390 2008

Account: KEPCo 101/6 390 - KY

Placement Band: 1918 - 2008

Observation Band: 1989- 2008

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Age	Actual	L3 26.14	L3 28.00
0.0	100.00	100.00	100.00
0.5	100.00	100.00	100.00
1.5	100.00	100.00	100.00
2.5	99.43	100.00	100.00
3.5	99.15	100.00	100.00
4.5	99.08	99.97	99.98
5.5	98.97	99.90	99.94
6.5	98.67	99.80	99.84
7.5	98.65	99.59	99.71
8.5	97.82	99.28	99.45
9.5	97.56	98.83	99.18
10.5	97.47	98.23	98.70
11.5	93.89	97.67	98.06
12.5	92.03	96.72	97.45
13.5	91.94	95.49	96.44
14.5	91.79	93.89	95.49
15.5	91.76	91.82	93.89
16.5	91.74	89.17	92.39
17.5	91.69	86.76	89.89
18.5	90.89	82.97	86.76
19.5	87.39	78.54	83.98
20.5	87.36	73.57	79.70
21.5	87.25	68.21	76.12
22.5	86.33	62.62	70.93
23.5	28.11	58.40	66.83
24.5	28.03	52.87	61.22
25.5	27.94	47.57	55.61
26.5	27.92	42.61	51.51
27.5	26.78	38.06	46.29
28.5	26.52	33.93	42.61
29.5	17.28	31.11	38.06
30.5	17.26	27.68	34.92
31.5	17.00	24.61	31.11
32.5	16.83	21.85	27.68
33.5	16.68	19.35	25.35
34.5	15.06	17.62	22.51
35.5	14.63	15.50	20.57
36.5	14.34	13.56	18.18
37.5	14.03	11.78	16.54
38.5	14.01	10.16	14.51
39.5	13.56	8.69	12.65
40.5	12.10	7.67	11.36
41.5	11.85	6.45	9.78
42.5	11.72	5.35	8.69
43.5	7.64	4.38	7.35
44.5	7.64	3.54	6.45
45.5	7.59	2.81	5.35
46.5	7.59	2.34	4.38
47.5	4.20	1.80	3.74
48.5	4.14	1.36	2.99
49.5	0.95	1.00	2.49
50.5	0.95	0.71	1.93
51.5	0.95	0.49	1.57
52.5	0.95	0.36	1.17
53.5	0.95	0.23	0.84

Surviving Percent Report

Scenario: KEPCO ACCT 390 2008

Account: KEPCo 101/6 390 - KY

Placement Band: 1918 - 2008

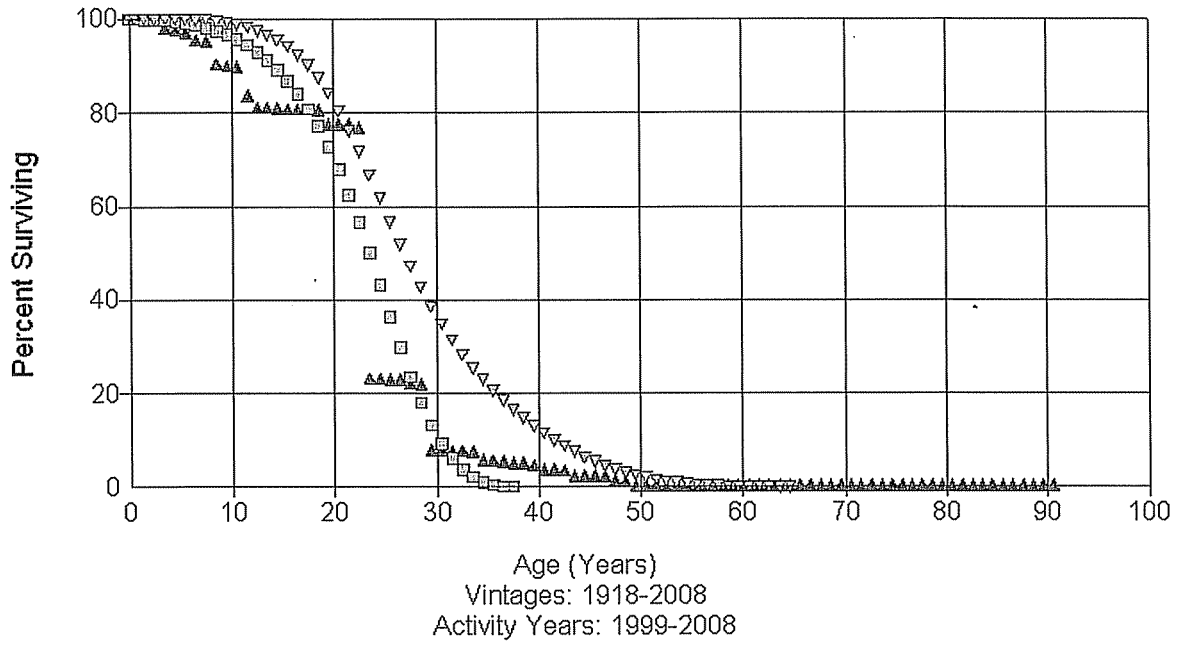
Observation Band: 1989 - 2008

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Age	Actual	L3 26.14	L3 28.00
54.5	0.95	0.14	0.65
55.5	0.70	0.08	0.44
56.5	0.69	0.04	0.32
57.5	0.69	0.02	0.20
58.5	0.64	0.01	0.14
59.5	0.64	0	0.08
60.5	0.64	0	0.04
61.5	0.64	0	0.02
62.5	0.64		0.01
63.5	0.63		0
64.5	0.63		0
65.5	0.63		0
66.5	0.63		0
67.5	0.63		
68.5	0.63		
69.5	0.63		
70.5	0.63		
71.5	0.63		
72.5	0.63		
73.5	0.63		
74.5	0.63		
75.5	0.63		
76.5	0.63		
77.5	0.63		
78.5	0.63		
79.5	0.63		
80.5	0.63		
81.5	0.63		
82.5	0.63		
83.5	0.63		
84.5	0.63		
85.5	0.63		
86.5	0.63		
87.5	0.63		
88.5	0.63		
89.5	0.63		
90.5	0.63		

Account: KEPCo 101/6 390 - KY
Scenario: KEPCO ACCT 390 2008

▲ Actual Data ■ R3 22.55 ▼ L3 27.94



Actuarial Life Analysis

Account: KEPCo 101/6 390 - KY

Scenario: KEPCO ACCT 390 2008

Placement Band: 1918 - 2008

Assumption: Survivorship Annual Rate Method

Weighting: Unweighted

T-Cut: None

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Observation	Censoring		Error Sum	Best Fit	
Band	Age	Percent	of Squares	Disp	ASL
1999 -2008	90.5	0.19	0.29569838	R3	22.55

Observed Life Table

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Scenario: KEPCO ACCT 390 2008
 Account: KEPCo 101/6 390 - KY
 Placement Band: 1918 - 2008

Observation Band: 1999 - 2008

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
0	1,389,797.42	0.00	0.00000	1.00000	100.00
0.5	1,487,258.80	0.00	0.00000	1.00000	100.00
1.5	1,767,426.78	0.00	0.00000	1.00000	100.00
2.5	2,673,783.86	48,288.00	0.01806	0.98194	100.00
3.5	2,903,099.54	11,372.00	0.00392	0.99608	98.19
4.5	2,848,531.94	19,811.00	0.00695	0.99305	97.81
5.5	2,857,724.94	48,668.00	0.01703	0.98297	97.13
6.5	4,472,906.70	3,500.00	0.00078	0.99922	95.48
7.5	4,891,867.87	253,871.00	0.05190	0.94810	95.41
8.5	16,253,240.89	79,517.00	0.00489	0.99511	90.46
9.5	16,204,848.89	26,799.00	0.00165	0.99835	90.02
10.5	16,112,175.89	1,094,961.00	0.06796	0.93204	89.87
11.5	14,719,148.64	458,999.00	0.03118	0.96882	83.76
12.5	13,195,033.20	1,647.00	0.00012	0.99988	81.15
13.5	13,221,369.20	41,731.00	0.00316	0.99684	81.14
14.5	13,158,442.20	9,966.00	0.00076	0.99924	80.88
15.5	13,141,673.20	5,623.00	0.00043	0.99957	80.82
16.5	13,087,400.20	9,300.00	0.00071	0.99929	80.79
17.5	25,335,980.97	20,378.00	0.00080	0.99920	80.73
18.5	13,378,864.52	526,644.00	0.03936	0.96064	80.67
19.5	12,848,036.52	3,550.00	0.00028	0.99972	77.49
20.5	12,866,758.52	7,530.00	0.00059	0.99941	77.47
21.5	12,850,929.77	103,307.00	0.00804	0.99196	77.42
22.5	12,741,787.77	8,906,128.00	0.69897	0.30103	76.80
23.5	3,846,517.77	4,892.00	0.00127	0.99873	23.12
24.5	4,170,066.77	14,620.00	0.00351	0.99649	23.09
25.5	4,147,978.77	1,907.00	0.00046	0.99954	23.01
26.5	4,139,014.77	175,590.00	0.04242	0.95758	23.00
27.5	233,395.00	1,775.00	0.00761	0.99239	22.02
28.5	221,225.00	141,208.00	0.63830	0.36170	21.85
29.5	121,130.00	387.00	0.00319	0.99681	7.90
30.5	139,290.00	4,735.00	0.03399	0.96601	7.87
31.5	141,084.00	499.00	0.00354	0.99646	7.60
32.5	141,756.00	1,562.00	0.01102	0.98898	7.57
33.5	156,660.00	37,541.00	0.23963	0.76037	7.49
34.5	116,644.00	735.00	0.00630	0.99370	5.70
35.5	114,246.00	6,392.00	0.05595	0.94405	5.66
36.5	108,647.00	6,670.00	0.06139	0.93861	5.34
37.5	102,437.00	551.00	0.00538	0.99462	5.01
38.5	132,048.00	9,675.00	0.07327	0.92673	4.98
39.5	175,915.00	30,779.00	0.17497	0.82503	4.62
40.5	111,964.00	4,432.00	0.03958	0.96042	3.81
41.5	102,618.00	2,389.00	0.02328	0.97672	3.66
42.5	202,072.00	71,514.00	0.35390	0.64610	3.57
43.5	130,558.00	12.00	0.00009	0.99991	2.31
44.5	130,546.00	867.00	0.00664	0.99336	2.31
45.5	129,703.00	100.00	0.00077	0.99923	2.29
46.5	129,801.00	59,911.00	0.46156	0.53844	2.29
47.5	69,442.00	1,170.00	0.01685	0.98315	1.23
48.5	53,331.00	44,849.00	0.84096	0.15904	1.21
49.5	2,694.00	0.00	0.00000	1.00000	0.19
50.5	2,705.00	0.00	0.00000	1.00000	0.19
51.5	2,558.00	0.00	0.00000	1.00000	0.19
52.5	2,558.00	0.00	0.00000	1.00000	0.19

Observed Life Table

Scenario: KEPCO ACCT 390 2008

Account: KEPCo 101/6 390 - KY

Placement Band: 1918 - 2008

Observation Band: 1999 - 2008

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Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
53.5	2,992.00	0.00	0.00000	1.00000	0.19
54.5	3,314.00	0.00	0.00000	1.00000	0.19
55.5	2,809.00	0.00	0.00000	1.00000	0.19
56.5	4,596.00	0.00	0.00000	1.00000	0.19
57.5	4,713.00	0.00	0.00000	1.00000	0.19
58.5	4,839.00	0.00	0.00000	1.00000	0.19
59.5	4,065.00	0.00	0.00000	1.00000	0.19
60.5	47,635.00	0.00	0.00000	1.00000	0.19
61.5	47,635.00	0.00	0.00000	1.00000	0.19
62.5	47,635.00	368.00	0.00773	0.99227	0.19
63.5	46,833.00	0.00	0.00000	1.00000	0.19
64.5	46,511.00	0.00	0.00000	1.00000	0.19
65.5	46,511.00	0.00	0.00000	1.00000	0.19
66.5	44,627.00	0.00	0.00000	1.00000	0.19
67.5	44,510.00	0.00	0.00000	1.00000	0.19
68.5	44,080.00	0.00	0.00000	1.00000	0.19
69.5	43,738.00	0.00	0.00000	1.00000	0.19
70.5	0.00	0.00	0.00000	1.00000	0.19

Surviving Percent Report

Scenario: KEPCO ACCT 390 2008

Account: KEPCo 101/6 390 - KY

Placement Band: 1918 - 2008

Observation Band: 1999- 2008

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Age	Actual	R3 22.55	L3 28.00
0.0	100.00	100.00	100.00
0.5	100.00	99.97	100.00
1.5	100.00	99.89	100.00
2.5	100.00	99.74	100.00
3.5	98.19	99.58	100.00
4.5	97.81	99.36	99.98
5.5	97.13	99.01	99.94
6.5	95.47	98.63	99.84
7.5	95.40	98.04	99.71
8.5	90.45	97.43	99.45
9.5	90.01	96.49	99.18
10.5	89.86	95.57	98.70
11.5	83.75	94.47	98.06
12.5	81.14	92.81	97.45
13.5	81.13	91.23	96.44
14.5	80.87	88.90	95.49
15.5	80.81	86.71	93.89
16.5	80.78	83.51	92.39
17.5	80.72	80.53	89.89
18.5	80.66	76.22	86.76
19.5	77.48	72.27	83.98
20.5	77.46	67.84	79.70
21.5	77.41	61.64	76.12
22.5	76.79	56.17	70.93
23.5	23.12	48.83	66.83
24.5	23.09	42.71	61.22
25.5	23.01	35.01	55.61
26.5	23.00	29.03	51.51
27.5	22.02	23.42	46.29
28.5	21.85	17.18	42.61
29.5	7.90	12.93	38.06
30.5	7.88	8.60	34.92
31.5	7.61	5.91	31.11
32.5	7.58	3.41	27.68
33.5	7.50	2.00	25.35
34.5	5.70	1.04	22.51
35.5	5.67	0.35	20.57
36.5	5.35	0.09	18.18
37.5	5.02	0	16.54
38.5	4.99	0	14.51
39.5	4.63	0	12.65
40.5	3.82		11.36
41.5	3.67		9.78
42.5	3.58		8.69
43.5	2.31		7.35
44.5	2.31		6.45
45.5	2.30		5.35
46.5	2.30		4.38
47.5	1.24		3.74
48.5	1.22		2.99
49.5	0.19		2.49
50.5	0.19		1.93
51.5	0.19		1.57
52.5	0.19		1.17
53.5	0.19		0.84

Surviving Percent Report

Scenario: KEPCO ACCT 390 2008

Account: KEPCo 101/6 390 - KY

Placement Band: 1918 - 2008

Observation Band: 1999- 2008

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Age	Actual	R3 22.55	L3 28.00
54.5	0.19		0.65
55.5	0.19		0.44
56.5	0.19		0.32
57.5	0.19		0.20
58.5	0.19		0.14
59.5	0.19		0.08
60.5	0.19		0.04
61.5	0.19		0.02
62.5	0.19		0.01
63.5	0.19		0
64.5	0.19		0
65.5	0.19		0
66.5	0.19		0
67.5	0.19		
68.5	0.19		
69.5	0.19		
70.5	0.19		
71.5	0.19		
72.5	0.19		
73.5	0.19		
74.5	0.19		
75.5	0.19		
76.5	0.19		
77.5	0.19		
78.5	0.19		
79.5	0.19		
80.5	0.19		
81.5	0.19		
82.5	0.19		
83.5	0.19		
84.5	0.19		
85.5	0.19		
86.5	0.19		
87.5	0.19		
88.5	0.19		
89.5	0.19		
90.5	0.19		

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2008
General Plant

Account	<u>391 OFFICE FURNITURE AND EQUIPMENT</u>	
Depreciable Balance	\$1,312,821	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	35	35
Iowa Curve	RO.5	RO.5
Gross Removal, %		0%
Gross Salvage, %		0%
Net Salvage %	10%	0%

No life analysis was conducted for this account since retirements are base on age in accordance with FERC Accounting Release 15. This Accounting Release was adopted by Kentucky Power in June 1998 business.

There would be little if any salvage expected from the retirement of office furniture and equipment.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2008
General Plant

Account 392 TRANSPORTATION EQUIPMENT

Depreciable Balance \$9,655

	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	30	30
lowa Curve	R3.0	R3.0
Gross Removal, %		0%
Gross Salvage, %		0%
Net Salvage %	0%	0%

No life analysis was conducted for this account since retirements are base on age in accordance with FERC Accounting Release 15. This Accounting Release was adopted by Kentucky Power in June 1998 business.

Due to the minimal investment in this account, no salvage or removal costs are expected.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2008
General Plant

Account 393 STORES EQUIPMENT

Depreciable Balance \$142,851

	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	30	30
Iowa Curve	R1.0	R1.0
Gross Removal, %		0%
Gross Salvage, %		5%
Net Salvage %	0%	5%

No life analysis was conducted for this account since retirements are base on age in accordance with FERC Accounting Release 15. This Accounting Release was adopted by Kentucky Power in June 1998 business.

A minimal amount of scrap value could result in a small amount of salvage. No removal costs are anticipated.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2008
General Plant

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Account 394 TOOLS, SHOP AND GARAGE EQUIPMENT

Depreciable Balance \$2,579,396

	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	30	30
Iowa Curve	RO.5	RO.5
Gross Removal, %		0%
Gross Salvage, %		5%
Net Salvage %	0%	5%

No life analysis was conducted for this account since retirements are base on age in accordance with FERC Accounting Release 15. This Accounting Release was adopted by Kentucky Power in June 1998 business.

The disposal of tools shop and garage equipment may result in salvage. No removal costs are expected.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2008
General Plant

Account	<u>395 LABORATORY EQUIPMENT</u>	
Depreciable Balance	\$262,378	
	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	30	30
Iowa Curve	L5.0	L5.0
Gross Removal, %		0%
Gross Salvage, %		5%
Net Salvage %	0%	5%

No life analysis was conducted for this account since retirements are base on age in accordance with FERC Accounting Release 15. This Accounting Release was adopted by Kentucky Power in June 1998 business.

Scrap sales may result in salvage for the equipment. Minimal removal cost is expected.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2008
General Plant

Account 396 TRANSPORTATION EQUIPMENT

Depreciable Balance \$5,931

Current Recommended

Average Service Life (Yrs)

Iowa Curve

Gross Removal, % 0%

Gross Salvage, % 0%

Net Salvage % 0%

No life analysis was conducted for this account since retirements are base on age in accordance with FERC Accounting Release 15. This Accounting Release was adopted by Kentucky Power in June 1998 business.

Due to the minimal investment in this account, no removal or salvage is expected.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2008
General Plant

Account 397 COMMUNICATION EQUIPMENT

Depreciable Balance \$6,755,008

	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	22	22
Iowa Curve	L3.0	L3.0
Gross Removal, %		2%
Gross Salvage, %		10%
Net Salvage %	0%	8%

No life analysis was conducted for this account since retirements are base on age in accordance with FERC Accounting Release 15. This Accounting Release was adopted by Kentucky Power in June 1998 business.

The removal and replacement of communication equipment is expected to result in labor removal costs being incurred. Some salvage could be expected from the scrap sales of the equipment.

KENTUCKY POWER COMPANY
Depreciation Study as of December 31, 2008
General Plant

Account 398 MISCELLANEOUS EQUIPMENT

Depreciable Balance \$974,320

	<u>Current</u>	<u>Recommended</u>
Average Service Life (Yrs)	20	20
Iowa Curve	S5.0	S5.0
Gross Removal, %		0%
Gross Salvage, %		0%
Net Salvage %	0%	0%

No life analysis was conducted for this account since retirements are base on age in accordance with FERC Accounting Release 15. This Accounting Release was adopted by Kentucky Power in June 1998 business.

No salvage or removal costs are seen for the investments in this account.

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF 12-31-08
GENERAL PLANT WORKPAPERS

SALVAGE AND REMOVAL ANALYSIS

21-Oct-09

KENTUCKY POWER COMPANY
General Plant Gross Removal Test

Original Cost Retired by Plant Account

Year	390	391	392	393	394	395	396	397	398	Total	Removal %	Functional Gross Removal
1994	8,581	1,147	0	3,479	0	0	0	18,899	2,416	34,522	2%	804
1995	0	6,412	0	0	1,329	0	0	523	0	8,264	580%	47,957
1996	290,552	4,438	0	0	734	7,565	0	157,954	63,224	524,467	-13%	-70,222
1997	0	1,923	0	0	1,113	0	0	219,173	14,210	236,419	11%	27,111
1998	3,693	81,954	11,241	1,690	25,510	29,020	0	982,587	34,504	1,170,199	0%	524
1999	26,757	0	0	0	0	0	0	0	0	26,757	1%	393
2000	0	15,335	0	0	2,272	5,215	0	0	0	22,822	-155%	-35,438
2001	182,029	0	0	0	0	0	0	47,157	0	229,186	-98%	-223,628
2002	160,071	0	0	0	0	0	0	51,409	0	211,480	17%	35,368
2003	1,426,227	5,790	38,129	7,347	5,105	2,558	0	244,213	0	1,729,369	8%	138,350
2004	10,330,436	3,747	0	779	3,477	3,405	0	874,410	0	11,216,254	0%	0
2005	149,701	561,105	0	76,004	243,042	103,242	0	496,756	77,967	1,707,817	3%	49,533
2006	4,747	36,455	0	2,061	81,850	19,296	0	87,741	16,572	248,722	1%	2,951
2007	7,133	4,666	0	0	7,054	3,352	0	13,974	8,732	44,911	91%	40,915
2008	19,618	15,821	0	14,160	75,087	19,393	0	16,506	2,038	162,623	16%	25,536
TOTAL	<u>12,609,545</u>	<u>738,793</u>	<u>49,370</u>	<u>105,520</u>	<u>446,573</u>	<u>193,046</u>	<u>0</u>	<u>3,211,302</u>	<u>219,663</u>	<u>17,573,812</u>	<u>0%</u>	<u>40,154</u>

EVALUATION BASED ON 1994-2008 ACTUAL

	390	391	392	393	394	395	396	397	398	Total
Total Retmts	12,609,545	738,793	49,370	105,520	446,573	193,046	0	3,211,302	219,663	17,354,149
Gross Removal, %	0	0	0	0	0	0	0	2	0	0
Gross Removal \$	0	0	0	0	0	0	0	64,226	0	64,226

21-Oct-09

KENTUCKY POWER COMPANY
General Plant Gross Salvage Test

Original Cost Retired by Plant Account

Year	390	391	392	393	394	395	396	397	398	Total	Salvage %	Functional Gross Salvage
1994	8,581	1,147	0	3,479	0	0	0	18,899	2,416	34,522	108%	37,443
1995	0	6,412	0	0	1,329	0	0	523	0	8,264	134%	11,107
1996	290,552	4,438	0	0	734	7,565	0	157,954	63,224	524,467	1%	4,006
1997	0	1,923	0	0	1,113	0	0	219,173	14,210	236,419	29%	68,605
1998	3,693	81,954	11,241	1,690	25,510	29,020	0	982,587	34,504	1,170,199	0%	0
1999	26,757	0	0	0	0	0	0	0	0	26,757	-35%	-9,336
2000	0	15,335	0	0	2,272	5,215	0	0	0	22,822	0%	0
2001	182,029	0	0	0	0	0	0	47,157	0	229,186	0%	0
2002	160,071	0	0	0	0	0	0	51,409	0	211,480	113%	239,760
2003	1,426,227	5,790	38,129	7,347	5,105	2,558	0	244,213	0	1,729,369	-6%	-100,160
2004	10,330,436	3,747	0	779	3,477	3,405	0	874,410	0	11,216,254	9%	1,065,490
2005	149,701	561,105	0	76,004	243,042	103,242	0	496,756	77,967	1,707,817	14%	233,742
2006	4,747	36,455	0	2,061	81,850	19,296	0	87,741	16,572	248,722	0%	0
2007	7,133	4,666	0	0	7,054	3,352	0	13,974	8,732	44,911	244%	109,452
2008	19,618	15,821	0	14,160	75,087	19,393	0	16,506	2,038	162,623	29%	47,146
TOTAL	<u>12,609,545</u>	<u>738,793</u>	<u>49,370</u>	<u>105,520</u>	<u>446,573</u>	<u>193,046</u>	<u>0</u>	<u>3,211,302</u>	<u>219,663</u>	<u>17,573,812</u>	<u>10%</u>	<u>1,707,255</u>

EVALUATION BASED ON 1994-2008 ACTUAL

	390	391	392	393	394	395	396	397	398	Total
Total Retmts	12,609,545	738,793	49,370	105,520	446,573	193,046	0	3,211,302	219,663	17,354,149
Gross Salvage, %	11	0	0	5	5	5	0	10	0	10
Gross Salvage \$	1,387,050	0	0	5,276	22,329	9,652	0	321,130	0	1,745,437

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21-Oct-09

KENTUCKY POWER COMPANY
General Plant Net Salvage Test

Original Cost Retired by Account

Year	390	391	392	393	394	395	396	397	398	Total	Salvage %	Functional Net Salvage
1994	8,581	1,147	0	3,479	0	0	0	18,899	2,416	34,522	106%	36,639
1995	0	6,412	0	0	1,329	0	0	523	0	8,264	-446%	-36,850
1996	290,552	4,438	0	0	734	7,565	0	157,954	63,224	524,467	14%	74,228
1997	0	1,923	0	0	1,113	0	0	219,173	14,210	236,419	18%	41,494
1998	3,693	81,954	11,241	1,690	25,510	29,020	0	982,587	34,504	1,170,199	0%	-524
1999	26,757	0	0	0	0	0	0	0	0	26,757	-36%	-9,729
2000	0	15,335	0	0	2,272	5,215	0	0	0	22,822	155%	35,438
2001	182,029	0	0	0	0	0	0	47,157	0	229,186	98%	223,628
2002	160,071	0	0	0	0	0	0	51,409	0	211,480	97%	204,392
2003	1,426,227	5,790	38,129	7,347	5,105	2,558	0	244,213	0	1,729,369	-14%	-238,510
2004	10,330,436	3,747	0	779	3,477	3,405	0	874,410	0	11,216,254	9%	1,065,490
2005	149,701	561,105	0	76,004	243,042	103,242	0	496,756	77,967	1,707,817	11%	184,209
2006	4,747	36,455	0	2,061	81,850	19,296	0	87,741	16,572	248,722	-1%	-2,951
2007	7,133	4,666	0	0	7,054	3,352	0	13,974	8,732	44,911	153%	68,537
2008	19,618	15,821	0	14,160	75,087	19,393	0	16,506	2,038	162,623	13%	21,610
TOTAL	<u>12,609,545</u>	<u>738,793</u>	<u>49,370</u>	<u>105,520</u>	<u>446,573</u>	<u>193,046</u>	<u>0</u>	<u>3,211,302</u>	<u>219,663</u>	<u>17,573,812</u>	9%	<u>1,667,101</u>

EVALUATION BASED ON 1994-2008 ACTUAL

	390	391	392	393	394	395	396	397	398	Total
Total Retmts	12,609,545	738,793	49,370	105,520	446,573	193,046	0	3,211,302	219,663	17,354,149
Net Salvage, %	11	0	0	5	5	5	0	8	0	10
Net Salvage \$	1,387,050	0	0	5,276	22,329	9,652	0	256,904	0	1,681,211

KENTUCKY POWER COMPANY
DEPRECIATION STUDY AS OF 12-31-08
GENERAL PLANT WORKPAPERS

CALCULATED RESERVE

Depreciation Reserve Summary

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Account: KEPCo 101/6 389 Land Rights - KY

Scenario: KEPCO GENERAL 2008

Dispersion: 75 - R4

Age Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2009

	Plant Amt	Depreciation Reserve		Net Plant	
		Amount	Ratio	Amount	Ratio
Recorded	\$219,614.69	\$6,414.75	0.0292	\$213,199.94	0.9708
Computed	\$219,614.69	\$13,110.32	0.0597	\$206,504.37	0.9403
Difference		(\$6,695.57)	-0.0305	\$6,695.57	0.0305

Account: KEPCo 101/6 389 Land Rights - KY

Dispersion: 75.00 - R4

Age Net Salvage Rate: 0.00%

Rate Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2007	1.50	\$182,230.82	75.00	73.50	0.9800	1.0000	\$178,589.81	\$2,429.74
2003	5.50	\$9,137.87	75.00	69.51	0.9268	1.0000	\$8,468.64	\$121.84
1986	22.50	\$22,442.00	75.00	52.66	0.7021	1.0000	\$15,756.75	\$299.23
1985	23.50	\$1,227.00	75.00	51.68	0.6891	1.0000	\$845.50	\$16.36
1984	24.50	\$678.00	75.00	50.71	0.6761	1.0000	\$458.38	\$9.04
1979	29.50	\$3,899.00	75.00	45.88	0.6118	1.0000	\$2,385.28	\$51.99
		\$219,614.69	75.00	70.52	0.9403	1.0000	\$206,504.37	\$2,928.20

Depreciation Reserve Summary

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Account: KEPCo 101/6 390 - KY
 Scenario: KEPCO GENERAL 2008
 Dispersion: 28 - L3

Age Net Salvage Rate: 11.00%
 Future Net Salvage Rate: 11.00%

Broad Group Procedure

January 1, 2009

	Plant Amt	Depreciation Reserve		Net Plant	
		Amount	Ratio	Amount	Ratio
Recorded	\$19,910,321.83	\$4,906,914.02	0.2465	\$12,813,272.41	0.6435
Computed	\$19,910,321.83	\$10,028,638.52	0.5037	\$7,691,547.91	0.3863
Difference		(\$5,121,724.50)	-0.2572	\$5,121,724.50	0.2572

Account: KEPCo 101/6 390 - KY

Dispersion: 28.00 - L3

Average Net Salvage Rate: 11.00%

Pure Net Salvage Rate: 11.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2008	0.50	\$38,561.62	28.00	27.50	0.8741	1.0000	\$33,706.99	\$1,225.71
2007	1.50	\$37,635.02	28.00	26.50	0.8423	1.0000	\$31,700.78	\$1,196.26
2006	2.50	\$446,601.36	28.00	25.50	0.8105	1.0000	\$361,986.35	\$14,195.54
2005	3.50	\$272,727.32	28.00	24.50	0.7788	1.0000	\$212,392.90	\$8,668.83
2004	4.50	\$143,885.60	28.00	23.51	0.7471	1.0000	\$107,502.40	\$4,573.51
2002	6.50	\$4,456.24	28.00	21.54	0.6846	1.0000	\$3,050.83	\$141.64
2001	7.50	\$11,474.83	28.00	20.57	0.6539	1.0000	\$7,503.72	\$364.74
2000	8.50	\$393,113.43	28.00	19.62	0.6237	1.0000	\$245,195.20	\$12,495.39
1998	10.50	\$75,664.00	28.00	17.77	0.5649	1.0000	\$42,741.60	\$2,405.03
1997	11.50	\$317,803.00	28.00	16.87	0.5364	1.0000	\$170,462.94	\$10,101.60
1996	12.50	\$1,112,926.44	28.00	16.00	0.5085	1.0000	\$565,931.59	\$35,375.16
1995	13.50	\$484,522.00	28.00	15.15	0.4815	1.0000	\$233,288.40	\$15,400.88
1994	14.50	\$29,461.00	28.00	14.33	0.4554	1.0000	\$13,416.30	\$936.44
1993	15.50	\$19,258.00	28.00	13.55	0.4306	1.0000	\$8,292.36	\$612.13
1992	16.50	\$159,014.00	28.00	12.81	0.4072	1.0000	\$64,755.14	\$5,054.37
1991	17.50	\$389,833.00	28.00	12.13	0.3855	1.0000	\$150,299.43	\$12,391.12
1990	18.50	\$11,957,452.45	28.00	11.51	0.3659	1.0000	\$4,375,574.95	\$380,076.17
1989	19.50	\$21,105.00	28.00	10.96	0.3482	1.0000	\$7,349.40	\$670.84
1988	20.50	\$2,929.00	28.00	10.47	0.3327	1.0000	\$974.48	\$93.10
1987	21.50	\$11,487.75	28.00	10.04	0.3191	1.0000	\$3,666.09	\$365.15
1986	22.50	\$12,571.00	28.00	9.67	0.3075	1.0000	\$3,865.79	\$399.58
1985	23.50	\$2,504.00	28.00	9.36	0.2976	1.0000	\$745.18	\$79.59
1983	25.50	\$12,063.00	28.00	8.87	0.2820	1.0000	\$3,401.90	\$383.43
1982	26.50	\$7,057.00	28.00	8.68	0.2758	1.0000	\$1,946.21	\$224.31
1981	27.50	\$3,730,029.77	28.00	8.50	0.2701	1.0000	\$1,007,537.03	\$118,561.66
1980	28.50	\$14,163.00	28.00	8.33	0.2648	1.0000	\$3,750.84	\$450.18
1979	29.50	\$15,014.00	28.00	8.16	0.2595	1.0000	\$3,896.26	\$477.23
1978	30.50	\$16,821.00	28.00	7.99	0.2541	1.0000	\$4,273.75	\$534.67
1977	31.50	\$1,414.00	28.00	7.81	0.2483	1.0000	\$351.12	\$44.95
1976	32.50	\$6,155.00	28.00	7.61	0.2420	1.0000	\$1,489.28	\$195.64
1975	33.50	\$12,975.00	28.00	7.40	0.2353	1.0000	\$3,052.43	\$412.42
1974	34.50	\$14,153.00	28.00	7.17	0.2280	1.0000	\$3,226.55	\$449.86
1973	35.50	\$4,096.00	28.00	6.93	0.2204	1.0000	\$902.75	\$130.19

Generation Arrangement Report

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Account: KEPCo 101/6 390 - KY

Dispersion: 28.00 - L3

Average Net Salvage Rate: 11.00%

Core Net Salvage Rate: 11.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1970	38.50	\$2,206.00	28.00	6.17	0.1962	1.0000	\$432.74	\$70.12
1969	39.50	\$12,870.00	28.00	5.91	0.1878	1.0000	\$2,417.42	\$409.08
1968	40.50	\$34,056.00	28.00	5.65	0.1796	1.0000	\$6,117.77	\$1,082.49
1967	41.50	\$6,231.00	28.00	5.39	0.1714	1.0000	\$1,068.24	\$198.06
1966	42.50	\$1,664.00	28.00	5.14	0.1634	1.0000	\$271.94	\$52.89
1963	45.50	\$481.00	28.00	4.41	0.1402	1.0000	\$67.42	\$15.29
1962	46.50	\$793.00	28.00	4.17	0.1326	1.0000	\$105.16	\$25.21
1961	47.50	\$448.00	28.00	3.94	0.1253	1.0000	\$56.16	\$14.24
1960	48.50	\$15,245.00	28.00	3.71	0.1181	1.0000	\$1,800.02	\$484.57
1959	49.50	\$6,904.00	28.00	3.49	0.1111	1.0000	\$766.83	\$219.45
1958	50.50	\$525.00	28.00	3.27	0.1041	1.0000	\$54.63	\$16.69
1957	51.50	\$147.00	28.00	3.06	0.0973	1.0000	\$14.30	\$4.67
1953	55.50	\$505.00	28.00	2.24	0.0712	1.0000	\$35.95	\$16.05
1952	56.50	\$97.00	28.00	2.05	0.0650	1.0000	\$6.31	\$3.08
1950	58.50	\$304.00	28.00	1.66	0.0527	1.0000	\$16.02	\$9.66
1949	59.50	\$1,116.00	28.00	1.48	0.0470	1.0000	\$52.46	\$35.47
1948	60.50	\$536.00	28.00	1.29	0.0409	1.0000	\$21.93	\$17.04
1945	63.50	\$434.00	28.00	0.68	0.0215	1.0000	\$9.33	\$13.80
1944	64.50	\$322.00	28.00	0.23	0.0073	1.0000	\$2.35	\$10.24
1942	66.50	\$1,884.00	28.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1941	67.50	\$117.00	28.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1940	68.50	\$430.00	28.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1939	69.50	\$342.00	28.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1938	70.50	\$43,738.00	28.00	0.00	0.0000	0.0000	\$0.00	\$0.00
		\$19,910,321.83	28.00	12.15	0.3863	1.0000	\$7,691,547.91	\$631,385.42

Depreciation Reserve Summary

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Account: KEPCo 101/6 391 - KY
 Scenario: KEPCO GENERAL 2008
 Dispersion: 35 - SQ

Original Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2009

	Plant Amt	Depreciation Reserve		Net Plant	
		Amount	Ratio	Amount	Ratio
Recorded	\$1,312,821.14	\$145,379.54	0.1107	\$1,167,441.60	0.8893
Computed	\$1,312,821.14	\$297,123.38	0.2263	\$1,015,697.76	0.7737
Difference		(\$151,743.84)	-0.1156	\$151,743.84	0.1156

Account: KEPCo 101/6 391 - KY

Dispersion: 35.00 - SQ

Average Net Salvage Rate: 0.00%

Core Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2008	0.50	\$3,650.88	35.00	34.50	0.9857	1.0000	\$3,598.72	\$104.31
2007	1.50	\$163,270.19	35.00	33.50	0.9571	1.0000	\$156,272.90	\$4,664.86
2005	3.50	\$26,368.25	35.00	31.50	0.9000	1.0000	\$23,731.43	\$753.38
2004	4.50	\$278,932.15	35.00	30.50	0.8714	1.0000	\$243,069.45	\$7,969.49
2002	6.50	\$379,083.62	35.00	28.50	0.8143	1.0000	\$308,682.38	\$10,830.96
2001	7.50	\$108,531.78	35.00	27.50	0.7857	1.0000	\$85,274.97	\$3,100.91
2000	8.50	\$4,468.27	35.00	26.50	0.7571	1.0000	\$3,383.12	\$127.66
1999	9.50	\$127,468.00	35.00	25.50	0.7286	1.0000	\$92,869.54	\$3,641.94
1998	10.50	\$54,995.00	35.00	24.50	0.7000	1.0000	\$38,496.50	\$1,571.29
1994	14.50	\$6,656.00	35.00	20.50	0.5857	1.0000	\$3,898.51	\$190.17
1986	22.50	\$141,643.00	35.00	12.50	0.3571	1.0000	\$50,586.79	\$4,046.94
1985	23.50	\$17,754.00	35.00	11.50	0.3286	1.0000	\$5,833.46	\$507.26
		\$1,312,821.14	35.00	27.08	0.7737	1.0000	\$1,015,697.76	\$37,509.18

Depreciation Reserve Summary

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Account: KEPCo 101/6 392 - KY
 Scenario: KEPCO GENERAL 2008
 Dispersion: 30 - SQ

Age Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2009

	Plant Amt	Depreciation Reserve		Net Plant	
		Amount	Ratio	Amount	Ratio
Recorded	\$9,654.90	\$900.57	0.0933	\$8,754.33	0.9067
Computed	\$9,654.90	\$1,840.56	0.1906	\$7,814.34	0.8094
Difference		(\$939.99)	-0.0974	\$939.99	0.0974

Account: KEPCo 101/6 392 - KY

Dispersion: 30.00 - SQ

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2007	1.50	\$3,835.70	30.00	28.50	0.9500	1.0000	\$3,643.91	\$127.86
2000	8.50	\$5,819.20	30.00	21.50	0.7167	1.0000	\$4,170.43	\$193.97
		\$9,654.90	30.00	24.28	0.8094	1.0000	\$7,814.34	\$321.83

Depreciation Reserve Summary

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Account: KEPCo 101/6 393 - KY
 Scenario: KEPCO GENERAL 2008
 Dispersion: 30 - SQ

Average Net Salvage Rate: 5.00%
 Future Net Salvage Rate: 5.00%

Broad Group Procedure

January 1, 2009

	Plant Amt	<u>Depreciation Reserve</u>		<u>Net Plant</u>	
		Amount	Ratio	Amount	Ratio
Recorded	\$142,851.30	\$16,184.25	0.1133	\$119,524.48	0.8367
Computed	\$142,851.30	\$33,077.00	0.2315	\$102,631.73	0.7185
Difference		(\$16,892.75)	-0.1183	\$16,892.75	0.1183

Account: KEPCo 101/6 393 - KY

Dispersion: 30.00 - SQ

Average Net Salvage Rate: 5.00%

Pure Net Salvage Rate: 5.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2008	0.50	\$35,994.81	30.00	29.50	0.9342	1.0000	\$33,625.15	\$1,139.84
2006	2.50	\$9,819.85	30.00	27.50	0.8708	1.0000	\$8,551.45	\$310.96
2004	4.50	\$39,480.64	30.00	25.50	0.8075	1.0000	\$31,880.62	\$1,250.22
1995	13.50	\$25,233.00	30.00	16.50	0.5225	1.0000	\$13,184.24	\$799.05
1994	14.50	\$27,200.00	30.00	15.50	0.4908	1.0000	\$13,350.67	\$861.33
1992	16.50	\$4,331.00	30.00	13.50	0.4275	1.0000	\$1,851.50	\$137.15
1986	22.50	\$792.00	30.00	7.50	0.2375	1.0000	\$188.10	\$25.08
		\$142,851.30	30.00	22.69	0.7185	1.0000	\$102,631.73	\$4,523.62

Depreciation Reserve Summary

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Account: KEPCo 101/6 394 - KY
 Scenario: KEPCO GENERAL 2008
 Dispersion: 30 - SQ

Age Net Salvage Rate: 5.00%
 Future Net Salvage Rate: 5.00%

Broad Group Procedure

January 1, 2009

	Plant Amt	Depreciation Reserve		Net Plant	
		Amount	Ratio	Amount	Ratio
Recorded	\$2,579,395.57	\$259,151.36	0.1005	\$2,191,274.43	0.8495
Computed	\$2,579,395.57	\$529,647.62	0.2053	\$1,920,778.17	0.7447
Difference		(\$270,496.26)	-0.1049	\$270,496.26	0.1049

Account: KEPCo 101/6 394 - KY

Dispersion: 30.00 - SQ

verage Net Salvage Rate: 5.00%

ure Net Salvage Rate: 5.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2008	0.50	\$624,981.66	30.00	29.50	0.9342	1.0000	\$583,837.03	\$19,791.09
2007	1.50	\$142,821.02	30.00	28.50	0.9025	1.0000	\$128,895.97	\$4,522.67
2006	2.50	\$30,324.75	30.00	27.50	0.8708	1.0000	\$26,407.80	\$960.28
2005	3.50	\$139,568.65	30.00	26.50	0.8392	1.0000	\$117,121.36	\$4,419.67
2004	4.50	\$401,347.62	30.00	25.50	0.8075	1.0000	\$324,088.20	\$12,709.34
2003	5.50	\$108,886.81	30.00	24.50	0.7758	1.0000	\$84,478.02	\$3,448.08
2002	6.50	\$8,900.52	30.00	23.50	0.7442	1.0000	\$6,623.47	\$281.85
2001	7.50	\$154,805.23	30.00	22.50	0.7125	1.0000	\$110,298.73	\$4,902.17
2000	8.50	\$209,912.86	30.00	21.50	0.6808	1.0000	\$142,915.67	\$6,647.24
1999	9.50	\$242,443.45	30.00	20.50	0.6492	1.0000	\$157,386.21	\$7,677.38
1998	10.50	\$135,419.00	30.00	19.50	0.6175	1.0000	\$83,621.23	\$4,288.27
1997	11.50	\$113,910.00	30.00	18.50	0.5858	1.0000	\$66,732.27	\$3,607.15
1996	12.50	\$26,579.00	30.00	17.50	0.5542	1.0000	\$14,729.20	\$841.67
1994	14.50	\$2,744.00	30.00	15.50	0.4908	1.0000	\$1,346.85	\$86.89
1992	16.50	\$21,422.00	30.00	13.50	0.4275	1.0000	\$9,157.91	\$678.36
1991	17.50	\$65,186.00	30.00	12.50	0.3958	1.0000	\$25,802.79	\$2,064.22
1990	18.50	\$23,112.00	30.00	11.50	0.3642	1.0000	\$8,416.62	\$731.88
1987	21.50	\$8,923.00	30.00	8.50	0.2692	1.0000	\$2,401.77	\$282.56
1986	22.50	\$69,679.00	30.00	7.50	0.2375	1.0000	\$16,548.76	\$2,206.50
1985	23.50	\$48,429.00	30.00	6.50	0.2058	1.0000	\$9,968.30	\$1,533.59
		\$2,579,395.57	30.00	23.52	0.7447	1.0000	\$1,920,778.17	\$81,680.86

Depreciation Reserve Summary

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Account: KEPCo 101/6 395 - KY
 Scenario: KEPCO GENERAL 2008
 Dispersion: 30 - SQ
 Age Net Salvage Rate: 5.00%
 Future Net Salvage Rate: 5.00%

Broad Group Procedure

January 1 , 2009

	Plant Amt	Depreciation Reserve		Net Plant	
		Amount	Ratio	Amount	Ratio
Recorded	\$262,378.70	\$72,215.81	0.2752	\$177,043.96	0.6748
Computed	\$262,378.70	\$147,593.02	0.5625	\$101,666.75	0.3875
Difference		(\$75,377.21)	-0.2873	\$75,377.21	0.2873

Account: KEPCo 101/6 395 - KY

Dispersion: 30.00 - SQ

Average Net Salvage Rate: 5.00%

Core Net Salvage Rate: 5.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2005	3.50	\$1,833.80	30.00	26.50	0.8392	1.0000	\$1,538.86	\$58.07
2004	4.50	\$11,433.43	30.00	25.50	0.8075	1.0000	\$9,232.49	\$362.06
2002	6.50	\$7,357.47	30.00	23.50	0.7442	1.0000	\$5,475.18	\$232.99
1999	9.50	\$3,800.00	30.00	20.50	0.6492	1.0000	\$2,466.83	\$120.33
1998	10.50	\$9,244.00	30.00	19.50	0.6175	1.0000	\$5,708.17	\$292.73
1996	12.50	\$28,363.00	30.00	17.50	0.5542	1.0000	\$15,717.83	\$898.16
1992	16.50	\$23,978.00	30.00	13.50	0.4275	1.0000	\$10,250.59	\$759.30
1991	17.50	\$31,455.00	30.00	12.50	0.3958	1.0000	\$12,450.94	\$996.08
1990	18.50	\$24,300.00	30.00	11.50	0.3642	1.0000	\$8,849.25	\$769.50
1987	21.50	\$55,513.00	30.00	8.50	0.2692	1.0000	\$14,942.25	\$1,757.91
1986	22.50	\$51,612.00	30.00	7.50	0.2375	1.0000	\$12,257.85	\$1,634.38
1985	23.50	\$13,489.00	30.00	6.50	0.2058	1.0000	\$2,776.49	\$427.15
		\$262,378.70	30.00	12.24	0.3875	1.0000	\$101,666.74	\$8,308.66

Depreciation Reserve Summary

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Account: KEPCo 101/6 396 - KY
 Scenario: KEPCO GENERAL 2008
 Dispersion: 8 - SQ
 Average Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2009

	Plant Amt	Depreciation Reserve		Net Plant	
		Amount	Ratio	Amount	Ratio
Recorded	\$5,931.29	\$2,357.97	0.3975	\$3,573.32	0.6025
Computed	\$5,931.29	\$4,819.17	0.8125	\$1,112.12	0.1875
Difference		(\$2,461.20)	-0.4150	\$2,461.20	0.4150

Account: KEPCo 101/6 396 - KY

Dispersion: 8.00 - SQ

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2002	6.50	\$5,931.29	8.00	1.50	0.1875	1.0000	\$1,112.12	\$741.41
		\$5,931.29	8.00	1.50	0.1875	1.0000	\$1,112.12	\$741.41

Depreciation Reserve Summary

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Account: KEPCo 101/6 397 - KY
 Scenario: KEPCO GENERAL 2008
 Dispersion: 22 - SQ
 age Net Salvage Rate: 8.00%
 Future Net Salvage Rate: 8.00%

Broad Group Procedure

January 1, 2009

	Plant Amt	<u>Depreciation Reserve</u>		<u>Net Plant</u>	
		Amount	Ratio	Amount	Ratio
Recorded	\$6,755,007.87	\$1,042,002.19	0.1543	\$5,172,605.05	0.7657
Computed	\$6,755,007.87	\$2,129,620.22	0.3153	\$4,084,987.02	0.6047
Difference		(\$1,087,618.03)	-0.1610	\$1,087,618.03	0.1610

Account: KEPCo 101/6 397 - KY

Dispersion: 22.00 - SQ

verage Net Salvage Rate: 8.00%

ure Net Salvage Rate: 8.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2008	0.50	\$1,305,400.97	22.00	21.50	0.8991	1.0000	\$1,173,674.14	\$54,589.50
2007	1.50	\$187,516.91	22.00	20.50	0.8573	1.0000	\$160,753.13	\$7,841.62
2006	2.50	\$818,515.02	22.00	19.50	0.8155	1.0000	\$667,461.79	\$34,228.81
2005	3.50	\$373,813.79	22.00	18.50	0.7736	1.0000	\$289,195.94	\$15,632.21
2004	4.50	\$505,781.69	22.00	17.50	0.7318	1.0000	\$370,140.24	\$21,150.87
2003	5.50	\$370,198.37	22.00	16.50	0.6900	1.0000	\$255,436.88	\$15,481.02
2002	6.50	\$54,039.58	22.00	15.50	0.6482	1.0000	\$35,027.47	\$2,259.84
2001	7.50	\$55,586.09	22.00	14.50	0.6064	1.0000	\$33,705.38	\$2,324.51
2000	8.50	\$152,600.66	22.00	13.50	0.5645	1.0000	\$86,150.01	\$6,381.48
1999	9.50	\$22,735.79	22.00	12.50	0.5227	1.0000	\$11,884.62	\$950.77
1998	10.50	\$1,604,245.00	22.00	11.50	0.4809	1.0000	\$771,496.00	\$67,086.61
1997	11.50	\$65,864.00	22.00	10.50	0.4391	1.0000	\$28,920.28	\$2,754.31
1996	12.50	\$82,417.00	22.00	9.50	0.3973	1.0000	\$32,742.03	\$3,446.53
1995	13.50	\$40,376.00	22.00	8.50	0.3555	1.0000	\$14,351.83	\$1,688.45
1994	14.50	\$69,705.00	22.00	7.50	0.3136	1.0000	\$21,862.02	\$2,914.94
1993	15.50	\$62,827.00	22.00	6.50	0.2718	1.0000	\$17,077.52	\$2,627.31
1992	16.50	\$89,029.00	22.00	5.50	0.2300	1.0000	\$20,476.67	\$3,723.03
1991	17.50	\$381,669.00	22.00	4.50	0.1882	1.0000	\$71,823.17	\$15,960.70
1990	18.50	\$43,721.00	22.00	3.50	0.1464	1.0000	\$6,399.16	\$1,828.33
1989	19.50	\$63,095.00	22.00	2.50	0.1045	1.0000	\$6,596.30	\$2,638.52
1988	20.50	\$106,507.00	22.00	1.50	0.0627	1.0000	\$6,680.89	\$4,453.93
1987	21.50	\$149,769.00	22.00	0.50	0.0209	1.0000	\$3,131.53	\$6,263.07
1986	22.50	\$73,742.00	22.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1985	23.50	\$75,853.00	22.00	0.00	0.0000	0.0000	\$0.00	\$0.00
		\$6,755,007.87	22.00	14.46	0.6047	1.0000	\$4,084,987.02	\$276,226.36

Depreciation Reserve Summary

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Account: KEPCo 101/6 398 - KY
 Scenario: KEPCO GENERAL 2008
 Dispersion: 20 - SQ
 Current Net Salvage Rate: 0.00%
 Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2009

	Plant Amt	Depreciation Reserve		Net Plant	
		Amount	Ratio	Amount	Ratio
Recorded	\$974,319.73	\$129,027.54	0.1324	\$845,292.19	0.8676
Computed	\$974,319.73	\$263,703.53	0.2707	\$710,616.20	0.7293
Difference		(\$134,675.99)	-0.1382	\$134,675.99	0.1382

Account: KEPCo 101/6 398 - KY

Dispersion: 20.00 - SQ

verage Net Salvage Rate: 0.00%

ure Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2009

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2008	0.50	\$41,951.41	20.00	19.50	0.9750	1.0000	\$40,902.62	\$2,097.57
2007	1.50	\$169,092.56	20.00	18.50	0.9250	1.0000	\$156,410.62	\$8,454.63
2006	2.50	\$59,954.48	20.00	17.50	0.8750	1.0000	\$52,460.17	\$2,997.72
2005	3.50	\$30,390.25	20.00	16.50	0.8250	1.0000	\$25,071.96	\$1,519.51
2004	4.50	\$272,496.51	20.00	15.50	0.7750	1.0000	\$211,184.80	\$13,624.83
2002	6.50	\$305,030.32	20.00	13.50	0.6750	1.0000	\$205,895.47	\$15,251.52
2001	7.50	\$15,126.03	20.00	12.50	0.6250	1.0000	\$9,453.77	\$756.30
2000	8.50	\$13,951.17	20.00	11.50	0.5750	1.0000	\$8,021.92	\$697.56
1997	11.50	\$1,166.00	20.00	8.50	0.4250	1.0000	\$495.55	\$58.30
1993	15.50	\$1,822.00	20.00	4.50	0.2250	1.0000	\$409.95	\$91.10
1991	17.50	\$2,475.00	20.00	2.50	0.1250	1.0000	\$309.38	\$123.75
1988	20.50	\$4,764.00	20.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1987	21.50	\$2,110.00	20.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1986	22.50	\$49,620.00	20.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1985	23.50	\$4,370.00	20.00	0.00	0.0000	0.0000	\$0.00	\$0.00
		\$974,319.73	20.00	14.59	0.7293	1.0000	\$710,616.20	\$45,672.79